



HINDOOSTAN MILLS LIMITED

112th Annual Report 2015-2016

A THACKERSEY GROUP COMPANY



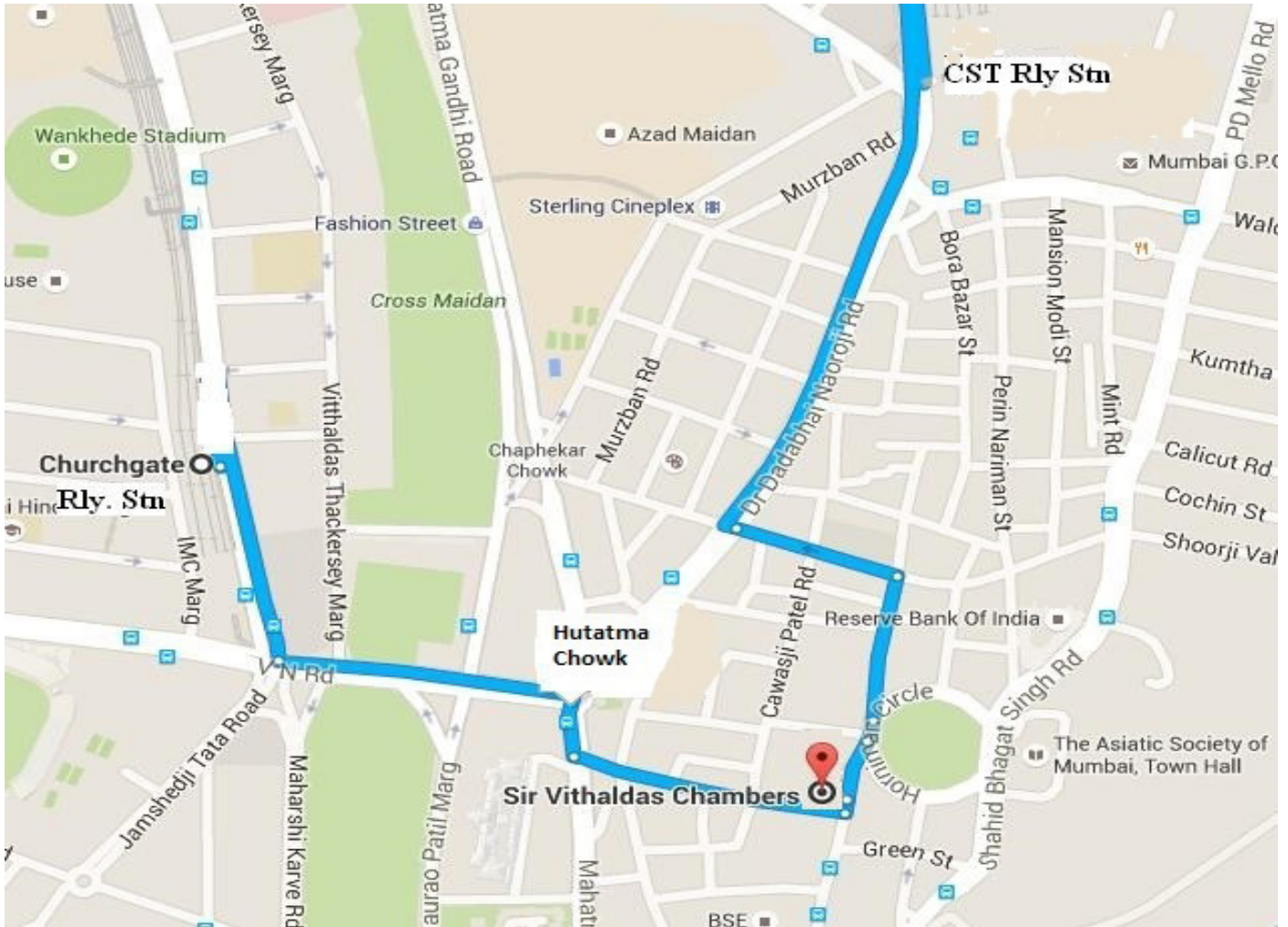
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**112th Annual General Meeting on Tuesday, August 09, 2016
at 11:00 AM at Sir Vithaldas Chambers,
16, Mumbai Samachar Marg,
Mumbai – 400 001.**

ROUTE MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING

Venue : Sir Vithaldas Chambers, 6th floor, 16, Mumbai Samachar Marg, Fort, Mumbai- 400 001



Landmark : Next to Bombay Stock Exchange

Distance from Churchgate Station : 1.5 km

Distance from Chhatrapati Shivaji Terminus : 1.1 km

Sudhir Thackersey
Chairman Emeritus

BOARD OF DIRECTORS

Raoul Thackersey
Chairman

Chandrabhas Thackersey
Vice Chairman

Hrishikesh Thackersey
Executive Director

Abhimanyu Thackersey
Executive Director

Naresh R. Kara
Non-Executive Director

Independent Directors

Krishnadas D. Vora

R. N. Bansal

P. B. Desai

Sujal A. Shah

Bhaves V. Panjuani

Vishwadhara Dahanukar

Nitin P. Shingala
(Director upto 11.8.2015)

Chief Financial Officer

Heena Shah

Company Secretary & President

Jagat Reshamwala

Registered Office

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

CIN: L17121MH1904PLC000195

Auditors

M.A. Parikh & Co.,
Chartered Accountants

Solicitors

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

Bankers

HDFC Bank Ltd.
Axis Bank Ltd.

Plant Location

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

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

Registrar & Transfer Agents

Computech Sharecap Limited
147, Mahatma Gandhi Road,
Opp. Jehangir Art Gallery,
Mumbai - 400 023.
022 – 22635000/1/2/3/4
022 – 22635005
helpdesk@compuetechsharecap.com
www.compuetechsharecap.com

NOTICE

Notice is hereby given that the 112th Annual General Meeting (AGM) of the Members of Hindoostan Mills Limited will be held on Tuesday, August 09, 2016 at 11.00 a.m. at “Sir Vithaldas Chambers”, 6th Floor, 16, Mumbai Samachar Marg, Fort, Mumbai- 400 001 to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2016, together with the Reports of the Directors and the Auditors.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Naresh Kara (DIN: 00061271) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Hrishikesh Thackersey (DIN: 00349752) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.
5. To ratify the appointment of M/s. M.A. Parikh & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year 2016-17 and to fix their remuneration.

“RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the Resolution passed by the Members at the AGM held on December 12, 2014, the appointment of M/s. M.A. Parikh & Co., Chartered Accountants (Registration No. 107556W) as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2019 be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration and reimbursement of actual out of pocket expenses incurred by them for the purpose of audit for the financial Year ending March 31, 2017.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read

with Schedule V to the Companies Act, 2013 and subject to approval of the Shareholders of the Company and such other approvals as may be necessary under the provisions of the said Act, the Company hereby accords its approval to the re-appointment of and payment of remuneration to Mr. Abhimanyu Thackersey (DIN: 00349682) as the Wholetime Director of the Company designated as “Executive Director” of the Company, for a further period of 5 years with effect from June 08, 2016 to June 07, 2021.

- (i) Period of appointment: 5 years from June 08, 2016 to June 07, 2021.
- (ii) Duties and powers: Mr. Abhimanyu Thackersey shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him subject to superintendence, control and direction of the Board of Directors of the Company.
- (iii) Remuneration: The remuneration to Mr. Abhimanyu Thackersey during his tenure as an Executive Director of the Company is as follows:

A. Salary:

Salary of ₹2,75,000/- per month, in the scale of ₹2,00,000 - ₹5,00,000 per month, with liberty to the Board of Directors to grant such increments as it may in its absolute discretion deem fit and as may be recommended by Nomination & Remuneration Committee within the limits specified under Schedule V to the Companies Act, 2013.

B. Perquisites:

- a) Mr. Abhimanyu Thackersey shall be entitled to such benefits, perquisites and allowances including furnished accommodation or house rent allowance, provision of gas, electricity, water, furnishings and maintenance in respect of such accommodation, medical re-imbursement for self and family, two club fees and such other perquisites and allowances and on such terms and conditions as the Board of Directors may in its absolute discretion determine from time to time.

- b) Company's contribution to Provident Fund and Superannuation Fund shall not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act as applicable from time to time. Gratuity payable shall not exceed half a month's salary for each completed year of service and shall not be included in the computation for the ceiling on remuneration.
 - c) Car facility primarily for the purpose of the business of the Company.
- C. In the event of loss or inadequate profits during the currency of his tenure, the Executive Director shall be paid such remuneration by way of salary and perquisites as may be determined by the Board of Directors on recommendation of the Nomination & Remuneration Committee, subject to the ceiling as specified in Para (A) of Section II of Part II of Schedule V to the Companies Act, 2013 (as amended from time to time).

(iv) Other conditions:

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under read with Schedule IV of the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions of Listing Obligations and Disclosure Requirement 2015

(LODR), Mr. Krishnadas D. Vora (DIN 00883649), be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a term of 2 (Two) consecutive years commencing from the date of 112th AGM till conclusion of 114th AGM of the Company to be held in calendar year 2018.

RESOLVED FURTHER THAT Mr. Abhimanyu Thackersey, Executive Director and/or Mr. Hrishikesh Thackersey, Executive Director and/or Mr. Jagat Reshamwala, Company Secretary and President be and hereby authorised severally to do all such steps as may be necessary, proper or expedient to give effect to this Resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2015 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and subject to such guidelines and approval as may be required from the Central Government, the Cost Auditors, appointed by the Board of Directors of the Company viz. M/s. Anant Ashok Katyare & Co., Cost Accountants (Regd. No. 31470), C-IV-6 & 7, Sterling Towers, Shahupuri, Kolhapur, Maharashtra - 416 001 to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 be paid a remuneration of ₹1,05,000/- (Rupees One lakh five thousand Only) plus applicable taxes.

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

By Order of the Board of Directors,

Jagat Reshamwala
Company Secretary & President

May 04, 2016

Registered Office:

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

CIN: L17121MH1904PLC000195

email: complaint@hindoostan.com

NOTES:

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

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. In terms of Section 152 of the Companies Act, 2013, Mr. Naresh Kara (DIN: 00061271) and Mr. Hrishikesh Thackersey (DIN: 00349752), Directors, retire by rotation at the Meeting and being eligible, offer themselves for reappointment. The Board of Directors of the Company commend their respective re-appointments. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) are provided in Annexure to the Notice.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying

Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

8. The Company has notified closure of Register of Members and Share Transfer Books from August 3, 2016 to August 09, 2016 (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.

The dividend will be paid on or after August 09, 2016:

- (a) to those Members, whose names appears on the Register of Members of the Company at the close of business hours on August 02, 2016 after giving effect to all valid transfers in respect of transfer requests lodged with the Company and/or its Registrar and its Transfer Agents on or before the close of business hours on August 02, 2016;
- (b) in respect of the shares held in dematerialized form, the dividend will be paid to all beneficial owners as per the details furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of business hours on August 02, 2016.
9. Members holding shares in dematerialised form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Computech Sharecap Ltd., (“Computech”) cannot act on any request received directly from the Members holding shares in dematerialised form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the Members.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Computech Sharecap Ltd.
11. Member holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease of portfolio management. Members can contact Company or Computech for assistance in these regards.
12. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred

the unclaimed or un-encashed dividends paid up to the year 2008 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company transfers the unclaimed or un-encashed dividend to IEPF after the expiry of seven years from the date of transfer to unpaid dividend account.

Members who have valid claim to any unclaimed dividends which are not yet transferred may claim the same from the Company immediately. The detailed dividend history and due dates for transfer to IEPF are available on website of the Company, www.hindoostan.com and is also published in this Annual Report under the section titled 'Report on Corporate Governance.' Further pursuant to provision of Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on August 11, 2015, i.e., the date of last AGM, in respect of dividends paid since the year 2009 up to the year 2014, on the website of the Company and also filed the same with the Ministry of Corporate Affairs.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Computech.
14. 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. Members holding shares in dematerialised form may submit the same to their respective depository participant.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Computech, for consolidation into a single folio.
16. Non-Resident Indian Members are requested to inform Computech, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.

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

17. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
18. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, companies can serve Annual Report and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in physical form, who have not registered their email address with the Company, are requested to submit their request with their valid email address to Computech. Members holding shares in dematerialised form are requested to register/update their email address with their Depository Participant directly. Members of the Company, who have registered their email address, are entitled to receive such communication in physical form upon request.

Accordingly, electronic copy of the Annual Report for the financial year 2015-16 and Notice of the 112th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email address are registered with the Company / Depository for communication purposes unless any Member has requested for a hard copy of the same. Even after registering for e-communication, Members are entitled to receive the same in physical form, upon making a request in this regard, by post at free of cost. For this purpose, the Members may also send requests to the designated email address i.e. complaint@hindoostan.com.

For Members who have not registered their email address with the Company / Depository, the physical copy of the Annual Report for the financial year 2015-16 and Notice of the 112th Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through the permitted mode.

19. Members may also note that the Annual Report for the financial year 2015-16 and the Notice of the 112th Annual General Meeting will also be available on the Company's website i.e. www.hindoostan.com.

20. The route map showing directions to reach the venue of the 112th AGM is annexed.
21. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

PROCESS FOR MEMBERS OPTING FOR E-VOTING

22. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

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

- (i) The voting period begins on Friday, August 5, 2016 at 9.00 a.m. and ends on Monday, August 8, 2016 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 Tuesday, August 2, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders".
- (v) Now Enter your User ID
 - a. For CDSL : 16 digits beneficiary ID
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID
 - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in dematerialized 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.

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

For Members holding shares in Dematerialized Form and Physical Form
PAN
Enter your 10 digit alpha-numeric PAN issued by Income Tax Department
- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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.
If the details are not recorded with the depository or Company please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant "Hindoostan Mills Ltd." on which you choose to vote.

- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the Resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non - Individual Shareholders and Custodians**
- Non - Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
23. 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 Tuesday, August 2, 2016.
24. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
25. 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.
26. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
27. 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.
28. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website i.e. www.hindustan.com and on the website of CDSL within two (2) days of passing of the Resolutions at the Annual General Meeting of the Company. The Results will also be communicated to the Stock Exchange where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

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

Item No. 6

The Nomination and Remuneration Committee at its Meeting held on May 04, 2016 and the Board at its Meeting held on the same day had, subject to the Members' approval and according to the provisions of the Articles of Association of the Company re-appointed Mr. Abhimanyu Thackersey (DIN: 00349682) as the Whole-time Director designated as Executive Director of the Company for a further period of 5 (five) years with effect from June 08, 2016 to June 07, 2021 on the remuneration and terms and conditions of the employment recommended by the Nomination and Remuneration Committee of the Board.

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

Further, pursuant to the provisions of Section 197 read together with Schedule V of the Act, in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration upto the ceiling limits as specified in Schedule V subject to the Members' approval by way of an Ordinary Resolution.

