



# HINDOOSTAN MILLS LIMITED

115<sup>th</sup>  
Annual Report  
2018-2019

A THACKERSEY GROUP COMPANY



Sudhir Thackersey  
**Chairman Emeritus**

**BOARD OF DIRECTORS**

Chandrabhas Thackersey  
**Chairman**

Raoul Thackersey  
**Promoter Director**

Khushaal Thackersey  
**Executive Director**

Rajiv Ranjan  
**Executive Director & CEO**

**Independent Directors**

Sujal A. Shah

Bhavesh V. Panjvani

Ashok N. Desai

Maitreyee Agboatwala (w.e.f. 01-11-2018)

Amol P. Vora (w.e.f. 17-05-2019)

K.D. Vora (Upto 08-08-2018)

Vishwadhara Dahanukar (Upto 09-08-2018)

Prem Malik (Upto 12-02-2019)

Pradyumna D. Vora (w.e.f. 08-08-2018 & Upto 29-03-2019)

**Chief Financial Officer**

Shraddha Shettigar

**Company Secretary**

Kaushik N. Kapasi

**Auditors**

M.A. Parikh & Co.,  
Chartered Accountants

**Solicitors**

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

**Bankers**

HDFC Bank Ltd.  
Axis Bank Ltd.

**CONTENTS**

Notice

Directors' Report

Corporate Governance Report

Management Discussion and Analysis

Auditors' Report

Balance Sheet

Statement of Profit & Loss

Cash Flow Statement

Notes "1" to "33"

Proxy Form

**115<sup>th</sup> Annual General Meeting on Friday,  
September 27, 2019 at 11:00 AM at Sir Vithaldas  
Chambers, 16, Mumbai Samachar Marg,  
Mumbai – 400 001.**

**Plants**

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

Plot No. B-24

(Additional Ambarnath MIDC Industrial Area),  
Village – Anandnagar, Dist.- Thane – 421506, Maharashtra

**Registered Office**

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

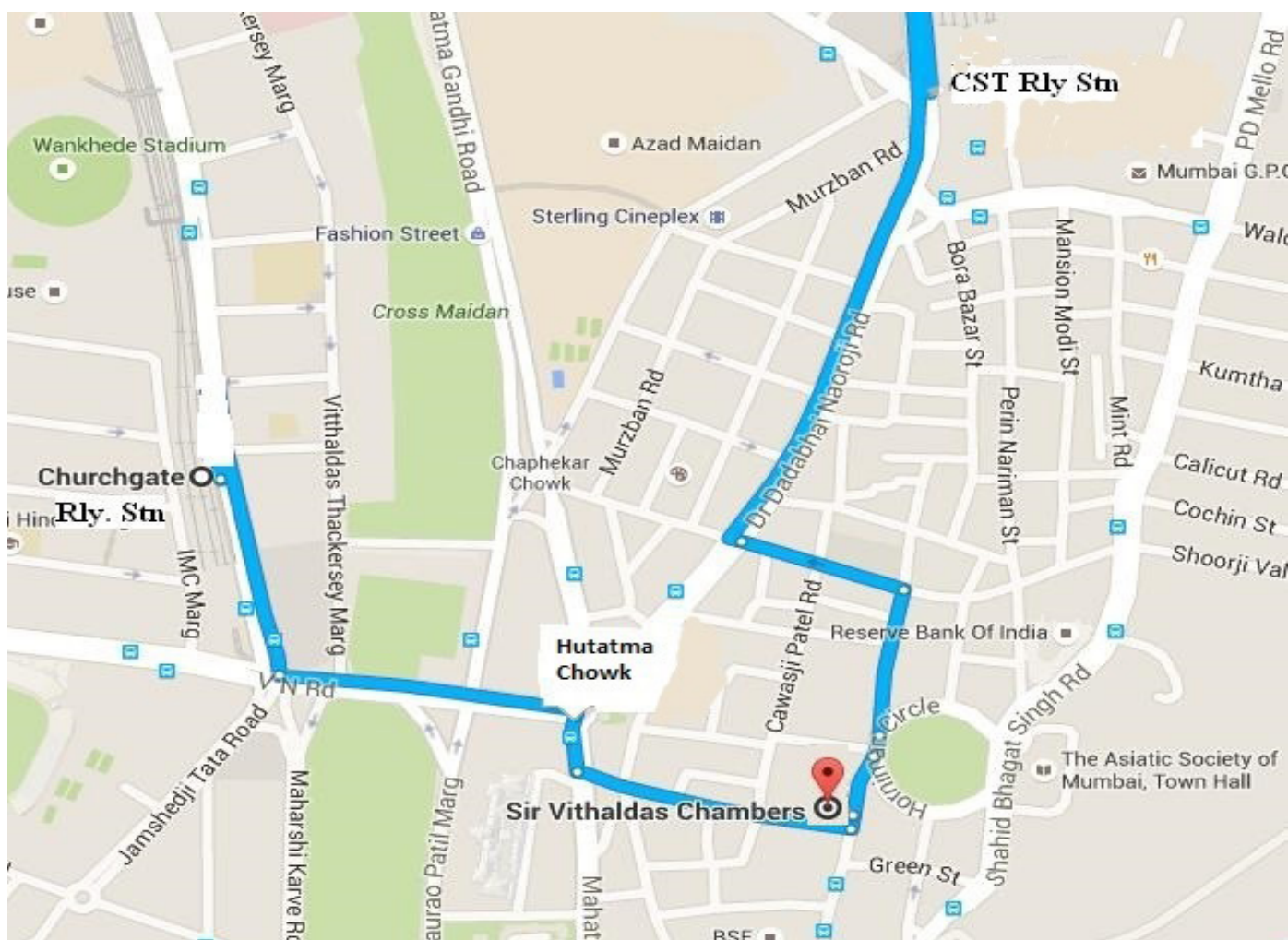
**CIN:** L17121MH1904PLC000195

**Registrar & Transfer Agents**

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

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

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



**Landmark :** Next to Bombay Stock Exchange

**Distance from Churchgate Station :** 1 km

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

## NOTICE

Notice is hereby given that the 115<sup>th</sup> Annual General Meeting (AGM) of the Members of Hindoostan Mills Limited will be held on Friday, September 27, 2019 at 11.00 a.m. at “Sir Vithaldas Chambers”, 6<sup>th</sup> Floor, 16, Mumbai Samachar Marg, Fort, Mumbai - 400 001 to transact the following businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. Khushaal Thackersey (DIN: 02416251) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.
3. To re-appoint M/s. M.A. Parikh & Co., Chartered Accountants as Statutory Auditors of the Company.

“**RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder, pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. M.A. Parikh & Co., Chartered Accountants (Registration No. 107556W) be and is hereby reappointed as the Auditors of the Company for two years to hold office from the conclusion of this 115<sup>th</sup> Annual General Meeting till the conclusion of 117<sup>th</sup> Annual General Meeting to be held for FY 2020-21 and that the Board of Directors be and is hereby authorised to fix the remuneration and reimbursement of actual out of pocket expenses that may be incurred by them for the purpose of audit.”

### SPECIAL BUSINESS:

4. 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, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Sujal A. Shah (DIN: 00058019), who was appointed as an Independent Director and holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing

under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company on the Board of the Company, not liable to retire by rotation for a second term of 5 (five) consecutive years with effect from the date of this Annual General Meeting.

**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.”

5. 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, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Bhavesh V. Panjuani (DIN: 03188032), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company on the Board of the Company, not liable to retire by rotation for a second term of 5 (five) consecutive years with effect from the date of this Annual General Meeting.

**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.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149,152,161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Ms. Maitreyee Agboatwala (DIN: 08269385), who was appointed as an Additional Director ( Women Independent ) of the company with effect from November 01, 2018 in respect of whom the Company has received a notice in writing under section 160 of the Act from member proposing, her candidature for the office of Director, be and is hereby appointed as an Independent Women Director of the Company to hold office for a term of five years with effect from November 01, 2018, not liable to retire by rotation.

**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.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152,161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ( “the Act “) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Amol P. Vora (DIN: 00883638), who was appointed as an Additional Director ( Independent ) of the Company with effect from May 17, 2019 in respect of whom the Company has received a notice in writing under section 160 of the Act from member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of five years with effect from May 17, 2019.

**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.”

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 viz. Mr. Pranav J. Taralekar, Cost Accountants (Regn. No. 101896) reappointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 at a remuneration of ₹1,05,000/- be and is hereby ratified.

**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.”

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

**“RESOLVED THAT,** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and such other approvals, consents and permissions being obtained from the appropriate authorities to the extent applicable and necessary, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / transfer / dispose-off its Composite Unit/Division comprising of Land situated at Plot no. B-24, Additional Ambaranath MIDC Industrial Area, Village, Anandnagar, District Thane 421506 (“Undertaking”), together with all specified tangible and intangible assets, including the Plot no. B-24 situated at Ambernath MIDC Area, plant and



machinery and other assets related to its composite unit/division alongwith the machinery situated at Plot no. D-1, MIDC Industrial Area, Village Taswade, Taluka Karad, District Satara 415109 at floor price of Rs. 7,50,00,000/- on an “as is where is” basis either in whole or substantially the whole or in part (s) or in any other manner as the Board may deem fit in the interest of the Company, on such terms and conditions as may be deemed fit by the Board.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/ documents, if required, arranging delivery and execution of contracts, deeds, agreements and instruments.”

By Order of the Board of Directors,

Kaushik N. Kapasi  
Company Secretary

August 07, 2019

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

#### NOTES:

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

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

2. Corporate Members intending to send their authorized 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 authorizing their representative to attend and vote on their behalf at the Meeting.
3. In terms of Section 152 of the Companies Act, 2013, Mr. Khushaal Thackersey (DIN: 02416251), Director, retire by rotation at the Meeting and being eligible, offer himself for reappointment. The Board of Directors of the Company commends his re-appointment. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) are provided in Annexure to the Notice.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

8. The Company has notified closure of Register of members from Tuesday, September 24, 2019 to Friday, September 27, 2019 (both days are inclusive).
  9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Computech Sharecap Ltd.
  10. Member holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease of portfolio management. Members can contact Company or Computech for assistance in these regards.
  11. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
  12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Computech.
  13. Pursuant to the provision of Section 72 of the Act, the facility for making nomination is available for the Members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said Form can be downloaded from the Company's website, [www.hindoostan.com](http://www.hindoostan.com). Members holding shares in physical form may submit the same to Computech. Members holding shares in dematerialized form may submit the same to their respective depository participant.
  14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Computech, for consolidation into a single folio.
  15. Non-Resident Indian Members are requested to inform Computech, immediately of:
    - (a) Change in their residential status on return to India for permanent settlement.
    - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
  16. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc., from the Company electronically.**
  17. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, Companies can serve Annual Report and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant. Members holding shares in physical form, who have not registered their email address with the Company, are requested to submit their request with their valid email address to Computech. Members holding shares in dematerialised form are requested to register/update their email address with their Depository Participant directly. Members of the Company, who have registered their email address, are entitled to receive such communication in physical form upon request.
- Accordingly, electronic copy of the Annual Report for the financial year 2018-19 and Notice of the 115<sup>th</sup> Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email address are registered with the Company / Depository for communication purposes unless any Member has requested for a hard copy of the same. Even after registering for e-communication, Members are entitled to receive the same in physical form, upon making a request in this regard, by post at free of cost. For this purpose, the Members may also send requests to the designated email address i.e. [complaint@hindoostan.com](mailto:complaint@hindoostan.com).
- For Members who have not registered their email address with the Company / Depository, the physical copy of the Annual Report for the financial year 2018-19 and Notice of the 115<sup>th</sup> Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through the permitted mode.
18. Members may also note that the Annual Report for the financial year 2018-19 and the Notice of the 115<sup>th</sup> Annual



General Meeting will also be available on the Company's website i.e. [www.hindoostan.com](http://www.hindoostan.com).

19. The route map showing directions to reach the venue of the 115<sup>th</sup> AGM is annexed.
20. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

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

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

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

- (i) The voting period begins on Tuesday, September 24, 2019 at 9.00 a.m. and ends on Thursday, September 26, 2019 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 Friday, September 20, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the meeting venue.
- (iii) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders".
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

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

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

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

(xii) Click on the EVSN for the relevant “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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**(xix) Note for Non - Individual Shareholders and Custodians**

- Non - Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

22. The voting rights of the Members for the purpose of e-voting shall be reckoned in proportion to the paid-up value of the equity shares registered in their name as on Friday, September 20, 2019.
23. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
24. Mr. Narayan Parekh, Partner of M/s. PRS Associates, Practicing Company Secretaries has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
25. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
26. The Results shall be declared on or after the Annual General Meeting of the Company and the Resolutions shall be deemed to be passed on the date of the Annual General Meeting subject to receipt of the requisite numbers of votes in favour of the Resolutions.
27. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website i.e. [www.hindoostan.com](http://www.hindoostan.com) and on the website of CDSL. The Results will also be communicated to the Stock Exchange where the shares of the Company are listed.

## ANNEXURE TO THE NOTICE

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

#### Item No.4 & 5

Mr. Sujal A. Shah (DIN: 00058019) and Mr. Bhavesh V. Panjuani (DIN: 03188032) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. They hold office as Independent Directors of the Company up to the conclusion this Annual General Meeting (AGM) of the Company.

Mr. Sujal A. Shah and Mr. Bhavesh V. Panjuani are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

They held office as Independent Directors up to the date of this AGM. Five Board Meetings were conducted during the year and both the Directors have attended all the meetings. Evaluation of performance of both the Directors along with other Directors was conducted on February 6, 2019 and their performance was found satisfactory. They do not hold any share in the Company.

The Board reviewed at their meeting held on May 17, 2019 their contributions as independent Directors during the term of office of five years and was of opinion that they are person of integrity. Mr. Sujal Shah possesses appropriate skills, expertise, experience and knowledge in the field of management consultancy on merger, acquisition, valuation of business, shares, brand, etc. Mr. Bhavesh Panjuani possesses appropriate skills, expertise, experience and knowledge in the legal field. He is an advocate and solicitor and expert in Arbitration & Conciliation.

The Company has also received declarations from Mr. Sujal A. Shah and Mr. Bhavesh V. Panjuani that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Mr. Sujal A. Shah and Mr. Bhavesh V. Panjuani fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations.

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Mr. Sujal A. Shah and Mr. Bhavesh V. Panjuani for the office of Independent Directors of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination

and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Sujal A. Shah and Mr. Bhavesh V. Panjuani would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Sujal A. Shah and Mr. Bhavesh V. Panjuani as Independent Directors of the Company, not liable to retire by rotation for a second term of five years on the Board of the Company with effect from the date of this AGM.

Mr. Sujal A. Shah and Mr. Bhavesh V. Panjuani are independent of the management. Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 4 and 5, are provided in the “Annexure” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India. Copy of draft letters of appointment of Mr. Sujal A. Shah and Mr. Bhavesh V. Panjuani setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. Sujal A. Shah and Mr. Bhavesh V. Panjuani are interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice with regard to their respective re-appointments.

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

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Special Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the members.

#### Item No.6

Ms. Maitreyee Agboatwala has been appointed as an additional director and as a woman independent director by the Board of directors at their meeting held on November 01, 2018 subject to the approval of shareholders.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. Maitreyee Agboatwala for the office of Director of the Company. Ms. Maitreyee Agboatwala is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from Ms. Maitreyee Agboatwala that she

meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Ms. Maitreyee Agboatwala fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations.

Evaluation of her performance along with other Directors was conducted on February 06, 2019 and her performance was found satisfactory. She holds 83 equity shares in the Company. The Board reviewed at their meeting held on May 17, 2019 her contributions as a woman independent Director during the term of office and was of opinion that she is a person of integrity and possesses appropriate skills, expertise, experience and knowledge in the field of administration.

Details of Ms. Maitreyee Agboatwala are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Ms. Maitreyee Agboatwala setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors except Ms. Maitreyee Agboatwala / 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. 6 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

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

## Item No.7

Mr. Amol P. Vora has been appointed as an Additional Director and Independent Director by the Board of directors of the Company subject to the approval of shareholders at the forthcoming Annual General Meeting. He has experience in marketing and trading in textiles.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Amol P. Vora for the office of Director of the Company. Mr. Amol P. Vora is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Amol P. Vora that he meets the criteria of independence as

prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Amol P. Vora fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Amol P. Vora is independent of the management and possesses appropriate skills, experience and knowledge in the field of textiles.

Details of Mr. Amol P. Vora are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Mr. Amol P. Vora setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors except Mr. Amol P. Vora / 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. 7 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

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

## Item No. 8

The Board on recommendation of the Audit Committee Meeting has re-appointed Mr. Pranav J. Taralekar, ICWA as a Cost Auditor on remuneration of ₹ 1, 05,000/- to conduct Cost Audit of the cost records of the Company for financial year ending March 31, 2019.

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

Accordingly, consent of the Members is sought for passing Ordinary Resolution as set out at Item No.8 of the Notice for ratification of the remuneration payable to the Cost Auditor for financial year ending March 31, 2020.

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

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

#### Item No. 9

Board of directors at their meeting held on August 07, 2019 proposed to dispose of composite division.

The Company ventured into Technical Textile (Composite) business in the year 2010 with a vision to be a major player in this particular field. Further during the journey of eight years from year 2010 to 2018 the Company was able to reach only to the revenue of around Rs.8.1 crores during the financial year 2017-18 with a loss of Rs. 2.18 crores. As volume of manufacturing of high performance Composite remains the biggest concern with entry of big players in the Industry, the Management has decided to discontinue operations of Composite Division and focus on its Textile business. Composite division was closed with effect from 30-06-2018.

The Company is under losses since financial year 2014-15, performance since then is narrated below:

**Rs. In Lacs**

| Particulars                                    | 31-03-2015 | 31-03-2016 | 31-03-2017 | 31-03-2018 | 31-03-2019 |
|------------------------------------------------|------------|------------|------------|------------|------------|
| Total Revenue                                  | 15488.71   | 16273.00   | 16185.24   | 16712.91   | 16491.98   |
| Profit/(Loss) before depreciation and taxation | 322.79     | 975.47     | (94.45)    | 162.04     | (312.33)   |
| Depreciation                                   | 1011.38    | 1181.82    | 1240.23    | 1235.46    | 858.33     |
| Profit/(Loss) before taxation                  | (688.59)   | (206.35)   | (1334.68)  | (1073.42)  | (1170.66)  |
| short prov of earlier Tax/deferred tax         | 0          | 19.03      | 0          | 3.69       | 2.25       |
| Profit/(Loss) after tax                        | (688.59)   | (225.38)   | (1334.68)  | (1077.11)  | (1172.91)  |

Book value of composite division as on 30.06.2019 is of Rupees 272.13 Lakhs after recognising impairment loss of Rs. 143.96 Lakhs.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item No. 9 of the Notice.

The Board commends the Special Resolutions set out at Item No. 9 of the Notice for approval by the Members.

By Order of the Board of Directors,

Kaushik N. Kapasi  
Company Secretary

August 07, 2019

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



## Annexure

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

| Name of the Director                                              | Khushaal Thackersey                                                                                          | Sujal A. Shah                                                   | Bhavesh V. Panjuani                                                                | Maitreyee Agboatwala                                                                                       | Amol P. Vora                                                                                   |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Date of Birth                                                     | 18.10.1988                                                                                                   | 23.09.1968                                                      | 06.02.1967                                                                         | 16.10.1971                                                                                                 | 27.12.1971                                                                                     |
| Date of appointment                                               | 09.11.2016                                                                                                   | 08.06.2011                                                      | 08.06.2011                                                                         | 01.11.2018                                                                                                 | 17.05.2019                                                                                     |
| Qualification                                                     | B.Com.                                                                                                       | B.Com; F.C.A.                                                   | B.Com; LL.B                                                                        | B.Com                                                                                                      | B.Com                                                                                          |
| Expertise in specific functional areas                            | Experience in Engineering industry and in commercial aspects of production, marketing, finance and accounts. | Management Consultant                                           | Advocate and Solicitor - Expert in Arbitration & Conciliation Committee since 2007 | Commerce graduate with professional qualifications as Japanese and Chinese languages Teacher & Translator. | Marketing Executive dealing in Textiles and involved in Trading and Commission Agency business |
| Directorship held in other Listed Companies                       | Nil                                                                                                          | - Amal Ltd.<br>- Amrit Corp. Ltd.<br>- Mafatlal Industries Ltd. | - Jaysynth Dyestuff (India) Ltd.                                                   | Nil                                                                                                        | Nil                                                                                            |
| Membership / Chairmanship of Committees of other Listed Companies | Nil                                                                                                          | 3                                                               | 1                                                                                  | --                                                                                                         | --                                                                                             |
| Number of shares held in the Company                              | 31,638 Equity Shares                                                                                         | --                                                              | --                                                                                 | 83                                                                                                         | --                                                                                             |
| Relationship between directors inter-se                           | Son of Chandrahas Thackersey                                                                                 | --                                                              | --                                                                                 | --                                                                                                         | --                                                                                             |

# **DIRECTORS' REPORT**

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 115<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended March 31, 2019.

### FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2019 is summarized below:

|                                                                                            | (₹ in lakhs)                        |                                      |
|--------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------|
|                                                                                            | Current Year<br>Ended<br>31.03.2019 | Previous Year<br>Ended<br>31.03.2018 |
| Gross Profit before Interest,<br>Depreciation and Tax from<br>continuing operations        | 408.64                              | 502.67                               |
| <b>Less:</b> Finance Cost                                                                  | 198.23                              | 232.20                               |
| Gross Profit after interest but before<br>Depreciation from continuing<br>operations       | 210.41                              | 270.47                               |
| <b>Less:</b> Depreciation                                                                  | 858.33                              | 1,117.73                             |
| Profit before Exceptional and<br>Extraordinary Items and Tax from<br>continuing operations | (647.92)                            | (847.26)                             |
| <b>Add:</b> Exceptional Items                                                              | -                                   | (3.85)                               |
| Profit/(Loss) before Taxation from<br>continuing operations                                | (647.92)                            | (851.11)                             |
| <b>Add :</b> Deferred Tax                                                                  | 2.25                                | 3.06                                 |
| Profit / (Loss) after Tax from<br>continuing operations                                    | (645.67)                            | (848.05)                             |
| Profit/(Loss) before Taxation from<br>discontinued operations                              | (533.78)                            | (211.59)                             |
| <b>Add :</b> Deferred Tax of discontinued<br>operations                                    | (1.38)                              | 0.63                                 |
| Profit/(Loss) after Tax from<br>discontinued operations                                    | (535.16)                            | (210.96)                             |
| Loss for the period                                                                        | (1,180.83)                          | (1,059.01)                           |
| <b>Add:</b> Other comprehensive income                                                     | 7.92                                | (18.10)                              |
| Total comprehensive income /<br>(Loss)                                                     | <b>(1,172.91)</b>                   | <b>(1,077.11)</b>                    |

### REVIEW OF OPERATIONS

The revenue from operations of the Company for the financial year 2018-19 was of Rs.16243.74 lakhs as compared to Rs.15656.73 Lacs during previous year. The Loss before tax was of Rs.1181.70 Lacs as against Rs.1062.70 Lacs of previous year. Business has suffered due to adverse market conditions and losses were higher due to abnormally high price of raw material i.e. cotton and yarn and increase in Power cost.

The performance and overall view of the Textile and Engineering business has been covered in the Management Discussion and Analysis which forms part of this Annual Report.

### DIVIDEND

In view of loss incurred during the year under review, the Directors regret their inability to declare any dividend for the year ended March 31, 2019.

### 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, 2019.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan and guarantee. Details of Investment of Rs.0.68 Lacs covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes no. 5 to the Financial Statements.

### DIRECTORS

Mr. Pradyumna D. Vora and Mr. Prem Malik have resigned from the Directorship of the Company with effect from March 29, 2019 and February 12, 2019 respectively. The Board places on record its appreciation towards valuable contribution made by Mr. Pradyumna D. Vora and Mr. Prem Malik during their tenure as Directors of the Company.

