HINDOOSTAN
MILLS

September 2, 2020

BSE Limited
Script code 509895
Listing department
P. J. Towers, Dalal Street,
Mumbai 400001

Dear Sir

Sub.: Submission of Annual Report 2019-20

Pursuant to Regulations 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report including Notice of Annual General Meeting for the Financial Year 2019-2020. Annual General Meeting of the Company is scheduled to be held on Tuesday, September 29, 2020 through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") at 12:00 Noon.

In accordance with the MCA and SEBI Circulars, the Annual Report together with the Notice of the AGM is being dispatched only by electronic mode to those Shareholders whose email addresses are registered with the Company / Depository Participants.

The remote e-voting facility shall be kept open from Friday, September 25, 2020 (9:00 a.m.) to Monday, September 28, 2020 (5:00 p.m.) for shareholders to cast their votes electronically. The cut-off date for voting (including remote e-voting) shall be Tuesday, September 22, 2020. The detailed instructions with respect to voting have been mentioned in the Notice of AGM.

The Annual Report containing Notice of 116th Annual General Meeting is also uploaded on the Company's website www.hindoostan.com.

The copy of advertisement published in Free Press Journal (English) and Nav-Shakti (Marathi) dated September 01, 2020 informing to shareholders holding of AGM through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

Please take the same on record.

Yours faithfully
For HINDOOSTAN MILLS LIMITED,

KAUSHIK KAPASI
Company Secretary and Compliance Officer
FCS 1479

Encl: As above.

Hindoostan Mills Ltd.
Sir Vithaldas Chambers, 16 Mumbai Samachar Marg, Fort, Mumbai 400 001. India
T. +91-22-61240700 / 22040846/47/48 F. +91-22-22833841 E-mail: contact@hindoostan.com
CIN : L17121MH1904PLC000195
www.hindoostan.com
A THACKERSEY GROUP COMPANY

ESTD. 1873

HINDOOSTAN
MILLS LIMITED

116th
Annual Report
2019-2020

Sudhir Thackersey
Chairman Emeritus *(upto 05.02.2020)*

BOARD OF DIRECTORS
Chandrahas Thackersey
Chairman

Khushaal Thackersey
Executive Director

Abhimanyu Thackersey
Promoter Director *(w.e.f. 26-06-2020)*

Rajiv Ranjan
Executive Director & CEO

Independent Directors

Sujal A. Shah

Bhavesh V. Panjuani

Ashok N. Desai

Amol P. Vora

Geeta J. Palan (w.e.f. 26-06-2020)

Raoul Thackersey
Promoter Director *(upto 28-09-2019)*

Maitreyee Agboatwala *(upto 06-02-2020)*

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.

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116th Annual General Meeting on Tuesday, September 29, 2020 at 12:00 Noon at Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Mumbai – 400 001.

Plants
Textiles Unit / Engineering Unit
Plot No.D-1, MIDC Industrial Area,
Village – Taswade, Tal – Karad,
Dist.– Satara – 415 109, 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@computechsharecap.in
www.computechsharecap.com

NOTICE

Notice is hereby given that the 116th Annual General Meeting (AGM) of the Members of Hindoostan Mills Limited will be held on Tuesday, September, 29, 2020 at 12.00 Noon through video conference/Other Audio Visual Means to transact following business, venue of the meeting shall be deemed to be the registered office of the Company at "Sir Vithaldas Chambers", 6th Floor, 16, Mumbai Samachar Marg, Fort, Mumbai- 400 001.

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Directors and the Auditors.

2. To appoint a Director in place of Mr. Chandrahas Thackersey (DIN: 00060108) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of section 152, 160 and applicable provisions of the Companies Act, 2013 and Rules made thereunder including statutory modification or re-enactment thereof for the time being in force, SEBI(Listing Obligations and Disclosure Requirements)Regulations2015, Mr. Abhimanyu J. Thackersey (DIN no. 00349682), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice from a member of the Company, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

4. 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, 160 and applicable provisions of the Companies Act, 2013 and Rules made thereunder including statutory modification or re-enactment thereof for the time being in force, SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015, Ms. Geeta J Palan (DIN: 08771648), who was appointed as an Additional Director (Women Independent) of the company with effect from June 26, 2020 in respect of whom the Company has received a notice 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 June 26, 2020, not liable to retire by rotation."

5. 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), the remuneration of Rs.1,05,000/- payable to Mr. Pranav J. Taralekar, Cost Accountants (Regn. No. 101896) on his reappointment by the Board of Directors of the Company as cost auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021 be and is hereby ratified."

By Order of the Board of Directors,

Kaushik N. Kapasi
Company Secretary

Date: July 14, 2020

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

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 3 to 5 given above as Special Business in this AGM, as they are unavoidable in nature.

2. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 116th AGM of the Company shall be conducted through VC / OAVM. Central Depository Services (India) Limited (CDSL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No. 9 below and is also available on the website of the Company at www.hindoostan.com

3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

4. Institutional / Corporate Members are requested to send a scanned copy (PDF format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at complaint@hindoostan.com

5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 25, 2020 to Tuesday, September 29, 2020 (both days inclusive).

6. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

7. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the R & T agent at helpdesk@computechsharecap.in along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to the R & T agent at helpdesk@computechsharecap.in

8. The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at www.hindoostan.com, on the website of Stock Exchanges i.e. BSE Limited .

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

9. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

10. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.

11. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

12. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM. In case any Institutional Members, facing issues for participating in AGM can write to complaint@hindoostan.com.

13. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore

recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

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

15 As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at complaint@hindoostan.com. Questions / queries received by the Company till 5.00 p.m. on Friday, 25th September, 2020 shall only be considered and responded during the AGM.

16. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending email to complaint@hindoostan.com between 9.00 a.m. on Tuesday, 22nd September, 2020 and 5.00 p.m. on Friday, 25th September, 2020.

17. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

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

18. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means.

19. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, 22nd September, 2020, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

20. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Friday, 25th September, 2020 and will end at 5.00 p.m. on Monday, 28th September, 2020. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through evotingindia.com.

21. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, the request be sent to complaint@hindoostan.com.

22. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection by the members up to the date of 116th AGM at the Registered office of the Company, on all working days, except Saturdays and Sundays, between 11:00 a.m. and 1:00 p.m. and shall be electronically available during the meeting hours.

23. The Company has notified closure of Register of Members from Friday, September 25, 2020 to Tuesday, September 29, 2020 (both days inclusive).

24. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company pertaining to the period from 2012-13 to 2015-16, within the stipulated timeline. The Members, whose unclaimed dividends have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.

25. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

26. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account

Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to helpdesk@computechsharecap.in of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque through email at helpdesk@computechsharecap.in. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

27. Pursuant to the provision of Section 72 of the Act, the facility for making nomination is available for the Members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No.SH-13. The said Form can be downloaded from the Company's website, www.hindoostan.com. Members holding shares in physical form may submit the same to Computech Sharecap Limited. Members holding shares in dematerialized form may submit the same to their respective depository participant.

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

(i) The voting period begins on Friday, 25-09-2020 at 9.00 a.m. to Monday, 28-09-2020, 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 22-09-2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the Meeting date would not be entitled to vote at the meeting venue.

(iii The Shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders".

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID

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

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

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

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

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If 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).

(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 of "Hindoostan Mills Ltd."

(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 and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

28. The voting rights of the Members for the purpose of e-voting shall be reckoned in proportion to the paid-up value of the equity shares registered in their name as on 22nd day, September , 2020.

29. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM through video conference but shall not be entitled to cast their vote again.

30. 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.

31. 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.

32. 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.

33. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website i.e. www.hindoostan.com and on the website of CDSL. The Results will also be communicated to the Stock Exchange where the shares of the Company are listed.

ANNEXURE TO THE NOTICE

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

Item No.3

Mr. Abhimanyu J. Thackersey has been appointed as an Additional Director by the Board of Directors with effect from June 26 2020. He holds office up to the date of this Annual General Meeting. As required under Section 160 of the said Act, notice has been received from a member signifying his intention to propose him as a candidate for the appointment as Director of the Company.

Mr. Abhimanyu Thackersey, aged 37, is an Economics Graduate from The University of Michigan-Ann Arbor. He has worked in the textile business ever since he graduated in 2004 starting with a Los Angeles based garment retailer before moving back to India in 2006 to join the family textile business.

He was earlier Executive director of the Company from 09.05.2011 to 07.09.2017. He had managed the textile business of Hindoostan Mills Ltd. during the said period and led the company's foray into technical textiles in 2011.

He 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.

In view of his considerable experience, it is felt that the appointment of Mr. Abhimanyu J. Thackersey as a Director would be in the interest of the Company.

The Board recommends the resolution under Item No. 3 for your approval.

None of the Directors and key managerial personnel of the Company except Mr. Abhimanyu J. Thackersey himself is any way concerned or interested, financially or otherwise in the resolution set out at item no-3 of the Notice. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

Details of Mr. Abhimanyu J. Thackersey is 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.

Item no. 4

Ms. Geeta J Palan has been appointed as an additional director and as a woman independent director by the Board of directors at their meeting held on June 26, 2020 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. Geeta J Palan for the office of Director of the Company. Ms. Geeta J Palan 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. Geeta J Palan 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. Geeta J Palan fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations.

The Board was of opinion that she is a person of integrity and possesses appropriate skills, expertise, experience and knowledge in the field of legal and administration.