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

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

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested in the said Resolutions, except for Mr. Abhimanyu Thackersey and Mr. Hrishikesh Thackersey, in Resolution at Item No. 6 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 owned a Calendar Roll manufacturing facility. It has set-up Technical Textile manufacturing facility and moving towards manufacturing of Composite Reinforcement Fabrics.
- (2) Date or expected date of commencement of commercial production: The Company was incorporated on May 12, 1904 and is in business since then.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA.
- (4) Financial performance based on given indicators-
As per audited financial results for the accounting year ended March 31, 2016

Particulars	(₹ in lakhs)
Revenue from operations	15,925.53
Net (Loss) as per statement of Profit and Loss	(225.38)
Reserves and Surplus	8,195.13

- (5) Export performance and net foreign exchange collaborations, Foreign Exchange Earnings for the financial year ended March 31, 2016 was: ₹ 2739.36 lakhs
- (6) Foreign investments or collaborators, if any: Nil

II. Information about the appointees - Mr. Abhimanyu Thackersey:

- (1) Background details:

Mr. Abhimanyu Thackersey, aged 33, is a B.A. in Economics from The University of Michigan-Ann Arbor and has been associated with the Company for more than 14 years. He was also appointed as the Chairman of the Bombay Textile Research Association on August 8, 2012. Mr. Abhimanyu Thackersey has undertaken specialized training in the textile industry in India and abroad with rich experience in the commercial aspects of production, marketing, finance and accounts.

(2) Past remuneration for the Financial Year 2015-16:

Mr. Abhimanyu Thackersey has drawn ₹38.45 lakhs remuneration including perquisites, superannuation and contribution to provident fund.

(3) Recognition or awards: Nil.

(4) Job profile and suitability:

Mr. Abhimanyu Thackersey is responsible for the day to day management, subject to the direction and control of the Board of Directors. 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 extensive experience of Mr. Abhimanyu Thackersey will be useful and beneficial to the Company in its overall development and growth.

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

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

Taking into consideration the size of the Company, the profile of Mr. Abhimanyu 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 top / senior level appointees in other companies.

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

Besides the remuneration paid / payable to Mr. Abhimanyu Thackersey, he does not have any other pecuniary relationship with the Company. The pecuniary relationship with his relatives is stated in the point no. XVIII, Note 27B to the Accounts forming part of this Annual Report.

This may be treated as an abstract of the terms of appointment and remuneration payable to Mr. Abhimanyu Thackersey with effect from June 08, 2016.

In the event of loss or inadequacy of profits in any year during the aforesaid tenure, Mr. Abhimanyu 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. 7

Mr. Krishnadas D. Vora (DIN 00883649) was appointed as an Independent Director of the Company at 110th Annual General Meeting ('AGM') held on December 12, 2014 and whose term of office expires at 112th AGM.

Mr. Krishnadas D. Vora has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Independent Director for one more term of 2 (Two) year.

In the opinion of the Board, Mr. Krishnadas D. Vora previous term performance was satisfactory and he also fulfill the conditions for the re-appointment as an Independent Director as specified in the Act and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (LODR) provisions.

A Brief resume of Mr. Krishnadas D. Vora as required to be given pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, is provided herewith as an annexure.

Copy of the draft letter for his re-appointment setting out the terms and conditions is available for inspection by Members at the Registered Office of the Company.

Mr. Krishnadas D. Vora and the relatives of Mr. Krishnadas D. Vora may be deemed to be interested in the resolution set out at the Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except Mr. Krishnadas D. Vora, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7.

Accordingly, the Board recommends the passing of the Special Resolution as set out in the Item no. 7 of the Notice for appointment of Mr. Krishnadas D. Vora as an Independent Director, not liable to retire by rotation.

III. Other information:

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

As at March 31, 2016 the Company has incurred a loss of ₹225.38 lakhs and in the coming and subsequent years, though it is likely that owing to the nature of the industry, there may be inadequate profits, the Company shall take effective steps for improvement of output and profit.

Item No.8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s. Anant Ashok Katyare & Co., Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 at a remuneration of ₹1,05,000/- plus taxes as applicable.

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

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.8 of the Notice for approval by the Members.

By Order of the Board of Directors

Jagat Reshamwala
Company Secretary & President

May 04, 2016

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

Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard & issued by the Institute of Company Secretaries of India details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are as follows:

Name of the Director	Hrishikesh Thackersey	Abhimanyu Thackersey	Naresh Kara	Krishnadas Vora
Date of Birth	20.11.1978	13.08.1982	16.06.1932	11.05.1929
Date of appointment	23.07.2009	09.05.2011	30.01.2008	30.04.2007
Qualifications	M.B.A.	B.A. in Economics	B.Com.	Matriculate
Expertise in specific functional areas	Experience in strategy, project analysis, financial instruments and investments.	Experience in textile industry and rich experience in commercial aspects of production, marketing, finance and accounts	Insurance and Banking	Finance and business
Directorship held in other Public Companies	Nil	Nil	Capricon Realty Ltd.	- Capricon Realty Ltd. - Bhishma Realty Ltd.
Membership / Chairmanship of Committees of other Public Companies	Nil	Nil	Nil	Nomination and Remuneration committee- Capricon Realty Ltd.-Member
Number of shares held in the Company	26,621 Equity Shares	34,573 Equity Shares	Nil	100 Equity Shares
Relationship between directors inter-se	Brother of Abhimanyu Thackersey	Brother of Hrishikesh Thackersey	N.A.	N.A.

DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 112th Annual Report together with the Audited Financial Statements for the year ended March 31, 2016.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2016 is summarized below:

(₹ in lakhs)

	Current Year Ended 31.03.2016	Previous Year Ended 31.03.2015
Gross Profit before Interest, Depreciation and Tax	1,084.27	476.36
Less: Finance Cost	331.34	195.07
Gross Profit after interest but before Depreciation	752.93	281.29
Less: Depreciation	1181.82	1011.38
Profit before Exceptional and Extraordinary Items and Tax	(428.89)	(730.09)
Add: Exceptional Items	222.54	41.50
Profit / (Loss) before Taxation	(206.35)	(688.59)
Less: (Excess) / Short Provision of Tax of earlier year	19.03	--
Profit after Tax	(225.38)	(688.59)
Balance brought forward from last year	2.96	684.35
Add: Transfer from General Reserve	312.81	87.10
Amount available for appropriation	90.39	82.86
Less: Proposed Dividend	74.90	66.58
Less: Tax on proposed Dividend	15.25	13.32
Less: Short provision of Tax on proposed Dividend for the year 2014-15	0.24	--
Balance carried to Balance Sheet	--	2.96

REVIEW OF OPERATIONS:

The revenue from operations of the Company for the financial year 2015-16 is ₹15,925.53 lakhs. The Loss before tax is ₹206.35 lakhs. The performance and overall view of the Textile, Engineering and Composite business has been covered in the Management Discussion and Analysis which forms part of this Directors' Report.

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹4.50 per equity share (last year ₹4/- per equity share) for the financial year 2015-16, amounting to ₹90.15 lakhs (inclusive of dividend tax). The dividend payout is subject to approval of Members at the ensuing Annual General Meeting.

The dividend will be paid to Members whose names appear in the Register of Members as on August 02, 2016 and in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

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, 2016.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

DIRECTORS:

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

The Board of Directors had on the recommendation of the Nomination & Remuneration Committee reappointed Mr. Abhimanyu Thackersey as Whole-time Director of the Company designated as “Executive Director” for a term of 5(Five) years with effect from June 08, 2016 upto June 07, 2021 subject to the approval of the Members in the ensuing AGM.

Mr. Krishnadas D. Vora be re-appointed as an Independent Director of the Company not liable to retire by rotation to hold office for a term of 2 (Two) consecutive years commencing from the date of 112th AGM till conclusion of 114th AGM of the Company to be held in calendar year 2018.

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

Mr. Nitin Singala, Independent Director of the Company resigned w.e.f. August 11, 2015. The Board places on record its deep appreciation for the valuable contribution made by him during his tenure as Director of the Company.

Brief profiles of the Directors, proposed to be re-appointed as required under SEBI (Listing Obligations and Requirements) Regulations 2015, are part of the Notice convening the Annual General Meeting.

(a) Board Evaluation:

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

(b) Remuneration Policy:

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

(c) Meetings:

During the year four Board Meetings and four Audit Committee Meetings were convened and held. The details

of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

(d) Committees of the Board:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provision 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 financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed and there are no material departures;
- (b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (c) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that they have prepared the annual accounts on a going concern basis;
- (e) that they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

KEY MANAGERIAL PERSONNEL:

During the year Mr. Devanand Mojindra, Company Secretary resigned effective October 06, 2015 and Mr. Jagat Reshamwala was appointed as a Company Secretary and President effective November 16, 2015.

The Board of Directors at their Meeting held on May 04, 2016 accepted the resignation of Ms. Heena Shah, Chief Financial Officer effective May 16, 2016 and appointed Mr. K. Nandakumar as President (Finance and Accounts) effective May 04, 2016 to be designated as Chief Financial Officer effective May 17, 2016.

INDUSTRIAL RELATIONS:

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

Your Company has, during the year under review, transferred a sum of ₹32,670/- to Investor Education and Protection Fund, in compliance with the provisions of Section 125 of the Companies Act, 2013. The said amount remained unclaimed by the Members of the Company for a period exceeding 7 years from its due date of payment.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

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

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

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

CASH FLOW STATEMENT:

In conformity with the Accounting Standard 3 issued by the Institute of Chartered Accountants of India and the provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, the Cash Flow Statement for the year ended March 31, 2016 is annexed to the accounts.

PARTICULARS OF EMPLOYEES:

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

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

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

Mr. Hrishikesh Thackersey : 15.53

Mr. Abhimanyu Thackersey : 28.30

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

Directors, Chief Executive Officer, Company Secretary or Manager	% increase in remuneration in the financial year
Mr. Hrishikesh Thackersey, Executive Director	12.41
Mr. Abhimanyu Thackersey, Executive Director	27.19
Ms. Heena Shah	18.00
Mr. Devanand Mojindra (Up to October 06, 2015)	N.A.
Mr. Jagat Reshamwala, Company Secretary (w.e.f. November 16, 2015)	N.A.

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

5.05%

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

486 employees as on March 31, 2016 in Hindoostan Mills Limited.

- v) **The explanation on the relationship between average increase in remuneration and Company performance.**

The average increase of 13.57% in remuneration given in the Company was to partially offset the average inflation of 6.0% in the year 2015-16, as also to prevent any significant employee attrition at lower levels.

- vi) **Comparison of the remuneration of Key Managerial Personnel against the performance of the Company.**

The total remuneration of Key Managerial Personnel (including Executive Directors) increased by 26.18% whereas the Gross Profit before interest, Depreciation and Tax has been increased to ₹1,084.27 lakhs in 2015-16 (₹476.36 lakhs in 2014-15).

- vii) **Variation in the market capitalization of the Company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison**

to the rate at which the Company came out with the last public offer in case listed companies.

- a) Variation in the market capitalization of the Company: The market capitalization as on March 31, 2016 was ₹61.94 crore and was ₹65.58 crore as at March 31, 2015 at closing price on Stock Exchange.
 - b) As at March 31, 2016 the Company has incurred loss of (₹225.38) lakhs and Price Earning ratio of the Company (at closing price) was ₹27.48 as at March 31, 2016.
 - c) Present increase over / decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year: The Company has been in existence over 100 years. The equity shares of the Company were listed more than 40-50 years back. Hence, such old (the stock exchange) data is not available for comparison of share pricing at public offer.
- viii) **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 : 26.18%
Average Salary Increase for non-KMP's : 13.57%
- ix) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.**
- Same response as in point (vi) above
- x) **The key parameters for any variable component of remuneration availed by the Directors.**
- No Director has received any variable component of remuneration.
- xi) **The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.**
- Mr. Akhil Hebber 1.17
Dr. Milind Khandwe 1.09
Ms. Heena Shah 1.06
- xii) **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.

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

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

Foreign Exchange Earnings & Outgo:

(₹ in lakhs)

Particulars	31.03.2016	31.03.2015
Foreign exchange earned	2739.36	2676.23
Foreign exchange used	631.80	3089.35

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 Disclosures Requirements) Regulations 2015 is an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the Report on Corporate Governance.

EXTRACT OF ANNUAL RETURN:

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

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

In terms of the provisions of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company has constituted a Corporate Social Responsibility (CSR) Committee which is chaired by Mr. Raoul Thackersey. The other Members of the Committee are Mr. K.D.Vora and Mr. Sujal Shah. The Committee has formulated and recommended to the Board a

CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board and the same is available on your Company's website, www.hindoostan.com.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities is enclosed herewith as **Annexure -II**.

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 management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2015-16.

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:

(a) Statutory Auditors:

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

if they are re-appointed, it would be in accordance with provisions of Section 141 of the Companies Act, 2013.

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

(b) Cost Auditors:

The Board on recommendation of the Audit Committee, re-appointed M/s. Anant Ashok Katyare, Cost Accountants as Cost Auditors of the Company for the financial year 2016-17 on a remuneration of ₹1,05,000/- (Rupees One lakh Five Thousand Only) plus service tax as applicable for the said financial year and requested the Members to ratify the remuneration as recommended above.

(c) Secretarial Audit:

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

SEXUAL HARASSMENT:

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

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, 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,

Raoul Thackersey
Chairman

Mumbai, May 4, 2016

ANNEXURE-I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013

and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Textiles	5205, 5206, 5207, 5208, 5209, 5210, 5211, 5407	88.97%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	555960	--	555960	33.40	555976	--	555976	33.40	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	438368	--	438368	26.34	447526	--	447526	26.89	0.55
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):	994328	--	994328	59.74	1003502	--	1003502	60.29	0.55
(2) Foreign									
a) NRIs -Individuals	--	--	--	--	--	--	--	--	--
b) Other-Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	994328	--	994328	59.74	1003502	--	1003502	60.29	0.55
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	8	8	0.00	--	8	8	0.00	--
b) Banks / FI	408	1712	2120	0.13	408	1712	2120	0.13	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs									
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	408	1720	2128	0.13	408	1720	2128	0.13	--

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp	12320	1335	13655	0.82	10879	1335	12214	0.73	-0.09
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	334453	67125	401578	24.13	325211	64084	389295	23.39	-0.74
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	229361	--	229361	13.78	236521	--	236521	14.21	0.43
c) Others (specify) (NRI & OCB)	19059	4439	23498	1.41	16893	3995	20888	1.25	-0.16
Sub-total (B)(2):	595193	72899	668092	40.14	589504	69414	658918	39.58	-0.46
Total Public Shareholding (B)=(B)(1)+(B)(2)	595601	74619	670220	40.26	589912	71134	661046	39.71	-0.55
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	1589929	74619	1664548	100.00	1593414	71134	1664548	100.00	

(ii) Shareholding of Promoters

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Abhimanyu Investments Pvt Ltd	21977	1.32	--	21977	1.32	--	--
2	Abhimanyu J Thackersey	34573	2.08	--	34573	2.08	--	--
3	Ameeta J Thackersey	22660	1.36	--	25148	1.51	--	0.15
4	Bhavika Nimish Sonawala	3720	0.22	--	3720	0.22	--	--
5	Chandras K Thackersey	71184	4.28	--	71184	4.28	--	--
6	Chandrali Investment Pvt Ltd	87266	5.24	--	87266	5.24	--	--
7	Delta Investments Limited	95540	5.74	--	104698	6.29	--	0.55
8	Devaunshi A Mehta	2814	0.17	--	2814	0.17	--	--
9	Devaunshi Investments Pvt Ltd	59374	3.57	--	59374	3.57	--	--