Ms. Vishwadhara Dahanukar, Independent Director, resigned from the Directorship of the Company effective from August 09, 2018. The Board places on record its appreciation for valuable services provided by her during her tenure as an Independent Director.

Mr. Krishnadas D. Vora, Independent Director, completed his term of 2 years on the Board of the Company and retired with effect from August 08, 2018. The Board places on record its appreciation for the contribution made by him during his tenure as Director of the Company.

The Board of Directors on the recommendation of the Nomination & Remuneration Committee appointed Ms. Maitreyee Agboatwala as an Independent Women Director on November 1, 2018 and Mr. Amol P. Vora as an Independent Director on May 17, 2019 based on their qualification and experience for a period of five years subject to approval of the Members in the ensuing Annual General Meeting (AGM).

The Nomination and Remuneration Committee has recommended reappointment of Mr. Sujal A. Shah and Mr.

Bhavesh V. Panjuani, as Independent Directors of the Company for the Second Term of 5(five) consecutive Years on the expiry of their current term of office.

Mr. Khushaal Thackersey, Director of the Company retires by rotation at the ensuing AGM and being eligible offer himself for re-appointment as Director of the Company.

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

Board recommends reappointment of the aforesaid directors at the ensuing AGM.

### COMMITTEES OF THE BOARD

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

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

### KEY MANAGERIAL PERSONNEL

The Board at their Meeting held on August 07, 2019 appointed Mr. Kaushik N. Kapasi as Company Secretary & Compliance Officer in place of Mr. Rajesh J Singh who was appointed with effect from January 21, 2019 and resigned with effect from August 6, 2019.

Earlier, Mr. Jagat Reshamwala who was Company Secretary & Compliance officer resigned with effect from December 01, 2018.

### INDUSTRIAL RELATIONS

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

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company has, during the year under review transferred unpaid dividend of Rs.2,71,670/- pertaining to the financial year 2010-11 which was unclaimed for more than seven years to Investor Education and Protection Fund in compliance with the provisions of Section 125 of the Companies Act, 2013. The Company has also transferred unpaid amount of sales proceeds of fractional shares of Rs. 91,890/- which was unclaimed for more than seven years.

### 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.

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

### COMPLIANCE UNDER THE COMPANIES ACT

#### 1) Annual return

The details forming part of the extract of the Annual Return as provided under Rule 12 of Management and Administration under Companies Act, 2013 is enclosed herewith as **Annexure - I**.

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

**2) No. of Board meetings**

During the year five Board Meetings were held.

**3) Declaration from Independent 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.

**4) 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.

**5) Board Evaluation**

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

**6) Information under section 197**

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

There was no employee drawing remuneration of Rs.one crore and two Lacs during the year or Rs.8,50,000 per month for a part of the year covered under Section 197 of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

Mr. Khushaal Thackersey : 10.87

Mr. Rajiv Ranjan : 21.00

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

| Directors, Chief Executive Officer, Company Secretary or Manager         | % increase in remuneration in the financial year |
|--------------------------------------------------------------------------|--------------------------------------------------|
| Mr. Khushaal Thackersey, Executive Director                              | 61.30                                            |
| Mr. Rajiv Ranjan, Executive Director & CEO                               | Nil                                              |
| Ms. Shraddha Shettigar                                                   | 24.00                                            |
| Mr. Jagat Reshamwala, Company Secretary ( <i>upto 30-11-2018</i> )       | Nil                                              |
| Mr. Rajesh J Singh, Company Secretary ( <i>appointed on 21-01-2019</i> ) | Nil                                              |

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

6.7%

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

432 employees as on March 31, 2019.

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

Average Salary Increase for KMP's :16.1%

Average Salary Increase for non-KMP's :7.53%

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

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

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



**DISCONTINUATION/SALE OF THE COMPOSITE UNIT**

The Company ventured into Technical Textile (Composite) business in the year 2010 with a vision to be a major player in this particular field. Further during the journey of eight years from year 2010 to 2018 the Company was able to reach only to the revenue of around Rs.8.1 crores during the financial year 2017-18 with a loss of Rs.2.18 crores during FY 2017-18 vis a vis capital employed of Rs.11.27 crores. As volume manufacturing of high performance Composite and commoditization of raw materials remains the biggest concern with entry of big players in the Industry, the Board decided at their meeting held on 5<sup>th</sup> June 2018 to discontinue operations of Composite Unit situated at Ambarnath, Additional Ambarnath MIDC Industrial Area, Village – Anandnagar, Dist- Thane 421 506, Maharashtra and MIDC Industrial area, village Taswade, Tal - Karad, Dist. – Satara, Maharashtra – 415 109 with effect from June 30, 2018 and focus on its Textile and Engineering Business.

The Board has now proposed to sale the said composite unit consisting of Plot no. B-24 situated at Ambarnath MIDC Area, plant and machinery and other assets in relation to the Undertaking at floor price of Rs. 7,50,00,000 either in whole or substantially the whole or in part(s) on an “as is where is” basis or in any other manner as the Board may deem fit in the interest of the Company, on such terms and conditions as may be deemed fit by the Board.

The Board has sought approval of shareholders under Section 180(1) (a) of the Companies Act, 2013, for disposal of composite unit.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****A. Conservation of energy**

The steps taken or impact on conservation of energy:-

- i) Earlier, we were using fluorescent tubes for illumination in various departments which was consuming 36 watt power per tube. Under Energy conservation, we have replaced 475 fluorescent tubes of 36 Watt with 18 Watt LED tubes without influencing required illumination of workplace.

With this step, we have optimized 50% power in Lighting (Illumination of department) section which is around 72000 Units per annum which amounts to a saving of Rs. 6 lacs per year

- ii) Steps taken by the company for utilizing alternate sources of energy:-

We have worked on different proposals of alternate source of Energy like Open Access power, Solar Power, Wind Mill power etc. We were drawing power under Open Access scheme earlier but this was stopped in February 2018 as the power supplier was not meeting all the conditions as per MSEDCL rules.

- iii) The Capital investment on energy conservation equipment.

Capital investment of Rs. 2,83,000 has been done for Installation of LED tubes.

**B. Technology absorption**

- i) the efforts made towards technology absorption

We have installed Monogram Selvedge attachments on our Airjet and Rapier looms. Two looms of Airjet and one loom of Rapier have started on Monogram selvedge.

- ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

This Jacquard type monogram attachment is giving flexibility of any style and shape of words and symbols on fabric selvedge. Technology is completely adopted for working and handling of these attachments. The Company has invested around Rs. 6 Lakh for these attachments. We are getting value addition and improvement in price realisation in same fabric with monogram. We propose to install this equipment on more looms in future.

**Foreign Exchange Earnings & Outgo:**

(₹ in lakhs)

| Particulars                        | 31.03.2019 | 31.03.2018 |
|------------------------------------|------------|------------|
| Foreign exchange earned (Rs. Lacs) | 2294.40    | 3013.13    |
| Foreign exchange used (Rs. Lacs)   | 277.91     | 479.07     |

**RISK MANAGEMENT POLICY**

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

## CORPORATE GOVERNANCE

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

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company is enclosed herewith as **Annexure -I**. In view of the average loss for the three immediately preceding financial years, the Company was not required to spent any amount on CSR activities during the FY 2018-19.

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

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

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work perform by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by the Management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2018-19.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

## AUDITORS

### (a) Statutory Auditors

M/s. M.A. Parikh & Co., Chartered Accountants, Mumbai (Firm Registration No. 107556W) holds office upto the conclusion of this 115th Annual General Meeting (AGM), completing eight years of office. The Board has recommended for their appointment as statutory auditors for another two years.

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 has re-appointed Mr. Pranav J. Taralekar, Cost Auditor to conduct cost audit of the cost records of the Company for FY 2019-20 on the remuneration of Rs.1,05,000/-. The Board has recommended to the Members to ratify the said remuneration.

### (c) Secretarial Audit

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

## SEXUAL HARASSMENT

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

## ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors,

**Chandahas Thackersey**  
Chairman

Place : Mumbai  
Date: August 07, 2019

## ANNEXURE-I

**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on March 31, 2019**

[Pursuant to 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,<br>16, Mumbai Samachar Marg,<br>Fort, Mumbai – 400001<br>Tel. No.: 022-2204 0846                                                                             |
| Whether listed Company                                                    | Yes                                                                                                                                                                                  |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | Computech Sharecap Limited,<br>147, Mahatma Gandhi Road,<br>Opp. Jehangir Art Gallery,<br>Mumbai - 400 023.<br>Tel: 022 – 22635000/1/2/3/4<br>e-mail – helpdesk@computechsharecap.in |

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

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

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the Company |
|---------|--------------------------------------------------|----------------------------------|------------------------------------|
| 1       | Textiles                                         | 13111, 13121, 13124              | 91.25%                             |

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

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

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

i) Category-wise Share Holding

| Category of Shareholders                                  | No. of Shares held at the beginning of the year |             |                |                   | No. of Shares held at the end of the year |             |                |                   | % Change during the year |
|-----------------------------------------------------------|-------------------------------------------------|-------------|----------------|-------------------|-------------------------------------------|-------------|----------------|-------------------|--------------------------|
|                                                           | Demat                                           | Physical    | Total          | % of Total Shares | Demat                                     | Physical    | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>                                       |                                                 |             |                |                   |                                           |             |                |                   |                          |
| (1) Indian                                                |                                                 |             |                |                   |                                           |             |                |                   |                          |
| a) Individual/HUF                                         | 555976                                          | --          | 555976         | 33.40             | 555976                                    | --          | 555976         | 33.40             | --                       |
| b) Central Govt                                           | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| c) State Govt (s)                                         | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| d) Bodies Corporate                                       | 453535                                          | --          | 453535         | 27.25             | 453535                                    | --          | 453535         | 27.25             | --                       |
| e) Banks / FI                                             | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| f) Any Other....                                          | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| <b>Sub-total (A) (1):</b>                                 | <b>1009511</b>                                  | <b>--</b>   | <b>1009511</b> | <b>60.65</b>      | <b>1009511</b>                            | <b>--</b>   | <b>1009511</b> | <b>60.65</b>      | <b>--</b>                |
| (2) Foreign                                               |                                                 |             |                |                   |                                           |             |                |                   |                          |
| a) NRIs - Individuals                                     | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| b) Other – Individuals                                    | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| c) Bodies Corp.                                           | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| d) Banks / FI                                             | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| e) Any Other....                                          | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| <b>Sub-total (A) (2):</b>                                 | <b>--</b>                                       | <b>--</b>   | <b>--</b>      | <b>--</b>         | <b>--</b>                                 | <b>--</b>   | <b>--</b>      | <b>--</b>         | <b>--</b>                |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b> | <b>1009511</b>                                  | <b>--</b>   | <b>1009511</b> | <b>60.65</b>      | <b>1009511</b>                            | <b>--</b>   | <b>1009511</b> | <b>60.65</b>      | <b>--</b>                |
| <b>B. Public Shareholding</b>                             |                                                 |             |                |                   |                                           |             |                |                   |                          |
| <b>I. Institutions</b>                                    |                                                 |             |                |                   |                                           |             |                |                   |                          |
| a) Mutual Funds                                           | --                                              | 8           | 8              | --                | --                                        | 8           | 8              | --                | --                       |
| b) Banks / FI                                             | 408                                             | 1876        | 2284           | 0.14              | 408                                       | 1876        | 2284           | 0.14              | --                       |
| c) Central Govt.                                          | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| d) State Govt (s)                                         | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| e) Venture Capital Funds                                  | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| f) Insurance Companies                                    | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| g) FIIs                                                   | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| h) Foreign Venture Capital Funds                          | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| i) Others (specify)                                       | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |
| <b>Sub-total (B)(1):-</b>                                 | <b>408</b>                                      | <b>1884</b> | <b>2292</b>    | <b>0.14</b>       | <b>408</b>                                | <b>1884</b> | <b>2292</b>    | <b>0.14</b>       | <b>--</b>                |
| <b>2. Non-Institutions</b>                                |                                                 |             |                |                   |                                           |             |                |                   |                          |
| a) Bodies Corp.                                           | 10490                                           | 1171        | 11661          | 0.70              | 11948                                     | 1123        | 13071          | 0.79              | 0.09                     |
| i) Indian                                                 | --                                              | --          | --             | --                | --                                        | --          | --             | --                | --                       |

|                                                                                       |                |              |                |               |                |              |                |               |           |
|---------------------------------------------------------------------------------------|----------------|--------------|----------------|---------------|----------------|--------------|----------------|---------------|-----------|
| ii) Overseas                                                                          | --             | --           | --             | --            |                |              |                |               | --        |
| b) Individuals                                                                        |                |              |                |               |                |              |                |               |           |
| i) Individual shareholders holding <b>nominal</b> share capital upto ₹1 lakh          | 300232         | 61606        | 361838         | 21.74         | 281238         | 57474        | 338712         | 20.35         | -1.39     |
| ii) Individual shareholders holding nominal share capital <b>in excess</b> of ₹1 lakh | 260127         | --           | 260127         | 15.62         | 283965         | --           | 283965         | 17.05         | 1.43      |
| c) Others (specify) (NRI & OCB)                                                       | 15124          | 3995         | 19119          | 1.15          | 13062          | 3935         | 16997          | 1.02          | -0.13     |
|                                                                                       |                |              |                |               |                |              |                |               |           |
| <b>Sub-total (B)(2):</b>                                                              | <b>585973</b>  | <b>66772</b> | <b>652745</b>  | <b>39.21</b>  | <b>590213</b>  | <b>62532</b> | <b>652745</b>  | <b>39.21</b>  | <b>--</b> |
|                                                                                       |                |              |                |               |                |              |                |               |           |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                                    | <b>586381</b>  | <b>68656</b> | <b>655037</b>  | <b>39.35</b>  | <b>590621</b>  | <b>64416</b> | <b>655037</b>  | <b>39.35</b>  | <b>--</b> |
|                                                                                       |                |              |                |               |                |              |                |               |           |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                                | <b>--</b>      | <b>--</b>    | <b>--</b>      | <b>--</b>     | <b>--</b>      | <b>--</b>    | <b>--</b>      | <b>--</b>     | <b>--</b> |
|                                                                                       |                |              |                |               |                |              |                |               |           |
| <b>Grand Total (A+B+C)</b>                                                            | <b>1595892</b> | <b>68656</b> | <b>1664548</b> | <b>100.00</b> | <b>1600132</b> | <b>64416</b> | <b>1664548</b> | <b>100.00</b> | <b>--</b> |

## (ii) Shareholding of Promoters:

| Sr. No. | Name of Shareholder               | Shareholding at the beginning of the year |                                  |                                                  | Share holding at the end of the year |                                  |                                                  | % change in share holding during the year |
|---------|-----------------------------------|-------------------------------------------|----------------------------------|--------------------------------------------------|--------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------------|
|         |                                   | No. of Shares                             | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares                        | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares |                                           |
| 1       | Abhimanyu Investments Pvt. Ltd.   | 21977                                     | 1.32                             | --                                               | 21977                                | 1.32                             | --                                               | --                                        |
| 2       | Abhimanyu J Thackersey            | 34573                                     | 2.08                             | --                                               | 34573                                | 2.08                             | --                                               | --                                        |
| 3       | Ameeta J Thackersey               | 25148                                     | 1.51                             | --                                               | 25148                                | 1.51                             | --                                               | --                                        |
| 4       | Bhavika Nimish Sonawala           | 3720                                      | 0.22                             | --                                               | 3720                                 | 0.22                             | --                                               | --                                        |
| 5       | Chandrasah K Thackersey           | 63171                                     | 3.80                             | --                                               | 63171                                | 3.80                             | --                                               | --                                        |
| 6       | Chandrali Investment Pvt Ltd      | 87266                                     | 5.24                             | --                                               | 87266                                | 5.24                             | --                                               | --                                        |
| 7       | Delta Investments Limited         | 110707                                    | 6.65                             | --                                               | 110707                               | 6.65                             | --                                               | --                                        |
| 8       | Devaunshi A Mehta                 | 2814                                      | 0.17                             | --                                               | 2814                                 | 0.17                             | --                                               | --                                        |
| 9       | Devaunshi Investments Pvt Ltd     | 59374                                     | 3.57                             | --                                               | 59374                                | 3.57                             | --                                               | --                                        |
| 10      | Ellora Investment Private Limited | 57545                                     | 3.46                             | --                                               | 57545                                | 3.46                             | --                                               | --                                        |
| 11      | Hrishikesh Investments Pvt Ltd    | 28937                                     | 1.74                             | --                                               | 28937                                | 1.74                             | --                                               | --                                        |



| 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 |                                           |
| 12      | Hrishikesh J Thackersey                 | 26621                                     | 1.60                             | --                                               | 26621                                | 1.60                             | --                                               | --                                        |
| 13      | Jagdish U Thackersey                    | 196613                                    | 11.81                            | --                                               | 196613                               | 11.81                            | --                                               | --                                        |
| 14      | Khushaal C Thackersey                   | 31638                                     | 1.90                             | --                                               | 31638                                | 1.90                             | --                                               | --                                        |
| 15      | Leena C Thackersey                      | 6474                                      | 0.39                             | --                                               | 6474                                 | 0.39                             | --                                               | --                                        |
| 16      | Mitika C Thackersey                     | 5987                                      | 0.36                             | --                                               | 5987                                 | 0.36                             | --                                               | --                                        |
| 17      | Nina S Thackersey                       | 40024                                     | 2.40                             | --                                               | 40024                                | 2.40                             | --                                               | --                                        |
| 18      | Paulomi B Jain                          | 4580                                      | 0.28                             | --                                               | 4580                                 | 0.28                             | --                                               | --                                        |
| 19      | Paura Investments Private Ltd           | 22639                                     | 1.36                             | --                                               | 22639                                | 1.36                             | --                                               | --                                        |
| 20      | Pushya Trading Pvt Ltd                  | 16067                                     | 0.97                             | --                                               | 16067                                | 0.97                             | --                                               | --                                        |
| 21      | Raoul S Thackersey                      | 96692                                     | 5.81                             | --                                               | 96692                                | 5.81                             | --                                               | --                                        |
| 22      | Sudhir K Thackersey                     | 17921                                     | 1.08                             | --                                               | 17921                                | 1.08                             | --                                               | --                                        |
| 23      | The Bhore Chemicals & Plastics Pvt Ltd. | 37334                                     | 2.24                             | --                                               | 37334                                | 2.24                             | --                                               | --                                        |
| 24      | Uranus Trading Private Ltd              | 11689                                     | 0.70                             | --                                               | 11689                                | 0.70                             | --                                               | --                                        |
|         | <b>Total</b>                            | <b>1009511</b>                            | <b>60.65</b>                     |                                                  | <b>1009511</b>                       | <b>60.65</b>                     |                                                  |                                           |

**(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 |
| --                  | --                                        | --                               | --   | --                                 | --                                      | --                               |

## (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               | 65379                                     | 3.93                             | 01.04.18 |                                     |          |                                         |                                  |
|         |                                     |                                           |                                  | 18.05.18 | 621                                 | Transfer | 66000                                   | 3.96                             |
|         |                                     |                                           |                                  | 25.05.18 | 500                                 | Transfer | 66500                                   | 4.00                             |
|         |                                     |                                           |                                  | 22.06.18 | 100                                 | Transfer | 66600                                   | 4.00                             |
|         |                                     |                                           |                                  | 19.10.18 | 446                                 | Transfer | 67046                                   | 4.03                             |
|         |                                     |                                           |                                  | 26.10.18 | 501                                 | Transfer | 67547                                   | 4.06                             |
|         |                                     |                                           |                                  | 09.11.18 | 7126                                | Transfer | 74673                                   | 4.49                             |
|         |                                     |                                           |                                  | 16.11.18 | 136                                 | Transfer | 74809                                   | 4.49                             |
|         |                                     |                                           |                                  | 23.11.18 | 372                                 | Transfer | 75181                                   | 4.52                             |
|         |                                     |                                           |                                  | 30.11.18 | 1653                                | Transfer | 76834                                   | 4.62                             |
|         |                                     |                                           |                                  | 07.12.18 | 4948                                | Transfer | 81782                                   | 4.91                             |
|         |                                     |                                           |                                  | 07.12.18 | 80982                               | Sale     | 800                                     | 0.05                             |
|         |                                     |                                           |                                  | 14.12.18 | 81834                               | Transfer | 82634                                   | 4.96                             |
|         |                                     |                                           |                                  | 21.12.18 | 170                                 | Transfer | 82804                                   | 4.97                             |
|         |                                     |                                           |                                  | 04.01.19 | 82                                  | Transfer | 82886                                   | 4.98                             |
|         |                                     |                                           |                                  | 11.01.19 | 243                                 | Transfer | 83129                                   | 4.99                             |
|         |                                     |                                           |                                  | 25.01.19 | 400                                 | Transfer | 83529                                   | 5.02                             |
|         |                                     |                                           |                                  | 01.02.19 | 100                                 | Transfer | 83629                                   | 5.02                             |
|         |                                     |                                           |                                  | 29.03.19 | 300                                 | Transfer | 83929                                   | 5.04                             |
|         |                                     |                                           |                                  | 31.03.19 |                                     |          | 83929                                   | 5.04                             |
| 2       | Hiren Naresh Kara                   | 114446                                    | 6.88                             | 01.04.18 |                                     |          |                                         |                                  |
|         |                                     |                                           |                                  | 13.07.18 | 1000                                | Transfer | 115446                                  | 6.94                             |
|         |                                     |                                           |                                  | 02.11.18 | 520                                 | Transfer | 115966                                  | 6.97                             |
|         |                                     |                                           |                                  | 31.03.19 |                                     |          | 115966                                  | 6.97                             |
| 3       | Hitesh Ramji Javeri                 | 29232                                     | 1.76                             | 01.04.18 |                                     |          |                                         |                                  |
|         |                                     |                                           |                                  | 06.04.18 | 2220                                | Transfer | 31452                                   | 1.89                             |
|         |                                     |                                           |                                  | 08.06.18 | 1548                                | Transfer | 33000                                   | 1.98                             |
|         |                                     |                                           |                                  | 31.03.19 |                                     |          | 33000                                   | 1.98                             |
| 4       | Harsha Hitesh Javeri                | 23000                                     | 1.38                             | 01.04.18 |                                     |          |                                         |                                  |
|         |                                     |                                           |                                  | 31.03.19 |                                     |          | 23000                                   | 1.38                             |
| 5       | Kapila Manhar Mehta                 | 15330                                     | 0.92                             | 01.04.18 |                                     |          |                                         |                                  |
|         |                                     |                                           |                                  | 31.03.19 |                                     |          | 15330                                   | 0.92                             |
| 6       | Bijal Hiren Kara                    | 12748                                     | 0.77                             | 01.04.18 |                                     |          |                                         |                                  |
|         |                                     |                                           |                                  | 31.03.19 |                                     |          | 12748                                   | 0.77                             |

|    |                        |      |      |          |     |          |      |      |
|----|------------------------|------|------|----------|-----|----------|------|------|
| 7  | Chirayush Pravin Vakil | 9997 | 0.60 | 01.04.18 |     |          |      |      |
|    |                        |      |      | 09.11.18 | 200 | Sale     | 9797 | 0.59 |
|    |                        |      |      | 07.12.18 | 200 | Sale     | 9597 | 0.58 |
|    |                        |      |      | 21.12.18 | 100 | Transfer | 9697 | 0.58 |
|    |                        |      |      | 31.03.19 |     |          | 9697 | 0.58 |
| 8  | Pradeep. G. Vora       | 8874 | 0.53 | 01.04.18 |     |          |      |      |
|    |                        |      |      | 31.03.19 |     |          | 8874 | 0.53 |
| 9  | M Vijayakumar          | 6891 | 0.41 | 01.04.18 |     |          |      |      |
|    |                        |      |      | 31.03.19 |     |          | 6891 | 0.41 |
| 10 | Shilpa Sachin Morakhia | 6000 | 0.36 | 01.04.18 |     |          |      |      |
|    |                        |      |      | 31.03.19 |     |          | 6000 | 0.36 |