Details of Ms. Geeta J Palan 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. Geeta J Palan 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. Geeta J Palan / 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. 4 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. 4 of the Notice for approval by the members.

Item No.5

The Board on recommendation of the Audit Committee Meeting has re- appointed Mr. Pranav J. Taralekar, ICWA as a Cost Auditor on remuneration of Rs.1,05,000/- to conduct Cost Audit of the cost records of the Company for financial year ending March 31, 2021.

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.5 of the Notice for ratification of the remuneration payable to the Cost Auditor for financial year ending March 31, 2021.

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. 5 of the Notice.

The Board commends the Ordinary Resolutions set out at Item No.5 of the Notice for approval by the Members.

By Order of the Board of Directors,

Kaushik N. Kapasi
Company Secretary

Date: July 14, 2020

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

Annexure

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

Name of the Director	Mr. Chandrahas Thackersey	Mr. Abhimanyu J. Thackersey	Ms. Geeta J. Palan
Age and Date of Birth	18-10-1948, 71 years	13-08-1982, 37 years	13-02-1956 64 years
Date of first appointment	9-02-1994	26-06-2020	26-06-2020
Brief Resume (including profile, qualification, experience and expertise in specific functional areas)	Mr. Chandrahas K. Thackersey is a Commerce graduate from University of Bombay University. He is associated with the Thackersey Group since 1975. He has rich experience in the Textile Industry.	Mr. Abhimanyu Thackersey, aged 37, is an Economics Graduate from The University of Michigan-Ann Arbor. For details, pl. refer explanatory statement, item no. 3	• practiced as an Advocate for five years • Practiced as an Associate nutrition counselor • Working with NGO(The Art of Living), conducting Ayurvedic Cooking workshops • Giving talks on Nutrition to corporate
Directorship held in other Listed Companies	Nil	Nil	Nil
Membership / Chairmanship of Committees of other Listed Companies	Nil	Nil	Nil
Shareholding in the Company as on 14-07-2020	63,171 Equity Shares	34,573 Equity shares	Nil
Relationship with other Director/ Key Managerial Personnel of the Company	Father of Khushaal Thackersey	Nil	Nil

DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 116th Annual Report together with the Audited Financial Statements for the year ended March 31, 2020.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2020 is summarized below:

(**Rs. in lakhs**)

	Current Year Ended 31.03.2020	Previous Year Ended 31.03.2019
Gross Profit before Interest, Depreciation and Tax from continuing operations	**256.18**	408.64
***Less*:** Finance Cost	**120.01**	198.23
Gross Profit after interest but before Depreciation from continuing operations	**136.17**	210.41
Less: Depreciation	**587.70**	858.33
Profit/(Loss) before Tax from continuing operations	**(451.53)**	(647.92)
Add: Deferred tax	**1.41**	2.25
Profit/(Loss) after Tax from continuing operations	**(450.12)**	(645.67)
Profit/(Loss) before Taxation from discontinued operations	**(160.82)**	(533.78)
Add: Tax expenses of discontinued operations	**0**	(1.38)
Profit/(Loss) after Tax from discontinued operations	**(160.82)**	(535.16)
Loss for the period	**(610.94)**	(1180.83)
Other comprehensive income	**10.81**	7.92
Total comprehensive income/ (Loss)	**(600.13)**	(1172.91)

REVIEW OF OPERATIONS

The revenue from operations of the Company for the financial year 2019-20 was of Rs.14107.86 lacs as compared to Rs.16243.74 Lacs during previous year. Total comprehensive income/(loss) was of (Rs.600.13 Lacs) as against (Rs.1172.91 Lacs) of previous year. Textile Business has suffered due to adverse market conditions and high price of raw material i.e. cotton and yarn. While the third quarter was better as compared to first two quarters in view of reduction in prices of raw materials, the position deteriorated in fourth quarter due to adverse market sentiments in view of Covid 19 and lockdown from March 22, 2020.

The Engineering Division also has registered a lower turnover compared to the previous year as it lost out on year end business resulting from the impact of Covid-19 and lockdown from March 22, 2020. The Engineering Division has continued to focus on development of new products and made efforts to obtain export orders from Bangladesh, Indonesia, Sri Lanka and Thailand. It obtained and serviced its first order from Australia.

Covid 19 has affected global economy. Some of the export consignments lined up for shipments during March 2020 could not move from factory due to Covid-19 lock down position. Local sales were also impacted adversely.

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, 2020.

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, 2020.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan and guarantee. Details of Investment of Rs.0.67 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. Raoul Thackersey has resigned from the office of director of the Company with effect from September 28, 2019. The Board places on record their appreciation towards valuable contribution made by him during his tenure as a Director of the Company.

Ms. Maitreyee Agboatwala, Independent Director, resigned from the Directorship of the Company effective from February 06, 2020. The Board places on record its appreciation for valuable services provided by her during her tenure as an Independent Director.