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
10	Ellora Investment Private Ltd	57545	3.46	--	57545	3.46	--	--
11	Hrishikesh Investments Pvt Ltd	28937	1.74	--	28937	1.74	--	--
12	Hrishikesh J Thackersey	26621	1.60	--	26621	1.60	--	--
13	Jagdish U Thackersey	180586	10.85	--	180586	10.85	--	--
14	Khushaal C Thackersey	31638	1.90	--	31638	1.90	--	--
15	Leena C Thackersey	6474	0.39	--	6474	0.39	--	--
16	Malti U Thackersey	2488	0.15	--	--	--	--	--
17	Mitika C Thackersey	5987	0.36	--	5987	0.36	--	--
18	Nina S Thackersey	40024	2.40	--	40024	2.40	--	--
19	Paulomi B Jain	4580	0.28	--	4580	0.28	--	--
20	Paura Investments Pvt Ltd	22639	1.36	--	22639	1.36	--	--
21	Pushya Trading Pvt Ltd	16067	0.97	--	16067	0.97	--	--
22	Raoul S Thackersey	104690	6.29	--	104706	6.29	--	--
23	Sudhir K Thackersey	17921	1.08	--	17921	1.08	--	--
24	The Bhore Chemicals & Plastics Pvt Ltd.	37334	2.24	--	37334	2.24	--	--
25	Uranus Trading Pvt Ltd	11689	0.70	--	11689	0.70	--	--

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

Name of Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
Ameeta J Thackersey	22660	1.36	01.04.2015			
			06.11.2015	2488	25148	1.51
			31.03.2016		25148	1.51
Malti U Thackersey	2488	0.15	01.04.2015			
			06.11.2015	-2488	Nil	-0.15
			31.03.2016		Nil	
Raoul S Thackersey	104690	6.29	01.04.2015			
			04.09.2015	16	104706	6.29
			31.03.2016		104706	6.29
Delta Investments Ltd	95540	5.74	01.04.2015			
			10.04.2015	735	96275	5.78
			24.04.2015	850	97125	5.83
			15.05.2015	350	97475	5.86
			05.06.2015	200	97675	5.87
			12.06.2015	278	97953	5.88
			19.06.2015	877	98830	5.94

Name of Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
			10.07.2015	110	98940	5.94
			31.07.2015	22	98962	5.95
			21.08.2015	608	99570	5.98
			28.08.2015	276	99846	6.00
			04.09.2015	64	99910	6.00
			11.09.2015	1051	100961	6.07
			25.09.2015	300	101261	6.08
			27.11.2015	211	101472	6.10
			04.12.2015	665	102137	6.14
			11.12.2015	74	102211	6.14
			18.12.2015	166	102377	6.15
			29.02.2016	1091	103468	6.22
			04.03.2016	95	103563	6.22
			11.03.2016	685	104248	6.26
			31.03.2016	450	104698	6.29
			31.03.2016		104698	6.29

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Yogesh Uttamlal Mehta	47839	2.87	01.04.15				
				19.06.15	50	Transfer	47889	2.88
				30.06.15	150	Transfer	48039	2.89
				17.07.15	635	Transfer	48674	2.92
				24.07.15	67	Transfer	48741	2.93
				21.08.15	500	Transfer	49241	2.96
				30.09.15	150	Transfer	49391	2.97
				09.10.15	551	Transfer	49942	3.00
				16.10.15	547	Transfer	50489	3.03
				23.10.16	150	Transfer	50639	3.04
				06.11.15	147	Transfer	50786	3.05
				22.01.16	7	Transfer	50793	3.05
				12.02.16	100	Transfer	50893	3.06
				19.02.16	100	Transfer	50993	3.06
				11.03.16	261	Transfer	51254	3.08
				31.03.16	261	Transfer	51515	3.09
				31.03.16			51515	3.09

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase / Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
2	Hiren Naresh Kara	109161	6.56	01.04.15				
				15.05.15	2000	Transfer	111161	6.68
				23.10.15	875	Transfer	112036	6.73
				31.03.16			112036	6.73
3	Hitesh Ramji Javeri	23250	1.40	01.04.15				
				26.06.15	270	Transfer	23520	1.43
				10.07.15	280	Transfer	23800	1.43
				31.03.16			23800	1.43
4	Harsha Hitesh Javeri	21041	1.26	01.04.15				
				10.07.15	59	Transfer	21100	1.27
				31.03.16			21100	1.27
5	Kapila Manhar Mehta	15330	0.92	01.04.15				
				31.03.16			15330	0.92
6	Bijal Hiren Kara	12748	0.77	01.04.15				
				31.03.16			12748	0.77
7	Payal Anant Sampat	10410	0.63	01.04.15				
				08.05.15	-2000	Transfer	8410	0.51
				23.10.15	-875	Transfer	7535	0.45
				31.03.16			7535	0.45
8	Pradeep G. Vora	8874	0.53	01.04.15				
				31.03.16			8874	0.53
9	Chirayush Pravin Vakil	8171	0.49	01.04.15				
				17.07.15	27	Transfer	8198	0.49
				24.07.15	139	Transfer	8337	0.50
				05.08.15	4	Transfer	8341	0.50
				14.08.15	161	Transfer	8502	0.51
				24.08.15	289	Transfer	8791	0.53
				18.09.15	58	Transfer	8849	0.53
				25.09.15	25	Transfer	8874	0.53
				30.09.15	166	Transfer	9040	0.54
				09.10.15	859	Transfer	9899	0.59
				31.03.16			9899	0.59
10	M Vijayakumar	6891	0.41	01.04.15				
				31.03.16			6891	0.41

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Directors						
1	Mr. Raoul Thackersey	01.04.2015		1,04,690	6.29		
		04.09.2015	Purchase of shares			16	
		31.03.2016				1,04,706	6.29
2	Mr. Chandrahas Thackersey	01.04.2015		71,184	4.28		
		31.03.2016				71,184	4.28
3	Mr. Hrishikesh Thackersey	01.04.2015		26,621	1.60		
		31.03.2016				26,621	1.60
4	Mr. Abhimanyu Thackersey	01.04.2015		34,573	2.08		
		31.03.2016				34,573	2.08
5	Mr. K. D. Vora	01.04.2015		100	0.00		
		31.03.2016				100	0.00
6	Mr. R.N. Bansal	01.04.2015		Nil	0.00		
		31.03.2016				Nil	0.00
7	Mr. P.B. Desai	01.04.2015		Nil	0.00		
		31.03.2016				Nil	0.00
8	Mr. Sujal A. Shah	01.04.2015		Nil	0.00		
		31.03.2016				Nil	0.00
9	Mr. Bhavesh V. Panjuani	01.04.2015		Nil	0.00		
		31.03.2016				Nil	0.00
10	Mr. Nitin P. Shingala	01.04.2015		Nil	0.00		
		31.03.2016				Nil	0.00
11	Ms. Vishwadhara Dahanukar	01.04.2015		Nil	0.00		
		31.03.2016				Nil	0.00
12	Mr. Naresh R. Kara	01.04.2015		Nil	0.00		
		31.03.2016				Nil	0.00
	Key Managerial Personnel						
1	Ms. Heena Shah- Chief Financial Officer	01.04.2015		50	0.003		
		31.03.2016				50	0.003
2	Mr. Jagat Reshamwala Company Secretary	01.04.2015		Nil	0.00		
		31.03.2016				Nil	0.00

(V). INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2954.23	100.00	---	3054.23
ii) Interest due but not paid	25.23	---	---	25.23
iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	2979.46	100.00	---	3079.46
Change in Indebtedness during the financial year				
Addition	227.73	--	---	227.73
Reduction	501.76	100.00	---	601.76
Indebtedness at the end of the financial year				
i) Principal Amount	2680.20	---	---	2680.20
ii) Interest due but not paid	19.59	---	---	19.59
iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	2699.79	---	---	2699.79

(VI). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Mr. Hrishikesh Thackersey	Mr. Abhimanyu Thackersey	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14.85	29.40	44.25
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.47	4.52	7.99
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Options	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- as % of profit	--	--	--
	- others, specify			
5	Others, please specify			
	i. Deferred bonus (pertaining to the current Financial year payable in 2018)	2.78	4.53	7.31
	ii. Retirals (Superannuation & PF)			
	Total (A)	21.10	38.45	59.55

B. Remuneration to other Directors:**1. Independent Directors**

(₹ in lakhs)

Particulars of Remuneration	Mr. K.D. Vora	Mr. R. N. Bansal	Mr. P. B. Desai	Mr. S.A. Shah	Mr. B.V. Panjwani	Mr. N.P. Shingala	Ms. V. Dahanukar	Total Amount
Fee for attending Board/ Committee Meetings	0.50	0.20	0.50	0.85	0.60	0.35	0.35	3.35
Commission	--	--	--	--	--	--	--	--
Others, please specify	--	--	--	--	--	--	--	--
Total (B)(1)	0.50	0.20	0.50	0.85	0.60	0.35	0.35	3.35

2. Other Non Executive Directors

(₹ in lakhs)

Particulars of Remuneration	Mr. Raoul S. Thackersey	Mr. Chandrahas K. Thackersey	Mr. Naresh R. Kara	Total Amount
Fee for attending Board/Committee Meetings	0.70	0.45	0.45	1.60
Commission	--	--	--	--
Others, please specify	--	--	--	--
Total (B)(2)	0.70	0.45	0.45	1.60
Total (B)= (B)(1)+B(2)				4.95

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Ms. Heena Shah Chief Financial Officer	Mr. Jagat Reshamwala Company Secretary*	Mr. Devanand Mojindra Company Secretary#	
1	Gross salary	36.18	8.25	5.48	49.91
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--	--
2	Stock Options	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	-others, specify..	--	--	--	--
5	Others, please specify				
	i. Deferred bonus (pertaining to the current Financial year payable in 2018)	4.68	--	0.50	5.18
	ii. Retirement benefits (Superannuation & PF)				
	Total (C)	40.86	8.25	5.98	55.09

* With effect from November 16, 2015.

Upto October 06, 2015.

(VII). PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY		Penalty	None		
Punishment		Compounding			
B. DIRECTORS		Penalty			
Punishment		Compounding			
C. OTHER OFFICERS IN DEFAULT		Penalty			
Punishment		Compounding			

ANNEXURE-II

ANNUAL REPORT ON CSR ACTIVITIES

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

The Company's CSR Policy is available on Weblink http://www.hindoostan.com/investordata/policies/csr_policy.pdf

2. The Composition of the CSR Committee.

Mr. Raoul Thackersey - Chairman

Mr. K. D. Vora - Member

Mr. Sujal A. Shah - Member

3. Average net profit of the Company for last three financial years : ₹97.03 lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹1.94 lakhs

5. Details of CSR spent during the financial year 2015-16:

Total amount to be spent for the financial year: ₹1.94 lakhs

(a) Amount unspent , if any: Nil

(b) Manner in which the amount spent during the financial year is detailed below.

(₹ in lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2)Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	Supply of Computers, Projectors, LCD TV, Water purifiers and Water tank.	Promotion of Education	Karad, Maharashtra	1.84	1.84	1.84	Direct 1.84
2	Contribution to Armed Forces Flag Day Fund.	Contribution to fund setup by State Government.	Karad, Maharashtra	0.10	0.10	0.10	Direct 0.10
	TOTAL			1.94	1.94	1.94	

Abhimanyu Thackersey
Executive Director

Raoul Thackersey
Chairman of CSR Committee

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

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

To,
The Members
Hindoostan Mills Limited
Sir Vithaldas Chambers,
16, Mumbai Samachar Marg,
Fort, Mumbai

Dear Sirs,

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Hindoostan Mills Limited** ("the Company") as given in **Annexure I** for the financial year ended on 31st March, 2016 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, 1992 / 2015
 - c. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 which come into effect from 1st December, 2015.
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period)
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the audit period)
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period)
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company during the audit period)
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period)
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period)
- (vi) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The other applicable laws specifically to the Company namely

1. Textiles Committee Act, 1963
2. Hank Yarn Packing Notification issued under the Essential Commodities Act, 1955
3. Indian Boilers Act 1923 and Indian Boiler Regulations, 1950
4. New Textile Policy, 2012 of Government of Maharashtra
5. Factories Act, 1960
6. Industrial (Development & Regulation) Act, 1951
7. Labour laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, bonus, gratuity, provident fund, ESIC, Compensation etc.
8. Acts prescribed under prevention and control of pollution
9. Acts prescribed under Environmental Protection
10. Acts as prescribed under Direct Tax and Indirect Tax
11. Land Revenue Laws of Maharashtra State
12. Labour Welfare Act relating to Maharashtra State.
13. Local laws as applicable to various offices and plants.

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

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

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

We further report that:

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

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

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

We further report that 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 event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that during the audit period:

The Company has transferred an amount of Rs.45,500/- which was unclaimed for a period of more than seven (7) years from the date of redemption of Preference Shares of erstwhile Company namely Hindoostan spinning and Weaving Mills Limited to Investor Education and Protection Fund.

For **PRS Associates**
Company Secretaries

(Narayan Parekh)

Partner

C.P. NO.: 6448

ACS No.: 8059

Date: 4th May, 2016

Place: Mumbai

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

ANNEXURE I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the Financial Year ended 31.03.2016
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer Committee, Stakeholders Relationship Committee, and Corporate Social Responsibility Committee along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meeting held during the financial year under report.
5. Statutory Registers viz:
 - Register of Directors & Key Managerial Personnel (KMP)
 - Register of Directors Shareholding
 - Register of Transfer and Transmission of shares
 - Register of Members
 - Register of Charges
 - Register of Contracts in which directors are interested
 - Register of loans & Investment
 - Register of payment of Dividend
6. Agenda papers submitted to all the Directors / members for the Board Meetings and Committee Meetings
7. Declarations received from directors of the Company pursuant to the provisions of Section 184 and 149(7) of the Companies Act, 2013.
8. Intimation received from promoter and promoter group Company under the prohibition of Insider Trading Code
9. E-forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
10. Intimation/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of the listing Agreement and the SEBI (LODR) which come into effect from 1st December, 2015 during the year under report.
11. Documents related to payment of Dividend made to its shareholders during the year under report.
12. Consolidated Compliance Certificate issued by the Management during the year under report.
13. Various Policies made under the Companies Act, 2013

ANNEXURE II

To,

The Members

Hindoostan Mills Limited

Sir Vithaldas Chambers,

16, Mumbai Samachar Marg,

Fort, Mumbai

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

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

For **PRS Associates**
Company Secretaries

(Narayan Parekh)

Partner

C.P. NO.: 6448

ACS No.: 8059

Date: 4th May, 2016

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 is as under:

1. Company's Philosophy on Code of Governance:

Your Company is committed towards compliance with the requirements of high standards of Corporate Governance Code. Your Company believes in conducting its business in fair and equitable manner in all respects with its 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:

- (i) The Company's Board of Directors comprises of 11 Directors including 6 Independent Directors as on March 31, 2016. All the Independent Directors on the Board are eminent professionals, having wide range of skills and experience in business, industry, finance, law and public enterprises. The Non-Executive Chairman of the Company is the Promoter and the number of Non Executive Directors is more than half of the total number of Directors. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- (ii) The composition of Board of Directors during the year, their names and the category of position held, number of Directorships and Committee positions held by them and the details of attendance of each Director at the Board Meetings and Annual General Meeting (AGM) are as under:

Name of Directors	Whether Promoter, Executive Director or Non-Executive Director / Independent Director	No. of Board Meetings attended	Attendance of last AGM	*No. of Outside Directorship held	No. of Board Committees of other Companies in which a member#
Mr. Raoul Thackersey	Chairman - Non-Executive Director – Promoter	4	Yes	2	--
Mr. Chandrahas Thackersey	Vice Chairman - Non-Executive Director – Promoter	4	Yes	3	--
Mr. Hrishikesh Thackersey	Executive Director – Promoter	4	Yes	--	--
Mr. Abhimanyu Thackersey	Executive Director – Promoter	4	Yes	--	--
Mr. K. D. Vora	Non-Executive Director – Independent	4	Yes	2	--
Mr. N. R. Kara	Non-Executive Director – Non Independent	4	Yes	1	--
Mr. R.N. Bansal	Non-Executive Director – Independent	1	No	1	--
Mr. P.B. Desai	Non-Executive Director – Independent	3	Yes	2	--
Mr. Sujal A. Shah	Non-Executive Director – Independent	4	Yes	8	6 (Chairman of 2)
Mr. Bhavesh V. Panjuani	Non-Executive Director – Independent	4	Yes	2	--
Mr. Nitin P. Shingala (upto 11.8.2015)	Non-Executive Director – Independent	2	Yes	1	--
Ms. Vishwadhara Dahanukar	Non-Executive Director – Independent	3	Yes	--	--

* Excludes Private Limited Companies.