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

| Sr. No. | Name                                                   | Date       | Reason | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--------------------------------------------------------|------------|--------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                                        |            |        | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
|         | <b>Directors</b>                                       |            |        |                                           |                                  |                                         |                                  |
| 1       | Mr. Chandahas Thackersey                               | 01.04.2018 | --     | 63171                                     | 3.80                             |                                         |                                  |
|         |                                                        | 31.03.2019 | --     |                                           |                                  | 63171                                   | 3.80                             |
| 2       | Mr. Raoul Thackersey                                   | 01.04.2018 | --     | 96692                                     | 5.81                             |                                         |                                  |
|         |                                                        | 31.03.2019 | --     |                                           |                                  | 96692                                   | 5.81                             |
| 3       | Mr. Khushaal Thackersey                                | 01.04.2018 | --     | 31638                                     | 1.90                             |                                         |                                  |
|         |                                                        | 31.03.2019 | --     |                                           |                                  | 31638                                   | 1.90                             |
| 4       | Mr. K. D. Vora<br>(Upto 08-08-2018)                    | 01.04.2018 | --     | 100                                       | 0.00                             |                                         |                                  |
|         |                                                        | 08.03.2019 | --     |                                           |                                  | 100                                     | 0.00                             |
| 5       | Mr. Sujal A. Shah                                      | 01.04.2018 | --     | Nil                                       | 0.00                             |                                         |                                  |
|         |                                                        | 31.03.2019 | --     |                                           |                                  | Nil                                     | 0.00                             |
| 6       | Mr. Bhavesh V. Panjuani                                | 01.04.2018 | --     | Nil                                       | 0.00                             |                                         |                                  |
|         |                                                        | 31.03.2019 | --     |                                           |                                  | Nil                                     | 0.00                             |
| 7       | Ms. Vishwadhara Dahanukar<br>(Upto 09-08-2018)         | 01.04.2018 | --     | Nil                                       | 0.00                             |                                         |                                  |
|         |                                                        | 31.03.2019 | --     |                                           |                                  | Nil                                     | 0.00                             |
| 8       | Dr. Ashok N. Desai                                     | 01.04.2018 | --     | Nil                                       | 0.00                             |                                         |                                  |
|         |                                                        | 31.03.2019 | --     |                                           |                                  | Nil                                     | 0.00                             |
| 9       | Mr. Prem Malik<br>(Upto 12-02-2019)                    | 01.04.2018 | --     | Nil                                       | 0.00                             |                                         |                                  |
|         |                                                        | 31.03.2019 | --     |                                           |                                  | Nil                                     | 0.00                             |
| 10      | Mr. Rajiv Ranjan                                       | 01.04.2018 | --     | Nil                                       | 0.00                             |                                         |                                  |
|         |                                                        | 31.03.2019 | --     |                                           |                                  | Nil                                     | 0.00                             |
| 11      | Mr. P.D. Vora<br>(w.e.f. 08-08-2018 & Upto 29-03-2019) | 01.04.2018 | --     | 60                                        | 0.00                             |                                         |                                  |
|         |                                                        | 31.03.2019 | --     |                                           |                                  | 60                                      | 0.00                             |

|    |                                                                |            |    |     |      |     |      |
|----|----------------------------------------------------------------|------------|----|-----|------|-----|------|
| 12 | Ms. Maitreyee Agboatwala<br>(w.e.f. 01-11-2018)                | 01.04.2018 | -- | 83  | 0.00 |     |      |
|    |                                                                | 31.03.2019 | -- |     |      | 83  | 0.00 |
|    | Key Managerial Personnel                                       |            |    |     |      |     |      |
| 1  | Mr. Jagat Reshamwala<br>Company Secretary<br>(Upto 30-11-2018) | 01.04.2018 | -- | Nil | 0.00 |     |      |
|    |                                                                | 31.03.2019 | -- |     |      | Nil | 0.00 |
| 2  | Ms. Shraddha Shettigar<br>Chief Financial Officer              | 01.04.2018 | -- | Nil | 0.00 |     |      |
|    |                                                                | 31.03.2019 | -- |     |      | Nil | 0.00 |
| 3  | Mr. Rajesh J Singh<br>Company Secretary<br>(w.e.f. 21.01.2019) | 01.04.2018 | -- | Nil | 0.00 |     |      |
|    |                                                                | 31.03.2019 | -- |     |      | Nil | 0.00 |

## V. INDEBTEDNESS

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

(₹ in lakhs)

|                                                            | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|------------------------------------------------------------|-------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                    |          |                       |
| i) Principal Amount                                        | 1703.32                             | --                 | --       | 1703.32               |
| ii) Interest due but not paid                              | --                                  | --                 | --       | --                    |
| iii) Interest accrued but not due                          | --                                  | --                 | --       | --                    |
| Total (i+ii+iii)                                           | 1703.32                             | --                 | --       | 1703.32               |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                    |          |                       |
| Addition                                                   | 199.33                              | --                 | --       | 199.33                |
| Reduction                                                  | 684.26                              | --                 | --       | 684.26                |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                    |          |                       |
| i) Principal Amount                                        | 1218.39                             | --                 | --       | 1218.39               |
| ii) Interest due but not paid                              | 2.75                                | --                 | --       | 2.75                  |
| Total (i+ii)                                               | 1221.14                             | --                 | --       | 1221.14               |

**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                                                         | Khushaal Thackersey | Rajiv Ranjan | Total Amount |
|---------|-------------------------------------------------------------------------------------|---------------------|--------------|--------------|
| 1       | Gross salary                                                                        |                     |              |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 18.00               | 45.31        | <b>63.31</b> |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 2.40                | 0.40         | <b>2.80</b>  |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | Nil                 | Nil          | Nil          |
| 2       | Stock Options                                                                       | Nil                 | Nil          | Nil          |
| 3       | Sweat Equity                                                                        | Nil                 | Nil          | Nil          |
| 4       | Commission                                                                          | Nil                 | Nil          | Nil          |
|         | - as % of profit                                                                    | Nil                 | Nil          | Nil          |
|         | -others, specify                                                                    |                     |              |              |
| 5       | Others, please specify                                                              |                     |              |              |
|         | Retirals (Superannuation & PF)                                                      | 3.16                | Nil          | <b>3.16</b>  |
|         | <b>Total (A)</b>                                                                    | <b>23.56</b>        | <b>45.71</b> | <b>69.27</b> |

**B. Remuneration to other Directors:**

**1. Independent Directors**

(₹ in lakhs)

| Particulars of Remuneration                  | Mr. K.D. Vora | Mr. S.A. Shah | Mr. B.V. Panjuani | Ms. V. Dahanukar | Dr. A.N. Desai | Mr. P.D. Vora | Ms. M. Agboatwala | Total Amount |
|----------------------------------------------|---------------|---------------|-------------------|------------------|----------------|---------------|-------------------|--------------|
| - Fee for attending Board/Committee Meetings | 0.90          | 2.25          | 2.25              | 0.75             | 1.75           | 0.85          | 0.60              | <b>9.35</b>  |
| -Commission                                  | --            | --            | --                | --               | --             | --            | --                | --           |
| - Others, please specify                     | --            | --            | --                | --               | --             | --            | --                | --           |
| <b>Total (B)(1)</b>                          | 0.90          | 2.25          | 2.25              | 0.75             | 1.75           | 0.85          | 0.60              | <b>9.35</b>  |

**2. Other Non Executive Directors**

(₹ in lakhs)

| Particulars of Remuneration                  | Mr. Raoul S. Thackersey | Mr. Chandrahas K. Thackersey | Mr. Prem Malik | Total Amount |
|----------------------------------------------|-------------------------|------------------------------|----------------|--------------|
| - Fee for attending Board/Committee Meetings | 0.75                    | 1.85                         | 0.75           | <b>3.35</b>  |
| -Commission                                  | --                      | --                           | --             | --           |
| - Others, (consultancy fees)                 | --                      | --                           | 21.00          | <b>21.00</b> |
| <b>Total (B)(2)</b>                          | 0.75                    | 1.85                         | 21.75          | <b>24.35</b> |
| <b>Total (B)= (B)(1)+B(2)</b>                |                         |                              |                | <b>33.70</b> |



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

(₹ in lakhs)

| Sr. | Particulars of Remuneration                                                         | Key Managerial Personnel                          |                                           |                                          |              |
|-----|-------------------------------------------------------------------------------------|---------------------------------------------------|-------------------------------------------|------------------------------------------|--------------|
|     |                                                                                     | Ms. Shraddha Shettigar – Chief Financial Officer* | Mr. Jagat Reshamwala - Company Secretary# | Mr. Rajesh J Singh – Company Secretary## | Total Amount |
| 1   | Gross salary                                                                        | 15.50                                             | 22.53                                     | 1.52                                     | 39.55        |
|     | (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                             | Nil                                               | Nil                                       | Nil                                      | Nil          |
|     | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | Nil                                               | Nil                                       | Nil                                      | Nil          |
| 2   | Stock Options                                                                       | Nil                                               | Nil                                       | Nil                                      | Nil          |
| 3   | Sweat Equity                                                                        | Nil                                               | Nil                                       | Nil                                      | Nil          |
| 4   | Commission                                                                          | Nil                                               | Nil                                       | Nil                                      | Nil          |
|     | - as % of profit                                                                    | Nil                                               | Nil                                       | Nil                                      | Nil          |
|     | -others, specify..                                                                  |                                                   |                                           |                                          |              |
| 5   | Others, please specify Retirement benefits (Superannuation & PF)                    | 0.71                                              | Nil                                       | 0.06                                     | 0.77         |
|     | <b>Total (C)</b>                                                                    | <b>16.21</b>                                      | <b>22.53</b>                              | <b>1.58</b>                              | <b>40.32</b> |

\* w.e.f. April 24, 2018

# Upto November 30, 2018

## w.e.f. January 21, 2019

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

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

**ANNUAL REPORT ON CSR ACTIVITIES**

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

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

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

Mr. Chandrahas Thackersey - Chairman

Mr. Sujal A. Shah – Member

Mr. Bhavesh V. Panjuani - Member

3. **Average net profit/(loss) of the Company for last three financial years : (₹867.91) lakhs**

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Nil.**

5. **Details of CSR spent during the financial year 2018-19:**

(i) Total amount to be spent for the financial year: - **Not Applicable**

(ii) Amount unspent , if any: **Not Applicable**

**Khushaal Thackersey**  
Executive Director

**Chandrahas Thackersey**  
CSR Committee Chairman

## SECRETARIAL AUDIT REPORT

## ANNEXURE-III

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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

To,  
The Members

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

Dear Sirs,

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has during the financial year ended on 31<sup>st</sup> March, 2019 (Audit Period 01.04.2018 to 31.03.2019) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent applicable
  - (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the company during the audit period)
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 / 2018.
  - c. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.
  - d. 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.
- (vi) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the company under the financial year under report.
- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 / 2018.
  - b. The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014.
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vii) 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, 2018 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.
2. 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)

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

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

We further report that

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

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

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

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

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

- The Board of Directors at their meeting held on 5<sup>th</sup> June, 2018 has decided to discontinue the operations of the company's Composite Division with effect from 30<sup>th</sup> June, 2018 and the identify the buyer(s) in order to sell / dispose off its assets situated at Ambernath and Karad either in whole or substantially the whole or in part (s) subject to the approval of shareholders if any.
- The company has transferred an amount of Rs.0.92 lakhs to Investor Education and Protection Fund (IEPF) on 17<sup>th</sup> May, 2019 pertaining to fraction shares (coupons) which were issued on 25<sup>th</sup> January, 2012, payable to shareholders of erstwhile Hindoostan Spinning and Weaving Mills Limited which amalgamated with Sirdar Carbonic Gas Co. Ltd (now known as Hindoostan Mills Limited) w. e. f. 1<sup>st</sup> April, 2010.
- The Company has received a demand for Rs.360.72 lakhs vide notice dated 29<sup>th</sup> December, 2018 from the Stamp Office Mumbai relating to amalgamation of The Hindoostan Spinning and Weaving Mills Limited with Sirdar Carbonic Gas Company Limited (now known as Hindoostan Mills Limited). The company has contested / taken up the matter with the Stamp Office, Mumbai for adjudication of stamp duty and final demand notice is awaited.

**For PRS Associates  
Company Secretaries**

**(Narayan Parekh)**

**Partner**

**C.P. NO.: 6448**

**ACS No.: 8059**

**Date: 17<sup>th</sup> May, 2019**

**Place: Mumbai**

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

**ANNEXURE I TO SECRETARIAL AUDIT REPORT**

To,

The Members

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

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

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

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

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

**Date: 17<sup>th</sup> May, 2019**  
**Place: Mumbai**

# CORPORATE GOVERNANCE REPORT



## CORPORATE GOVERNANCE REPORT

In accordance with the Listing Agreement under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with BSE Limited, the Report containing the details of Corporate Governance systems and process at Hindoostan Mills Limited are as under:

### 1. Company's Philosophy on Code of Governance:

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

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

### 2. Board of Directors:

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

| Name of Directors                                      | Whether Promoter, Executive Director or Non-Executive Director / Independent Director | No. of Board Meetings attended | Attendance of last AGM | No. of Directorship in other Companies |                 | No. of Board Committees of other public Companies in which a member# |
|--------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------|------------------------|----------------------------------------|-----------------|----------------------------------------------------------------------|
|                                                        |                                                                                       |                                |                        | Public company                         | Private company |                                                                      |
| Mr. Chandrahas Thackersey                              | C,NE,P,S                                                                              | 5                              | Yes                    | 3                                      | 5               | 1 M                                                                  |
| Mr. Khushaal Thackersey                                | ED,S,P                                                                                | 5                              | Yes                    | Nil                                    | 1               | Nil                                                                  |
| Mr. Raoul Thackersey                                   | NE,S,P                                                                                | 3                              | Yes                    | 3                                      | 8               | 1M                                                                   |
| Mr. Rajiv Ranjan                                       | ED                                                                                    | 5                              | Yes                    | Nil                                    | Nil             | Nil                                                                  |
| Mr. Sujal A. Shah                                      | NE,I                                                                                  | 5                              | Yes                    | 7                                      | 5               | 1C/5M                                                                |
| Mr. Bhavesh V. Panjuani                                | NE,I                                                                                  | 5                              | Yes                    | 2                                      | Nil             | 1M                                                                   |
| Dr. Ashok N. Desai                                     | NE,I                                                                                  | 5                              | Yes                    | 1                                      | Nil             | Nil                                                                  |
| Ms. Maitreyee Agboatwala<br>(w.e.f. 01-11-2018)        | NE,I,W                                                                                | 2                              | Not Applicable         | Nil                                    | Nil             | Nil                                                                  |
| Mr. K. D. Vora<br>(Upto 08-08-2018)                    | NE,I                                                                                  | 2                              | Yes                    | 2                                      | Nil             | Nil                                                                  |
| Ms. Vishwadhara Dahanukar<br>(Upto 09-08-2018)         | NE,I,W                                                                                | 3                              | Yes                    | Nil                                    | 1               | Nil                                                                  |
| Mr. Prem S. Malik<br>(Upto 12-02-2019)                 | NE                                                                                    | 3                              | Yes                    | 6                                      | 4               | 5 M/2C                                                               |
| Mr. P.D. Vora<br>(w.e.f. 08-08-2018 & Upto 29-03-2019) | NE,I                                                                                  | 3                              | No                     | Nil                                    | Nil             | Nil                                                                  |

#### Notes

1. excludes directorship in companies under Section 8 of the Companies Act, 2013.
2. For the purpose of counting membership in Board Committee of other Companies, Chairmanship/ Membership of the Audit Committee and the Stakeholders Relationship Committee alone are considered.

3. The Company's Board of Directors comprises of 8 Directors including 4 Independent Directors as on March 31, 2019. 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.

Abbreviations:

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

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

| Name of director        | Name of Listed company              | Category             |
|-------------------------|-------------------------------------|----------------------|
| Mr. Sujal A. Shah       | Amrit Corp Limited                  | Independent director |
|                         | Mafatlal Industries Limited         | Independent director |
|                         | Amal Limited                        | Independent director |
|                         |                                     |                      |
| Mr. Bhavesh V. Panjuani | Jaysynth Dyestuff (India) Limited   | Independent director |
|                         |                                     |                      |
| Dr. Ashok N. Desai      | Pranavaditya Spinning Mills Limited | Independent director |

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

During the year under review, five Board Meetings were held, the dates being May 16, 2018, June 05, 2018, August 08, 2018, November 01, 2018 and February 06, 2019. The gap between two consecutive Meetings does not exceeded one hundred and twenty days.

The last Annual General Meeting was held on August 08, 2018.

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

The Shareholding of the Non-Executive Directors in the Company as on 31.3.2019:

| Name of Directors                           | Category        | No. of Shares held |
|---------------------------------------------|-----------------|--------------------|
| Mr. Chandrahas Thackersey                   | Promoter        | 63,171             |
| Mr. Raoul Thackersey                        | Promoter        | 96,692             |
| Mr. Sujal A. Shah                           | Independent     | Nil                |
| Mr. Bhavesh V. Panjuani                     | Independent     | Nil                |
| Dr. Ashok N. Desai                          | Independent     | Nil                |
| Ms. Maitreyee Agboatwala                    | Independent     | 83                 |
| Mr. Pradyumna D. Vora (Upto 29-03-19)       | Independent     | 60                 |
| Mr. K. D. Vora (Upto 08-08-2018)            | Independent     | 100                |
| Ms. Vishwadhara Dahanukar (Upto 09-08-2018) | Independent     | Nil                |
| Mr. Prem S. Malik (Upto on 12-02-2019)      | Non-Independent | Nil                |

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

Table given below shows the relationship between the Directors:

| Name of the Directors     | Designation        | *Relationship between Directors Inter-se |
|---------------------------|--------------------|------------------------------------------|
| Mr. Chandrahas Thackersey | Chairman           | Father of Mr. Khushaal Thackersey        |
| Mr. Khushaal Thackersey   | Executive Director | Son of Mr. Chandrahas Thackersey         |
| Mr. Raoul Thackersey      | Director           | Not related to any other Director        |
| Mr. Rajiv Ranjan          | Executive 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        |
| Dr. Ashok N. Desai        | Director           | Not related to any other Director        |

|                                                 |          |                                   |
|-------------------------------------------------|----------|-----------------------------------|
| Ms. Maitreyee Agboatwala<br>(w.e.f. 01-11-2018) | Director | Not related to any other Director |
| Mr. K.D. Vora<br>(Upto 08-08-2018)              | Director | Not related to any other Director |
| Ms. Vishwadhara Dahanukar<br>(Upto 09-08-2018)  | Director | Not related to any other Director |
| Mr. Prem S. Malik<br>(Upto on 12-02-2019)       | Director | Not related to any other Director |
| Mr. Pradyumna D. Vora<br>(Upto 29-03-19)        | 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.

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

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

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

3. **Board Committees:**

The Board has constituted the following Committees of Directors:

A) **Audit Committee:**

The Audit Committee consists of the following 4 Independent Non-Executive Directors (financially literate) as on March 31, 2019.

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

Mr. Rajesh J. Singh, Secretary of the Company also acts as a Secretary to the Committee with effect from 21-01-2019.

(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:

- (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.

Five Meetings of the Audit Committee were held during the year ended March 31, 2019 on the following dates: May 16, 2018, June 05, 2018, August 08, 2018, November 01, 2018 and February 06, 2019. 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               | 5                           |
| Mr. Bhavesh Panjuani                     | Member                 | 5                           |
| Dr. Ashok N. Desai<br>(w.e.f.08.08.2018) | Member                 | 2                           |
| Mr. Chandrahas Thackersey                | Member                 | 5                           |
| Mr. K.D. Vora<br>(Upto 08-08-2018)       | 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.

- (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.

Four Meetings of the Nomination and Remuneration Committee were held during the year ended March 31, 2019 on May 16, 2018, August 08, 2018, November 01, 2018 and February 06, 2019. 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               | 4                           |
| Mr. Sujal A. Shah                         | Member                 | 4                           |
| Dr. Ashok N. Desai<br>(w.e.f. 08-08-2018) | Member                 | 2                           |
| Mr. K.D. Vora<br>(Upto 08-08-2018)        | Member                 | 1                           |

(iii) **Performance Evaluation Criteria:**

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

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

(iv) **Remuneration to directors:**

The Non-executive Directors draw remuneration from the Company i.e. sitting fees. During the year the Nomination and Remuneration Committee also

decided to pay the consultancy charges to Mr. Prem Malik, Non-executive Director within the ceilings prescribed under the Companies Act, 2013 for utilizing his services with additional responsibility which require his extra time and attention. Presently, the Company does not have any Stock Option Scheme.

**Details of the payments made to Non-Executive Directors during the year under Review is as under:**

| Name of Directors                           | Sitting fees | Consultation fees |
|---------------------------------------------|--------------|-------------------|
| Mr. Chandrahas Thackersey                   | 1,85,000     | Nil               |
| Mr. Raoul Thackersey                        | 75,000       | Nil               |
| Mr. Sujal A. Shah                           | 2,25,000     | Nil               |
| Mr. Bhavesh V. Panjuani                     | 2,25,000     | Nil               |
| Dr. Ashok N. Desai                          | 1,75,000     | Nil               |
| Ms. Maitreyee Agboatwala                    | 60,000       | Nil               |
| Mr. Pradyumna D. Vora (Upto 29-03-19)       | 85,000       | Nil               |
| Mr. K. D. Vora (Upto 08-08-2018)            | 90,000       | Nil               |
| Ms. Vishwadhara Dahanukar (Upto 09-08-2018) | 75,000       | Nil               |
| Mr. Prem S. Malik (Upto on 12-02-2019)      | 75,000       | 21,00,000         |

(v) **Details of remuneration paid to Executive Directors during the year ended March 31, 2019:**

(Rs.in lakhs)

| Name                    | Salary | Benefits* | Contribution to P.F. & S.A. | Total |
|-------------------------|--------|-----------|-----------------------------|-------|
| Mr. Khushaal Thackersey | 18.00  | 2.40      | 3.16                        | 23.56 |
| Mr. Rajiv Ranjan        | 45.31  | 0.40      | --                          | 45.71 |

\* 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.

**C) Stakeholders Relationship Committee:**

- a) Name of Non-Executive Director heading the Committee - **Dr. Ashok N. Desai**
- b) Name and designation of Compliance Officer - - **Mr. Rajesh J. Singh – Company Secretary with effect from January 21, 2019.**
- c) Number of shareholders complaints received during the year - **Four**
- d) **No complaint was pending as on March 31, 2019.**

**Details of Stakeholders Relationship Committee Meeting:**

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

| Name of Members             | Designation / Category | Number of Meetings attended |
|-----------------------------|------------------------|-----------------------------|
| Dr. Ashok N. Desai          | Chairman               | NIL                         |
| Mr. Chandrahas Thackersey   | Member                 | 1                           |
| Mr. Khushaal Thackersey     | Member                 | 1                           |
| Mr. K.D. Vora (upto 8-8-19) | Chariman               | 1                           |

One Meeting of the Stakeholders Relationship Committee was held on April 05, 2018. There were four queries / complaints during the year and no shareholder / investor complaint is pending as on March 31, 2019.

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

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

- a) Composition:

The Committee comprises of:

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

The Company Secretary acts as the Secretary to the Committee.

- b) The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:
  - To frame CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
  - To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

In view of the average loss for the three immediately preceding financial years, the Company was not required to spent any amount on CSR activities and no CSR Committee Meeting was held in FY 2018-19.

**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, 2019 on February 06, 2019. All the Independent Directors were present at the Meeting.