The Board of Directors on the recommendation of the Nomination & Remuneration Committee appointed Mr. Abhimanyu J. Thackersey as an additional director liable to retire by rotation with effect from June 26, 2020 and also appointed Ms Geeta Palan as an Independent Women Director for a period of five years subject to approval of the Members in the ensuing Annual General Meeting (AGM).

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

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.1,46,375/- pertaining to the financial year 2011-12 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.

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

2) No. of Board meetings

Four Board Meetings were held during the year.

3) Declaration from Independent directors

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

4) Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, 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 : 10.20

Mr. Rajiv Ranjan : 20.00

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	0.00
Mr. Rajiv Ranjan, Executive Director & CEO	0.00
Ms. Shraddha Shettigar	3.80
Mr. Kaushik Kapasi (appointed with effect from 7-08-2019)	N.A.
Mr. Rajesh J Singh, Company Secretary *(Up to 6-08-2019)*	Nil

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

- 6.1%

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

- 426 employees as on March 31, 2020

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 : 0.70%

Average Salary Increase for non-KMP's : 4.48%

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

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

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

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

A. Conservation of energy

The steps taken or impact on conservation of energy:-

i. We have installed one VFD (Variable Frequency Drive) in 22KW supply air fan motor in one of the Humidification plants. Earlier we had to stop the plant to change the blade angle for changing the capacity of the plant. Now this can be done while the plant is running by just changing supply air fan motor speed through the VFD, as per outside climate, and condition required inside the department. After installation of VFD, we are saving 20% power as compared to earlier times. The power saving is around 38,000 units per annum which amounts to a saving of Rs. 2,85,000/- per year. In future we are planning to install more VFD's in Humidification plant for further saving.

ii. We have installed pumping mechanism to take out cleaning water from Size boxes at the time of set changes. We have started filtration and re-use of water of Size boxes cleaning water which was earlier drained to ETP. This has reduced our water consumption substantially. Earlier, average water consumption was 645 KL/ month. After installation of pump for reusing water, average consumption is 425 KL/month. We are saving 2640 KL water per year which amounts to a saving of Rs 42,240/- per year.

iii. Steps taken by the company for utilizing alternate sources of energy:-

Nil

iv. The Capital investment on energy conservation equipment.

Nil

v. **Technology absorption**

i) the efforts made towards technology absorption

Nil

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

Nil

Foreign Exchange Earnings & Outgo:

(Rs. in lakhs)

Particulars	31.03.2020	31.03.2019
Foreign exchange earned (Rs. Lacs)	2426.13	2294.40
Foreign exchange used (Rs. Lacs)	233.85	277.91

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. Chandrahas 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.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company is enclosed herewith as **Annexure -II**. In view of the average loss for the three immediately preceding financial years, the Company was not required to spend any amount on CSR activities during the FY 2019-20.

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 2019-20.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

AUDITORS

(a) **Statutory Auditors**

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The Auditors has qualified opinion on non compliance with *certain provisions of the Act / Security Exchange Board of India (Listing Obligations and Disclosure Requirements) and the Board's explanation or comments are mentioned below:*

I. We refer to point no. 3(i) of the report on non transfer of shares to *Investor Education and Protection Fund* (IEPF) and state that the Company has sent letters to shareholders on March 17, 2020 to claim unpaid dividend for the financial year 2012-13, 2013-14 and 2014-15 and 2015-16 within prescribed time failing which their shares shall be transferred to IEPF.

II. We refer to point no.3 (ii) and state that the Company is in process of making application for condonation in delay in filing MGT-14 in respect of appointment of Company Secretary though DIR-12 for his appointment was filed in time.

III. We refer to point no. 3(iii) and state that there was delay in appointment of Company Secretary in the year 2018-19 as per *Regulation 6(1) of* SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Company has paid penalty for delay of 22 days.

(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 2020-21 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-II**. They have qualified opinion on non compliance with *certain provisions of the Act / Security Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations to the extent as mentioned in para under the head Statutory Auditors, read with Report of statutory Auditors under the head Qualified Opinion.*

Board's comments or explantion is given under the read Auditor's in the Report.