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

(iii) Board Meetings and Annual General Meeting:

During the year under review, four Board Meetings were held, the dates being May 05, 2015, August 11, 2015, November 04, 2015 and February 09, 2016. The gap between two consecutive Meetings does not exceeded one hundred and twenty days.

The last Annual General Meeting was held on August 11, 2015.

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

The Shareholding of the Non-Executive Directors in the Company as on 31.3.2016:

Name of Directors	Category	No. of Shares held
Mr. Raoul Thackersey	Promoter	1,04,706
Mr. Chandrahas Thackersey	Promoter	71,184
Mr. K.D. Vora	Independent	100
Mr. N.R. Kara	Non-Independent	Nil
Mr. R.N. Bansal	Independent	Nil
Mr. P.B. Desai	Independent	Nil
Mr. Sujal A. Shah	Independent	Nil
Mr. Bhavesh V. Panjuani	Independent	Nil
Mr. Nitin P. Shingala (upto 11.08.2015)	Independent	Nil
Ms. Vishwadharma Dahanukar	Independent	Nil

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

Table given below shows the relationship between the Directors:

Name of the Directors	Designation	*Relationship between Directors Inter-se
Mr. Raoul Thackersey	Chairman	Not related to any other Director
Mr. Chandrahas Thackersey	Vice Chairman	Not related to any other Director
Mr. Hrishikesh Thackersey	Executive Director	Brother of Mr. Abhimanyu Thackersey
Mr. Abhimanyu Thackersey	Executive Director	Brother of Mr. Hrishikesh Thackersey

Name of the Directors	Designation	*Relationship between Directors Inter-se
Mr. K.D. Vora	Director	Not related to any other Director
Mr. N.R. Kara	Director	Not related to any other Director
Mr. R.N. Bansal	Director	Not related to any other Director
Mr. P.B. Desai	Director	Not related to any other Director
Mr. Sujal A. Shah	Director	Not related to any other Director
Mr. Bhavesh V. Panjuani	Director	Not related to any other Director
Mr. Nitin P. Shingala (upto 11.08.2015)	Director	Not related to any other Director
Ms. Vishwadharma Dahanukar	Director	Not related to any other Director

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

(vi) Familiarisation programmes for Independent Directors:

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

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

2.2 Board Committees:

The Board has constituted the following Committees of Directors:

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

The terms of reference of Audit Committee are in accordance with the requirements as per Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI

(Listing Obligations and Disclosure Requirements) Regulations 2015. The brief description of the terms of reference of the Audit Committee is as under:

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

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

The Chairman of the Audit Committee Mr. Sujal A. Shah was present at the last Annual General Meeting of the Company held on August 11, 2015, to address the shareholders' queries, pertaining to the Annual Accounts of the Company.

- (ii) The Audit Committee comprised of 3 Independent Directors and 1 Non-Executive Promoter Director. The Independent Directors are eminent professionals having experience in Industry, Corporate Finance, Accounts and Corporate Law. Composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Rules made there under alongwith the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Four Meetings of the Audit Committee were held during the year ended March 31, 2016 on the following dates: May 05, 2015, August 11, 2015, November 04, 2015 and February 09, 2016. 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. R.N. Bansal	Member	1
Mr. P.B. Desai	Member	3
Mr. Raoul Thackersey	Member	4
Mr. Nitin P. Shingala (upto 11.08.2015)	Member	2

B) Nomination and Remuneration Committee:

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

The terms of reference of Nomination and Remuneration Committee are in accordance with the

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

The Committee is vested with the responsibility to function as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and recommends to the Board the specific compensation package for the Executive Directors and fees payable to Non-Executive Directors besides framing guidelines for overall compensation packages of Directors / Key Managerial Personnel (KMP).

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

Two Meetings of the Nomination and Remuneration Committee were held during the year ended March 31, 2016 on August 11, 2015 and December 10, 2015. 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	2
Mr. Sujal A. Shah	Member	2
Mr. P.B. Desai	Member	1

- (iii) Remuneration Policy:

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

- (iv) Details of remuneration paid to Executive Directors during the year ended March 31, 2016:

(₹in lakhs)

Name	Salary	Benefits*	Contribution to P.F. & S.A.	Total
Mr. Hrishikesh Thackersey	14.85	3.47	2.78	21.10
Mr. Abhimanyu Thackersey	29.40	4.52	4.53	38.45

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

- (v) Details of Sitting fees paid to Non-Executive Directors during the year ended March 31, 2016 are given below:

Name of Directors	Sitting Fees in ₹		Total
	Board Meeting	Committee Meetings	
Mr. Raoul Thackersey	40,000	30,000	70,000
Mr. Chandrahas Thackersey	40,000	5,000	45,000
Mr. K.D. Vora	40,000	10,000	50,000
Mr. N.R. Kara	40,000	5,000	45,000
Mr. R.N. Bansal	10,000	10,000	20,000
Mr. P.B. Desai	30,000	20,000	50,000
Mr. Sujal A. Shah	40,000	45,000	85,000
Mr. Bhavesh V. Pan-juani	40,000	20,000	60,000
Mr. Nitin P. Shingala (upto 11.08.2015)	20,000	15,000	35,000
Ms. Vishwadhara Dahanukar	30,000	5,000	35,000

C) Stakeholders Relationship Committee:

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

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

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

- (ii) The Stakeholders Relationship Committee comprised of 3 Non-Executive Directors and 1 Executive Director.

Name of Members	Designation / Category	Number of Meetings attended
Mr. N. R. Kara	Chairman	1
Mr. Raoul Thackersey	Member	1

Mr. Chandrahas Thackersey	Member	1
Mr. Abhimanyu Thackersey	Member	1

One Meeting of the Stakeholders Relationship Committee was held on April 21, 2016. The Company received 4 complaints / queries from shareholders / investors which have been resolved to the satisfaction of the complainants and no shareholder / investor complaint is pending as on March 31, 2016.

(iii) Share Transfer system:

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

Shares lodged for transfer in the physical form either at the Registered office of the Company or at the Registrar's office are normally processed at the earliest and within 15 days from the date of its receipt provided the documents are complete in all respects. There were no share transfers pending for more than 15 days as on March 31, 2016.

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

D) Corporate Social Responsibility (CSR) Committee:

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

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

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

One Meeting of the CSR Committee was held during the year ended March 31, 2016 on February 09, 2016. The attendance of each member at the Meeting was as under:

Name of Members	Designation / Category	Number of Meetings attended
Mr. Raoul Thackersey	Chairman	1
Mr. K. D. Vora	Member	1
Mr. Sujal A. Shah	Member	1

E) Independent Directors Meeting:

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

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

One Meeting of the Independent Directors was held during the year ended March 31, 2016 on February 09, 2016. All the Independent Directors except Mr. P.B. Desai were present at the Meeting.

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

AGM	Year	Date	Time	Venue
109 th	2012-13	July 26, 2013	10.30 a.m.	Sir Vithaldas Chambers, Mumbai
110 th	2013-14	December 12, 2014	11.00 a.m.	Sir Vithaldas Chambers, Mumbai
111 th	2014-15	August 11, 2015	11.00 a.m.	Sir Vithaldas Chambers, Mumbai

(ii) Special Resolution passed in previous three AGMs:

AGM Date	Special Resolutions passed
July 26, 2013	- NIL
December 12, 2014	- Borrowing money(ies) for the business of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013. - Creation of security on the properties of the Company both present and future pursuant to Section 180(1)(a) of the Companies Act, 2013.
August 11, 2015	- NIL

(iii) Whether Special Resolution were put through postal ballot last year : N.A.

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

3. Means of Communication:

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

4. General Shareholder information:

(i) Annual General Meeting for financial year 2015-16

Date : August 09, 2016
Time : 11.00 a.m.
Venue : Sir Vithaldas Chambers, 6th Floor,
16, Mumbai samachar Marg, Fort,
Mumbai- 400 001.

(ii) Financial Calendar 2016-17 (Tentative):

First Quarterly Results : July / August, 2016
Second Quarterly Results : October / November, 2016
Third Quarterly Results : January / February, 2017
Fourth Quarterly Results : May, 2017

(iii) **Date of Book Closure** : August 03, 2016 to August 09, 2016 (both days inclusive)

(iv) **Dividend payment date** : On or after August 09, 2016

(v) **Listing on Stock Exchange** : BSE Limited, P J Towers, Dalal Street, Mumbai – 400 001
Listing Fee for the financial year 2016-17 has been paid

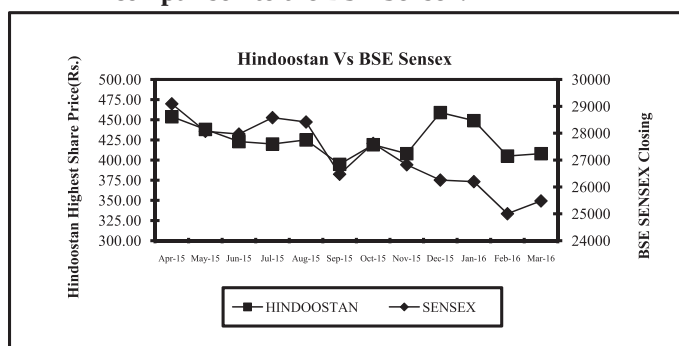
(vi) **Stock Code**
Scrip ID : HINDMILLS
Scrip Code : 509895
ISIN No. : INE 832D01020
CIN : L17121MH1904PLC000195

(vii) Stock Market Price Data:

Month	Quotation at BSE Ltd.	
	High (₹)	Low (₹)
April, 2015	453.80	310.00
May, 2015	438.00	372.50
June, 2015	423.00	305.00

July, 2015	420.00	376.10
August, 2015	425.00	320.10
September, 2015	394.80	340.00
October, 2015	419.00	348.30
November, 2015	408.00	331.10
December, 2015	459.00	355.10
January, 2016	449.00	357.00
February, 2016	405.00	322.00
March, 2016	408.00	345.00

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



(ix) Registrar and Transfer Agent:

The Company has engaged the services of M/s. Computech Sharecap Ltd., SEBI registered

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

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

Telephone : 022 – 22635000/1/2/3/4

Fax : 022 - 22635005

E-mail : helpdesk@computechsharecap.com

Website : www.computechsharecap.com

(x) Dematerialisation of Equity Shares:

Trading in Equity Shares of the Company is permitted only in dematerialised form as per Notification No.CIR/MRD/DP/14/2011 dated December 20,

2011, issued by the Securities & Exchange Board of India (SEBI). Nearly 95.73% shares are held under dematerialised mode as on March 31, 2016.

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

(xii) Distribution of Shareholding as on March 31, 2016:

Group of Shares	No. of Shareholders	No. of shares held	% to Total Shares
1 to 50	8,328	1,10,863	6.66
51 to 100	712	52,701	3.16
101 to 250	449	72,066	4.33
251 to 500	121	43,033	2.59
501 to 1000	62	42,940	2.58
1001 to 5000	47	83,908	5.04
5001 and above	43	12,59,037	75.64
TOTAL	9,762	16,64,548	100.00

(xiii) Shareholding Pattern as on March 31, 2016:

	No. of Shares held	%
Promoters and Persons Acting in Concert	10,03,502	60.29
Banks, Financial institutions, Mutual Funds, Insurance companies	2,128	0.13
Private Corporate Bodies	12,214	0.73
Indian Public	6,26,260	37.62
NRIs / OCBs	20,444	1.23
TOTAL	16,64,548	100.00

(xiv) Plant Location:

a) Textiles Unit

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

b) Engineering Unit

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

c) Composite Unit

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

(xv) Address for correspondence:

Registered Office & Head Office:

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

5. Other Disclosures:

- (i) There is no materially significant related party transaction that may have potential conflict with the interests of Company at large;
- (ii) There was no non-compliance by the Company. There was no penalty, stricture imposed on the Company by Stock Exchange or the Board or any statutory authority, on any matter related to capital markets, during the last three years;
- (iii) The Company has established vigil mechanism / whistle blower policy, and also affirm that no Personnel have been denied access to the Audit Committee;
- (iv) The Company has also adopted policies on Preservation of Documents & Archival of Documents and Determination of Materiality of Events.
 Details of compliance with the non-mandatory requirements:-
 - (a) The Chairman is a Non-executive Director. The Company has not reimbursed any expenses incurred for maintenance of his office or in the performance of his duties.
 - (b) The Company has an open-door policy where employees have access to their Head of Departments who participate in monthly forum Meetings with the Management and any concern or instances of unethical behaviour or non-adherence to the Code of Conduct or any issue concerning the business of the Company, is brought up to the notice of Management and resolved from time to time while adequately safeguarding the employee who has availed this mechanism.
- (v) **Reconciliation of Share Capital Audit:**
 A qualified Practicing Company Secretary / Chartered Accountant carries out Secretarial Audit to reconcile the total admitted Capital with NSDL and CDSL and total issued and listed capital of the Company as per books. The Secretarial Audit report confirms that the total issued / paid-up capital is in accordance with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

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

Pursuant to Sections 205A and 205C of the Companies Act, 1956 and other applicable provisions, if any of the Act, all Unclaimed / Unpaid Dividend remaining Unclaimed / Unpaid for a period of Seven years from the date they became due for payment in relation to the Company and erstwhile The Sirdar Carbonic Gas Company Limited have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amount so transferred prior to March 31, 2016 nor shall any payment be made in respect of such claims.

Members who have not yet encashed their dividend warrants pertaining to the dividend for the financial year 2008-09 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	2008-09	30.00	September 29, 2009	December 01, 2016
2	2009-10	50.00	September 30, 2010	December 02, 2017
3	2010-11	10.00	September 15, 2011	November 18, 2018
4	2011-12	5.00	August 09, 2012	October 02, 2019
5	2012-13	7.50	July 26, 2013	September 28, 2020
6	2013-14	10.00	December 12, 2014	February 13, 2022
7	2014-15	4.00	August 11, 2015	October 12, 2022

(vii) The Company has no material subsidiary.

(viii) Web link for policy on dealing with related party transactions is http://www.hindoostan.com/pdf/policy/HML_Related_Party_Transaction_Policy.pdf;

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

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

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

HRISHIKESH THACKERSEY

Executive Director

ABHIMANYU THACKERSEY

Executive Director

Mumbai , May 04, 2016

CEO / CFO CERTIFICATION

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

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

HRISHIKESH THACKERSEY

Executive Director

ABHIMANYU THACKERSEY

Executive Director

HEENA SHAH

Chief Financial Officer

Mumbai, May 04, 2016

AUDITOR'S CERTIFICATE

To the Members

The Hindoostan Mills Limited

We have examined the compliance of conditions of Corporate Governance by **Hindustan Mills Limited (“the Company”)**, for the year ended on March 31, 2016, as stipulated in clause 49 of the Listing Agreement (“Listing Agreement”) of the said Company with the Bombay Stock Exchange for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as referred to in Regulation 15(2) of the Listing Regulation for the period from 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulation, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Mukul Patel
Partner
Membership No. 32489**

Place : Mumbai

Date : 4th May, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

A. BUSINESS SEGMENT –TEXTILES:

Industry Structure & Development:

The year has seen a relative slowdown in global demand in all commodities and manufacturing industries have also witnessed a reduction in demand. The textile industry as a whole, and fabric markets in particular, have seen prices drop over the year. Despite a slight reduction in the cotton crop, the price fell below the Minimum Support Price (MSP) set by the Government due to reduction in exports and lack of domestic demand by textile mills. Export demand has also weakened as the world saw China unload its hoarded cotton stocks and also reduce consumption, bringing global fabric prices down.