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

| Year    | Date            | Time       | Venue                          |
|---------|-----------------|------------|--------------------------------|
| 2015-16 | August 09, 2016 | 11.00 a.m. | Sir Vithaldas Chambers, Mumbai |
| 2016-17 | August 08, 2017 |            |                                |
| 2017-18 | August 08, 2018 |            |                                |



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

| AGM Date        | Special Resolutions passed                                                                                                                                                         |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| August 09, 2016 | - Mr. K.D. Vora re-appointed as an Independent Director of the Company for second consecutive term of 2 years from 112 <sup>th</sup> AGM till conclusion of 114 <sup>th</sup> AGM. |
| August 08, 2017 | - NIL                                                                                                                                                                              |
| August 08, 2018 | - NIL                                                                                                                                                                              |

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

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

**4. Means of Communication:**

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

**5. General Shareholder information:**

(i) **Annual General Meeting for financial year 2018-19**

Date : September 27, 2019  
Time : 11.00 a.m.  
Venue : Sir Vithaldas Chambers, 6<sup>th</sup> Floor,  
16, Mumbai Samachar Marg,  
Fort, Mumbai- 400 001.

(ii) **Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March**

(iii) **Date of Book Closure :**

September 24, 2019 to September 27, 2019  
(both days inclusive)

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

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

Listing Fee for the financial year 2019-20 has been paid

(vi) **Stock Code** : 509895

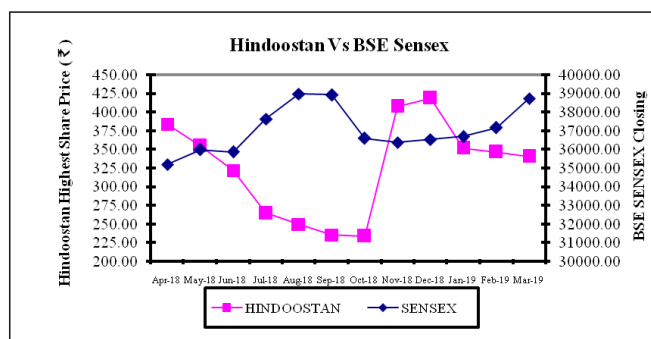
(vii) **Stock Market Price Data:**

| Month           | Quotation at BSE Ltd. |         |             |            |
|-----------------|-----------------------|---------|-------------|------------|
|                 | High (')              | Low (') | Sensex High | Sensex Low |
| April, 2018     | 384.00                | 323.00  | 35213.30    | 32972.56   |
| May, 2018       | 355.00                | 272.05  | 35993.53    | 34302.89   |
| June, 2018      | 322.00                | 235.50  | 35877.41    | 34784.68   |
| July, 2018      | 265.00                | 221.30  | 37644.59    | 35106.57   |
| August, 2018    | 250.00                | 221.00  | 38989.65    | 37128.99   |
| September, 2018 | 236.00                | 207.20  | 38934.35    | 35985.63   |
| October, 2018   | 234.00                | 176.05  | 36616.64    | 33291.58   |
| November, 2018  | 407.75                | 244.00  | 36389.22    | 34303.38   |
| December, 2018  | 419.00                | 321.35  | 36554.99    | 34426.29   |
| January, 2019   | 351.90                | 317.00  | 36701.03    | 35375.51   |
| February, 2019  | 347.00                | 311.00  | 37172.18    | 35287.16   |
| March, 2019     | 341.00                | 298.00  | 38748.54    | 35926.94   |

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

| Month          | BSE Index (Sensex) (closing) | Hindoostan Mills Stock month end Closing price (Rs.) |
|----------------|------------------------------|------------------------------------------------------|
| April-2018     | 35160.36                     | 332.20                                               |
| May-2018       | 35322.38                     | 295.15                                               |
| June-2018      | 35423.48                     | 264.55                                               |
| July-2018      | 37606.58                     | 247.10                                               |
| August-2018    | 38645.07                     | 229.05                                               |
| September-2018 | 36227.14                     | 229.95                                               |
| October-2018   | 34442.05                     | 234.00                                               |
| November-2018  | 36194.30                     | 381.50                                               |
| December-2018  | 36068.33                     | 325.05                                               |
| January-2019   | 36256.69                     | 331.00                                               |
| February-2019  | 35867.44                     | 311.00                                               |
| March-2019     | 38672.91                     | 324.00                                               |



**(ix) Securities are not suspended from trading.****(x) Registrar and Transfer Agent:**

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

Telephone : 022 – 22635000/1/2/3/4

Fax : 022 - 22635005

E-mail : [helpdesk@computechsharecap.in](mailto:helpdesk@computechsharecap.in)

Website : [www.computechsharecap.com](http://www.computechsharecap.com)

**(xi) Share Transfer system:**

In order to expedite the process of share transfers, the Board of Directors of the Company has delegated the power of share transfers, split, transposition, transmission etc., to Share Transfer Committee.

Shares lodged for transfer in the physical form either at the Registered Office of the Company or at the Registrar's office are normally processed at the earliest and within 15 days from the date of its receipt provided the documents are complete in all respects. There were no share transfers pending for more than 15 days as on March 31, 2019.

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

**(xii) Distribution of Shareholding as on March 31, 2019:**

| Group of Shares | No. of Shareholders | No. of shares held | % to Total Shares |
|-----------------|---------------------|--------------------|-------------------|
| 1 to 50         | 7,258               | 93,548             | 5.62              |
| 51 to 100       | 619                 | 46,512             | 2.79              |
| 101 to 250      | 381                 | 60,507             | 3.64              |
| 251 to 500      | 106                 | 38,544             | 2.32              |
| 501 to 1000     | 56                  | 38,652             | 2.32              |

|                |              |                  |               |
|----------------|--------------|------------------|---------------|
| 1001 to 5000   | 46           | 87,580           | 5.26          |
| 5001 and above | 41           | 12,99,205        | 78.05         |
| <b>TOTAL</b>   | <b>8,507</b> | <b>16,64,548</b> | <b>100.00</b> |

**(xiii) Dematerialisation of Equity Shares:**

Trading in Equity Shares of the Company is permitted only in dematerialised form as per Notification No.CIR/MRD/DP/14/2011 dated December 20, 2011, issued by the Securities & Exchange Board of India (SEBI). Nearly 96.13% shares are held under dematerialised mode as on March 31, 2019.

**(xiv) Outstanding GDRs/Warrants, Convertible Bonds, Conversion date & likely impact on equity: N.A.****(xv) Commodity price risk or foreign exchange risk and hedging activities:**

Please refer para Risk Management Policy Under the Director Report

**(xvi) Shareholding Pattern as on March 31, 2019:**

|                                                                  | No. of Shares held | %             |
|------------------------------------------------------------------|--------------------|---------------|
| Promoters and Persons Acting in Concert                          | 10,09,511          | 60.65         |
| Banks, Financial institutions, Mutual Funds, Insurance companies | 2,292              | 0.14          |
| Private Corporate Bodies                                         | 13,071             | 0.79          |
| Indian Public                                                    | 6,22,677           | 37.40         |
| NRIs / OCBs                                                      | 16,997             | 1.02          |
| <b>TOTAL</b>                                                     | <b>16,64,548</b>   | <b>100.00</b> |

**(xvii) Plant Location:****a) Textile Unit**

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

**b) Engineering Unit**

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

**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

(xviii) **Address for correspondence:**

**Registered Office & Head Office:**

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

**6. Other Disclosures:**

- (i) There is no materially significant related party transaction that may have potential conflict with the interest of the Company at large;
- (ii) There was no non-compliance by the Company. There was no penalty, stricture imposed on the Company by Stock Exchange or the Board or any statutory authority, on any matter related to capital markets, during the last three years;
- (iii) The Company has established vigil mechanism/whistle blower policy, and also affirm that no personnel has been denied access to the Audit Committee;
- (iv) The Company has also adopted policies on Preservation of Documents and Archival of Documents and Determination of Materiality of Events.
- (v) 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.
- vi) Web link where policy for determining material subsidiaries is disclosed
  - The Company does not have subsidiary company.

- vii) Web link where policy on dealing with related party transactions: <http://www.hindoostan.com>.
- viii) Disclosure of commodity price risks and commodity hedging activities: - N.A.
- ix) certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- x) Fees for all services paid by the listed entity to the statutory auditor : Rs.17.48 lacs
- xi) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
  - a. Number of complaints filed during the financial year : Nil
  - b. Number of complaints disposed of during the financial year : Nil
  - c. Number of complaints pending as on end of the financial year : Nil
- xii) Transfer of Unclaimed / Unpaid Dividend to the Investor Education and Protection Fund (IEPF):  
 Members who have not yet encashed their dividend warrants pertaining to the dividend for the financial year 2011-12 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      | 2011-12        | 5.00                   | August 09, 2012     | October 02, 2019              |
| 2      | 2012-13        | 7.50                   | July 26, 2013       | September 28, 2020            |
| 3      | 2013-14        | 10.00                  | December 12, 2014   | February 13, 2022             |
| 4      | 2014-15        | 4.00                   | August 11, 2015     | October 12, 2022              |
| 5      | 2015-16        | 4.50                   | August 09, 2016     | October 14, 2023              |

\*The Company has not declared any dividend for Financial Year 2016-17 & 2017-18.

- xiii) The Company has no subsidiary.

## DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

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

**KHUSHAAL THACKERSEY**

Executive Director

**RAJIV RANJAN**

Executive Director & CEO

Mumbai, May 17, 2019

## AUDITOR'S CERTIFICATE

To the Members

**Hindoostan Mills Limited**

We have examined the compliance of conditions of Corporate Governance by **Hindoostan Mills Limited ("the Company")**, for the year ended on March 31, 2019, as stipulated in Regulation 17 to 27, clause (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### Management Responsibility

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

### Auditors' Responsibility

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

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this certificate and as per Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Based on our examination of the relevant records and accounting to the information and explanation provided to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31<sup>st</sup> March, 2019.

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

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

Chartered Accountants  
(Firm Reg. No. 107556W)

**Mukul Patel**

Partner

Membership No. 032489

Place: Mumbai

Date: 17<sup>th</sup> May, 2019

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **A. BUSINESS SEGMENT –TEXTILES:**

#### **Industry Structure & Development:**

The situation of the textile industry in India continues to be challenging, in line with the overall global economic situation.

There was no significant improvement in the textile export outlook for the country. Lack of trade agreements with various locations across the globe, especially EU nations, resulted in lack of growth of exports from the country. The textile business of the company has its strength in the export of fabrics made from open end spun yarns in the count range of 6<sup>s</sup> to 20<sup>s</sup>. Business could have been better during the year but for the intense pricing pressure from the unorganized sector in the country.

It was only towards the end of the last financial year that the industry was seen recovering after the implementation of GST in the previous year. The liquidity situation in the textile markets continued to be tight following the effects of demonetization and GST in the earlier years. Delayed payments from buyers and huge delays from the government in the payment of capital subsidy and interest subsidy on capital investments under TUFS scheme have added to the pressure on working capital across the industry.

The company continued its focus on innovative products, quality and services to the customer in order to compete in a market where the unorganized sector continues to play a major part due to its offering of goods at very competitive prices. This is mainly because of the low power cost that they are entitled to and also because of their low overheads. This has added to the pricing pressure on all products.

In spite of the tough environment, the company's textile business has been able to close the year 2018-19 with a growth of nearly 5% compared to the previous year, and like last year continues to be in a cash positive situation. This has been possible due to the focus on development of innovative products, optimizing utilization and productivity, and providing best possible services to the customer. These factors, along with timely investments in state-of-the-art machinery and equipment already done in the previous years, have been helpful in keeping the textile business in a reasonably healthy condition.

#### **Strengths and Opportunities:**

Our textile business has an integrated manufacturing facility for yarns and fabrics which helps serving unique

customer requirements and strictly adhere to committed quality and delivery schedules. In addition, the business strives to serve large and small customers with the same level of service and quality. The company is perceived as a producer of quality goods and this goodwill is helpful in staying competitive in the domestic and export markets. The company also scores on the services being provided to the customer especially terms of timely delivery and after sales service. With a wide range of products in cotton, polyester cotton, viscose and lycra in greige and finished varieties, our textile business continue to be a one stop shop for discerning buyers.

The demographics and increasing purchasing power of the country's population indicate a growth in the textile demand in the country which is a positive indication for the company. With the growing cost of manufacturing in China, and the current trade war between the USA and China, it is expected that China will be vacating some market share in the global textile trade, which should be helpful to textile manufacturers in India.

#### **Weaknesses and threats:**

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

The global economic scenario continues to be dull and this could affect our export sales.

#### **Outlook:**

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

### **B. BUSINESS SEGMENT – ENGINEERING:**

#### **Industry Structure and Development:**

It has been another reasonably successful year for the Engineering business in spite of a tough business environment. We have been able to maintain our market share in the International markets and also taken first steps in two new business segments. The conditions in the domestic market was challenging during the year

with no significant growth in the textile, steel and paper industries. Under these conditions it was imperative for our Engineering Division to take its first steps in two new segments, the brush roll and fabrication businesses, which contributed towards adding value to its portfolio and helped it grow.

**Strengths and Opportunities:**

The skills in designing and fabrication and focus on quality and services along with the strength of the ECK brand has enabled the business in developing and assembly of custom-built machines for demanding customers such as M/s ITC. These machines incorporate our rolls and allow for specialized applications that suit the customers unique needs. These achievements have resulted in the Engineering Division of HML becoming an integral part of customers operations, which in turn allow us to sustain long-term, efficient business relationships.

Our premium hybrid roll continues to be the preferred roll of our discerning customers and has proved its many advantages over standard cotton rolls. This is an opportunity we should capitalize on for this segment.

The addition of brush rolls for the steel industry to our product list completes the list of requirements of major steel producers thus also adding to the bottom-line.

**Weaknesses and threats:**

Standardization of goods and their quality control processes is a major challenge as most of our supplies are customized to customer requirements. Most of our roll supplies to the textile industry are meant for replacement in the processing lines where rolls are required without delay. Inventory management is a major challenge while servicing this segment. Moreover the textile industry is going through a phase of very tight liquidity conditions, resulting in long payment cycles for us.

**Outlook:**

The outlook of this business remains good especially considering our efforts to move into new segments and concentrate on design and manufacture of calendering machines, rather than just be a supplier of replacement rolls. Going forward we are very hopeful of increasing our sales in the international markets. These factors combined with our goodwill in the domestic and international markets should be helpful in increasing our sales and garnering a higher market share.

# FINANCIAL STATEMENTS



## Independent Auditor's Report

### To the Members of HINDOOSTAN MILLS LIMITED

#### Opinion

We have audited the accompanying Ind AS financial statements of Hindoostan Mills Limited ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Assets Held for Sale:</b><br>During the year Company has discontinued its operations of Composite Division effective from 30th June, 2018. Barring unforeseen circumstances, the management expects to sales of the Assets of the said division either in whole or substantially the whole or in parts. Assets of the said division have been reclassified as "Assets Held for Sale" at their respective written down value or net realizable value whichever are lower and accordingly Rs.356.51 lacs has been recognised as Impairment Loss.                                                                                                        | <b>Principal Audit Procedure:</b><br>We have relied upon the valuation reports provided by the management, for net realisable value considered in calculation of Impairment of Assets Held for Sale.                                                                                                                                                                                                                                                                                      |
| The Company has received a demand for Rs. 360.72 lakhs (demand) vide notice dated 29th December, 2018 from the Stamp Office Mumbai relating to Amalgamation of the Hindoostan Spinning and Weaving Mills Limited with Sirdar Carbonic Gas Company Limited. The said demand is determined at 10% of the market value of the equity shares of Hindoostan Spinning and Weaving Mills Limited as on 1st April, 2010 being the date of amalgamation as stated above. However, the Company is of the view that the stamp duty (duty) ought to be the higher of 0.7% of the market value of equity shares or 5% of the value of immovable property transferred. | The Company has provided Rs. 25.25 lakhs on an estimated basis being the higher of 0.7 % of Market value of equity shares or 5% of the value of immovable property transferred. The shortfall in such estimation of Stamp Duty, if any, will be adjusted in the year in which the liability crystallises. The balance Demand of Rs. 335.47 lakhs (Rs. 360.72 lakhs - Rs. 25.25 Lakhs) has been treated as a Contingent Liability being claim against the company not acknowledge as debt. |
| Other Financial Liabilities include Fraction Coupons payable aggregating to Rs. 0.92 lakhs being dues to shareholders of erstwhile Hindoostan Spinning and Weaving Mills Ltd., which amalgamated with Sirdar Carbonic Gas Co. Ltd. on 1st April, 2010. Though the Company had discharged its liability on 25th January 2012, cheques aggregating to Rs. 0.92 lakhs were not presented by recipient for payment and hence became stale on 23rd July, 2012.                                                                                                                                                                                                | The Company has transferred Rs. 0.92 lakhs to the Investor Education and Protection Fund on 17th May, 2019.                                                                                                                                                                                                                                                                                                                                                                               |

## Responsibilities of Management and those charged with governance for the Ind AS financial statements

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

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

## Auditor's Responsibilities for the Audit of Ind AS Financial Statement

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those

risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these

matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### 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, based on our audit we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 the requirements of section 197(16) of the Act, as amended:

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - (i) The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer to Note No. 33 Point No. II(A), II(B) and II(C) of other notes to the financial statements.
  - (ii) The Company does not have any long-term contracts including derivative contracts for which there could be any material foreseeable losses and hence, the question of making provision for such losses does not arise.
  - (iii) Attention is drawn to Note No. 33(XIII) of other notes to the financial statements relating to transfer of the amount of fraction coupons payable to Investor Education and Protection Fund account.

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

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

Place: Mumbai  
 Date : 17<sup>th</sup> May, 2019

## Annexure – A to the Auditors' Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of Leasehold Land are held in the name of the company.
- (ii) As explained to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification. Further, Inventory lying with third party processors as on 31st March, 2019 aggregating to Rs 96.35 lakhs (previous year Rs. 17.63 lakhs) were not verified for which confirmations have been obtained.
- (iii) The Company has not granted loans to parties covered in the register maintained under section 189 of the Act. Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company:
  - (a) Has complied with the provisions of section 186 of the Act, with respect to the investments made.
  - (b) The provisions of section 185 of the Act are not applicable to it.
- (v) The Company has not accepted any deposits from the public. Thus, paragraph 3 (v) of the Order is not applicable
- (vi) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rule made by the Central Government for the maintenance of Cost Records under Sub-Section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been so made and maintained. We have, however, not made a detailed examination of the accounts and records with a view to determining whether they are accurate or complete.
- (vii) In respect of statutory dues:
  - (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable, with the appropriate authorities during the year.
  - (b) According to the information and explanations given to us, statutory dues aggregating to Rs. 92.40 lakhs which have not been deposited as on 31st March, 2019 on account of disputes are given below:

| Name Of Statute                                                                                                                 | Nature of dues                | Amount<br>(Rs. in lakhs)<br>(Net of payment) | Period to which<br>the dues relate | Forum Where dispute is pending              |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------------------|------------------------------------|---------------------------------------------|
| Income Tax Act, 1961                                                                                                            | Income Tax dues               | 3.12                                         | A.Y. 2007-08                       | Commissioner of Income Tax.                 |
|                                                                                                                                 |                               | 1.94                                         | A.Y. 2010-11                       | Commissioner of Income Tax.                 |
|                                                                                                                                 |                               | 3.94                                         | A.Y. 2014-15                       | Commissioner of Income Tax.                 |
|                                                                                                                                 |                               | 0.10                                         | A.Y. 2016-17                       | Assistant Commissioner of Income Tax.       |
| Central Excise Act                                                                                                              | Excise Duty                   | 4.06                                         | 1977-2002                          | Dy. Commissioner of Central Excise.         |
|                                                                                                                                 |                               | 2.49                                         |                                    | Joint Commissioner of Central Excise        |
|                                                                                                                                 |                               | 27.78                                        |                                    | Asst. Commissioner of Central Excise        |
|                                                                                                                                 |                               | 20.39                                        | 1994-1998                          | Commissioner of Central Excise.             |
|                                                                                                                                 |                               | 5.36                                         | 1996-2003                          | CESTAT                                      |
| Maharashtra Sales Tax and Central Sales Tax                                                                                     | Sales Tax & Central Sales Tax | 5.10                                         | 2002-03                            | Dy. Commissioner of sales-tax<br>(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             | 18.12                                        | 1990-91 to 2000-01                 | Dy. Commissioner of sales-tax<br>(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) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has paid/provided managerial remuneration which is in accordance with the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by Indian Accounting Standard 24.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company it is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Chartered Accountants**

(Firm's Registration No. 107556W)

**MUKUL M. PATEL**

Partner

Membership No. 032489

Place: Mumbai

Date : 17<sup>th</sup> May, 2019



## 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 31st March, 2019 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") Issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

#### For M. A. Parikh & Co.

##### Chartered Accountants

(Firm's Registration No. 107556W)

#### MUKUL M. PATEL

Partner

Membership No. 032489

Place: Mumbai

Date : 17<sup>th</sup> May, 2019



## Balance Sheet as at 31st March, 2019

| Particulars                                                                                | Note No. | ₹ in lakhs          |                     |
|--------------------------------------------------------------------------------------------|----------|---------------------|---------------------|
|                                                                                            |          | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b>ASSETS</b>                                                                              |          |                     |                     |
| <b>1 Non-Current Assets</b>                                                                |          |                     |                     |
| a Property, Plant and Equipment                                                            | 3        | 3,023.23            | 4,673.75            |
| b Intangible Assets                                                                        | 3        | -                   | 26.09               |
| c Capital Work in Progress                                                                 | 3        | -                   | 1.14                |
| d Investment in Property                                                                   | 4        | 17.67               | 23.56               |
| e Financial Assets                                                                         |          |                     |                     |
| (i) Investment                                                                             | 5        | 0.68                | 0.64                |
| (ii) Other Financial Assets                                                                | 6        | 136.09              | 145.48              |
| f Other Non financial Assets                                                               | 7        | 43.93               | 49.26               |
| <b>2 Current Assets</b>                                                                    |          |                     |                     |
| a Inventories                                                                              | 8        | 2,218.34            | 2,316.75            |
| b Financial Assets                                                                         |          |                     |                     |
| (i) Investment                                                                             | 9        | -                   | 66.73               |
| (ii) Trade Receivables                                                                     | 10       | 3,068.79            | 3,060.55            |
| (iii) Cash and cash equivalent                                                             | 11       | 100.33              | 105.18              |
| (iv) Other Financial Assets                                                                | 12       | 255.97              | 459.26              |
| c Current Tax Assets (Net)                                                                 |          | 296.40              | 290.95              |
| d Other Current Assets                                                                     | 13       | 51.27               | 63.36               |
| e Assets held for Sale                                                                     |          | 458.60              | -                   |
| <b>Total Assets</b>                                                                        |          | <b>9,671.30</b>     | <b>11,282.70</b>    |
| <b>EQUITY AND LIABILITIES</b>                                                              |          |                     |                     |
| <b>1 Equity</b>                                                                            |          |                     |                     |
| a Equity Share Capital                                                                     | 14       | 166.45              | 166.45              |
| b Other Equity                                                                             | 15       | 4,608.18            | 5,781.09            |
| <b>2 Non-Current Liabilities</b>                                                           |          |                     |                     |
| a Financial liabilities                                                                    |          |                     |                     |
| (i) Borrowings                                                                             | 16       | -                   | 328.24              |
| b Provisions                                                                               | 17       | 475.90              | 435.89              |
| c Deferred Tax Liabilities (Net)                                                           | 18       | 1.41                | 2.28                |
| <b>3 Current Liabilities</b>                                                               |          |                     |                     |
| a Financial liabilities                                                                    |          |                     |                     |
| (i) Borrowings                                                                             | 19       | 960.44              | 876.84              |
| (ii) Trade payables                                                                        | 20       |                     |                     |
| I. Total outstanding dues of Micro Enterprises and Small Enterprises                       |          | 46.47               | 0.93                |
| II. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises |          | 2,176.74            | 2,063.54            |
| III. Other Financial Liabilities                                                           | 21       | 1,074.69            | 1,404.47            |
| b Other Current Liabilities                                                                | 22       | 84.88               | 152.72              |
| c Provisions                                                                               | 23       | 76.14               | 70.25               |
| <b>Total Equity and Liabilities</b>                                                        |          | <b>9,671.30</b>     | <b>11,282.70</b>    |
| <b>Significant Accounting Policies</b>                                                     | 2        |                     |                     |
| <b>Other Notes to Accounts</b>                                                             | 33       |                     |                     |