SEXUAL HARASSMENT

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors,

Chandrahas Thackersey
Chairman

Place : Mumbai
Date: July 14, 2020

ANNEXURE-I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[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, 16, Mumbai Samachar Marg, Fort, Mumbai – 400001 Tel. No.: 022-2204 0846
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Computech Sharecap Limited, 147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Mumbai - 400 023. Tel: 022 – 22635000/1/2/3/4 e-mail – helpdesk@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	91.81%

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	
A. Promoters									
(1) Indian									
a)Individual/HUF	555976	--	555976	33.40	564502	--	564502	33.92	0.52
b)Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d)Bodies Corporate	453535	--	453535	27.25	445009	--	445009	26.73	-0.52
e)Banks / FI	--	--	--	--	--	--	--	--	--
f)Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1):	**1009511**	**--**	**1009511**	**60.65**	**1009511**	**--**	**1009511**	**60.65**	**--**
(2) **Foreign**									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c)Bodies Corp.	--	--	--	--	--	--	--	--	--
d)Banks / FI	--	--	--	--	--	--	--	--	--
e)Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**1009511**	**--**	**1009511**	**60.65**	**1009511**	**--**	**1009511**	**60.65**	**--**
B. Public Shareholding									
I. Institutions									
a) Mutual Funds	--	8	8	--	--	8	8	--	--
b) Banks / FI	408	1876	2284	0.14	408	1712	2120	0.13	0.01
c)Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1):-	**408**	**1884**	**2292**	**0.14**	**408**	**1720**	**2128**	**0.13**	**-0.01**

2. Non-Institutions									
a) Bodies Corp.	11948	1123	13071	0.79	9785	1123	10908	0.66	-0.13
i) Indian	--	--	--	--					--
ii) Overseas	--	--	--	--					--
b) Individuals									
i) Individual shareholders holding **nominal** share capital upto ₹1 lakh	281238	57474	338712	20.35	270786	55013	325799	19.57	-0.78
ii) Individual shareholders holding nominal share capital **in excess** of ₹1 lakh	283965	--	283965	17.06	300696	--	300696	18.06	1.01
c) Others (specify) (NRI & OCB)	13062	3935	16997	1.02	11571	3935	15506	0.93	-0.09
Sub-total (B)(2):	**590213**	**62532**	**652745**	**39.21**	**592838**	**60071**	**652909**	**39.22**	**0.01**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**590621**	**64416**	**655037**	**39.35**	**593246**	**61791**	**655037**	**39.35**	**--**
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	**1600132**	**64416**	**1664548**	**100.00**	**1602757**	**61791**	**1664548**	**100.00**	

(ii) Shareholding of Promoters:

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Abhimanyu Investments Pvt. Ltd.	21977	1.32	--	12977	0.78	--	-0.54
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	Chandrahas 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	--	145509	8.74	--	2.09
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	--	--
12	Hrishikesh J Thackersey	26621	1.60	--	26621	1.60	--	--
13	Jagdish U Thackersey	196613	11.81	--	205613	12.35	--	0.54
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	--	0	0	--	-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	--	17447	1.05	--	-0.03
23	The Bhor Chemicals & Plastics Pvt Ltd.	37334	2.24	--	37334	2.24	--	--
24	Uranus Trading Private Ltd	11689	0.70	--	0	0	--	-0.70
	Total	1009511	60.65	--	1009511	60.65	--	--

(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 sharehol-ding	**Cumulative Share-holding during the year**	
	No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
Abhimanyu Investments Pvt. Ltd.	21977	1.32	20-09-2019	-9000	12977	0.78
Delta Investments Ltd.	110707	6.65	27-09-2019	34328		
			06-03-2020	474	145509	8.74
Jaagdish U. Thackersey	196613	11.81	20-09-2019	9000	205613	12.35
Paura Investments Private Limited	22639	1.36	27-09-2019	-22639	0	0
Uranus Trading Private Limited	11689	0.70	27-09-2019	-11689	0	0
Sudhir K. Thackersey	17921	1.08	27-09-2019	-474	17447	1.05

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

Sr. no.	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	83929	5.04	05.04.19	112	Transfer	84041	5.05
				26.04.19	306	Transfer	84347	5.07
				03.05.19	150	Transfer	84497	5.08
				10.05.19	375	Transfer	84872	5.10
				17.05.19	280	Transfer	85152	5.12
				09.08.19	200	Transfer	85352	5.13
				16.08.19	100	Transfer	85452	5.13
				30.08.19	100	Transfer	85552	5.14
				06.09.19	575	Transfer	86127	5.17
				13.09.19	82	Transfer	86209	5.18
				20.09.19	800	Transfer	87009	5.23
				27.09.19	2827	Transfer	89836	5.40
				04.10.19	751	Transfer	90587	5.44
				11.1019	398	Transfer	90985	5.47
				18.10.19	15	Transfer	91000	5.47
				25.10.19	577	Transfer	91577	5.50
				01.11.19	500	Transfer	92077	5.53
				08.11.19	65	Transfer	92142	5.54
				22.11.19	350	Transfer	92492	5.56
				29.11.19	531	Transfer	93023	5.59
				06.12.19	26	Transfer	93049	5.59
				20.12.19	113	Transfer	93162	5.60
				27.12.19	912	Transfer	94074	5.65
				10.01.20	54	Transfer	94128	5.65
				31.01.20	100	Transfer	94228	5.66
				07.02.20	30	Transfer	94258	5.66
				14.02.20	737	Transfer	94995	5.71
				21.02.20	856	Transfer	95851	5.76
				28.02.20	1081	Transfer	96932	5.82
				06.03.20	1517	Transfer	98449	5.91
				13.03.20	84	Transfer	98533	5.92
				31.03.20	98533		98553	5.92
2	Hiren Naresh Kara	115966	6.97	01.04.19				
				20.03.20	2127	Transfer	118093	7.09
				31.03.20			118093	7.09
3	Hitesh Ramji Javeri	33000	1.98	01.04.19				
				31.03.20			33000	1.98
4	Harsha Hitesh Javeri	23000	1.38	01.04.19				
				31.03.20			23000	1.38