The surplus capacity put up by industry players in the previous years has increased the gap between demand and supply, and a greater availability of the same products does not allow prices to rise with the increasing cost of inputs such as power, labour and other resources.

While continuing diversification process, we have been striving to develop innovative products and marketing techniques. The Company's strategy is to create a niche for its existing products as well as focus on new product development. This helps us survive tough markets and improves long-term sustainability of the Company.

Opportunities and Threats:

The Company has been successful in exploring several niche product areas where there are opportunities, such as home textile products, and products using value added fibers. The capacity addition and modernization last year has stabilized, and helped create a wide range of products for varied applications and markets, and has also helped us to enter unexplored territories. The addition of more finished fabrics will also increase our brand value and aid our initiatives to get closer to the end customer.

Since the Company's operations are centered in Maharashtra, the increasing cost of inputs such as power and fuel remain its largest threats. Continuous efforts towards efficient manufacturing and the initiative of purchasing power through open-access will help us mitigate the effects of ever increasing power costs.

Risks and Concerns:

The global slowdown in fabric demand and poor liquidity has been posing a serious concern. The Company is continuously working on optimisation of costs and inventory controls to address the same. The poor condition

of International markets is directly affecting India's manufacturing industry and will continue to be a governing factor of offtake and pricing.

The policy support from the Government towards the textile industry has been fairly lackluster in recent years and this too continues to be a concern if companies in India are to compete on the global stage. Focus on value addition as opposed to size is the best way we see to overcome these concerns.

Retaining a skilled and talented workforce in an very mature industry like textiles is also a major challenge for any Company.

Outlook:

The future outlook for the textile business looks fairly stable with some pressure on margins. Establishing strong relationships with our stakeholders and developing unique and value added products with higher capacity utilizations with best efficiencies remain the major focus areas for the Company. The Indian market is yet to see an advent in niche textile products and we believe that the demand for such products will grow in the future. We are keeping a keen eye on these areas and have already begun some R&D activities for niche products we believe will be growing in volumes.

The Company has decided to explore the finished product segment to capitalize on our brand value, and cater to niche market segments where better margins will help us remain relevant and profitable in the years to come.

B. BUSINESS SEGMENT – ENGINEERING UNIT:

Industry Structure and Development:

The year has been a good one for the engineering unit of the Company as it saw increased sales in both domestic and international markets. Although the textile industry has been under pressure, our products continue to be popular with our customers. We have also been able to gain traction in the Steel Industry, and our products are being well received. The paper industry remains stable, and an important market for the division. The Company continues to maintain a dominant market position in all of these niche roll applications.

Rollers will remain an integral part of the continuous manufacturing processes. The Company will continue to look for new areas of business outside its current focus markets.

Opportunities and Threats:

The Company has started developing and assembling some machines that incorporate its rolls for customers that want customized applications. This allows us to better serve our customers and become a more integral part of their operations, resulting in better, long-term relationships.

The Company had introduced a high-strength roller for use in industries that have very demanding applications, and this roll continues to be developed to meet more exacting standards. This new technology and product line will certainly have many applications across industries, and the Company will make a sustained effort to identify these opportunities.

A majority of the Company's sales still come from the textile industry. In a small and largely unorganised market such as this, the entry of small competitors will affect the sales of the Company due to price competition. However, the Company continues to differentiate its products through quality and performance to remain the supplier of choice for its customers.

Risks and Concerns:

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

Even though the Company is a dominant player in a niche market, this division remains small, and there is always a threat that a large Company may decide to target a particular segment and the competition will adversely affect our prospects in that industry.

Outlook:

Customers have begun to place greater trust in Indian machinery manufacturers, and are looking at local alternatives to imported products. This will allow us to expand the scope of our activities and offer complete solutions to our customers. Our main focus continues to be on developing new proprietary products that will both offer a much needed solution for our customers while insulating the Company from price competition from new market entrants. The Company will also strive to improve service to existing customers by developing products that will make their manufacturing processes more efficient by providing quality improvements and cost reduction.

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

The composites business unit has seen approximately 40% revenue growth during the year as a result of the Company consolidating its position in key end use markets of Infrastructure, Defense & Aerospace and developing new and innovative products to keep it ahead of the competition.

The Indian market for composites still remains largely unorganized and is characterized by several medium scale enterprises utilizing relatively unskilled labor for most of their manufacturing requirements. In this scenario rapid volume growth is challenging and is limited by production capacities. That trend is however set to change with several large Indian corporates entering defense and automotive composites manufacturing.

The Infrastructure sector has seen increased spending on retrofitting and repair of older structures using composites technology. Over the past year we have had the opportunity to participate in several strategically important projects.

Given the important role of composites as a technology of the future, and in line with the Make in India theme we have also been able to get involved on several nationally important Aerospace programs with various Government departments. We have had several small successes on the Aerospace side of our business and expect to see this trend accelerating in the coming years.

Opportunities and Threats:

Protecting our competitive advantage and building a strong fence around our products has been one of our top priorities. We have also added several new and innovative products to our portfolio. These products have been indigenously developed using the expertise of our R&D team and have been well accepted by all our end users. It is our ability to offer tailor made solutions to meet the Indian market requirement that offers us the greatest opportunity for success.

Strengthening our brand identity, protecting our core business and developing a mass market product have been challenging. We continue to strive to increase our Brand recognition and outreach by continuously improving our core product offering and participating in all important trade fairs and events. Our Company also recognizes the threat of being too focused on niche products only and we are continuously exploring solutions to develop a mass market ready to use product. We hope to make significant strides in this area over the coming year.

Risks and Concerns:

Limited production capacities and relatively low skill manufacturing processes present in India pose the biggest risk to the rapid growth of the composites industry. To compete with other countries, Indian composites companies must continue investing in advanced processing technologies despite slackening demand in order to bridge the technology gap with developed countries.

Depressed commodity cycles and build up of inventory in the steel industry also presents some pricing pressure. We expect to continue to see some downward price pressure from foreign sources till steel prices improve and also anticipate a revival of the Aerospace demand over the remaining quarters.

Outlook:

The growth of the composites industry is tied to the growth of our key end use markets, namely – Infrastructure,

Defense, Automotive and Alternative energy. Structural reforms in these areas and increased spending by the Government on the indigenization of defense products augur well for our future growth.

As publicized by the odd-even scheme in Delhi, there is an increasing and legitimate concern on the quality of environment. Composites, by offering significant weight savings have a direct benefit in reducing CO2 emissions and increasing fuel efficiency. They also form the enabling technology for pollution-free mobility systems of tomorrow such as Electric vehicles and Hydrogen Fuel cells.

Across a variety of platforms composites are being considered as an answer some of the pressing problems in India. This coming together of ideas, and a sense of change in the air, we believe will help take composites products to the masses. We are well positioned to take advantage of this change.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of **HINDOOSTAN MILLS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **HINDOOSTAN MILLS LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements.

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure “B”**; and
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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. 27B Point No. III(A), III(B) and III(C) of other notes to the financial statements.
 - (ii) The Company does not have any long-term contracts including derivative contracts for which there could be any material foreseeable losses and hence, the question of making provision for such losses does not arise.
 - (iii) There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M.A.Parikh & Co.

Chartered Accountants

(Firm’s Registration No. 107556W)

Mukul M. Patel

Partner

Membership No. 32489

Place: Mumbai

Date: 4th May, 2016**ANNEXURE – A TO THE AUDITORS’ REPORT****Annexure referred to in paragraph 1 of our report on Other Legal and Regulatory Requirements of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of Leasehold Land are held in the name of the company.
- (ii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals except inventory lying with third party processors as on 31st March, 2016 aggregating to ₹ 63.95 lakhs (previous year ₹ 3.86 lakhs) for which confirmations have been obtained.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans to parties covered in the register maintained under section 189 of the Act. Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company:
 - (a) Has complied with the provisions of section 186 of the Act, with respect to the investments made.
 - (b) The provisions of section 185 of the Act are not applicable to it.
- (v) The Company has not accepted any deposits from the public.

- (vi) We have broadly reviewed the books of accounts and records maintained by the Company relating to the manufacture of textiles pursuant to the order made by the Central Government for the maintenance of Cost Records under Sub-Section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been so made and maintained. We have, however, not made a detailed examination of the accounts and records with a view to determining whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable, with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, statutory dues aggregating to ₹ 273.81 lakhs which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name Of Statute	Nature of dues	Amount (Rs. in lakhs) (Gross)	Period to which the dues relate	Forum Where dispute is pending
Income Tax Act, 1961	Income Tax dues	3.12	A.Y. 2007-08	Commissioner of Income Tax.
		1.94	A.Y. 2010-11	Commissioner of Income Tax.
Central Excise Act	Excise Duty	4.06	1977-2002	Asst./Dy. Commissioner of Central Excise.
		2.49		Joint Commissioner of Central Excise
		37.98		Commissioner (Appeals) of Central Excise
		57.70	1994-1998	Asst. Commissioner of Central Excise.
		71.07	1996-2003	CESTAT
		0.68	1993-1994	Supreme Court
Maharashtra Sales Tax and Central Sales Tax	Sales Tax & Central Sales Tax	27.02	2000-01, 2002-03, 2009-10 & 2010-11	Dy. Commissioner of sales-tax (Appeal)-I
Maharashtra Sales Tax on the transfer of property in goods involved in the execution of the work contract (Reenacted) Act, 1989	Work contract Tax	21.15	1990-91 to 2000-01	Dy. Commissioner of sales-tax (Appeal)-I

- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to its banks.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Thus, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company has paid/provided managerial remuneration which is in accordance with the provisions of section 197 read with Schedule V of the Companies Act, 2013.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standard.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company it is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Mukul M. Patel
Partner
Membership No. 32489

Place: Mumbai
Date: 4th May, 2016

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **HINDOOSTAN MILLS LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial 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 expenditure of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For M.A.Parikh & Co.

Chartered Accountants
(Firm's Registration No. 107556W)

Mukul M. Patel

Partner
Membership No. 32489

Place: Mumbai

Date: 4th May, 2016

BALANCE SHEET AS AT 31ST MARCH 2016

₹ in lakhs

	Note No.	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	166.45	166.45
Reserves And Surplus	2	8,195.13	8,510.90
Non-Current Liabilities			
Long Term Borrowings	3	1,321.43	1,891.17
Long Term Provisions	4	308.65	268.33
Current Liabilities			
Short-Term Borrowings	5	828.37	714.26
Trade Payables	6	1,233.29	1,166.03
Other Current Liabilities	7	1,460.84	1,307.60
Short-Term Provisions	8	195.42	174.58
TOTAL		13,709.58	14,199.32
II. ASSETS			
Non-Current Assets			
<u>Fixed Assets</u>	9		
Tangible Assets		6,373.18	7,212.49
Intangible Assets		37.61	47.27
Capital Work in Progress		426.09	265.34
Retired Fixed Assets		-	1.14
Non-Current Investments	10	35.35	35.35
Long Term Loans And Advances	11	181.69	169.18
Current Assets			
Current Investments	12	300.24	297.16
Inventories	13	2,911.47	2,603.37
Trade Receivables	14	2,599.82	2,687.78
Cash and Bank Balances	15	211.28	93.47
Short-Term Loans And Advances	16	501.75	727.10
Other Current Assets	17	131.10	59.67
TOTAL		13,709.58	14,199.32
SIGNIFICANT ACCOUNTING POLICIES	27 A		
OTHER NOTES TO ACCOUNTS	27 B		

Notes referred to above form an integral part of Balance Sheet

As per our report of even date attached

For and on behalf of the Board

For M.A. Parikh & Co

Chartered Accountants.
Firm Registration No.107556W

Abhimanyu Thackersey
Executive Director

Hrishikesh Thackersey
Executive Director

Mukul M. Patel

Partner
Membership No. : 32489
Place : Mumbai
Date : May 4, 2016

Heena Shah
Chief Financial Officer

Jagat Reshamwala
Company Secretary

Place : Mumbai
Date : May 4, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

₹ in lakhs

	Note No	Current Year	Previous Year
I. Revenue from Operations	18	15,925.53	15,378.40
II. Other Income	19	347.47	110.31
III. Total Revenue	(I + II)	16,273.00	15,488.71
IV. Expenses:			
Cost of Materials Consumed	20	9,814.60	9,646.25
Purchase of Stock-in-Trade		659.45	682.57
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	21	(244.97)	205.04
Employee Benefits Expense	22	1,521.56	1,310.45
Finance costs	23	331.34	195.07
Depreciation and Amortisation Expense	24	1,181.82	1,011.38
Other Expenses	25	3,436.15	3,161.77
CSR Expenses		1.94	6.27
(Refer Note 27B Point no. XX of Other Notes to Accounts)			
Total Expenses		16,701.89	16,218.80
V. Loss before Exceptional and Extraordinary Items and Tax	(III-IV)	(428.89)	(730.09)
VI. Exceptional Items	26	222.54	41.50
VII. Loss Before Tax	(V+VI)	(206.35)	(688.59)
VIII. Tax Expense:			
Short Provision of Tax of Earlier Year		19.03	-
IX. Loss for the Year	(VII-VIII)	(225.38)	(688.59)
X. Earning per Equity Share of ₹ 10/- each			
Basic and Diluted (₹)		(13.54)	(41.37)
(Refer Note 27B Point no. XV of Other Notes to Accounts)			

Notes referred to above form an integral part of Profit and Loss

As per our report of even date attached

For and on behalf of the Board

For M.A. Parikh & Co

Chartered Accountants.