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

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

**Mukul M. Patel**  
Partner  
Membership No. : 032489  
Place : Mumbai  
Date : May 17, 2019

## For and on behalf of the Board

**Khushaal Thackersey**  
Executive Director  
DIN- 02416251

**Shraddha Shettigar**  
Chief Financial Officer

**Rajiv Ranjan**  
Executive Director and CEO  
DIN- 02848739

**Rajesh J Singh**  
Company Secretary

**Statement of Profit and Loss for the Year ended 31st March, 2019**

|                                                                                   |          | ₹ in lakhs               |                          |
|-----------------------------------------------------------------------------------|----------|--------------------------|--------------------------|
| Particulars                                                                       | Note No. | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| I Revenue from Operations                                                         | 24       | 16,243.74                | 15,656.73                |
| II Other Income                                                                   | 25       | 248.24                   | 231.82                   |
| III <b>Total Revenue</b> (I+II)                                                   |          | <b>16,491.98</b>         | <b>15,888.55</b>         |
| IV Expenses:                                                                      |          |                          |                          |
| Cost of Materials Consumed                                                        | 26       | 10,518.65                | 10,119.58                |
| Purchase of Stock-in-Trade                                                        |          | 1,134.88                 | 671.34                   |
| Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade      | 27       | (262.11)                 | (13.19)                  |
| Employee Benefits Expenses                                                        | 28       | 1,537.67                 | 1,639.96                 |
| Finance costs                                                                     | 29       | 198.23                   | 232.20                   |
| Depreciation and Amortisation Expenses                                            | 30       | 858.33                   | 1,117.73                 |
| Other Expenses                                                                    | 31       | 3,154.25                 | 2,968.19                 |
| <b>Total Expenses</b>                                                             |          | <b>17,139.90</b>         | <b>16,735.81</b>         |
| V Loss before Exceptional and Tax (III-IV)                                        |          | <b>(647.92)</b>          | <b>(847.26)</b>          |
| VI Exceptional Items                                                              | 32       | -                        | (3.85)                   |
| VII Loss Before Tax (V+VI)                                                        |          | <b>(647.92)</b>          | <b>(851.11)</b>          |
| VIII Tax Expense:                                                                 |          |                          |                          |
| Deferred Tax                                                                      |          | 2.25                     | 3.06                     |
| IX Loss for the Period from continuing operations (VII-IX)                        |          | <b>(645.67)</b>          | <b>(848.05)</b>          |
| X Loss from discontinued operations                                               |          | <b>(533.78)</b>          | <b>(211.59)</b>          |
| XI Tax expense of discontinued operations                                         |          | (1.38)                   | 0.63                     |
| XII Loss from discontinued operations (after tax)                                 |          | <b>(535.16)</b>          | <b>(210.96)</b>          |
| XIII Loss for the Period                                                          |          | <b>(1,180.83)</b>        | <b>(1,059.01)</b>        |
| XIV Other Comprehensive Income                                                    |          |                          |                          |
| A (i) Items that will not be reclassified to Profit or Loss                       |          |                          |                          |
| (a) Remeasurement of the defined benefit plan                                     |          | 7.89                     | (17.99)                  |
| (b) Equity Instrument through Other Comprehensive Income                          |          | 0.03                     | (0.11)                   |
| (ii) Income tax relating to items that will not be reclassified to Profit or Loss |          | -                        | -                        |
| B (i) Items that will be reclassified to profit or Loss                           |          | -                        | -                        |
| (ii) Income tax relating to items that will be reclassified to Profit or Loss     |          | -                        | -                        |
| Total Other Comprehensive Income [A (i)-(ii) + B (i)-(ii)] (XII)                  |          | 7.92                     | (18.10)                  |
| XV Total Comprehensive Income for the period (XIII)+(XIV)                         |          | <b>(1,172.91)</b>        | <b>(1,077.11)</b>        |
| XVI Earning per Equity Share of ₹ 10/- each                                       |          |                          |                          |
| Basic and Diluted from Continuing Operations ₹                                    |          | <b>(38.79)</b>           | <b>(50.95)</b>           |
| Basic and Diluted from Discontinued Operations ₹                                  |          | <b>(32.15)</b>           | <b>(12.67)</b>           |
| (Refer Note 33 Point no. VIII of Other Notes to Accounts)                         |          |                          |                          |

Notes referred to above form an integral part of Statement of Profit and Loss  
As per our report of even date attached

**For and on behalf of the Board**

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

Chartered Accountants.  
Firm Registration No.107556W

**Mukul M. Patel**

Partner  
Membership No. : 032489  
Place : Mumbai  
Date : May 17, 2019

**Khushaal Thackersey**  
Executive Director  
DIN- 02416251

**Shraddha Shettigar**  
Chief Financial Officer

**Rajiv Ranjan**  
Executive Director and CEO  
DIN- 02848739

**Rajesh J Singh**  
Company Secretary

## Cash Flow Statement for the Year Ended 31st March, 2019

|                                                                                                                    |              | ₹ in lakhs      |                 |
|--------------------------------------------------------------------------------------------------------------------|--------------|-----------------|-----------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES                                                                             | Current Year |                 | Previous Year   |
|                                                                                                                    |              |                 |                 |
| Loss before tax from continuing operations                                                                         | (647.92)     |                 | (851.11)        |
| Loss before tax from discontinued operations                                                                       | (533.78)     | (1,181.70)      | (211.59)        |
|                                                                                                                    |              |                 | (1,062.70)      |
| Adjustment for :                                                                                                   |              |                 |                 |
| Depreciation and Amortisation expenses                                                                             | 858.33       |                 | 1,117.73        |
| Depreciation and Amortisation expenses (Refer Note no. 33(XVI) - Discontinued Operations)                          | 25.88        |                 | 117.73          |
| Impairment (Refer Note no. 33(XVI) - Discontinued Operations)                                                      | 356.51       |                 | -               |
| Finance Cost                                                                                                       | 198.23       |                 | 232.20          |
| Finance Cost (Refer Note no. 33(XVI) - Discontinued Operations)                                                    | 3.07         |                 | 2.49            |
| Property, Plant and Equipments Written off                                                                         | 15.39        |                 | -               |
| Loss by Fire - Extraordinary Item                                                                                  | -            |                 | 3.85            |
| Property, Plant and Equipments Written off (Refer Note no. 33(XVI) - Discontinued Operations)                      | 8.19         |                 | -               |
| Provision for Doubtful Debts and Advances                                                                          | 46.59        |                 | 53.38           |
| Provision for Doubtful Debts (Refer Note no. 33(XVI) - Discontinued Operations)                                    | 39.77        |                 | 8.90            |
| Bad Debts and Debit Balances Written Off                                                                           | 22.75        |                 | 6.40            |
| Bad Debts and Sundry Debit Balances Written Off (Refer Note no. 33(XVI) - Discontinued Operations)                 | 9.54         |                 | 14.04           |
| Lease Income                                                                                                       | (50.38)      |                 | (87.98)         |
| Profit on Sale of Investments (Net)                                                                                | (20.76)      |                 | -               |
| Fair Value Gain on MF Valued as FVTPL                                                                              | 18.96        |                 | (4.40)          |
| Loss / (Profit) on Sale of Property, Plant and Equipments (Net)                                                    | (0.25)       |                 | (2.29)          |
| Loss / (Profit) on Sale of Property, Plant and Equipments (Refer Note no. 33(XVI) - Discontinued Operations)       | 5.42         |                 | -               |
| Provision for Doubtful Advances no longer required written back                                                    | -            |                 | (18.71)         |
| Provision for Doubtful Advances no longer required written back (Refer Note no. 33(XVI) - Discontinued Operations) | -            |                 | (8.73)          |
| Excess provision no longer required written back                                                                   | (2.01)       |                 | (7.96)          |
| Excess provision no longer required written back (Refer Note no. 33(XVI) - Discontinued Operations)                | (0.20)       |                 | -               |
| Sundry Credit Balance Written Back                                                                                 | (31.66)      |                 | (9.67)          |
| Sundry Credit Balance Written Back (Refer Note no. 33(XVI) - Discontinued Operations)                              | (0.79)       |                 | (0.73)          |
| Interest and Dividend Income                                                                                       | (18.66)      |                 | (36.27)         |
| Interest Income (Refer Note no. 33(XVI) - Discontinued Operations)                                                 | (1.61)       |                 | (2.43)          |
|                                                                                                                    |              | <b>1,482.31</b> | <b>1,377.55</b> |
| Operating Profit before Working Capital Changes                                                                    |              | <b>300.61</b>   | <b>314.85</b>   |
| Changes in :                                                                                                       |              |                 |                 |
| Inventories                                                                                                        | 98.41        |                 | 32.51           |
| Trade Receivables                                                                                                  | (126.89)     |                 | (253.92)        |
| Other Financial Assets                                                                                             | 211.46       |                 | (22.60)         |
| Other Non- Financial Assets                                                                                        | 17.42        |                 | 116.19          |
| Trade Payables                                                                                                     | 193.40       |                 | 615.23          |
| Other Financial Liabilities                                                                                        | (92.25)      |                 | (52.00)         |
| Other Current Liabilities                                                                                          | (67.84)      |                 | (4.82)          |
| Provisions                                                                                                         | 53.78        |                 | (2.68)          |
|                                                                                                                    |              | <b>287.49</b>   | <b>427.91</b>   |
| Cash Generated from Operations                                                                                     |              | <b>588.10</b>   | <b>742.76</b>   |
| Direct Taxes paid (Net of Refunds)                                                                                 |              | <b>(5.45)</b>   | <b>(11.06)</b>  |
| Net Cash Generated From Operating Activities                                                                       |              | <b>582.65</b>   | <b>731.70</b>   |

**Cash Flow Statement for the Year Ended 31st March, 2019**

₹ in lakhs

|                                                         | <b>Current Year</b> |                 | <b>Previous Year</b> |
|---------------------------------------------------------|---------------------|-----------------|----------------------|
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>           |                     |                 |                      |
| Purchase of Property, Plant and Equipments              | (63.60)             |                 | (117.30)             |
| Sale of Property, Plant and Equipments                  | 19.18               |                 | 8.81                 |
| Interest and Dividend Received                          | 21.49               |                 | 36.47                |
| Lease Income Received                                   | 50.38               |                 | 87.99                |
| Investments Purchased and Sold (Net)                    | 68.53               |                 | (0.61)               |
| Net Cash used in Investing Activities                   |                     | <b>95.98</b>    | <b>15.36</b>         |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>           |                     |                 |                      |
| Interest Paid                                           | (207.19)            |                 | (226.05)             |
| Repayment of Borrowing                                  | (476.29)            |                 | (518.68)             |
| Net Cash used in Financing Activities                   |                     | <b>(683.48)</b> | <b>(744.73)</b>      |
| Net Increase in Cash and Cash Equivalents (A+B+C)       |                     | <b>(4.85)</b>   | <b>2.33</b>          |
| Cash and Cash Equivalents at the beginning of the year  |                     |                 | 52.39                |
| Cash and Cash Equivalents                               | 57.84               |                 | 50.46                |
| Other Bank Balances                                     | 47.34               |                 |                      |
| <b>Cash and Cash Equivalents at the end of the year</b> |                     | <b>105.18</b>   | <b>102.85</b>        |
| Cash and Bank Balance                                   | 79.41               |                 | 57.84                |
| <u>Other Bank Balances</u>                              |                     |                 |                      |
| Earmarked Balance with Banks                            | 11.96               |                 | 14.73                |
| Margin Money Deposit                                    | 5.71                |                 | 6.75                 |
| Other Bank Deposits                                     | 3.25                |                 | 25.86                |
| <b>Cash and Cash Equivalents at the end of the year</b> |                     | <b>100.33</b>   | <b>105.18</b>        |

Notes :

- 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.
- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in India Accounting Standard 7- 'Statement of Cash Flows' (Ind AS - 7) issued by the Institute of Chartered Accountants of India.
- Direct Taxes paid (Net of refunds) is treated as arising from operating activities and is not bifurcated between investing and financing activities.

As per our report of even date attached

**For and on behalf of the Board**

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

Chartered Accountants.  
Firm Registration No.107556W

**Khushaal Thackersey**  
Executive Director  
DIN- 02416251

**Rajiv Ranjan**  
Executive Director and CEO  
DIN- 02848739

**Mukul M. Patel**

Partner  
Membership No. : 032489

**Shraddha Shettigar**  
Chief Financial Officer

**Rajesh J Singh**  
Company Secretary

Place : Mumbai  
Date : May 17, 2019

## Statement of Changes in Equity for the year ended 31st March 2019

## (a) Equity Share Capital

| Particulars                                                  | Numbers          | ₹ in lakhs    |
|--------------------------------------------------------------|------------------|---------------|
| Equity Shares of Rs. 10 each issued, subscribed & fully paid |                  |               |
| As at March 31, 2018                                         | 16,64,548        | 166.45        |
| As at March 31, 2019                                         | <b>16,64,548</b> | <b>166.45</b> |

## (b) Other Equity

₹ in lakhs

| Particulars                             | Reserves and Surplus |                            |                    |                 |                   | Other Reserves            | Total Other Equity |
|-----------------------------------------|----------------------|----------------------------|--------------------|-----------------|-------------------|---------------------------|--------------------|
|                                         | Capital Reserve      | Capital Redemption Reserve | Securities Premium | General Reserve | Retained earnings | FVTOCI Equity Instruments |                    |
| As at March 31, 2017                    | 1,076.11             | 83.63                      | 587.78             | 6,447.61        | (1,337.67)        | 0.74                      | 6,858.20           |
| (Loss) for the year                     |                      |                            |                    |                 | (1,059.01)        |                           | (1,059.01)         |
| Other comprehensive income              |                      |                            |                    |                 | (17.99)           | (0.11)                    | (18.10)            |
| Total Comprehensive Income for the year | -                    | -                          | -                  | -               | (1,077.00)        | (0.11)                    | (1,077.11)         |
| <b>As at March 31, 2018</b>             | <b>1,076.11</b>      | <b>83.63</b>               | <b>587.78</b>      | <b>6,447.61</b> | <b>(2,414.67)</b> | <b>0.63</b>               | <b>5,781.09</b>    |
| (Loss) for the year                     | -                    | -                          | -                  | -               | (1,180.83)        | -                         | (1,180.83)         |
| Other comprehensive income              | -                    | -                          | -                  | -               | 7.89              | 0.03                      | 7.92               |
| Total Comprehensive Income for the year | -                    | -                          | -                  | -               | (1,172.94)        | 0.03                      | (1,172.91)         |
| <b>As at March 31, 2019</b>             | <b>1,076.11</b>      | <b>83.63</b>               | <b>587.78</b>      | <b>6,447.61</b> | <b>(3,587.61)</b> | <b>0.66</b>               | <b>4,608.18</b>    |

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. : 032489  
Place : Mumbai  
Date : May 17, 2019**For and on behalf of the Board****Khushaal Thackersey**Executive Director  
DIN- 02416251**Rajiv Ranjan**Executive Director and CEO  
DIN- 02848739**Shraddha Shettigar**

Chief Financial Officer

**Rajesh J Singh**

Company Secretary

## Notes to Financial statements for the Year ended 31st March, 2019

### Note 1: Corporate Information:

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

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

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

#### (A) Significant Accounting Policies:

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

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

For all Periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The Financial statements for the year ended 31st March, 2018 are the First the Company has prepared in accordance with Ind-AS.

The Ind-AS financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy no. 2.9 regarding financial

instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

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

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

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

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

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.



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

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

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

An asset is considered as current when it is:

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

All other assets are classified as non-current.

A liability is considered as current when:

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

All other liabilities are classified as non-current.

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

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

**2.3 Property, plant and equipment:**

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

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

Machinery Spares which can be used only in connection with a particular item of Fixed Asset and the use of which is irregular, are capitalised at cost. The cost thereof comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost for bringing the asset to its working condition for its intended use.

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

**2.4 Investment Property:**

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

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

**2.5 Depreciation:**

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

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

### **(a) Textile Unit:**

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

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

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

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

### **(b) Engineering Unit:**

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

### **(c) Composite Unit:**

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

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

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

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

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

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

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

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

### **2.7 Intangible Assets and amortisation thereof:**

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

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

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

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

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

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

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

parties, less the cost of disposal. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### 2.9 Assets held for Sale :

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

### 2.10 Inventories:

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

### 2.11 Revenue Recognition:

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

#### i. Sale of Goods:

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

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

#### ii. Other Operating Revenue:

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

#### iii. Rental Income:

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

#### iv. Interest Income:

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

#### v. Dividend Income:

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

### 2.12 Accounting for Government Grants:

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

### 2.13 Financial Instruments:

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

#### (i) Financial Assets:

##### Initial Recognition and Measurement:

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through profit or loss,

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

transaction costs that are attributable to the acquisition of the financial asset are included therein.

### **Subsequent Measurement:**

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

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

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

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

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

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

### **Equity Instruments at FVTOCI:**

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

### **Financial Assets at FVTPL**

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

### **Derecognition:**

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

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

### **Impairment of financial assets:**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis.

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

The impairment methodology applied depends on whether there has been a significant increase in credit risk

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

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

**Subsequent Measurement:**

This is dependent upon the classification thereof as under:

**Loans and Borrowings:**

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

**Derecognition:**

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

**(iii) Equity Instruments:**

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

**2.14 Employee Benefits:**

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

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

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

**2.15 Leases:**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**As a Lessee:**

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



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

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

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

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

### **As a lessor:**

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

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

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

### **2.16 Foreign Currency Transactions:**

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

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

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

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

### **2.17 Borrowing Costs:**

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

### **2.18 Taxes on Income:**

#### **Current Income Taxes:**

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

Current income tax relating to items recognised directly in other comprehensive income / equity is recognised similarly and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to



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

situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred Taxes:**

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

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

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

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

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

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

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

**MAT:**

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

**2.19 Provisions, Contingent Liabilities and Contingent Assets:**

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

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

A Contingent Liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of enterprise or a

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

present obligation that arises from past events that may, but probably will not, require an outflow of resources.

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

### **2.20 Earnings Per Share:**

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

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

### **2.21 Cash and Cash Equivalent:**

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

### **2.22 Statement of Cash Flow:**

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

### **2.23 Commitments:**

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

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

### **2.24 Segment Reporting:**

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

The Board of Directors of the Company has been identified as being the Chief Operating Decision Maker (CODM) by the management of the Company. CODM for management purposes organises the Company into business units based on its products and services and has three reportable segments. Information about reportable segments & principal activities are mentioned in Note No 33 XII.

### **2.25 Significant Accounting Judgements, Estimates and Assumptions:**

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

#### **Estimates Assumptions and Judgements:**

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

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

market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

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

The calculation of the Company's tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

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

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

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

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty

in this evaluation process, actual liability may be different from the originally estimated as provision

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

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

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

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

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

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used

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

in determining the net cost (income) for post employment plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

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

### **g) Estimated fair value of Financial Instruments:**

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

### **2.26 Standards issued but not yet effective:**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 1st April, 2019.

### **A. Ind AS 116 - Leases:**

On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. The Standard sets out the principles for the cognition, measurement, presentation and disclosure of leases for both parties to a contract, the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The Company is currently evaluating the effect of this amendment on financial statements.

### **B. Amendment to Existing Ind AS:**

The MCA has also carried out amendments to the following accounting standards:

- i. Ind AS 12 – Income Taxes
- ii. Ind AS 19 – Employee Benefits
- iii. Ind AS 23 - Borrowing Costs
- iv. Ind AS 28 – Investment in Associates and Joint Ventures
- v. Ind AS 103 - Business Combinations
- vi. Ind AS 111 - Joint Arrangements
- vii. Ind AS 109 – Financial Instruments

Some of the above standards are not applicable to the Company and for the applicable standards the Company is currently evaluating the effect of this amendment on financial statements.

## Notes to Financial Statements for the year ended 31st March 2019

## NOTE 3: Property, Plant and Equipment

## A. Current Year

| Description                      | GROSS BLOCK                    |                           |                                         |                             |                                     | DEPRECIATION / AMORTISATION    |                                |              |                                         |                             | NET BLOCK                           |                                | ₹ in lakhs |                  |
|----------------------------------|--------------------------------|---------------------------|-----------------------------------------|-----------------------------|-------------------------------------|--------------------------------|--------------------------------|--------------|-----------------------------------------|-----------------------------|-------------------------------------|--------------------------------|------------|------------------|
|                                  | Opening Block As At 01.04.2018 | Additions during the year | Deductions / Adjustment during the year | Write off during the year * | Transferred to Assets held for Sale | Closing Block As At 31.03.2019 | Opening Block As At 01.04.2018 | For the Year | Deductions / Adjustment during the year | Write off during the year * | Transferred to Assets held for Sale | Closing Block As At 31.03.2019 |            | As At 31.03.2019 |
| TANGIBLE ASSETS                  |                                |                           |                                         |                             |                                     |                                |                                |              |                                         |                             |                                     |                                |            |                  |
| <u>Land</u>                      |                                |                           |                                         |                             |                                     |                                |                                |              |                                         |                             |                                     |                                |            |                  |
| Leasehold Land                   | 90.55                          | -                         | -                                       | -                           | 39.36                               | 51.19                          | 2.48                           | 0.84         | -                                       | -                           | 1.19                                | 2.13                           | 49.06      | 88.07            |
| <u>Buildings</u>                 |                                |                           |                                         |                             |                                     |                                |                                |              |                                         |                             |                                     |                                |            |                  |
| Road                             | 0.26                           | -                         | -                                       | -                           | -                                   | 0.26                           | -                              | -            | -                                       | -                           | -                                   | -                              | 0.26       | 0.26             |
| Buildings                        | 1,097.47                       | 7.82                      | -                                       | -                           | 343.97                              | 761.32                         | 186.95                         | 61.61        | -                                       | -                           | 71.48                               | 177.08                         | 584.24     | 910.52           |
| Leasehold Improvement            | 43.00                          | -                         | -                                       | 6.55                        | -                                   | 36.45                          | 34.94                          | 2.54         | -                                       | 1.03                        | -                                   | 36.45                          | -          | 8.06             |
| Leasehold Improvement Electrical | 6.18                           | -                         | -                                       | 3.16                        | -                                   | 3.02                           | 3.22                           | 0.30         | -                                       | 0.50                        | -                                   | 3.02                           | -          | 2.96             |
| <u>Plant &amp; Equipments</u>    |                                |                           |                                         |                             |                                     |                                |                                |              |                                         |                             |                                     |                                |            |                  |
| Plant & Machinery                | 5,592.92                       | 56.47                     | 20.09                                   | 3.91                        | 542.93                              | 5,082.46                       | 2,097.41                       | 775.90       | 4.63                                    | 3.89                        | 93.33                               | 2,771.46                       | 2,311.00   | 3,495.51         |
| Office Equipments                | 42.22                          | 0.40                      | 3.90                                    | 0.21                        | 22.18                               | 16.33                          | 23.82                          | 3.55         | 1.66                                    | 0.19                        | 15.44                               | 10.08                          | 6.25       | 18.40            |
| Electrical Installations         | 84.03                          | 0.05                      | -                                       | -                           | 30.65                               | 53.43                          | 33.39                          | 7.43         | -                                       | -                           | 13.77                               | 27.05                          | 26.38      | 50.64            |
| <u>Furniture &amp; Fixtures</u>  |                                |                           |                                         |                             |                                     |                                |                                |              |                                         |                             |                                     |                                |            |                  |
| Furniture & Fixtures             | 79.55                          | -                         | 7.58                                    | -                           | 12.39                               | 59.58                          | 32.55                          | 9.72         | 2.03                                    | -                           | 5.66                                | 34.58                          | 25.00      | 47.00            |
| <u>Vehicle</u>                   |                                |                           |                                         |                             |                                     |                                |                                |              |                                         |                             |                                     |                                |            |                  |
| Vehicle                          | 20.08                          | -                         | -                                       | -                           | -                                   | 20.08                          | 5.62                           | 4.17         | -                                       | -                           | -                                   | 9.79                           | 10.29      | 14.46            |
| <u>Computer</u>                  |                                |                           |                                         |                             |                                     |                                |                                |              |                                         |                             |                                     |                                |            |                  |
| Computer                         | 70.92                          | -                         | 5.96                                    | 29.46                       | -                                   | 35.50                          | 33.05                          | 10.67        | 4.86                                    | 14.11                       | -                                   | 24.75                          | 10.75      | 37.87            |
| Total Tangible Assets            | 7,127.18                       | 64.74                     | 37.53                                   | 43.29                       | 991.48                              | 6,119.62                       | 2,453.43                       | 876.73       | 13.18                                   | 19.72                       | 200.87                              | 3,096.39                       | 3,023.23   | 4,673.75         |
| INTANGIBLE ASSETS                |                                |                           |                                         |                             |                                     |                                |                                |              |                                         |                             |                                     |                                |            |                  |
| Marketing Know How               | 36.11                          | -                         | -                                       | -                           | 36.11                               | -                              | 10.32                          | 1.29         | -                                       | -                           | 11.61                               | -                              | -          | 25.79            |
| Tenancy Right                    | 1.50                           | -                         | 1.50                                    | -                           | -                                   | -                              | 1.20                           | 0.30         | 1.50                                    | -                           | -                                   | -                              | -          | 0.30             |
| Total Intangible Assets          | 37.61                          | -                         | 1.50                                    | -                           | 36.11                               | -                              | 11.52                          | 1.59         | 1.50                                    | -                           | 11.61                               | -                              | -          | 26.09            |
| CAPITAL WORK IN PROGRESS         | 1.14                           | -                         | 1.14                                    | -                           | -                                   | -                              | -                              | -            | -                                       | -                           | -                                   | -                              | -          | 1.14             |
| TOTAL                            | 7,165.93                       | 64.74                     | 40.17                                   | 43.29                       | 1,027.59                            | 6,119.62                       | 2,464.95                       | 878.32       | 14.68                                   | 19.72                       | 212.48                              | 3,096.39                       | 3,023.23   | 4,700.98         |

## B. Notes :

- Refer Note no. 16.1 and 19.1 for information on PPE pledged as a security by the company.
- Refer Note no. 33 (1) for disclosure of contractual commitments for the acquisition of PPE.
- Refer Note no. 33(XV)(ii) for Assets held for Sale.
- \* Written off during the year includes ₹ 8.19 lakhs in relation with Composite Division which was discontinued w.e.f. 30th June 2018.
- #Depreciation for the year include ₹ 25.88 lakhs depreciation for the period 1st April 2018 to 30th June 2018 on PPE of Composite division which was discontinued w.e.f. 30th June 2018.