5	Kapila Manhar Mehta	15330	0.92	01.04.19				
				31.03.20			15330	0.92
6	Bijal Hiren Kara	12748	0.77	01.04.19				
				31.03.20			12748	0.77
7	Chirayush Pravin Vakil	9697	0.58	01.04.19				
				31.03.20			9697	0.58
8	Pradeep. G. Vora	8874	0.53	01.04.19				
				31.03.20			8874	0.53
9	M Vijayakumar	6891	0.41	01.04.19				
				31.03.20			6891	0.41
10	Shilpa Sachin Morakhia	6000	0.36	01.04.19				
				31.03.20			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
	Directors						
1	Mr. Chandrahas Thackersey	01.04.2019	--	63171	3.80		
		31.03.2020	--			63171	3.80
2	Mr. Raoul Thackersey	01.04.2019	--	96692	5.81		
		31.03.2020	--			96692	5.81
3	Mr. Khushaal Thackersey	01.04.2019	--	31638	1.90		
		31.03.2020	--			31638	1.90
4	Mr. Sujal A. Shah	01.04.2019	--	Nil	0.00		
		31.03.2020	--			Nil	0.00
5	Mr. Bhavesh V. Panjuani	01.04.2019	--	Nil	0.00		
		31.03.2020	--			Nil	0.00
6	Dr. Ashok N. Desai	01.04.2019	--	Nil	0.00		
		31.03.2020	--			Nil	0.00
7	Mr. Rajiv Ranjan	01.04.2019	--	Nil	0.00		
		31.03.2020	--			Nil	0.00
8	Mr. Amol P. Vora (w.e.f. 17-05-2019)	01.04.2019	--	Nil	0.00		
		31.03.2020	--			Nil	0.00
9	Ms. Maitreyee Agboatwala *(Upto 06-02-2020)*	01.04.2019	--	83	0.00		
		31.03.2020	--			83	0.00
	Key Managerial Personnel						
1	Ms. Shraddha Shettigar Chief Financial Officer	01.04.2019	--	Nil	0.00		
		31.03.2019	--			Nil	0.00
2	Mr. Kaushik Kapasi Company Secretary *(w.e.f. 07-08-2019)*	01.04.2019	--	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 excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1218.39	--	--	1218.39
ii) Interest due but not paid	2.75	--	--	2.75
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	1221.14	--	--	1221.14
Change in Indebtedness during the financial year				
Addition	151.79	--	--	151.79
Reduction	464.29	--	--	464.29
Indebtedness at the end of the financial year				
i) Principal Amount	908.64	--	--	908.64
ii) Interest due but not paid	--	--	--	--
Total (i+ii)	908.64	--	--	908.64

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	45.78	**63.78**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.40	0.39	**2.79**
	(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 -others, specify			**--**
5	Others, please specify Retirals (Superannuation & PF)	3.16	Nil	**3.16**
	Total (A)	**23.56**	**46.17**	**69.73**

B. Remuneration to other Directors:

1. Independent Directors (₹ in lakhs)

Particulars of Remuneration	Mr. S.A. Shah	Mr. B.V. Panjuani	Dr. A.N. Desai	Mr. Amol P. Vora	Ms. M. Agboatwala	Total Amount
- Fee for attending Board/Committee Meetings	1.70	1.70	1.35	0.75	0.50	**6.00**
-Commission	--	--	--	--	--	
- Others, please specify	--	--	--	--	--	
Total (B)(1)	**1.70**	**1.70**	**1.35**	**0.75**	**0.50**	**6.00**

2. Other Non Executive Directors

(₹ in lakhs)

Particulars of Remuneration	Mr. Raoul S. Thackersey	Mr. Chandrahas K. Thackersey	Total Amount
- Fee for attending Board / Committee Meetings	0.50	1.50	**2.00**
-Commission	--	--	
- Others, (consultancy fees)	--	--	--
Total (B)(2)	0.50	1.50	**2.00**
Total (B)=(B)(1)+B(2)			**8.00**