Firm Registration No.107556W

Abhimanyu Thackersey

Executive Director

Hrishikesh Thackersey

Executive Director

Mukul M. Patel

Partner

Membership No. : 32489

Place : Mumbai

Date : May 4, 2016

Heena Shah

Chief Financial Officer

Jagat Reshamwala

Company Secretary

Place : Mumbai

Date : May 4, 2016

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

₹ in lakhs

	Current Year		Previous Year
A. CASHFLOW FROM OPERATING ACTIVITIES			
Net Profit before Taxation		(206.35)	(688.59)
Adjustment for :			
Depreciation	1181.82		1011.38
Finance Cost	331.34		195.07
Fixed Assets Written off	2.58		-
Provision for Doubtful Debts and Advances	9.50		38.27
Bad Debts and Debit Balances Written Off	6.51		9.33
Dividend Income	(0.01)		(0.01)
Lease Income	(60.60)		(60.60)
Profit on Sale of Investments (Net)	(23.13)		(4.14)
Profit on Sale of Fixed Assets (Net)	(258.45)		(41.50)
Provision no longer required written back	(19.38)		(3.53)
Sundry Credit Balance Written Back	(12.49)		(1.82)
Interest Income	(55.88)		(45.56)
		1101.81	1096.89
Operating Profit before Working Capital Changes		895.46	408.30
Changes in :			
Inventories	(308.10)		288.67
Trade and Other Receivables	55.69		(346.64)
Trade and other Payables	175.92		321.19
Provisions	50.91		58.34
		(25.58)	321.56
Cash Generated from Operations		869.88	729.86
Direct Taxes paid (Net of Refunds)		139.42	(114.17)
Net Cash Generated From Operating Activities		1009.30	615.69
B. CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(569.90)		(3340.38)
Sale of Fixed Assets	332.62		93.21
Interest Received	54.86		42.89
Dividend Received	0.01		0.01
Lease Income Received	60.60		60.60
Investments Purchased and Sold (Net)	20.05		(247.34)
Net Cash used in Investing Activities		(101.76)	(3391.01)

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

₹ in lakhs

	Current Year		Previous Year
C. CASHFLOW FROM FINANCING ACTIVITIES			
Dividend Paid	(78.72)		(196.62)
Interest Paid	(336.98)		(169.84)
Long Term Borrowing	(488.14)		2,339.97
Short Term Borrowing	114.11		714.26
Net Cash used in Financing Activities		(789.73)	2687.77
Net Increase in Cash and Cash Equivalents		117.81	(87.55)
Cash and Cash Equivalents at the beginning of the year			
Cash and Cash Equivalents	35.89		135.96
Other Bank Balances	57.58		45.06
Cash and Cash Equivalents at the end of the year		93.47	181.02
Cash and Bank Balance	139.69		35.89
<u>Other Bank Balances</u>			
Earmarked Balance with Banks as stated below	13.19		12.02
Margin Money Deposit	37.46		45.56
Other Bank Deposits	20.94		-
		211.28	93.47

Notes:

- 1 Cash and Cash equivalents denote Cash and Bank balances at the year end. Earmarked Balance with Banks includes Balance in Current Account for Unpaid Dividend & Employee Deposit.
- 2 The Cashflow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3- 'Cash Flow Statement' (AS -3) issued by the Institute of Chartered Accountants of India.
- 3 Direct Taxes paid (Net of refunds) is treated as arising from operating activities and is not bifurcated between investing and financing activities.
- 4 Previous year's figures have been regrouped/re-arranged wherever necessary in order to conform to those of the Current Year.

As per our report of even date attached

For M.A. Parikh & Co

Chartered Accountants.
Firm Registration No.107556W

Mukul M. Patel

Partner
Membership No. : 32489
Place : Mumbai
Date : May 4, 2016

For and on behalf of the Board

Abhimanyu Thackersey
Executive Director

Hrishikesh Thackersey
Executive Director

Heena Shah
Chief Financial Officer

Jagat Reshamwala
Company Secretary

Place : Mumbai
Date : May 4, 2016

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2016

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 1 : SHARE CAPITAL		
AUTHORISED CAPITAL		
2,77,67,500 (P. Y. 2,77,67,500) Equity Shares of ₹10/- each	2,776.75	2,776.75
2,500 (P. Y. 2,500) 5% Redeemable Cumulative "A" Preference Shares of ₹10/- each	0.25	0.25
7,80,000 (P.Y. 7,80,000) 15% Non Convertible Redeemable Non Cumulative Preference Shares of ₹10/- each	78.00	78.00
1,00,00,000 (P. Y. 1,00,00,000) Preference Shares of ₹10/- each	1,000.00	1,000.00
TOTAL	3,855.00	3,855.00
ISSUED , SUBSCRIBED AND PAID UP CAPITAL		
16,64,548 (P. Y. 16,64,548) Equity Shares of ₹10 /- each fully paid up	166.45	166.45
TOTAL	166.45	166.45

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

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.

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

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
16,64,548 Equity Shares at the beginning and at the end of the year of ₹ 10/- each fully paid up	166.45	166.45
	166.45	166.45

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

Name of Equity Shareholders	No. of Shares Held	Percentage of Holding
Chandrali Investments Private Limited		
Current Year	87,266	5.24%
Previous year	87,266	5.24%
Delta Investments Limited		
Current Year	104,698	6.29%
Previous year	95,540	5.74%
Mr. Jagdish Thackersey		
Current Year	180,586	10.85%
Previous year	180,586	10.85%
Mr. Raoul Thackersey		
Current Year	104,706	6.29%
Previous year	104,690	6.29%
Mr. Hiren Kara		
Current Year	112,028	6.73%
Previous year	109,161	6.56%

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2016

	₹ in lakhs	
	As at 31.03.2016	As at 31.03.2015
NOTE 2 : RESERVES AND SURPLUS		
Capital Reserve	1,076.11	1,076.11
Capital Redemption Reserve	83.63	83.63
Securities Premium Account	587.78	587.78
Other Reserve		
General Reserve		
Balance as per last Financial Statement	6,760.42	6,906.11
Less : Adjustment for Depreciation	-	(58.59)
Less: Transfer to Surplus	(312.81)	(87.10)
Balance transferred to Balance Sheet	6,447.61	6,760.42
 Surplus		
Balance as per last Financial Statement	2.96	684.35
Add: Transfer from General Reserve	312.81	87.10
	315.77	771.45
Add: Net Loss after tax transferred from Statement of Profit & Loss	(225.38)	(688.59)
Amount available for Appropriation (A)	90.39	82.86
Appropriations:		
Proposed Dividend	74.90	66.58
Tax on Proposed Dividend	15.25	13.32
Short Provision of Tax on Proposed Dividend for the year 2014-15	0.24	-
Total of Appropriations (B)	90.39	79.90
Balance in Surplus (A-B)	-	2.96
TOTAL	8,195.13	8,510.90

	₹ in lakhs	
	As at 31.03.2016	As at 31.03.2015
NOTE 3 : LONG TERM BORROWINGS		
Secured		
Term Loan from a Bank	1,321.43	1,891.17
	1,321.43	1,891.17

Note 3.1: Details of terms and conditions of repayment and security provided for in respect of the Long- Term Borrowings as follows:

(a) Term Loan from Axis Bank is payable in 60 monthly installments of ₹ 40.80 Lakhs each commencing from 31st May, 2015. Interest rate is base rate + 2.75% i.e. 12.25%.

(b) Security :

Primary Security :

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

Collateral Security:

- (ii) Second charge on all the Stocks, Book Debts (Present & Future) & Other Current Assets.
- (iii) Investment in UTI Short Term Fund of ₹ 253.08 lakhs is kept in form of liquid security under Bank lien.

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2016

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 4 : LONG TERM PROVISIONS		
<u>Provision for Employees Benefits</u>		
Provision for Leave Salary	76.70	63.69
Provision for Gratuity	231.95	204.64
TOTAL	308.65	268.33

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 5 : SHORT TERM BORROWINGS		
<u>Secured</u>		
Working Capital Loan from a Bank	828.37	614.26
<u>Unsecured</u>		
14 % Unsecured Loan from Related Party repayable on demand	-	100.00
TOTAL	828.37	714.26

Note 5.1 : 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 base rate + 2% i.e. 11.85% for Cash Credit and 7.25% on packing credit
- (b) Security :
- Primary Security :
- (i) The above Loan is secured by first charge on all the Stocks, Book Debts (Present & Future) & Other Current Assets and
- Collateral Security :
- (ii) Second Charge on Plant & Machinery (Present & Future) of the Company's Textile Unit at Plot no. D-1, MIDC Industrial Area,Village - Taswade, Tal-Karad, Satara.

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 6 : TRADE PAYABLES		
Trade Payables	1,233.29	1,166.03
(Refer Note 27B Point no. IX of Other Notes to Accounts)		
TOTAL	1,233.29	1,166.03

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2016

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 7 : OTHER CURRENT LIABILITIES		
Current maturities of Long Term Borrowing (Refer Note No. 3.1 for Terms & Conditions)	530.40	448.80
Interest accrued but not due on Long Term Borrowing	19.59	25.23
Unclaimed Dividend	11.87	10.70
Amount due to a Director	1.08	1.00
Other Liabilities (Refer Note 27B Point no. IX of Other Notes to Accounts)	855.26	758.08
Advances from Customers	22.67	46.91
Withholding Taxes Payable	19.97	16.88
TOTAL	1,460.84	1,307.60

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 8 : SHORT TERM PROVISIONS		
<u>Provision For Employee Benefits</u>		
Provision for Leave Salary	9.86	11.11
Provision for Gratuity	62.66	57.29
Provision for Bonus/ Exgratia	32.75	26.28
	105.27	94.68
<u>Others</u>		
Proposed Dividend	74.90	66.58
Corporate Dividend Tax on Proposed Dividend	15.25	13.32
	90.15	79.90
TOTAL	195.42	174.58

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 9: FIXED ASSETS

Description		GROSS BLOCK						DEPRECIATION/AMORTISATION BLOCK				NET BLOCK		₹ in lakhs
Opening Block As At 01.04.2015	Additions during the year	Deductions during the year	Adjustment	Write off during the year	Closing Block As At 31.03.2016	Opening Block As At 01.04.2015	For the Year	Adjustment	Deductions during the year	Write off during the year	Closing Block As At 31.03.2016	As At 31.03.2016	As At 31.03.2015	
TANGIBLE ASSETS														
Land														
Freehold Land	5.90	-	5.90	-	-	-	-	-	-	-	-	-	-	5.90
Leasehold Land	117.12	-	-	-	117.12	25.34	1.23	-	-	-	26.57	90.55	91.78	
Buildings														
Road	5.22	-	-	-	5.22	4.24	0.72	-	-	-	4.96	0.26	0.98	
Buildings	2,311.86	-	59.12	-	2,252.74	1,409.43	76.12	-	36.33	-	1,449.22	803.52	902.43	
Leasehold Improvements	40.05	-	-	-	40.05	16.81	8.52	-	-	-	25.33	14.72	23.24	
Plant & Equipments														
Plant & Machinery	13,343.80	379.00	275.55	-	13,447.25	7,308.74	1,040.80	-	241.58	-	8,107.96	5,339.29	6,035.06	
Office Equipments	59.36	2.34	1.59	-	60.11	47.29	4.87	-	1.47	-	50.69	9.42	12.07	
Electrical Installations	339.90	0.58	-	-	295.39	284.75	12.91	-	-	-	254.82	40.57	55.15	
Furniture & Fixtures														
	98.76	20.99	10.52	0.20	109.43	60.08	11.69	0.07	9.98	-	61.86	47.57	38.68	
Vehicle	117.07	-	51.00	-	66.07	88.60	7.26	-	40.25	-	55.61	10.46	28.47	
Computer	72.40	6.24	3.23	-	75.41	53.68	8.04	-	3.13	-	58.59	16.82	18.72	
Total Tangible Assets														
	16,511.44	409.15	406.91	0.20	45.09	16,468.79	9,298.96	1,172.16	0.07	332.74	42.84	10,095.61	6,373.18	7,212.48
INTANGIBLE ASSETS														
Marketing Know How	51.59	-	-	-	51.59	10.32	5.16	-	-	-	15.48	36.11	41.27	
Tenancy Right	6.00	-	-	-	6.00	-	4.50	-	-	-	4.50	1.50	6.00	
Total Intangible Assets														
	57.59	-	-	-	57.59	10.32	9.66	-	-	-	19.98	37.61	47.27	
CAPITAL WORK IN PROGRESS														
	265.34	397.29	-	(236.54)	426.09	-	-	-	-	-	-	426.09	265.34	
RETIRED FIXED ASSET														
Office Equipments	1.00	-	-	-	1.00	0.80	-	-	-	0.80	-	-	-	0.20
Furniture & Fixtures	2.87	-	2.67	(0.20)	-	2.06	-	(0.07)	1.99	-	-	-	-	0.81
Computer	1.33	-	-	-	1.33	1.20	-	-	-	1.20	-	-	-	0.13
Total Retired Fixed Asset														
	5.20	-	2.67	(0.20)	2.33	4.06	-	(0.07)	1.99	2.00	-	-	-	1.14
TOTAL (CURRENT YEAR)														
	16,839.57	806.44	409.58	(236.54)	47.42	16,952.47	9,313.34	1,181.82	-	334.73	44.84	10,115.59	6,836.88	7,526.23
TOTAL (PREVIOUS YEAR)														
	14,494.74	3,340.38	995.55	-	-	16,839.57	9,187.21	1,011.38	58.59	943.84	-	9,313.34	7,526.23	-

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2016

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
Note 10: NON CURRENT INVESTMENTS (AT COST UNLESS OTHERWISE STATED)		
<u>Other Investments</u>		
<u>Investment in Property</u>		
5/8 th share (P.Y.5/8 th) in Bruce Street Property	35.34	35.34
<u>Investments in Equity Instruments (Quoted)</u>		
60 (P.Y.60) Equity shares of ₹ 2/- each fully paid up in Siemens Ltd.	0.01	0.01
<u>Other Non- Current Investments</u>		
42 (P.Y.42) Shares of ₹ 5000/- each in Yashwant Sahakari Sakhar Karkhana Ltd	2.10	2.10
Less : Provision for diminution in value	(2.10)	(2.10)
(Refer Note no.27B Point no VII of Other Notes to Accounts)	-	-
TOTAL	35.35	35.35
Aggregate amount of Quoted Investments and Market Value		
Quoted Investments		
(Market Value as on 31.03.2016 ₹ 0.66 lakh (P.Y. ₹ 0.84 lakh))	0.01	0.01
TOTAL	0.01	0.01
Aggregate amount of Unquoted Investments		
Unquoted Investments	37.44	37.44
TOTAL	37.44	37.44
Aggregate amount of Provision for Diminution in value of Investments		
Provision for Diminution in value of Investments in Shares of Yashwant Sahakari Sakhar Karkhana Ltd	2.10	2.10
TOTAL	2.10	2.10

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 11 : LONG TERM LOANS AND ADVANCES		
<u>Unsecured, Considered Good</u>		
Capital Advances	58.62	49.19
Security Deposit	123.07	119.99
TOTAL	181.69	169.18

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2016

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 12 : CURRENT INVESTMENTS		
Unquoted :		
<u>Investments in Mutual Funds</u>		
2,17,678.357 (P.Y.2,17,678.357) units of HDFC Floating Rate Fund	47.16	47.16
Nil (P.Y. 25,00,000.000) units of UTI Fixed Term Income Fund Series XVIII	-	250.00
14,97,858.943 (P.Y. Nil) units of UTI Short Term Income Fund Growth	253.08	-
TOTAL	300.24	297.16
Aggregate amount of Unquoted Investments		
Other Unquoted Investments	300.24	297.16
TOTAL	300.24	297.16

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 13 : INVENTORIES (LOWER OF COST OR NET REALISABLE VALUE)		
Raw Materials	1,022.70	972.87
Work-in-Process	517.88	372.46
Finished Goods	969.55	968.94
Stock-in-Trade	204.80	105.86
Stores, Spares and Loose tools	195.54	182.24
Property under Development	1.00	1.00
(Refer Note 27B Point no. VIII of Other Notes to Accounts)		
TOTAL	2,911.47	2,603.37

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 14 : TRADE RECEIVABLES (CURRENT)		
Unsecured		
<u>Outstanding for a period exceeding six months</u>		
Considered Good	125.45	109.29
Considered Doubtful	41.37	38.81
Less : Provision for Doubtful Debts	(41.37)	(38.81)
	-	-
	125.45	109.29
<u>Outstanding for a period less than six months</u>		
Considered Good	2,474.37	2,578.49
TOTAL	2,599.82	2,687.78