**Notes to Financial Statements for the year ended 31st March 2019**

C. Previous Year

| Description                      | GROSS BLOCK                    |                           |                                         | DEPRECIATION / AMORTISATION    |                                |                 | NET BLOCK                      |                  |
|----------------------------------|--------------------------------|---------------------------|-----------------------------------------|--------------------------------|--------------------------------|-----------------|--------------------------------|------------------|
|                                  | Opening Block As At 01.04.2017 | Additions during the year | Deductions / Adjustment during the year | Closing Block As At 31.03.2018 | Opening Block As At 01.04.2017 | For the Year    | Closing Block As At 31.03.2018 | As At 31.03.2018 |
| <b>TANGIBLE ASSETS</b>           |                                |                           |                                         |                                |                                |                 |                                |                  |
| <u>Land</u>                      |                                |                           |                                         |                                |                                |                 |                                |                  |
| Leasehold Land                   | 90.55                          | -                         | -                                       | 90.55                          | 1.25                           | 1.23            | 2.48                           | 88.07            |
| <u>Buildings</u>                 |                                |                           |                                         |                                |                                |                 |                                |                  |
| Road                             | 0.26                           | -                         | -                                       | 0.26                           | -                              | -               | -                              | 0.26             |
| Buildings                        | 1,058.67                       | 38.80                     | -                                       | 1,097.47                       | 95.38                          | 91.57           | 186.95                         | 910.52           |
| Leasehold Improvements           | 36.45                          | 6.55                      | -                                       | 43.00                          | 15.83                          | 19.11           | 34.94                          | 8.06             |
| Leasehold Improvement Electrical | 3.01                           | 3.17                      | -                                       | 6.18                           | 0.92                           | 2.30            | 3.22                           | 2.96             |
| <u>Plant &amp; Equipments</u>    |                                |                           |                                         |                                |                                |                 |                                |                  |
| Plant & Machinery                | 5,561.07                       | 36.96                     | 5.11                                    | 5,592.92                       | 1,054.03                       | 1,044.52        | 2,097.41                       | 3,495.51         |
| Office Equipments                | 36.69                          | 5.53                      | -                                       | 42.22                          | 12.61                          | 11.21           | 23.82                          | 18.40            |
| Electrical Installations         | 84.03                          | -                         | -                                       | 84.03                          | 18.01                          | 15.38           | 33.39                          | 50.64            |
| <u>Furniture &amp; Fixtures</u>  |                                |                           |                                         |                                |                                |                 |                                |                  |
|                                  | 70.12                          | 10.16                     | 0.73                                    | 79.55                          | 17.10                          | 15.72           | 32.55                          | 47.00            |
| <u>Vehicle</u>                   |                                |                           |                                         |                                |                                |                 |                                |                  |
|                                  | 10.22                          | 13.80                     | 3.94                                    | 20.08                          | 3.43                           | 4.28            | 5.62                           | 14.46            |
| <u>Computer</u>                  |                                |                           |                                         |                                |                                |                 |                                |                  |
|                                  | 68.59                          | 3.22                      | 0.89                                    | 70.92                          | 15.21                          | 18.49           | 33.05                          | 37.87            |
| <b>Total Tangible Assets</b>     | <b>7,019.66</b>                | <b>118.19</b>             | <b>10.67</b>                            | <b>7,127.18</b>                | <b>1,233.77</b>                | <b>1,223.81</b> | <b>2,453.43</b>                | <b>4,673.75</b>  |
| <b>INTANGIBLE ASSETS</b>         |                                |                           |                                         |                                |                                |                 |                                |                  |
| Marketing Know How               | 36.11                          | -                         | -                                       | 36.11                          | 5.16                           | 5.16            | 10.32                          | 25.79            |
| Tenancy Right                    | 1.50                           | -                         | -                                       | 1.50                           | 0.60                           | 0.60            | 1.20                           | 0.30             |
| <b>Total Intangible Assets</b>   | <b>37.61</b>                   | <b>-</b>                  | <b>-</b>                                | <b>37.61</b>                   | <b>5.76</b>                    | <b>5.76</b>     | <b>11.52</b>                   | <b>26.09</b>     |
| <b>CAPITAL WORK IN PROGRESS</b>  | <b>2.03</b>                    | <b>1.14</b>               | <b>2.03</b>                             | <b>1.14</b>                    | <b>-</b>                       | <b>-</b>        | <b>-</b>                       | <b>1.14</b>      |
| <b>TOTAL</b>                     | <b>7,059.30</b>                | <b>119.33</b>             | <b>12.70</b>                            | <b>7,165.93</b>                | <b>1,239.53</b>                | <b>1,229.57</b> | <b>2,464.95</b>                | <b>4,700.98</b>  |

₹ in lakhs



## Notes to Financial Statements for the year ended 31st March 2019

### Note 4 : Investment in Property

| ₹ in lakhs                                                      |                     |                     |
|-----------------------------------------------------------------|---------------------|---------------------|
| Particulars                                                     | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b>Other Investments</b>                                        |                     |                     |
| Investment in Property                                          |                     |                     |
| 5/8 th share in Bruce Street Property, Tenancy right and Godown |                     |                     |
| Gross carrying amount opening                                   | 50.66               | 50.66               |
| Additions /Transferred from PPE                                 | 1.50                | -                   |
| Gross carrying amount closing                                   | 52.16               | 50.66               |
| Accumulated Depreciation opening                                | 27.10               | 21.21               |
| Transferred from PPE                                            | 1.50                | -                   |
| Depreciation                                                    | 5.89                | 5.89                |
| Accumulated Depreciation closing                                | 34.49               | 27.10               |
| Net carrying amount                                             | 17.67               | 23.56               |
| <b>TOTAL</b>                                                    | <b>17.67</b>        | <b>23.56</b>        |
| Fair Value :                                                    |                     |                     |
| As at 31st March                                                | See Note No. 4.3    | See Note No. 4.3    |

### Note 4.1 : Information regarding income and expenditure of Investment property

| ₹ in lakhs                                                                               |                     |                     |
|------------------------------------------------------------------------------------------|---------------------|---------------------|
| Particulars                                                                              | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Rental income derived from Investment property                                           | 50.38               | 89.00               |
| Direct operating expenses (including repairs and maintenance) generating rental income   | 3.65                | 1.67                |
| (Loss)/Profit arising from investment property before depreciation and indirect expenses | 46.73               | 87.33               |
| Less - Depreciation and Other Expenses                                                   | 5.89                | 5.89                |
| (Loss)/Profit arising from investment property before indirect expenses                  | 40.84               | 81.44               |

### Note 4.2 : The company has let out a portion of the Investment property.

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

| ₹ in lakhs                                                     |                     |                     |
|----------------------------------------------------------------|---------------------|---------------------|
| Particulars                                                    | As at<br>31.03.2019 | As at<br>31.03.2018 |
| For a period not later than one year                           | 113.93              | 3.29                |
| For a period later than one year ant not later than five years | 408.10              | 13.18               |

### Note 4.3 : Estimation of Fair Value :

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

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

**Notes to Financial Statements for the year ended 31st March 2019**

**Note 5 : Non Current Assets - Investments**

| ₹ in lakhs                                                                                     |                     |                     |
|------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Particulars                                                                                    | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b><u>Investment measured at Fair Value through Other Comprehensive Income</u></b>             |                     |                     |
| <b><u>Investments in Equity Instruments (Quoted)</u></b>                                       |                     |                     |
| 60 (31st March 2018 : 60) Equity shares of ₹ 2/- each fully paid up in Siemens Ltd.            | 0.68                | 0.64                |
| <b><u>Investment measured at Fair Value through Profit and Loss Account</u></b>                |                     |                     |
| <b><u>Other Non- Current Investments (Unquoted)</u></b>                                        |                     |                     |
| 42 (31st March 2018 : 42) Shares of ₹ 5,000/- each in Yashwant Sahakari Sakhar Karkhana Ltd. # | -                   | -                   |
| (Refer Note 33 Point no. III of Other Notes to Accounts)                                       |                     |                     |
| <b>TOTAL</b>                                                                                   | <b>0.68</b>         | <b>0.64</b>         |
| Aggregate amount of quoted investments at cost                                                 | 0.01                | 0.01                |
| Market value of quoted investments                                                             | 0.68                | 0.64                |
| Aggregate amount of unquoted investments                                                       | -                   | -                   |

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

**Note 6 : Non-Current Assets - Other Financial Assets**

| ₹ in lakhs                               |                     |                     |
|------------------------------------------|---------------------|---------------------|
| Particulars                              | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b><u>Unsecured, Considered Good</u></b> |                     |                     |
| Security Deposit                         | 136.09              | 145.48              |
| <b>TOTAL</b>                             | <b>136.09</b>       | <b>145.48</b>       |

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

| ₹ in lakhs                               |                     |                     |
|------------------------------------------|---------------------|---------------------|
| Particulars                              | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b><u>Unsecured, Considered Good</u></b> |                     |                     |
| Capital Advances                         | 43.93               | 49.26               |
| <b>TOTAL</b>                             | <b>43.93</b>        | <b>49.26</b>        |

## Notes to Financial Statements for the year ended 31st March 2019

## Note 8 : Inventories

| Particulars                    | ₹ in lakhs          |                     |
|--------------------------------|---------------------|---------------------|
|                                | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Raw Materials                  | 523.74              | 874.51              |
| Work-in-Process                | 452.74              | 439.11              |
| Finished Goods                 | 585.86              | 543.95              |
| Stock-in-Trade                 | 503.47              | 313.27              |
| Stores, Spares and Loose tools | 152.53              | 145.91              |
| <b>TOTAL</b>                   | <b>2,218.34</b>     | <b>2,316.75</b>     |

## Note 8.1 :

Inventory write down is accounted, considering the nature of inventory, age, liquidation plan and net realisable value. Write down of inventories during the year amount to ₹ 30.36 lakhs (Previous year - ₹ 51.98 lakhs). The effect of these write down were recognised in cost of materials consumed, and changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Statement of Profit and Loss.

## Note 8.2 :

Inventory balance as at 31st March 2018 includes ₹ 10.01 lakhs in Raw Material, ₹ 0.22 lakhs in Work-in-Progress, ₹ 0.81 lakhs in Stores and Spares, ₹ 3.39 lakhs in Finished Goods and ₹ 12.77 lakhs in Stock in Trade relating to Composite division which discontinued w.e.f. 30th June 2018.

## Note 9 : Current Assets - Investments

| Particulars                                                                                 | ₹ in lakhs          |                     |
|---------------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                             | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b><u>Investments measured at Fair Value through Profit &amp; Loss</u></b>                  |                     |                     |
| <b><u>Unquoted :</u></b>                                                                    |                     |                     |
| <u>Investment in Equity Shares</u>                                                          |                     |                     |
| Nil (31st March 2018 :3,19,000) nos. of OPGS Power Gujarat Pvt. Ltd. (held by Escrow Agent) | -                   | 0.61                |
| <u>Investments in Mutual Funds</u>                                                          |                     |                     |
| Nil (31st March 2018: 2,09,087.590) units of HDFC Floating Rate IF-ST-DP-WS-Growth          | -                   | 63.52               |
| Nil (31st March 2018: 8,590.767) units of HDFC Floating Rate IF-ST-WS-Growth                | -                   | 2.60                |
| <b>TOTAL</b>                                                                                | <b>-</b>            | <b>66.73</b>        |
| Aggregate amount of unquoted investments at cost                                            | -                   | 47.77               |

**Notes to Financial Statements for the year ended 31st March 2019**

**Note 10 : Trade Receivables**

| ₹ in lakhs                                      |                     |                     |
|-------------------------------------------------|---------------------|---------------------|
| Particulars                                     | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b>a) Unsecured, considered Good</b>            |                     |                     |
| i) Trade receivables                            | 3,080.64            | 3,076.26            |
| Less : Allowance for Doubtful Trade receivables | (11.85)             | (15.92)             |
|                                                 | 3,068.79            | 3,060.34            |
| ii) Related Parties                             | -                   | 0.21                |
| <b>b) Unsecured, considered Doubtful</b>        | 157.52              | 94.99               |
| Less : Allowance for Doubtful Trade receivables | (157.52)            | (94.99)             |
| <b>TOTAL</b>                                    | <b>3,068.79</b>     | <b>3,060.55</b>     |

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

| ₹ in lakhs                                     |                     |                     |
|------------------------------------------------|---------------------|---------------------|
| Particulars                                    | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Balance as at the beginning of the year        | 110.91              | 55.40               |
| Add : Allowances made during the year          | 86.35               | 62.29               |
| Less : Allowances written back during the year | (27.89)             | (6.78)              |
| Balance as at the end of the year              | 169.37              | 110.91              |

**Note 11 : Cash and Cash Equivalents**

| ₹ in lakhs                                           |                     |                     |
|------------------------------------------------------|---------------------|---------------------|
| Particulars                                          | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Balances with Banks                                  | 74.76               | 53.34               |
| Cash on Hand                                         | 4.65                | 4.50                |
| <b>Other Bank Balances</b>                           |                     |                     |
| Bank Deposits                                        | 3.25                | 25.86               |
| Margin Money Deposit                                 | 5.71                | 6.75                |
| (Under Lien for Bank Guarantees issued by the Banks) |                     |                     |
| <b>Earmarked Balances with Bank</b>                  |                     |                     |
| In Current Account (Unpaid Dividend)                 | 9.73                | 12.49               |
| In Current Account (Fraction Coupon)                 | 0.92                | 0.92                |
| In Current Account (Employee Deposit)                | 1.31                | 1.32                |
|                                                      | 20.92               | 47.34               |
| <b>TOTAL</b>                                         | <b>100.33</b>       | <b>105.18</b>       |

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

| ₹ in lakhs                                                      |                     |                     |
|-----------------------------------------------------------------|---------------------|---------------------|
| Particulars                                                     | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Interest Receivable                                             | 15.39               | 16.60               |
| Export Incentive Receivable                                     | 24.70               | 30.92               |
| Balance with excise, sales tax and other government authorities | 89.28               | 119.14              |
| Less : Provision for Doubtful Advances                          | (0.50)              | (0.50)              |
|                                                                 | 88.78               | 118.64              |
| Other Receivables                                               | 127.10              | 293.10              |
| <b>TOTAL</b>                                                    | <b>255.97</b>       | <b>459.26</b>       |

## Notes to Financial Statements for the year ended 31st March 2019

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

| Particulars           | ₹ in lakhs          |                     |
|-----------------------|---------------------|---------------------|
|                       | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Advances to Employees | 0.41                | 0.50                |
| Advances to Suppliers | 3.51                | 13.76               |
| Prepaid Expenses      | 35.66               | 43.12               |
| Other Advances        | 11.69               | 5.98                |
| <b>TOTAL</b>          | <b>51.27</b>        | <b>63.36</b>        |

## Note 14 : Equity Share Capital

| Particulars                                                                                                          | ₹ in lakhs          |                     |
|----------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                                                      | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b>Authorised Capital</b>                                                                                            |                     |                     |
| 2,77,67,500 (31st March 2018 : 2,77,67,500) Equity Shares of ₹ 10/- each                                             | 2,776.75            | 2,776.75            |
| 2,500 (31st March 2018 : 2,500) 5% Redeemable Cumulative "A" Preference Shares of ₹ 10/- each                        | 0.25                | 0.25                |
| 7,80,000 (31st March 2018 : 7,80,000) 15% Non Convertible Redeemable Non Cumulative Preference Shares of ₹ 10/- each | 78.00               | 78.00               |
| 1,00,00,000 (31st March 2018 : 1,00,00,000) Preference Shares of ₹ 10/- each                                         | 1,000.00            | 1,000.00            |
| <b>TOTAL</b>                                                                                                         | <b>3,855.00</b>     | <b>3,855.00</b>     |
| <b>Issued , Subscribed and Paid up Capital</b>                                                                       |                     |                     |
| 16,64,548 (31st March 2018 : 16,64,548) Equity Shares of ₹ 10 /- each fully paid up                                  | 166.45              | 166.45              |
| <b>TOTAL</b>                                                                                                         | <b>166.45</b>       | <b>166.45</b>       |

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

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

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

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

| Particulars                                          | ₹ in lakhs          |                     |
|------------------------------------------------------|---------------------|---------------------|
|                                                      | As at<br>31.03.2019 | As at<br>31.03.2018 |
| 16,64,548 Equity Shares at the beginning of the year | 166.45              | 166.45              |
| 16,64,548 Equity Shares at the end of the year       | <b>166.45</b>       | <b>166.45</b>       |

**Notes to Financial Statements for the year ended 31st March 2019**

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

| <b>Name of Equity Shareholders</b>           | <b>No. of Shares Held</b> | <b>Percentage of Holding</b> |
|----------------------------------------------|---------------------------|------------------------------|
| <b>Chandrali Investments Private Limited</b> |                           |                              |
| Current Year                                 | <b>87,266</b>             | <b>5.24%</b>                 |
| Previous year                                | 87,266                    | 5.24%                        |
| <b>Delta Investments Limited</b>             |                           |                              |
| Current Year                                 | <b>110,707</b>            | <b>6.65%</b>                 |
| Previous year                                | 110,707                   | 6.65%                        |
| <b>Mr. Jagdish Thackersey</b>                |                           |                              |
| Current Year                                 | <b>196,613</b>            | <b>11.81%</b>                |
| Previous year                                | 196,613                   | 11.81%                       |
| <b>Mr. Hiren Kara</b>                        |                           |                              |
| Current Year                                 | <b>115,966</b>            | <b>6.97%</b>                 |
| Previous year                                | 114,446                   | 6.88%                        |
| <b>Mr. Raoul Thackersey</b>                  |                           |                              |
| Current Year                                 | <b>96,692</b>             | <b>5.81%</b>                 |
| Previous year                                | 96,692                    | 5.81%                        |
| <b>Mr. Yogesh Uttamlal Mehta</b>             |                           |                              |
| Current Year                                 | <b>83,929</b>             | <b>5.04%</b>                 |
| Previous year                                | 65,379                    | 3.93%                        |

**Note 15 : Other Equity**

| <b>Particulars</b>                          | <b>₹ in lakhs</b>       |                         |
|---------------------------------------------|-------------------------|-------------------------|
|                                             | <b>As at 31.03.2019</b> | <b>As at 31.03.2018</b> |
| <b>Capital Reserve</b>                      | 1,076.11                | 1,076.11                |
| <b>Capital Redemption Reserve</b>           | 83.63                   | 83.63                   |
| <b>Securities Premium Account</b>           | 587.78                  | 587.78                  |
| <b><u>Other Reserve</u></b>                 |                         |                         |
| <b>General Reserve</b>                      | 6,447.61                | 6,447.61                |
| <b>Surplus</b>                              |                         |                         |
| Balance as at the beginning of the year     | (2,369.26)              | (1,310.25)              |
| Less : Loss for the year                    | (1,180.83)              | (1,059.01)              |
| Balance in Surplus                          | (3,550.09)              | (2,369.26)              |
| <b><u>Other Comprehensive Income</u></b>    |                         |                         |
| Balance as at the beginning of the year     | (44.78)                 | (26.68)                 |
| Add : Movement in OCI (net) during the year | 7.92                    | (18.10)                 |
| Balance as at the end of the year           | (36.86)                 | (44.78)                 |
| <b>TOTAL</b>                                | <b>4,608.18</b>         | <b>5,781.09</b>         |



## Notes to Financial Statements for the year ended 31st March 2019

## Note 16 : Non-Current Liabilities - Borrowings

| ₹ in lakhs            |                     |                     |
|-----------------------|---------------------|---------------------|
| Particulars           | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b><u>Secured</u></b> |                     |                     |
| Term Loan from a Bank | -                   | 328.24              |
| <b>TOTAL</b>          | <b>-</b>            | <b>328.24</b>       |

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

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

Collateral Security:

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

## Note 17 : Non-Current Liabilities - Provisions

| ₹ in lakhs                                                |                     |                     |
|-----------------------------------------------------------|---------------------|---------------------|
| Particulars                                               | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b><u>Provision for Employees Benefits (Unfunded)</u></b> |                     |                     |
| Provision for Leave Salary                                | 78.52               | 69.59               |
| Provision for Gratuity                                    | 397.38              | 366.30              |
| <b>TOTAL</b>                                              | <b>475.90</b>       | <b>435.89</b>       |

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

| ₹ in lakhs                |                     |                     |
|---------------------------|---------------------|---------------------|
| Particulars               | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Deferred Tax Liabilities  | 4.57                | 16.06               |
| Less: Deferred Tax Assets | (3.16)              | (13.78)             |
| <b>TOTAL</b>              | <b>1.41</b>         | <b>2.28</b>         |

## Notes to Financial Statements for the year ended 31st March 2019

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

₹ in lakhs

| Particulars                                         | As at<br>31.03.2019 | As at<br>31.03.2018 |
|-----------------------------------------------------|---------------------|---------------------|
| Opening Balance                                     | 2.28                | 5.97                |
| <u>Recognised in Statement of Profit &amp; Loss</u> |                     |                     |
| Fair value of adjustment of Financial Liabilities   | 0.24                | (3.50)              |
| Fair value of adjustment of Financial Assets        | 0.95                | 0.13                |
| Fair value of adjustment of Investment              | (3.90)              | 0.91                |
| Expected Credit Losss                               | 1.84                | (1.23)              |
| Closing Balance                                     | <b>1.41</b>         | <b>2.28</b>         |

Deferred Tax balances are arising due to Ind AS adoption.