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Ms. Shraddha Shettigar – Chief Financial Officer	Mr. Rajesh Singh (Appointed as Company Secretary (upto 06.08.2019)	Mr. Kaushik Kapasi (Appointed as Company Secretary w.e.f. 07.08.2019)	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.06	3.11	13.47	**32.64**
	(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 -others, specify..	Nil	Nil	Nil	Nil
5	Others, please specify Retirement benefits (Superannuation & PF)	0.78	0.11	0.75	1.64
	Total (C)	**16.84**	**3.22**	**14.22**	**34.28**

w.e.f. August 07, 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)
A. COMPANY	---------- None----------				
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors,

Chandrahas Thackersey
Chairman

Place : Mumbai
Date: July 14, 2020

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

To,
The Members
Hindoostan Mills Limited
Sir Vithaldas Chambers,
16,Mumbai SamacharMarg,
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 bearing CIN: L17121MH1904PLC000195** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has during the financial year ended on 31st March, 2020 (Audit Period 01.04.2019 to 31.03.2020) 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.

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

1. We have examined in the best possible manner soft copies through internet / emails, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31stMarch, 2020 according to the provisions of:

   (i) The Companies Act, 2013 (the Act) and the rules made there under to the extent applicable

   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

   (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the company during the audit period)

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

      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 / 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, 2018

      b. The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014

      c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

      d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

      e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

(vii) All other relevant applicable laws including those specifically applicable to the Company, a list of which has been provided by the Management. The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes are in place to monitor and ensure compliance with those laws. We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

1. Textiles Committee Act, 1963
2. Hank Yarn Packing Notification issued under the Essential Commodities Act, 1955
3. New Textile Policy, 2012 of Government of Maharashtra

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

(i) **Secretarial Standards:** - The Secretarial Standards namely SS-1 and SS - 2 issued and notified by the Institute of Company Secretaries of India have been generally complied with by the company during the financial year under review.

(ii) **The Listing Agreement entered into by the Company with the Stock Exchange (BSE Limited) and SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 :-** The company has generally complied with the applicable clauses of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

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

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

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

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

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

A. The Company has transferred an amount of Rs.0.92 lakhs and Rs.1.46 lakhs for the Financial year 2010-11 and 2011-12 respectively to Investor Education and Protection Fund (IEPF) and filed necessary forms. However pursuant to the provisions of Section 124(6) read with Rule 6 of the Rules the Company has not transferred all shares (including the benefits on such shares) in respect of which dividend has not been paid or claimed for seven consecutive years or more

in the name of Investor Education and Protection Fund (IEPF) and necessary forms have not been filed with the respective authorities. Thus there is non compliance of the provisions of Section 124 and other relevant provisions of the Companies Act, 2013. The company has initiated the process for compliance of the said provisions of the Companies Act, 2013 read with its Rules.

B. The Company has not filed form MGT-14 for appointment of Company Secretary and Compliance Officer of the company and thus violated the provisions of Section 179(3) of the Companies Act, 2013 read with its relevant rules. However the Company has filed form DIR -12 for the said appointment.

C. There was delay in appointment of a qualified Company Secretary and Compliance Officer of the Company as per the requirements of Regulation 6(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and BSE Limited has levied a penalty of Rs.23600/- (including GST) and the same has been paid by the Company.

For **PRS Associates**

Company Secretaries

(Narayan Parekh)
Partner
C.P. NO.: 6448
ACS No.: 8059
UDIN No.A008059B000448785

Date: 14th July, 2020
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 partially limited to virtual examination based on inputs provided by the Management in soft copies. Any material deviation or non – compliance which may have occurred during the year under review and which may come to light later on, on the examination of the physical records can be addressed, if appropriate and found necessary, in the next Secretarial Audit Report, which report may be construed as an Addendum to this report to that extent.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **PRS Associates**
Company Secretaries

(Narayan Parekh)
Partner
C.P. NO.: 6448
ACS No.: 8059
UDIN No.A008059B000448785

Date: 14th July, 2020
Place: Mumbai

ANNEXURE-II

ANNUAL REPORT ON CSR ACTIVITIES

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

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

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

   Mr. Chandrahas Thackersey – Chairman

   Mr. Sujal A. Shah – Member

   Mr. Bhavesh V. Panjuani – Member

3. **Average net profit of the Company for last three financial years:** N. A. since there was no profit during last three years.