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2016

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 15 : CASH AND BANK BALANCES		
<u>Cash and Cash Equivalents</u>		
Balances with Banks		
In Current Accounts	128.22	26.11
Cash On Hand	11.47	9.78
<u>Other Bank Balances</u>		
Bank Deposits	20.94	-
Margin Money Deposit	37.46	45.56
(Under Lien for Bank Guarantees issued by the Banks)		
Earmarked Balance with Bank		
In Current Account (Unpaid Dividend)	11.87	10.70
In Current Account (Employee Deposit)	1.32	1.32
	71.59	57.58
TOTAL	211.28	93.47

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 16 : SHORT TERMS LOANS AND ADVANCES		
Unsecured , Considered Good		
<u>Others</u>		
Advances to Employees	0.71	0.84
Advances to Suppliers	3.36	17.15
Balance with Central Excise	7.66	10.61
Vat Refund Receivable	138.43	183.18
Advance Tax (Net of Provisions)	279.63	438.33
Other Advances	120.86	159.22
Less : Provision	(48.90)	(82.23)
	71.96	76.99
TOTAL	501.75	727.10

₹ in lakhs

	As at 31.03.2016	As at 31.03.2015
NOTE 17 : OTHER CURRENT ASSETS		
Interest Receivable	13.06	12.04
Export Incentive Receivable	29.66	46.94
Other Receivable	88.38	0.69
TOTAL	131.10	59.67

NOTES FORMING PART OF STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

₹ in lakhs

	Current Year	Previous Year
NOTE 18 : REVENUE FROM OPERATIONS		
Sale of Products	15,436.32	14,912.14
Sale of Services	309.12	313.24
Less: Excise duty	141.16	113.75
	15,604.28	15,111.63
Other Operating Revenues		
Export Incentives	116.54	120.23
Sales Tax Setoff	69.96	61.70
Other Income	102.88	79.49
Provision no longer required written back	19.38	3.53
Sundry Credit Balance Written Back	12.49	1.82
	321.25	266.77
TOTAL	15,925.53	15,378.40

₹ in lakhs

	Current Year	Previous Year
NOTE 19 : OTHER INCOME		
Interest Income	55.88	45.56
Dividend Income	0.01	0.01
Gain on sale of Investments	23.13	4.14
Provision for Doubtful Advances no longer require written back	33.33	-
State Subsidy towards Interest	174.52	-
(Refer Note 27B Point no. X of Other Notes to Accounts)		
Lease Income	60.60	60.60
TOTAL	347.47	110.31

₹ in lakhs

	Current Year	Previous Year
NOTE 20 : COST OF MATERIALS CONSUMED		
Opening Stock	972.87	1,094.52
Add : Purchase of Raw Materials	9,864.43	9,524.60
Less : Closing Stock	1,022.70	972.87
TOTAL	9,814.60	9,646.25

NOTES FORMING PART OF STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

₹ in lakhs

	Current Year	Previous Year
NOTE 21 : CHANGE IN INVENTORIES		
<u>Opening Stock</u>		
Work-in-Process	372.46	363.95
Finished Goods	968.94	1,243.21
Traded Goods	105.86	45.14
	1,447.26	1,652.30
<u>Less : Closing stock</u>		
Work-in-Process	517.88	372.46
Finished Goods	969.55	968.94
Traded Goods	204.80	105.86
	1,692.23	1,447.26
TOTAL	(244.97)	205.04

₹ in lakhs

	Current Year	Previous Year
NOTE 22 : EMPLOYEE BENEFITS EXPENSE		
<u>Salaries & Wages</u>		
Salaries & Wages	1,270.42	1,070.12
Bonus / Ex Gratia	33.01	26.33
Leave Encashment	18.32	16.37
<u>Contribution to Provident and other funds</u>		
Contribution to PF	91.69	84.13
Contribution to ESIC	0.45	0.21
Contribution to Labour Welfare fund	0.09	0.20
Contribution to Superannuation fund	6.78	8.42
Provision for Gratuity	41.18	44.04
	59.62	60.63
TOTAL	1,521.56	1,310.45

₹ in lakhs

	Current Year	Previous Year
NOTE 23: FINANCE COST		
Interest Expense	331.34	195.07
(Net of Capitalisation amounting to ₹ 0.35 Lakhs (P.Y. ₹ 41.49 Lakhs))		
TOTAL	331.34	195.07

₹ in lakhs

	Current Year	Previous Year
NOTE 24 : DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation and Amortisation Expense	1,181.82	1,011.38
TOTAL	1,181.82	1,011.38

NOTES FORMING PART OF STATEMENTS OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

₹ in lakhs

	Current Year	Previous Year
NOTE 25 : OTHER EXPENSES		
Consumption of Stores and Spares	637.41	616.30
Power and Fuel (Net of Subsidy ₹ 117.52 Lakhs (P.Y. ₹ 72.39 Lakhs) received from Government of Maharashtra)	1,436.29	1,171.60
Processing Charges	190.00	128.34
Rent	91.61	77.74
Rates and Taxes	28.06	36.42
Excise Duty on Finished Goods	0.68	7.61
Repairs to Buildings	11.97	9.74
Repairs to Machinery	40.28	31.56
Other Repairs	62.40	40.01
Insurance	36.06	31.56
Freight, Forwarding and Clearing Charges	113.86	115.88
Commission, Brokerage and Incentives	255.66	254.79
Legal and Professional fees	78.64	129.59
Miscellaneous Expenses	414.60	443.60
Auditors Remuneration	17.01	14.44
Directors Fees	5.61	6.80
Provision for Doubtful Debts and Advances	9.50	38.27
Bad Debts	6.51	6.62
Wealth Tax	-	0.90
TOTAL	3,436.15	3,161.77
<u>Auditors Remuneration:</u>		
For Audit fees	14.86	13.04
For Tax Audit	1.44	1.40
For Certification and other work	0.71	-
	17.01	14.44

₹ in lakhs

	Current Year	Previous Year
NOTE 26 : EXCEPTIONAL ITEMS		
Profit on sale of Fixed Assets (Net)	258.45	41.50
Irrecoverable Advances written off	(33.33)	0.00
Fixed Assets written off	(2.58)	-
TOTAL	222.54	41.50

NOTE 27A: SIGNIFICANT ACCOUNTING POLICIES**I. Basis of Preparation of Financial Statements:**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 ('Act') read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

II. Use of Estimates:

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

III. Fixed Assets:**1. Tangible Fixed Assets**

- i. Tangible Fixed Assets are recorded at their original cost of acquisition/installation (net of Modvat / Cenvat credit availed) and Borrowing Costs, if any.
- ii. Machinery Spares which can be used only in connection with a particular item of Fixed Asset and the use of which is irregular, are capitalised at cost (net of Modvat / Cenvat credit availed)

2. Intangible Fixed Assets

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

3. Assets taken on Lease:**i. Finance Lease**

Assets taken on Finance Lease after April 1, 2001 are accounted for as Fixed Assets in accordance with the Accounting Standard-19 "Lease" (AS 19) issued by the

Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the assets have been accounted at fair value. Lease payments are apportioned between finance charge and reduction of outstanding liability.

ii. Operating Lease

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

IV. Depreciation/ Amortization

(See note no. 27B VI regarding Fixed Assets and Depreciation)

A. Tangible Fixed Assets**1. Textile Unit:**

- i. Depreciation on Plant and Machinery is provided on Straight Line Method.
- ii. Depreciation on Assets other than Plant and Machinery is provided on Written down value Method.
- iii. Costs of Reeds are amortized over a period of 2 years.
- iv. Cost of Imported Heald frames are amortized over a period of 5 years and Domestic Heald frame over a period of 3 years.

2. Engineering Unit:

- i. Depreciation on Fixed Assets is provided on Straight Line Method for Assets acquired upto March 31, 2001.
- ii. Depreciation on Fixed Assets is provided on Written down value Method for Assets acquired on or after April 1, 2001.

3. Composite Unit:

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

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

NOTE 27A: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

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

B. Intangible Assets.

Intangible Assets are amortized in accordance with Accounting Standard 26 “Intangible Assets” (AS-26) issued by the Institute of Chartered Accountants of India and prescribed under Section 133 of Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014.

V. Investments:

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

VI. Inventories:

1. Textile Unit:

- i. Raw Materials :
At monthly weighted average cost.
- ii. Stores, Spares and Other Consumable:
Stores, Spares and Other Consumables are valued at cost. Cost comprises of purchase cost and any other cost, incurred in bringing the inventory to their present location and condition. Cost is considered on First in First out Basis.
- iii. Process Stock and Finished Goods :
At quarterly weighted average cost or net realizable value whichever is lower.

2. Engineering Unit:

- i. Raw Materials :
At cost. Cost comprises of purchase cost and any other cost, incurred in bringing the inventory to their present location and condition.
- ii. Stores, Spares and Other Consumable:
Stores, Spares and Other Consumables are valued at cost. Cost comprises of purchase cost and any other cost, incurred in bringing the inventory to their present location and condition. Cost is considered on First in First out Basis.
- iii. Process Stock and Finished goods :
Finished Goods are valued at lower of cost or net realizable value.

3. Composite Unit:

- i. Raw Materials :
At cost. Cost comprises of purchase cost and any other cost, incurred in bringing the inventory to their present location and condition.
- ii. Stores, Spares and Other Consumable:
Stores, Spares and Other Consumables are valued at cost. Cost comprises of purchase cost and any other cost, incurred in bringing the inventory to their present location and condition. Cost is considered on First in First out Basis.
- iii. Process Stock and Finished Goods :
At cost or net realizable value whichever is lower.
Cost comprises of cost of materials, employee cost, factory overheads and other costs incurred in bringing the inventory to their present location and condition.

VII. Employee Benefits:

1. Defined Contribution Plan:

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

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

2. Defined Benefit Plan:

The liability for Leave Encashment and Gratuity is determined on actuarial basis as per the Accounting Standard -15 “Employee Benefits” (AS-15) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014.

VIII. Foreign Currency Transactions:

Transactions in Foreign Currency are recorded at the original rate of exchange in force at the time the transactions are effected. Exchange differences arising on repayment / restatement of foreign currency liabilities incurred for the purpose of acquiring Fixed Assets are adjusted in the

NOTE 27A: SIGNIFICANT ACCOUNTING POLICIES (Contd.)

carrying amount of the respective Fixed Assets. Exchange differences arising on settlement of other transactions are recognised in the Statement of Profit and Loss.

Monetary items (other than those related to acquisition of imported Fixed Assets) denominated in foreign currency and not covered by forward contracts are restated using the exchange rate prevailing at the date of the Balance Sheet and the resulting net exchange difference is recognised in the Statement of Profit and Loss.

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

IX. Research and Development:

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

X. Revenue Recognition:

1. Revenue from Domestic sale is recognised on transfer of significant risks and rewards of ownership which is based on the dispatch of goods.
2. Revenue from Export sale is recognised on transfer of significant risks and rewards of ownership based on Bill of lading date.
3. Dividend income is recognised when the right to receive dividend is established.
4. Revenue in respect of other income/claims, etc is recognised only when it is reasonably certain that ultimate collection will be made.

XI. Government Grants:

Grants are accounted for when it is reasonably certain that ultimate collection will be made.

XII. Taxes on income:

Income Taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (AS-22) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014. Tax expenses comprise both Current Tax and Deferred Tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities using the applicable tax rates. Deferred Tax Assets and Liabilities are recognised for future tax consequence attributable to timing difference

between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date, the Company reassesses unrealized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

XIII. Accounting of Value Added Tax (VAT):

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

XIV. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying Assets are capitalized as part of the cost of such Assets in accordance with Accounting Standard – 16 on “Borrowing Costs” (AS-16) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue.

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

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

XVI. Impairment of Fixed Assets:

At the end of each year, the Company determines whether a provision should be made for impairment loss on Fixed Assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard-28 “Impairment of Assets”(AS-28) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in prior accounting period is reversed, if there has been a change in the estimate of recoverable amounts.

NOTE 27B: OTHER NOTES TO ACCOUNTS

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The accounts for the year ended 31st March 2016 are prepared in accordance with Section 133 of Companies Act, 2013.

II. ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED :

₹ in lakhs

		Current Year	Previous Year
A	Estimated amount of contracts remaining to be executed on capital account and not provided for	44.50	88.39
B	Other Commitments	431.34	618.89

III. CONTINGENT LIABILITIES IN RESPECT OF :

₹ in lakhs

		Current Year	Previous Year
A	Claims against the Company not acknowledged as debts [including disputed demands of Central Excise for ₹ 116.07 lakhs (P.Y. ₹ 116.07 lakhs), interest on Central Excise of ₹ 57.70 (P.Y. ₹ Nil), Sales Tax ₹ 27.02 lakhs (P.Y ₹ 27.02 lakhs) and Works Contract Tax ₹ 21.14 lakhs (P.Y. ₹ 21.14 lakhs).	769.61	711.91
B	The Income-Tax demands in respect of earlier years under dispute are pending in appeal before higher authorities.	5.07	49.44
C	Demand for payment of Electricity Duty by Government of Maharashtra.	228.20	228.20
D	Concessional Custom duty on Machinery Imported/Advance License.	745.57	726.87
E	Bank Guarantees	23.82	22.78

IV. The Board of Directors has recommended a dividend of ₹ 4.50 per share on 16,64,548 Equity Shares of ₹ 10/- each aggregating to ₹ 90.15 lakhs (Inclusive of Dividend Distribution Tax of ₹ 15.25 lakhs).

V. The Memorandum of Settlement between Hindoostan Mills Limited and the Karad Taluka Girani Kamagar Sangh, Karad (Sangh) expired on 31st December, 2015. The Charter of Demands has been submitted by 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 finality is reached.

VI. FIXED ASSETS AND DEPRECIATION :

Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after 1st April, 2014, the Companies has re-worked depreciation with reference to the useful lives of Fixed Assets prescribed by PART 'C' of Schedule II to the Act. Where the remaining useful life of an Asset is nil, the carrying amount of the Asset after retaining the residual value, as at 1st April, 2014 has been adjusted to the General Reserve. In other cases the carrying values have been depreciated over the remaining useful lives of the Assets and recognized in the Statement of Profit and Loss.

Since then, as per the amendment dated 20th August, 2014, the useful life specified in Part C- of Schedule II has been defined to mean that if the cost of a Part of Asset is significant to the total cost of the Assets and useful life of that part is different from the useful life of the remaining Assets, useful life of that significant part shall be determined separately and depreciated accordingly.

In the opinion of the Management, the Company's Assets are such that there are no significant parts thereof whose life would be different than the useful life of the whole Asset (The management opinion on component accounting being technical in nature, the same is relied upon by the Auditors). Consequently, the Company has continued to provide depreciation in respect of all its Assets on the basis as was followed in the financial year 2014-15, i.e. based on useful lives of the respective Assets.

NOTE 27B: OTHER NOTES TO ACCOUNTS (Contd.)**VII. INVESTMENTS:**

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

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

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

₹ in lakhs

		Current Year	Previous Year
A	Principal amount due and remaining unpaid	5.64	-
B	Interest due on above	-	-
C	Payment made beyond the appointed day during the year	-	-
D	Interest paid	-	-
E	Interest due and payable for the period of delay	-	-
F	Interest accrued and remaining unpaid	-	-
G	Amount of further interest remaining due and payable in succeeding years	-	-

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

X. During the year, under the New Textile Policy, 2012, as per Government Resolution (GR) dated 19th January, 2016, the Company is entitled to an Interest Subsidy for the period from May 2014 to June 2015 aggregating to ₹ 93.76 Lacs. The Company is of the view that it will receive the Interest Subsidy for the Period from July 2015 to 31st March, 2016 aggregating to ₹ 80.76 Lacs as and when the processing is completed by the Ministry of Textiles. Accordingly, the Company has recognized Interest Subsidy on “accrual basis” for the period from May 2014 to 31st March, 2016 aggregating to ₹ 174.52 Lacs as Other Income.