### Note 19 : Current Liabilities - Borrowings

₹ in lakhs

| Particulars                      | As at<br>31.03.2019 | As at<br>31.03.2018 |
|----------------------------------|---------------------|---------------------|
| <u>Secured</u>                   |                     |                     |
| Working Capital Loan from a Bank | 960.44              | 876.84              |
| <b>TOTAL</b>                     | <b>960.44</b>       | <b>876.84</b>       |

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

(a) Secured Loan from HDFC Bank :Interest rate is MCLR + 2.85% i.e. 11.60% for Cash Credit and 7.25% on packing credit

(b) Security :

Primary Security :

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

Collateral Security :

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

### Note 20 : Trade Payables

₹ in lakhs

| Particulars                                                                                                                                          | As at<br>31.03.2019 | As at<br>31.03.2018 |
|------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| i. Total outstanding dues of Micro Enterprises and Small Enterprises                                                                                 | 46.47               | 0.93                |
| ii. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises<br>(Refer Note 33 Point no. V of Other Notes to Accounts) | 2,176.74            | 2,063.54            |
| <b>TOTAL</b>                                                                                                                                         | <b>2,223.21</b>     | <b>2,064.47</b>     |

## Notes to Financial Statements for the year ended 31st March 2019

## Note 21 : Other Financial Liabilities

| Particulars                                                                                                                                                    | ₹ in lakhs          |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                                                                                                | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Current maturities of Long Term Borrowing<br>(Refer Note 16.1 for Terms & Conditions)                                                                          | 257.95              | 489.60              |
| Interest accrued and due on Borrowings                                                                                                                         | 2.75                | 8.64                |
| Unclaimed Dividend                                                                                                                                             | 9.73                | 12.49               |
| Other Liabilities (including ₹ 1.63 lakhs (31st March 2018 : ₹ 3.14 lakhs) relating to MSMED vendors<br>(Refer Note 33 Point no. V of Other Notes to Accounts) | 804.26              | 893.74              |
| <b>TOTAL</b>                                                                                                                                                   | <b>1,074.69</b>     | <b>1,404.47</b>     |

## Note 22 : Other Current Liabilities

| Particulars             | ₹ in lakhs          |                     |
|-------------------------|---------------------|---------------------|
|                         | As at<br>31.03.2019 | As at<br>31.03.2018 |
| Advances from Customers | 15.81               | 20.25               |
| Statutory Dues          | 25.29               | 57.95               |
| Employee Dues           | 43.78               | 74.52               |
| <b>TOTAL</b>            | <b>84.88</b>        | <b>152.72</b>       |

## Note 23 : Provisions

| Particulars                                              | ₹ in lakhs          |                     |
|----------------------------------------------------------|---------------------|---------------------|
|                                                          | As at<br>31.03.2019 | As at<br>31.03.2018 |
| <b><u>Provision For Employee Benefits (Unfunded)</u></b> |                     |                     |
| Provision for Leave Salary                               | 10.31               | 9.48                |
| Provision for Gratuity                                   | 26.62               | 22.86               |
| Provision for Bonus/ Ex Gratia                           | 39.21               | 37.91               |
| <b>TOTAL</b>                                             | <b>76.14</b>        | <b>70.25</b>        |

## Notes to Financial Statements for the year ended 31st March 2019

### Note 24 : Revenue from Operations

| Particulars                              | ₹ in lakhs               |                          |
|------------------------------------------|--------------------------|--------------------------|
|                                          | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| Sale of Products (including Excise Duty) | 16,022.49                | 15,407.52                |
| Sale of Services                         | 74.35                    | 49.15                    |
|                                          | <b>16,096.84</b>         | <b>15,456.67</b>         |
| <b>Other Operating Revenues</b>          |                          |                          |
| Export Incentives                        | 84.07                    | 120.24                   |
| Sales Tax Set-off                        | -                        | 27.60                    |
| Other Income                             | 62.83                    | 52.22                    |
|                                          | <b>146.90</b>            | <b>200.06</b>            |
| <b>TOTAL</b>                             | <b>16,243.74</b>         | <b>15,656.73</b>         |

### Note 25 : Other Income

| Particulars                                                                            | ₹ in lakhs               |                          |
|----------------------------------------------------------------------------------------|--------------------------|--------------------------|
|                                                                                        | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| Interest Income                                                                        | 18.65                    | 36.26                    |
| Dividend Income                                                                        | 0.01                     | 0.01                     |
| Gain on Sale of Investments                                                            | 20.76                    | -                        |
| Fair Value Gain on Mutual Fund Valued as FVTPL                                         | -                        | 4.40                     |
| Provision for Doubtful Debts / Advances no Longer Required Written Back                | 18.86                    | 18.71                    |
| State Subsidy towards Interest (Refer Note 33 Point no. VI of Other Notes to Accounts) | 27.24                    | 58.31                    |
| Lease Income                                                                           | 50.38                    | 87.97                    |
| Insurance Claim Received                                                               | 68.82                    | 4.56                     |
| Profit on sale of Property, plant and equipments (Net)                                 | 0.25                     | 2.29                     |
| Sundry Credit Balances Written back                                                    | 31.66                    | 9.67                     |
| Excess provision of earlier year no longer required written back                       | 2.01                     | 7.96                     |
| Miscellaneous Receipts                                                                 | 9.60                     | 1.68                     |
| <b>TOTAL</b>                                                                           | <b>248.24</b>            | <b>231.82</b>            |

### Note 26 : Cost of Materials Consumed

| Particulars                     | ₹ in lakhs               |                          |
|---------------------------------|--------------------------|--------------------------|
|                                 | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| Opening Stock                   | 864.51                   | 737.58                   |
| Add : Purchase of Raw Materials | 10,177.88                | 10,246.51                |
| Less : Closing Stock            | 523.74                   | 864.51                   |
| <b>TOTAL</b>                    | <b>10,518.65</b>         | <b>10,119.58</b>         |

## Notes to Financial Statements for the year ended 31st March 2019

## Note 27 : Change in Inventories

| ₹ in lakhs                         |                          |                          |
|------------------------------------|--------------------------|--------------------------|
| Particulars                        | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| <b><u>Opening Stock</u></b>        |                          |                          |
| Work-in-Process                    | 438.89                   | 397.84                   |
| Finished Goods                     | 540.56                   | 558.54                   |
| Traded Goods                       | 300.50                   | 310.38                   |
|                                    | 1,279.95                 | 1,266.76                 |
| <b><u>Less : Closing stock</u></b> |                          |                          |
| Work-in-Process                    | 452.74                   | 438.89                   |
| Finished Goods                     | 585.86                   | 540.56                   |
| Traded Goods                       | 503.46                   | 300.50                   |
|                                    | 1,542.06                 | 1,279.95                 |
| <b>TOTAL</b>                       | <b>(262.11)</b>          | <b>(13.19)</b>           |

## Note 28 : Employee Benefits Expenses

| ₹ in lakhs                                              |                          |                          |
|---------------------------------------------------------|--------------------------|--------------------------|
| Particulars                                             | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| <b><u>Salaries and Wages</u></b>                        |                          |                          |
| Salaries and Wages                                      | 1,273.76                 | 1,360.69                 |
| Bonus / Ex Gratia                                       | 39.65                    | 33.57                    |
| Leave Encashment                                        | 13.91                    | 16.72                    |
| <b><u>Contribution to Provident and other funds</u></b> |                          |                          |
| to Provident Fund                                       | 84.78                    | 94.71                    |
| to Employee's State Insurance Corporation               | 24.68                    | 17.95                    |
| to Labour Welfare Fund                                  | 0.27                     | 0.24                     |
| to Superannuation Fund                                  | 2.75                     | 4.57                     |
| Provision for Gratuity                                  | 57.26                    | 69.81                    |
| Staff Welfare Expense                                   | 40.61                    | 41.70                    |
| <b>TOTAL</b>                                            | <b>1,537.67</b>          | <b>1,639.96</b>          |

## Note 29 : Finance Costs

| ₹ in lakhs       |                          |                          |
|------------------|--------------------------|--------------------------|
| Particulars      | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| Interest Expense | 198.23                   | 232.20                   |
| <b>TOTAL</b>     | <b>198.23</b>            | <b>232.20</b>            |

**Notes to Financial Statements for the year ended 31st March 2019**

**Note 30 : Depreciation and Amortisation Expenses**

| Particulars                       | ₹ in lakhs               |                          |
|-----------------------------------|--------------------------|--------------------------|
|                                   | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| On Property, Plant and Equipments | 852.44                   | 1,111.84                 |
| On Investment in Property         | 5.89                     | 5.89                     |
| <b>TOTAL</b>                      | <b>858.33</b>            | <b>1,117.73</b>          |

**Note 31 : Other Expenses**

| Particulars                                                | ₹ in lakhs               |                          |
|------------------------------------------------------------|--------------------------|--------------------------|
|                                                            | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| Consumption of Stores and Spares                           | 603.23                   | 590.24                   |
| Power and Fuel                                             | 1,551.45                 | 1,336.23                 |
| Processing Charges                                         | 252.32                   | 242.38                   |
| Rent                                                       | 52.32                    | 89.68                    |
| Rates and Taxes                                            | 13.79                    | 14.98                    |
| Excise Duty on Finished Goods                              | -                        | 16.82                    |
| Repairs to Buildings                                       | 0.72                     | 7.04                     |
| Repairs to Machinery                                       | 39.72                    | 52.46                    |
| Other Repairs                                              | 17.82                    | 22.59                    |
| Insurance                                                  | 35.83                    | 40.83                    |
| Freight, Forwarding and Clearing Charges                   | 55.94                    | 42.97                    |
| Commission, Brokerage and Incentives                       | 12.72                    | 8.17                     |
| Legal and Professional Fees                                | 100.43                   | 82.56                    |
| Auditors Remuneration                                      | 17.48                    | 17.48                    |
| Directors Fees                                             | 12.70                    | 11.10                    |
| Fair Value Loss on Mutual Fund Valued as FVTPL             | 18.96                    | -                        |
| Property, plant and equipments Written Off                 | 15.39                    | -                        |
| Provision for Doubtful Debts and Advances                  | 46.59                    | 53.38                    |
| Bad Debts                                                  | 21.32                    | 6.40                     |
| Irrecoverable Advances / Sundry Debit Balances written off | 1.43                     | 11.61                    |
| Miscellaneous Expenses                                     | 284.09                   | 321.27                   |
| <b>TOTAL</b>                                               | <b>3,154.25</b>          | <b>2,968.19</b>          |
| <b><u>Auditors Remuneration:</u></b>                       |                          |                          |
| For Audit Fees                                             | 15.95                    | 15.95                    |
| For Tax Audit                                              | 1.50                     | 1.50                     |
| For Certification and Other Work                           | 0.03                     | 0.03                     |
|                                                            | <b>17.48</b>             | <b>17.48</b>             |

**Note 32 : Exceptional Items**

| Particulars  | ₹ in lakhs               |                          |
|--------------|--------------------------|--------------------------|
|              | Year ended<br>31.03.2019 | Year ended<br>31.03.2018 |
| Loss by fire | -                        | (3.85)                   |
| <b>TOTAL</b> | <b>-</b>                 | <b>(3.85)</b>            |



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

₹ in lakhs

|   | Particulars                                                                                     | Current Year | Previous Year |
|---|-------------------------------------------------------------------------------------------------|--------------|---------------|
| A | Estimated amount of contracts remaining to be executed on capital account and not provided for. | 35.07        | 12.91         |
| B | Other Commitments.                                                                              | 831.38       | 621.36        |

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

₹ in lakhs

|   | Particulars                                                                                                                                                                                                                                                                                                                                                        | Current Year | Previous Year |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------|
| A | Claims against the Company not acknowledged as debts [including disputed demands of Central Excise for ₹ 39.70 lakhs (P.Y. ₹ 39.70 lakhs), interest on Central Excise of ₹ 55.63 lakhs (P.Y. ₹ 51.87 lakhs), Sales Tax ₹ 6.34 lakhs (P.Y ₹ 6.34 lakhs), Works Contract Tax ₹ 18.76 lakhs (P.Y. ₹ 21.79 lakhs) and others ₹ 2,012.31 lakhs (P.Y. ₹ 1,706.50 lakhs)] | 2,132.74     | 1,826.20      |
| B | The Income-Tax demands in respect of earlier years under dispute are pending in appeal before higher authorities.                                                                                                                                                                                                                                                  | 13.11        | 13.01         |
| C | Demand for payment of Electricity Duty by Government of Maharashtra.                                                                                                                                                                                                                                                                                               | 228.20       | 228.20        |
| D | Concessional Custom duty on Machinery Imported                                                                                                                                                                                                                                                                                                                     | 35.95        | 66.26         |
| E | Bank Guarantees (Fixed Deposits of ₹ 5.71 lakhs being lien against Bank Guarantee of UCO Bank )                                                                                                                                                                                                                                                                    | 6.44         | 14.36         |

**III. 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.

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

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

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

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

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

₹ in lakhs

|   | Particulars                                                              | As at<br>31.03.2019 | As at<br>31.03.2018 |
|---|--------------------------------------------------------------------------|---------------------|---------------------|
| A | Principal amount due and remaining unpaid                                | 48.10               | 4.07                |
| B | Interest due on above                                                    | 0.66                | -                   |
| 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.

**VI.** The Company has recognized interest subsidy, as per New Textile Policy 2012, as Other Income of ₹ 124.01 lakhs on accrual basis for the period October, 2016 to 31st March, 2019 (Including ₹ 27.24 lakhs for the current year). The Government Resolution in this regard for release of subsidy is awaited.

**VII. Current Tax :**

In view of losses for the year ended 31st March 2019, no provision for Income Tax and Minimum Alternate Tax under Section 115JB of Income Tax Act, 1961 is required to be made.

**VIII. Earnings Per Share :**

| Particulars                                                                        | Current Year | Previous Year |
|------------------------------------------------------------------------------------|--------------|---------------|
| (Loss) for the year after Tax (₹ in lakhs) from Continuing Operations              | (645.67)     | (848.05)      |
| (Loss) for the year after Tax (₹ in lakhs) from Discontinued Operations            | (535.16)     | (210.96)      |
| Weighted Average number of Equity Shares                                           | 16,64,548    | 16,64,548     |
| Basic and Diluted Earnings per Share (of ₹ 10/- each) from Continuing Operations   | (38.79)      | (50.95)       |
| Basic and Diluted Earnings per Share (of ₹ 10/- each) from Discontinued Operations | (32.15)      | (12.67)       |

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

**A. Defined Contribution Plans:**

The Company has certain defined contribution plans, such as provident fund and superannuation plan for benefits of employees. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The Contribution are made to registered provident fund administered by the government. The obligation of the Company is Limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the year towards defined contribution plan in ₹ 88.09 lakhs (Previous year ₹ 110.23 lakhs).

**B. Defined Benefit Plan**

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

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2019:

**Note 33: Other Notes to Accounts (Contd.)****B.1 Reconciliation of opening and closing balances of Defined Benefit Obligation:**

₹ in lakhs

| Particulars                                                                 | Current Year | Previous Year |
|-----------------------------------------------------------------------------|--------------|---------------|
| Present value of Defined Benefit Obligation as at the beginning of the year | 400.47       | 356.51        |
| Interest cost                                                               | 31.36        | 25.68         |
| Current Service cost                                                        | 25.90        | 31.89         |
| Past Service cost                                                           | -            | 8.95          |
| Benefits paid direct by the Employer                                        | (25.85)      | (40.55)       |
| Actuarial (gain)/loss on obligations due to change in Financial Assumptions | 1.89         | (30.12)       |
| Actuarial (gain)/loss on obligations due to Experience                      | (9.77)       | 48.11         |
| Present value of Defined Benefit Obligation as at the end of the year       | 424.00       | 400.47*       |

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

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

₹ in lakhs

| Particulars                                                           | Current Year | Previous Year |
|-----------------------------------------------------------------------|--------------|---------------|
| Present value of Defined Benefit Obligation as at the end of the year | 424.00       | 400.47        |
| Fair value of Plan Assets at the end of the year                      | -            | -             |
| Difference                                                            | 424.00       | 400.47        |
| Amount Recognised in the Balance Sheet                                | 424.00       | 400.47        |

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

₹ in lakhs

| Particulars                                         | Current Year | Previous Year |
|-----------------------------------------------------|--------------|---------------|
| Current service cost                                | 25.90        | 31.88         |
| Past service cost                                   | -            | 8.95          |
| Interest cost                                       | 31.36        | 25.68         |
| Expenses Recognised in Statement of Profit and Loss | 57.26        | 66.51         |

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

₹ in lakhs

| Particulars                                       | Current Year | Previous Year |
|---------------------------------------------------|--------------|---------------|
| Actuarial (gain)/loss on obligations for the year | (7.89)       | 17.99         |
| Return on Plan Assets, Excluding Interest Income  | -            | -             |
| Net Expense for the Period Recognised in OCI      | (7.89)       | 17.99         |

**B.5 Actuarial Assumptions:**

| Particulars                      | Current Year                                  | Previous Year |
|----------------------------------|-----------------------------------------------|---------------|
| Mortality Rate during Employment | <b>Indian Assured Life Mortality(2006-08)</b> |               |
| Rate of Discounting              | 7.79%                                         | 7.83%         |
| Rate of Salary escalation        | 6.80%                                         | 6.80%         |
| Rate of Employee Turnover        | 2.00%                                         | 2.00%         |

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

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

**B.6 Risks associated with defined benefit plan:**

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

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

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

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

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

**B.7 Experience Adjustment:**

₹ in lakhs

| Experience History                            | 31 <sup>st</sup> March<br>2015 | 31 <sup>st</sup> March<br>2016 | 31 <sup>st</sup> March<br>2017 | 31 <sup>st</sup> March<br>2018 | 31 <sup>st</sup> March<br>2019 |
|-----------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Present value of Obligation                   | 262.17                         | 294.85                         | 356.51                         | 400.47                         | 423.99                         |
| Plan assets                                   | 0.24                           | 0.24                           | -                              | -                              | -                              |
| Deficit / (Surplus)                           | 261.93                         | 294.61                         | 356.51                         | 400.47                         | 423.99                         |
| Experience (gain) or loss on plan liabilities | (2.77)                         | 6.52                           | (4.70)                         | 48.11                          | (9.77)                         |
| Experience (gain) or loss on plan assets      | 0.02                           | 0.02                           | 0.27                           | -                              | -                              |

**B.8 Expected future benefit payments:**

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

₹ in lakhs

| Year Ending 31 <sup>st</sup> March |        |
|------------------------------------|--------|
| 2020                               | 26.62  |
| 2021                               | 18.06  |
| 2022                               | 13.50  |
| 2023                               | 18.01  |
| 2024                               | 21.04  |
| 2025-2029                          | 134.25 |
| Thereafter                         | 999.06 |

**B.9 Sensitivity Analysis:**

₹ in lakhs

| Sensitivity Analysis                        |               |             |                        |             |                |             |
|---------------------------------------------|---------------|-------------|------------------------|-------------|----------------|-------------|
| Assumptions                                 | Discount rate |             | Salary Escalation Rate |             | Attrition rate |             |
| Sensitivity Level                           | 1% increase   | 1% decrease | 1% increase            | 1% decrease | 1% increase    | 1% decrease |
| <b>Impact on defined benefit obligation</b> |               |             |                        |             |                |             |
| Current Year                                | (43.64)       | 51.44       | 50.10                  | (43.28)     | 4.91           | (5.58)      |
| Previous Year                               | (41.71)       | 49.39       | 49.40                  | (42.45)     | 4.16           | (4.74)      |

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

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

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

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

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

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

The obligation for leave benefits (non-funded) is also recognised using the projected unit credit method and accordingly the long-term paid absence has been valued. The Liability towards leave encashment for the year ended 31<sup>st</sup> March, 2019 as per actuarial valuation is ₹ 93.48 lakhs (Including liability aggregating to ₹ 4.65 lakhs in relation to employees who have resigned on or before 31<sup>st</sup> March, 2019, which is reflected under other financial liabilities pending full and final settlement of their account) (P.Y. ₹ 96.65 lakhs).