XI. CURRENT TAX :

In view of losses for the year ended 31st March 2016, no provision for Income Tax and Minimum Alternate Tax under Section 115JB of Income Tax Act, 1961 is required to be made.

DEFERRED TAX :

In accordance with Accounting Standard 22 on “Accounting for Taxes on Income” (AS - 22) as prescribed under Section 133 of Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, Deferred Tax Assets consist of substantial amounts of carry forward losses and unabsorbed depreciation under the Income Tax Act, 1961. However, since the availability of sufficient future taxable income against which the said benefits can be set off is not possible to be ascertained with virtual certainty, the Deferred Tax Assets have not been recognized as a measure of abundant caution.

NOTE 27B: OTHER NOTES TO ACCOUNTS (Contd.)

XII. ADDITIONAL INFORMATION :

		₹ in lakhs	
		Current Year	Previous Year
A SALES			
1 <u>Sale of Goods</u>			
(a) <u>Manufactured Goods</u>			
Fabric		13,063.18	12,899.14
Yarn		149.18	95.60
Engineering Products		771.65	638.13
Composite Products		604.49	389.91
Waste		70.91	97.66
Accessories Sale		4.65	1.84
Total Sale of Manufactured Goods	(i)	14,664.06	14,122.28
(b) <u>Traded Goods</u>			
Fabric		592.85	618.02
Composite Products		161.81	157.95
Calendar Machine Spare sale		15.35	8.87
Mangle Machines		2.25	5.02
Total Sale of Traded Goods	(ii)	772.26	789.86
2 <u>Services</u>			
Refilling of Engineering Products		243.08	279.27
Job Work		50.15	30.70
Technical Services		15.89	3.27
Total Services	(iii)	309.12	313.24
Total	(i + ii + iii)	15,745.44	15,225.38
Less : Excise Duty		141.16	113.75
Total		15,604.28	15,111.63
B CONSUMPTION OF RAW MATERIALS :			
Cotton and Fiber		2,195.10	2,383.46
Yarn		6,878.38	6,673.32
Technical Yarn		349.39	285.06
Others		391.73	304.41
Total		9,814.60	9,646.25
C PURCHASE OF TRADED GOODS			
Fabric		540.73	589.01
Mangle machine		-	3.49
Calendar Machine Spare		9.50	5.06
Carbon Fiber & Laminates		109.22	85.01
Total		659.45	682.57

NOTE 27B: OTHER NOTES TO ACCOUNTS (Contd.)

		₹ in lakhs	
		Current Year	Previous Year
D (i) STOCK OF FINISHED GOODS:			
<u>Opening Stock of Finished Goods:</u>			
<u>Manufactured Goods</u>			
Fabric	871.57	1186.24	
Engineering Products	8.25	15.78	
Composite Products	76.98	23.66	
Waste	9.04	9.33	
<u>Refilling of Engineering Products</u>	3.10	8.20	
<u>Traded Goods</u>			
Fabrics	103.50	42.78	
Mangle Machines	2.36	2.36	
Total opening Stock of Finished Goods	1,074.80	1,288.35	
<u>Closing Stock of Finished Goods:</u>			
<u>Manufactured Goods</u>			
Fabric	900.76	871.57	
Engineering Products	28.36	8.25	
Composite Products	35.73	76.98	
Waste	3.79	9.04	
<u>Refilling of Engineering Products</u>	0.91	3.10	
<u>Traded Goods</u>			
Fabric	199.57	103.50	
Mangle Machines	1.50	2.36	
Composite Products	3.73	-	
Total Closing Stock of Finished Goods	1,174.35	1,074.80	
(ii) STOCK OF WIP:			
<u>Opening Stock of WIP</u>			
<u>Manufactured Goods</u>			
Fabric	24.89	13.95	
Yarn	330.00	340.38	
Engineering Products	11.50	4.98	
<u>Refilling of Engineering Products</u>	2.21	1.84	
<u>Traded Goods</u>			
Fabric	3.86	2.80	
Total Opening Stock of WIP	372.46	363.95	
<u>Closing Stock of WIP</u>			
<u>Manufactured Goods</u>			
Fabric	397.96	24.89	
Yarn	31.35	330.00	
Engineering Products	23.21	11.50	
<u>Refilling of Engineering Products</u>	1.41	2.21	
<u>Traded Goods</u>			
Fabric	63.95	3.86	
Total Closing Stock of WIP	517.88	372.46	

NOTE 27B: OTHER NOTES TO ACCOUNTS (Contd.)

XIII. OTHER DISCLOSURES

₹ in lakhs

	Current Year	Previous Year
A. C.I.F. Value of Imports in respect of:		
Raw Material	377.29	296.88
Stores & Spares & Components	74.72	63.10
Capital Goods	105.88	2,642.69
Total	557.89	3,002.67

₹ in lakhs

	Current Year	Previous Year
B. Expenditure in Foreign Currency on account of:		
Commission	47.21	62.00
Foreign Travel	11.26	10.12
Exhibition Expense	15.44	14.56
Total	73.91	86.68

₹ in lakhs

	Current Year		Previous Year	
C. Value of Raw Materials Consumed:	Percentage to Total Consumption %	Amount	Percentage to Total Consumption %	Amount
Imported	4.75%	465.82	3.55%	342.55
Indigenous	95.25%	9,348.78	96.45%	9,303.70
Total	100.00%	9,814.60	100.00%	9,646.25

₹ in lakhs

	Current Year		Previous Year	
D. Value of Stores and Spares Consumed:	Percentage to Total Consumption %	Amount	Percentage to Total Consumption %	Amount
Imported	14.37%	91.57	9.54%	58.80
Indigenous	85.63%	545.84	90.46%	557.50
Total	100.00%	637.41	100.00%	616.30

₹ in lakhs

	Current Year	Previous Year
E. Earnings in Foreign Exchange on account of Export of goods on F.O.B. Basis:		
Earnings in Foreign Exchange on account of Export of goods on F.O.B. Basis	2,739.36	2,676.23

₹ in lakhs

	No of Nonresident Share holder	No of Share held by Nonresident	Current Year	Previous Year
F. Dividend Remitted in Foreign Currency:				
Dividend for F.Y. 2014-2015	1	3060	0.12	-
Dividend for F.Y. 2013-2014	1	3060	-	0.31

NOTE 27B: OTHER NOTES TO ACCOUNTS (Contd.)**XIV. DETAILS OF FOREIGN CURRENCY EXPOSURE :**

₹ in lakhs

	Current Year	Previous Year
A Outstanding Forward Contracts at the end of the year	344.25	238.70
B Export Receivable not covered by Forward Contract	72.24	-

XV. EARNINGS PER SHARE :

₹ in lakhs

	Current Year	Previous Year
(Loss) after taxation as per Statement of Profit & Loss - ₹ in lakhs	(225.38)	(688.59)
No. of Equity Shares	16,64,548	16,64,548
Earnings per Share (of ₹ 10/- each)	₹ (13.54)	(41.37)

XVI. EMPLOYEE BENEFITS:**A. GRATUITY (FUND BASED):**

₹ in lakhs

	Current Year	Previous Year
Reconciliation of opening and closing balances of Defined Benefit Obligation		
Present value of Defined Benefit Obligation as on 1st April, 2015	262.16	217.28
Interest cost	20.96	20.36
Current Service Cost	28.75	18.04
Past Service Cost	-	-
Liability Transferred In/ Acquisition	-	3.89
Benefits paid	(8.49)	(3.05)
Benefits Paid From the Fund		
Net Actuarial Loss	(8.53)	5.65
Present value of Defined Benefit Obligation as on 31st March, 2016	294.85	262.17
Fair value of plan assets	0.24	0.24
Net liability recognized in balance sheet	294.61	261.93
Expenses recognized during the year		
Current Service Cost	28.75	18.05
Interest Cost	20.96	20.34
Expected return on Plan Assets	-	(0.02)
Actuarial Loss	(8.53)	5.67
Past Service Cost	-	-
Net Cost recognized in Statement of Profit & Loss	41.18	44.04
Actuarial Assumptions		
Mortality Table	Indian Assured life Mortality (2006-08)	
Discount Rate (per annum)	8.06%	8.00%
Attrition Rate	2.00%	2.00%
Expected rate of return on Plan Assets	8.06%	8.00%
Salary Escalation	6.80%	6.80%

Note:

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

B. LEAVE ENCASHMENT (NON FUND BASED):

The liability towards leave encashment for the year ended 31st March, 2016 as per actuarial valuation is ₹ 86.56 lakhs (P.Y. ₹ 74.80 lakhs), which has been duly provided for.

NOTE 27B: OTHER NOTES TO ACCOUNTS (Contd.)

XVII.SEGMENT REPORTING:

A. PRIMARY BUSINESS SEGMENT

₹ in lakhs

	Textile	Engineering	Composite	Total
SEGMENT REVENUE	14,156.20	1,048.53	720.80	15,925.53
Previous Year	13,951.39	927.41	499.60	15,378.40
SEGMENT RESULT	(273.51)	99.81	(169.58)	(343.28)
Previous Year	(306.73)	(13.10)	(177.45)	(497.28)
Unallocated Corporate Expense/Income (Net)				36.23
Previous Year				(83.31)
OPERATING LOSS				(307.05)
Previous Year				(580.59)
Interest Expenses				(156.81)
Previous Year				195.07
Interest / Dividend Income				34.97
Previous Year				45.57
Exceptional Items				222.54
Previous Year				41.50
LOSS BEFORE TAX				(206.35)
Previous Year				(688.59)
Income Tax				19.03
Previous Year				-
LOSS FOR THE YEAR				(225.38)
Previous Year				(688.59)

Note : Figures in bracket denotes Loss.

B. SECONDARY SEGMENT: GEOGRAPHICAL SEGMENT

₹ in lakhs

	Total	India	Rest of World
Revenue attributable to location of customers	15,925.53	13,161.33	2,764.20
	(15,378.40)	(12,631.23)	(2,747.17)
Segment assets based on their location	13,709.58	13,597.42	112.16
	(14,199.32)	(14,074.33)	(124.99)
Addition to Fixed Assets	806.44	806.44	-
	(3,340.38)	(3,340.38)	-

Note : Figures in bracket denotes those of the previous year.

NOTE 27B: OTHER NOTES TO ACCOUNTS (Contd.)

XVIII. RELATED PARTY INFORMATION:

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

Associates/Companies where control exists	Thackersey Moolji & Co., Delta Investments Ltd, Parnakuti & Allied Estate Development Corporation
Key Management Personnel (KMP)	Mr. Hrishikesh Thackersey – Executive Director Mr. Abhimanyu Thackersey – Executive Director Ms. Heena Shah – Chief Financial Officer Mr. Devanand Mojidra – Company Secretary (Resigned on 6.10.2015) Mr. Jagat Reshamwala – Company Secretary (w.e.f. 16.11.2015)
Relative of KMP	Mr. Jagdish Thackersey

B. TRANSACTIONS WITH RELATED PARTIES:

₹ in lakhs

Sr. No.	Nature of Transactions	Current Year	Previous Year
1	Rent & Maintenance charges paid Thackersey Moolji & Co.	25.74	25.74
2	Managerial Remuneration Mr. Abhimanyu Thackersey Mr. Hrishikesh Thackersey	38.45 21.10	30.23 18.77
3	Guest House Expenses Paid Parnakuti & Allied Estate Development Corporation	24.00	22.00
4	Salary Paid to Ms. Heena Shah Mr. Devanand Mojidra (upto :- 06.10.2015) Mr. Jagat Reshamwala (w.e.f :- 16.11.2015)	40.86 5.99 8.25	34.63 7.22 -
5	Directors Sitting Fees Mr. Jagdish Thackersey (Refer Note b below) Mr. Abhimanyu Thackersey (Refer Note b below)	- -	0.10 0.10
6	Interest Paid Delta Investments Ltd	3.74	15.39
7	Unsecured Loan Received <u>Loan Received during the year</u> Delta Investments Ltd. <u>Loan Repaid during the Year</u> Delta Investments Ltd. <u>Balance as on 31st March, 2016</u> Delta Investments Ltd.	- 100.00 -	350.00 250.00 100.00
8	Sale of Redeemable Preference Shares in Bhishma Realty Ltd Delta Investments Ltd.	-	1.33

NOTE 27B: OTHER NOTES TO ACCOUNTS (Contd.)

Sr. No.	Nature of Transactions	Current Year	Previous Year
9	Sale of Redeemable Preference Shares in Capricon Realty Ltd Delta Investments Ltd.	-	1.33

Notes:

- The above excludes payment of Dividend.
- In capacity of Director of Hindoostan Technical Fabrics Ltd. upto 10.10.2014.
- Related Party information is as identified by the Company and relied upon by the Auditors.
- The above figures are exclusive of Service Tax wherever applicable.

XIX. LEASES :

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

₹ in lakhs

	Current Year	Previous Year
Within one year	17.94	16.67
After one year but not more than five years	14.20	32.14

XX. CORPORATE SOCIAL RESPONSIBILITY (CSR) :

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. During the year the Company has contributed for supply of Computers, Projectors, LCD TVs, Water Purifier and Water tank to schools nearby to our factory at Karad and contributed to Armed Forces Flag Day Fund, total amounting to ₹ 1.94 lakhs.

₹ in lakhs

Sr. No.		Amount spent	Amount to be spent	Total
i	On purposes other than Construction/ acquisition of any asset	1.94	-	1.94

XXI. The balances relating to Sundry Debtors, Sundry Creditors and Loans & Advances as on 31st March, 2016 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 finality is reached.

NOTE 27B: OTHER NOTES TO ACCOUNTS (Contd.)

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

XXIII. 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 "27"

As per our report of even date attached

For M.A. Parikh & Co

Chartered Accountants.

Firm Registration No.107556W

Mukul M. Patel

Partner

Membership No. : 32489

Place : Mumbai

Date : May 4, 2016

For and on behalf of the Board**Abhimanyu Thackersey**

Executive Director

Heena Shah

Chief Financial Officer

Hrishikesh Thackersey

Executive Director

Jagat Reshamwala

Company Secretary

Place : Mumbai

Date : May 4, 2016



HINDOOSTAN MILLS LIMITED

CIN No: L17121MH1904PLC000195

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

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

FORM NO. MGT 11

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

PROXY FORM

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

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

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

as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the 112th Annual General Meeting of the Company to be held on Tuesday, August 09, 2016 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
1.	Adoption of Financial Statement for the year ended March 31, 2016.		
2.	Declaration of Dividend on Equity Share.		
3.	Re-appointment of Mr. Naresh Kara as Director liable to retire by rotation.		
4.	Re-appointment of Mr. Hrishikesh Thackersey as Director liable to retire by rotation.		
5.	Ratification of appointment of M/s. M.A. Parikh & Co., as Auditors of the Company.		
6.	Approval of re-appointment of Mr. Abhimanyu Thackersey, as Whole-time Director designated as Executive Director.		
7.	Re- appointment of Mr. Krishanadas D. Vora as an Independant Director.		
8.	Remuneration of Cost Auditor, M/s. Anant Ashok Katyare & Co., for the Financial Year ending March 31, 2017.		

Signed this day of 2016

Signature of Shareholder: _____

Signature of Proxy holder: _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix
₹ 1
Revenue
Stamp

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



If undelivered, please return to :
HINDOOSTAN MILLS LIMITED,

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