**X. Segment Reporting :****A. Primary Business Segment****Statement of Profit and Loss**

₹ in lakhs

| Particulars                                       | Textile          | Engineering     | Composite<br>(Discontinued<br>Operation) | Total             |
|---------------------------------------------------|------------------|-----------------|------------------------------------------|-------------------|
| <b>Segment Revenue</b>                            | <b>14,899.00</b> | <b>1,344.74</b> | <b>84.81</b>                             | <b>16,328.55</b>  |
| Previous Year                                     | 14,233.48        | 1,423.25        | 812.47                                   | 16,469.20         |
| <b>Segment Result</b>                             | <b>(703.61)</b>  | <b>107.51</b>   | <b>(543.00)</b>                          | <b>(1,139.10)</b> |
| Previous Year                                     | (962.93)         | 165.42          | (218.16)                                 | (1,015.67)        |
| <b>Unallocated Corporate Expense/Income (Net)</b> |                  |                 |                                          | <b>138.42</b>     |
| Previous Year                                     |                  |                 |                                          | 152.82            |
| <b>Operating Loss</b>                             |                  |                 |                                          | <b>(1,000.68)</b> |
| Previous Year                                     |                  |                 |                                          | (862.85)          |
| <b>Interest Expenses</b>                          |                  |                 |                                          | <b>201.29</b>     |
| Previous Year                                     |                  |                 |                                          | 234.69            |
| <b>Interest / Dividend Income</b>                 |                  |                 |                                          | <b>20.27</b>      |
| Previous Year                                     |                  |                 |                                          | 38.69             |
| <b>Exceptional Items</b>                          |                  |                 |                                          | <b>-</b>          |
| Previous Year                                     |                  |                 |                                          | 3.85              |
| <b>Loss Before Tax</b>                            |                  |                 |                                          | <b>(1,181.70)</b> |
| Previous Year                                     |                  |                 |                                          | (1,062.70)        |
| <b>Income Tax</b>                                 |                  |                 |                                          | <b>0.87</b>       |
| Previous Year                                     |                  |                 |                                          | 3.69              |
| <b>Loss for the year</b>                          |                  |                 |                                          | <b>(1,180.83)</b> |
| Previous Year                                     |                  |                 |                                          | (1,059.01)        |

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

**Balance Sheet**

₹ in lakhs

| Particulars             | Textile  | Engineering | Composite | Un allocable | Total     |
|-------------------------|----------|-------------|-----------|--------------|-----------|
| <b>Assets</b>           |          |             |           |              |           |
| Current Year            | 7,773.78 | 976.22      | 478.90    | 442.40       | 9,671.30  |
| Previous Year           | 8,438.04 | 1,139.05    | 1,165.90  | 539.71       | 11,282.70 |
| <b>Liabilities</b>      |          |             |           |              |           |
| Current Year            | 2,685.28 | 274.61      | 47.49     | 668.14       | 3,675.52  |
| Previous Year           | 2,456.62 | 342.07      | 39.09     | 794.06       | 3,631.84  |
| <b>Capital Employed</b> |          |             |           |              |           |
| Current Year            | 5,088.49 | 701.61      | 431.41    | (225.74)     | 5,995.77  |
| Previous Year           | 5,981.42 | 796.98      | 1,126.81  | (254.35)     | 7,650.86  |

**B. Secondary Segment: Geographical Segment**

₹ in lakhs

| Particulars                                   | Total       | India       | Rest of World |
|-----------------------------------------------|-------------|-------------|---------------|
| Revenue attributable to location of customers | 16,328.55   | 14,010.36   | 2,318.19      |
|                                               | (16,469.20) | (13,421.39) | (3,047.81)    |
| Segment assets based on their location        | 9,671.30    | 9,569.39    | 101.91        |
|                                               | (11,282.70) | (11,166.45) | (116.25)      |
| Addition to Fixed Assets                      | 64.74       | 64.74       | -             |
|                                               | (119.33)    | (119.33)    | -             |

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

**XI. Related Party Information :**

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

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Associates/Enterprise/Companies where control exists | Thackersey Moolji and Co.<br>Sir Vithaldas D Thackersey Chartiabale Trust<br>Parnakuti and Allied Estate Development Corporation<br>Chandrali Investment Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Key Management Personnel (KMP)                       | Mr.Hrishikesh Thackersey –Executive Director (upto 06.09.2017)<br>Mr. Abhimanyu Thackersey - Executive Director (upto 06.09.2017)<br>Mr. Chandrahas Thackersey – Non Executive Director<br>Mr. Rajiv Ranjan – CEO (w.e.f. 07.09.2017 to 10.12.2017)<br>Mr. Rajiv Ranjan – Executive Director and CEO (w.e.f. 11.12.2017)<br>Mr. P. D .Vora— Independent Director (w.e.f. 08.08.2018 to 29.03.2019)<br>Mr. Khushaal Thackersey – Executive Director<br>Mr. Prem Malik- Additional Independent Non Exceutive Director (w.e.f. 07.09.2017 to 10.12.2017)<br>Mr. Prem Malik- Non Independent Non Executive Director (w.e.f. 11.12.2017 to 12.02.2019)<br>Mr. Bhavesh V Panjuani – Independent Director<br>Mr. Ashok N Desai- Independent Director<br>Mr. Krishnadas D Vora – Independent Director (upto-08.08.2018)<br>Mr. Raoul S Thackersey – Non Executive Director<br>Mr. Sujal A Shah – Independent Director<br>Mrs. Vishwadhara Dahanukar – Independent Director (up to 09.08.2018)<br>Mrs. Maitreyee N Agbotawala – Independent Director ( w.e.f 01.11.2018)<br>Ms. Shraddha Shettigar –Chief Financial Officer(w.e.f. 25.04.2018)<br>Mr. Jagat Reshamwala -- Company Secretary (up to 30.11.2018)<br>Mr. Rajesh Singh – Company Secretary (w.e.f. 21.01.2019) |
| Relative of KMP                                      | Mrs. Ameeta Thackersey                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



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

|                |                                                       | ₹ in lakhs          |                      |
|----------------|-------------------------------------------------------|---------------------|----------------------|
| <b>Sr. No.</b> | <b>Nature of Transactions</b>                         | <b>Current Year</b> | <b>Previous Year</b> |
| <b>1</b>       | <b>Rent and Maintenance charges paid</b>              |                     |                      |
|                | Thackersey Moolji and Co.                             | 38.61               | 32.17                |
|                | Sir Vithaldas D Thackersey Charitable Trust           | 2.10                | 1.63                 |
| <b>2</b>       | <b>Managerial Remuneration</b>                        |                     |                      |
|                | Mr. Abhimanyu Thackersey                              | -                   | 28.45                |
|                | Mr. Hrishikesh Thackersey                             | -                   | 15.59                |
|                | Mr. Khushaal Thackersey                               | 23.56               | 14.60                |
|                | Mr. Rajiv Ranjan                                      | 45.71               | 13.95                |
| <b>3</b>       | <b>Guest House Expenses Paid</b>                      |                     |                      |
|                | Parnakuti and Allied Estate Development Corporation   | -                   | 12.00                |
| <b>4</b>       | <b>Salary Paid to</b>                                 |                     |                      |
|                | Mr. Rajiv Ranjan                                      | -                   | 12.24                |
|                | Mr. Jagat Reshamwala                                  | 22.53               | 27.87                |
|                | Mr. K Nandakumar                                      | -                   | 42.30                |
|                | Mr. Rajesh singh                                      | 1.58                | -                    |
|                | Mrs. Sharddha Shettigar                               | 16.21               | -                    |
| <b>5</b>       | <b>Sales to Executive Directors and Related Party</b> |                     |                      |
|                | Mr. Khushaal Thackersey                               | 0.09                | 0.47                 |
|                | Mr. Abhimanyu Thackersey                              | -                   | 1.55                 |
|                | Mrs Ameeta Thackersey                                 | -                   | 4.31                 |
|                | Chandrali Investment Private Limited                  | 37.46               | -                    |
| <b>6</b>       | <b>Directors Sitting Fees</b>                         |                     |                      |
|                | Mr. Prem Malik                                        | 0.75                | 0.75                 |
|                | Mr. Chandrahas Thakcersey                             | 1.85                | 1.50                 |
|                | Mr. Raoul S Thackersey                                | 0.75                | 1.00                 |
|                | Mr. Krishnadas D Vora                                 | 0.90                | 1.90                 |
|                | Mr. P. D Vora                                         | 0.85                | -                    |
|                | Mr. Sujal A Shah                                      | 2.25                | 1.80                 |
|                | Mr. Bhavesh V Panjuani                                | 2.25                | 1.80                 |
|                | Mrs. Vishwadhara Dahanukar                            | 0.75                | 0.85                 |
|                | Mrs. Maitreyee N Agbotawala                           | 0.60                | -                    |
|                | Mr. Ashok N Desai                                     | 1.75                | 1.10                 |
| <b>7</b>       | <b>Interest Paid</b>                                  |                     |                      |
|                | Shri Chandrahas Thackersey                            | -                   | 0.02                 |
|                | Sir Vithaldas D Thackersey Charitable Trust           | 14.89               | -                    |
| <b>8</b>       | <b>Loan Repaid</b>                                    |                     |                      |
|                | Mr. Chandrahas Thackersey                             | -                   | 1.08                 |
| <b>9</b>       | <b>Consultancy Fees Paid</b>                          |                     |                      |
|                | Mr. Prem Malik                                        | 21.00               | 15.00                |

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

|           |                                             | ₹ in lakhs   |               |
|-----------|---------------------------------------------|--------------|---------------|
| Sr. No.   | Nature of Transactions                      | Current Year | Previous Year |
| <b>10</b> | <b>Balances as on 31.03.2019</b>            |              |               |
|           | <b>Rent and Maintenance Charges</b>         |              |               |
|           | Thackersey Moolji & Co                      | -            | 3.47          |
|           | Sir Vithaldas D Thackersey Charitable Trust | 1.77         | 1.85          |
|           | <b>Trade Receivables</b>                    |              |               |
|           | Mr. Kushaal Thackersey                      | -            | 0.21          |

**Notes:**

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

**XII Leases :**

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

|                                             |  | ₹ in lakhs   |               |
|---------------------------------------------|--|--------------|---------------|
| Particulars                                 |  | Current Year | Previous Year |
| Within one year                             |  | Nil          | 11.85         |
| After one year but not more than five years |  | Nil          | 33.90         |

**XIII.**Other Financial Liabilities include Fraction Coupons payable aggregating to ₹ 0.92 lakhs being dues to shareholders of erstwhile Hindoostan Spinning and Weaving Mills Ltd., which amalgamated with Sirdar Carbonic Gas Co. Ltd. on 01st April 2010. Though the Company had discharged its liability on 25th January 2012, cheques aggregating to ₹ 0.92 lakhs were not presented by recipient for payment and hence became stale on 23rd July 2012. The Company has transferred ₹ 0.92 lakhs to the Investor Education and Protection Fund on 17th May 2019.

**XIV.**The balances relating to Sundry Debtors, Sundry Creditors and Loans and Advances as on 31st March, 2019 are subject to confirmation and adjustments, if any on reconciliation of accounts. Since the extent to which these balances are subject to confirmation is not ascertainable, the resultant impact of the same on the accounts cannot be ascertained and the same will be adjusted in the accounts in the year in which reconciliation is completed.

**XV. The Following table provides details of expiration of unused tax losses:**

|                |  | ₹ in lakhs    |              |
|----------------|--|---------------|--------------|
| Financial Year |  | Nature        | Current Year |
| 2021-2022      |  | Business Loss | 176.16       |

**XVI.**Discontinued Operations.

The Company discontinued the operations of Composite Division effective from 30<sup>th</sup> June 2018.

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

- i) The results of discontinued Operations are presented below:

₹ in lakhs

| Particulars                                                                                                                                                                                                                                                                                                                                         | Current Year    | Previous Year   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Revenue from Operations                                                                                                                                                                                                                                                                                                                             | 84.81           | 812.46          |
| Other Income (Include Interest Income ₹ 1.61 lakhs (P.Y. ₹ 2.43 lakhs, Excess provision of earlier year no longer required written back ₹ 0.20 lakhs (P.Y. ₹ Nil) and sundry credit balance written back ₹ 0.79 lakhs (P.Y. ₹ 0.73 lakhs)                                                                                                           | 12.29           | 11.90           |
| <b>Total Income</b>                                                                                                                                                                                                                                                                                                                                 | <b>97.10</b>    | <b>824.36</b>   |
| Cost of Material Consumed                                                                                                                                                                                                                                                                                                                           | 9.97            | 422.79          |
| Purchase of Stock-in-Trade                                                                                                                                                                                                                                                                                                                          | 71.51           | 13.78           |
| Changes in Inventories of finished goods, Work-in-progress and Stock-in-Trade                                                                                                                                                                                                                                                                       | 16.38           | 40.13           |
| Employee Benefits Expenses                                                                                                                                                                                                                                                                                                                          | 14.96           | 274.90          |
| Finance Costs                                                                                                                                                                                                                                                                                                                                       | 3.07            | 2.49            |
| Depreciation and amortization expense                                                                                                                                                                                                                                                                                                               | 25.88           | 117.73          |
| Impairment                                                                                                                                                                                                                                                                                                                                          | 356.51          | -               |
| Other Expenses (Includes Property, plant and equipment Written Off ₹ 8.19 lakhs (P.Y. ₹ Nil), Provision for Doubtful Debts ₹ 39.77 lakhs (P.Y. ₹ 8.90 lakhs), Bad Debts ₹ 7.64 lakhs (P.Y. ₹ 14.04 lakhs) , Sundry Debit balance written off ₹ 1.90 lakhs (P.Y. Rs. Nil), Loss on Sale of Property, Plant and Equipments ₹ 5.42 lakhs (P.Y. ₹ Nil)) | 132.60          | 164.13          |
| <b>Total Expenses</b>                                                                                                                                                                                                                                                                                                                               | <b>630.88</b>   | <b>1,035.95</b> |
| <b>Profit/(loss) before tax</b>                                                                                                                                                                                                                                                                                                                     | <b>(533.78)</b> | <b>(211.59)</b> |
| Tax(expense)/income                                                                                                                                                                                                                                                                                                                                 | (1.38)          | 0.63            |
| <b>Profit/(Loss) for the year from a discontinued operation</b>                                                                                                                                                                                                                                                                                     | <b>(535.16)</b> | <b>(210.96)</b> |

- ii) Assets held for sale :

₹ in lakhs

| Particular                      | Current Year |
|---------------------------------|--------------|
| Gross Block                     | 1,027.59     |
| Less : Accumulated Depreciation | 212.48       |
| Net Block                       | 815.11       |
| Less : Impairment               | 356.51       |
| Assets held for Sale            | 458.60       |

- iii) The net Cash flows attributable to the discontinued operations are stated below :

₹ in lakhs

| Particular               | Current Year |
|--------------------------|--------------|
| Operating                | (136.33)     |
| Investing                | 107.72       |
| Financing                | (3.07)       |
| Net Cash(outflow)/Inflow | (31.68)      |

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

**XVII. Financial Risk Management**

Financial risk management objectives and policies

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

**A. Interest rate risk:**

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

**Exposure to interest rate risk**

| ₹ in lakhs                                                    |              |               |
|---------------------------------------------------------------|--------------|---------------|
| Particulars                                                   | Current Year | Previous Year |
| Total Borrowings                                              | 1,218.39     | 1,694.68      |
| % of Borrowing out of above bearing variable rate of Interest | 100%         | 100%          |

**Interest rate Sensitivity**

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

| ₹ in lakhs                                              |              |               |
|---------------------------------------------------------|--------------|---------------|
| Particulars                                             | Current Year | Previous Year |
| 50 bps increase would decrease the profit before tax by | 6.09         | 8.47          |
| 50 bps decrease would increase the profit before tax by | (6.09)       | (8.47)        |

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

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

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

(a) Derivative contracts outstanding as at 31st March, 2019

| ₹ in lakhs                    |              |               |
|-------------------------------|--------------|---------------|
| Particulars                   | Current Year | Previous Year |
| Forward Contracts to sell USD | Nil          | Nil           |

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

## (b) Particulars of unhedged foreign currency exposures

₹ in lakhs

| Particulars                         | Current Year |             |             | Previous Year |             |             |
|-------------------------------------|--------------|-------------|-------------|---------------|-------------|-------------|
|                                     | Amount       | 5% Increase | 5% Decrease | Amount        | 5% Increase | 5% Decrease |
| <b>Import of Goods and Services</b> |              |             |             |               |             |             |
| Raw Material                        | 173.57       | (8.68)      | 8.68        | 336.92        | (16.85)     | 16.85       |
| Stores, Spares and Components       | 63.31        | (3.17)      | 3.17        | 61.22         | (3.06)      | 3.06        |
| Traded Goods                        | -            | -           | -           | 12.05         | (0.60)      | 0.60        |
| Commission                          | 41.03        | (2.05)      | 2.05        | 65.26         | (3.26)      | 3.26        |
| <b>Export of Goods</b>              |              |             |             |               |             |             |
| FOB Value of Export Sales           | 2,294.40     | 114.75      | (114.75)    | 1,754.23      | 87.71       | (87.71)     |

**C. Equity Price Risk**

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

**D. Liquidity Risk**

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

₹ in lakhs

| As At 31 <sup>st</sup> March, 2019 | Note No.   | Carrying Amount | Less than 12 Months | More than 12 Months |
|------------------------------------|------------|-----------------|---------------------|---------------------|
| Borrowings                         | 16,19 & 21 | 1,218.39        | 1,218.39            | -                   |
| Trade payables                     | 20         | 2,223.21        | 2,223.21            | -                   |
| Other Financial Liabilities        | 21         | 816.74          | 816.74              | -                   |

₹ in lakhs

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

**XVIII. Capital risk management****Risk Management**

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

The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure

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

in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

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

**XIX. Financial Instrument:**

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

**(a) Financial assets and liabilities**

The carrying value of financial instruments by categories as at 31st March, 2019 are as follows:

₹ in lakhs

| Particulars                         | Note No | Fair Value through Profit / Loss | Fair Value Through OCI | Amortized Cost  | Total carrying value |
|-------------------------------------|---------|----------------------------------|------------------------|-----------------|----------------------|
| <b><u>Financial Assets</u></b>      |         |                                  |                        |                 |                      |
| <b>Non Current</b>                  |         |                                  |                        |                 |                      |
| Investment                          | 5       | -                                | 0.68                   | -               | 0.68                 |
| Other Financial Assets              | 6       | -                                | -                      | 136.09          | 136.09               |
| <b>Current</b>                      |         |                                  |                        |                 |                      |
| Investment                          | 10      | -                                | -                      | -               | -                    |
| Trade Receivable                    | 11      | -                                | -                      | 3,068.79        | 3,068.79             |
| Cash and cash equivalents           | 12      | -                                | -                      | 100.33          | 100.33               |
| Other Financial Assets              | 13      | -                                | -                      | 255.97          | 255.97               |
| <b>Total</b>                        |         | -                                | <b>0.68</b>            | <b>3,561.18</b> | <b>3,561.86</b>      |
| <b><u>Financial Liabilities</u></b> |         |                                  |                        |                 |                      |
| <b>Non Current</b>                  |         |                                  |                        |                 |                      |
| Borrowings                          | 16      | -                                | -                      | -               | -                    |
| <b>Current</b>                      |         |                                  |                        |                 |                      |
| Borrowings                          | 19 & 21 | -                                | -                      | 1,218.39        | 1,218.39             |
| Trade payables                      | 20      | -                                | -                      | 2,223.21        | 2,223.21             |
| Other Financial liabilities         | 21      | -                                | -                      | 816.74          | 816.74               |
| <b>Total</b>                        |         | -                                | -                      | <b>4,258.34</b> | <b>4,258.34</b>      |



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

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

₹ in lakhs

| Particulars                         | Note No | Fair Value through Profit or Loss | Fair Value Through OCI | Amortized Cost  | Total carrying value |
|-------------------------------------|---------|-----------------------------------|------------------------|-----------------|----------------------|
| <b><u>Financial Assets</u></b>      |         |                                   |                        |                 |                      |
| <b>Non Current</b>                  |         |                                   |                        |                 |                      |
| Investment                          | 5       | -                                 | 0.64                   | -               | 0.64                 |
| Other Financial Assets              | 6       | -                                 | -                      | 145.48          | 145.48               |
| <b>Current</b>                      |         |                                   |                        |                 |                      |
| Investment                          | 9       | 66.73                             | -                      | -               | 66.73                |
| Trade Receivable                    | 10      | -                                 | -                      | 3,060.55        | 3,060.55             |
| Cash and cash equivalent            | 11      | -                                 | -                      | 105.18          | 105.18               |
| Other Financial Assets              | 12      | -                                 | -                      | 459.26          | 459.26               |
| <b>Total</b>                        |         | <b>66.73</b>                      | <b>0.64</b>            | <b>3,770.47</b> | <b>3,837.84</b>      |
| <b><u>Financial Liabilities</u></b> |         |                                   |                        |                 |                      |
| <b>Non Current</b>                  |         |                                   |                        |                 |                      |
| Borrowings                          | 16      | -                                 | -                      | 328.24          | 328.24               |
| <b>Current</b>                      |         |                                   |                        |                 |                      |
| Borrowings                          | 19& 21  | -                                 | -                      | 1,366.44        | 1,366.44             |
| Trade payables                      | 20      | -                                 | -                      | 2,064.47        | 2,064.47             |
| Other Financial liabilities         | 21      | -                                 | -                      | 914.87          | 914.87               |
| <b>Total</b>                        |         | <b>-</b>                          | <b>-</b>               | <b>4,674.02</b> | <b>4,674.02</b>      |

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payable as at 31st March, 2019, and 31<sup>st</sup> March, 2018 approximate the fair value because of their short term nature. Difference between the carrying amount and fair values of other financial liabilities subsequently measured at amortized cost is not significant in each of the year's presented.

**Fair Value Hierarchy**

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

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

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

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

₹ in lakhs

| As at 31 <sup>st</sup> March, 2019                                          | Level 1     | Level 2  | Level 3         | Total           |
|-----------------------------------------------------------------------------|-------------|----------|-----------------|-----------------|
| <b>Financial Assets :</b>                                                   |             |          |                 |                 |
| <b>Investment measured at Fair Value through Other Comprehensive Income</b> |             |          |                 |                 |
| Investments in Quoted Equity Shares                                         | 0.68        | -        | -               | 0.68            |
| <b>Investments measured at Fair Value through Profit or Loss</b>            |             |          |                 |                 |
| Investments in Mutual Funds                                                 | -           | -        | -               | -               |
| Security Deposits                                                           | -           | -        | 136.09          | 136.09          |
| <b>Total</b>                                                                | <b>0.68</b> | <b>-</b> | <b>136.09</b>   | <b>136.77</b>   |
| <b>Financial Liability:</b>                                                 |             |          |                 |                 |
| Borrowing from a Bank                                                       | -           | -        | 1,218.39        | 1,218.39        |
| <b>Total</b>                                                                | <b>-</b>    | <b>-</b> | <b>1,218.39</b> | <b>1,218.39</b> |

₹ in lakhs

| As at 31 <sup>st</sup> March, 2018                                          | Level 1      | Level 2  | Level 3         | Total           |
|-----------------------------------------------------------------------------|--------------|----------|-----------------|-----------------|
| <b>Financial Assets :</b>                                                   |              |          |                 |                 |
| <b>Investment measured at Fair Value through Other Comprehensive Income</b> |              |          |                 |                 |
| Investments in Quoted Equity Shares                                         | 0.64         | -        | -               | 0.64            |
| <b>Investments measured at Fair Value through Profit or Loss</b>            |              |          |                 |                 |
| Investments in Mutual Funds                                                 | 66.73        | -        | -               | 66.73           |
| Security Deposits                                                           | -            | -        | 145.48          | 145.48          |
| <b>Total</b>                                                                | <b>67.37</b> | <b>-</b> | <b>145.48</b>   | <b>212.85</b>   |
| <b>Financial Liability :</b>                                                |              |          |                 |                 |
| Borrowing from a Bank                                                       | -            | -        | 1,694.68        | 1,694.68        |
| <b>Total</b>                                                                | <b>-</b>     | <b>-</b> | <b>1,694.68</b> | <b>1,694.68</b> |

**XX.** The Company's financial statements were authorized for issue in accordance with a resolution of the Board of Directors on 17th May, 2019 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the ensuing Annual General Meeting.

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

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

**Signatures to Notes "1" to "33"**

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. : 032489  
Place : Mumbai  
Date : May 17, 2019

**For and on behalf of the Board**

**Khushaal Thackersey**  
Executive Director  
DIN- 02416251

**Shraddha Shettigar**  
Chief Financial Officer

**Rajiv Ranjan**  
Executive Director and CEO  
DIN- 02848739

**Rajesh J Singh**  
Company Secretary



## HINDOOSTAN MILLS LIMITED

CIN No: L17121MH1904PLC000195

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

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

### FORM NO. MGT 11

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

### PROXY FORM

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

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

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

as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the 115th Annual General Meeting of the Company to be held on Friday, September 27, 2019 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolutions                                                                                                                 | For | Against |
|----------------|-----------------------------------------------------------------------------------------------------------------------------|-----|---------|
| 1.             | Adoption of Financial Statements for the year ended March 31, 2019.                                                         |     |         |
| 2.             | Re-appointment of Mr. Khushaal Thackersey as Director liable to retire by rotation.                                         |     |         |
| 3.             | Re-appointment of M/s. M.A. Parikh & Co., as Auditors of the Company for two years.                                         |     |         |
| 4.             | Re-appointment of Mr. Sujal A. Shah (Din No.00058019) as an Independent Director for a period of five years.                |     |         |
| 5.             | Re- appointment of Mr. Bhavesh V. Panjani (Din No.03188032) as an Independent Director for a period of five years.          |     |         |
| 6.             | Appointment of Ms. Maitreyee Agboatwala (Din No.08269385) as an Independent woman director for a period of five years.      |     |         |
| 7.             | Appointment of Mr. Amol P. Vora (Din No.00883638) as an Independent director for a period of five years.                    |     |         |
| 8.             | Ratification of Remuneration payable to Cost Auditor, Mr. Pranav J. Taralekar for the financial year ending March 31, 2020. |     |         |
| 9.             | Approval for sell / transfer / dispose off assets of composite unit/division.                                               |     |         |

Signed this ..... day of ..... 2019

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder: \_\_\_\_\_

**Note:**

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

Affix  
₹ 1  
Revenue  
Stamp

[illegible]





*If undelivered, please return to :*  
**HINDOOSTAN MILLS LIMITED,**  
Sir Vithaldas Chambers,  
16, Mumbai Samachar Marg,  
Mumbai - 400 001.