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

5. **Details of CSR spent during the financial year 2019-20:**

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

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

Khushaal Thackersey	**Chandrahas Thackersey**
Executive Director	CSR Committee Chairman

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	4	Yes	1	2	Nil
Mr. Khushaal Thackersey	ED,S,P	4	Yes	Nil	1	Nil
Mr. Raoul Thackersey (upto 28-09-2019)	NE,S,P	2	No	3	8	Nil
Mr. Rajiv Ranjan	ED	4	Yes	Nil	Nil	Nil
Mr. Sujal A. Shah	NE,I	4	Yes	6	3	2C/4M
Mr. Bhavesh V. Panjuani	NE,I	4	Yes	2	Nil	2M
Dr. Ashok N. Desai	NE,I	3	Yes	2	Nil	1M
Mr. Amol P. Vora *(w.e.f. 17-05-2019)*	NE,I	3	Yes	Nil	Nil	Nil
Ms. Maitreyee Agboatwala *(Upto 06-02-2020)*	NE,I,W	2	Yes	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 7 Directors including 4 Independent Directors as on March 31, 2020. 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.
4. Ms. Maitreyee Agboatwala, the independent director has resigned from the office of directorship due to some unavoidable personal reasons and this reason has been mentioned in her resignation letter.

5. Mr. Raoul Thackersey , the director has resigned from the office of directorship due to preoccupation and this reason has been mentioned in his resignation letter.

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
	Siyaram Silk Mills Limited	Independent director

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

During the year under review, four Board Meetings were held, the dates being May 17, 2019, August 07, 2019, October 24, 2019 and February 05, 2020. The gap between two consecutive Meetings does not exceeded one hundred and twenty days.

The last Annual General Meeting was held on September 27, 2019.

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

The Shareholding of the Non-Executive Directors in the Company as on 31.3.2020:

Name of Directors	Category	No. of Shares held
Mr. Chandrahas Thackersey	Promoter	63,171
Mr. Raoul Thackersey *(Upto 28-09-19)*	Promoter	96,692
Mr. Sujal A. Shah	Independent	Nil
Mr. Bhavesh V. Panjuani	Independent	Nil
Dr. Ashok N. Desai	Independent	Nil
Mr. Amol P. Vora (w.e.f. 17-05-2019)	Independent	Nil
Ms. Maitreyee Agboatwala (Upto 06-02-2020)	Independent	83

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

Table given below shows the relationship between the Directors:

Name of the Directors	Designation	*Relationship between Directors Inter-se	skill/expertise/competence
Mr. Chandrahas Thackersey	Chairman	Father of Mr. Khushaal Thackersey	Experience of more than 50 years in Textile industry
Mr. Khushaal Thackersey	Executive Director	Son of Mr. Chandrahas Thackersey	Four years in Textile Industry
Mr. Raoul Thackersey *(Upto 28-09-2019)*	Director	Not related to any other Director	Experience of more than 20 years in Textile industry
Mr. Rajiv Ranjan	Executive Director	Not related to any other Director	Experience of more than 44 years in Textile industry
Mr. Sujal A. Shah	Director	Not related to any other Director	Chartered Accountant having experience of 28 years in Valuation/ Corporate Restructuring/audit and other related fields
Mr. Bhavesh V. Panjuani	Director	Not related to any other Director	Advocate and Solicitor, practicing since about 30 years. Areas of legal practice include commercial and corporate law, litigation, arbitrations, commercial dispute resolution, contract documentation, negotiation and claims, besides other general civil practice.
Dr. Ashok N. Desai	Director	Not related to any other Director	Experience of more than 40 years in technological aspects of textile industry and research/development.
Mr. Amol P. Vora *(w.e.f.17-05-2019)*	Director	Not related to any other Director	Textile business for more than 20 years
Ms. Maitreyee Agboatwala *(Upto 06-02-2020)*	Director	Not related to any other Director	Business and administration

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

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

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

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

3. **Board Committees:**

The Board has constituted the following Committees of Directors:

A) Audit Committee:

The Audit Committee consists of the following 3 Independent Non-Executive Directors (financially literate) and Mr. Chandrahas Thackersey , non executive director as on March 31, 2020.

a. Mr. Sujal A. Shah - Chairman

b. Mr. Bhavesh V. Panjuani - Member

c. Dr. Ashok N. Desai - Member

d. Mr. Chandrahas Thackersey - Member

Mr. Kaushik Kapasi, Secretary of the Company also acts as a Secretary to the Committee with effect from 07-08-2019.

(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.

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

Four Meetings of the Audit Committee were held during the year ended March 31, 2020 on the dates: May 17, 2019, August 07, 2019, October 24, 2019 and February 05, 2020. The attendance of each Member at the Meetings was as under:

Name of Members	Designation / Category	Number of Meetings attended
Mr. Sujal A. Shah	Chairman	4
Mr. Bhavesh Panjuani	Member	4
Dr. Ashok N. Desai	Member	3
Mr. Chandrahas Thackersey	Member	4

B) Nomination and Remuneration Committee:

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

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

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

Three Meetings of the Nomination and Remuneration Committee were held on May 17, 2019, August 07, 2019 and October 24, 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	3
Mr. Sujal A. Shah	Member	3
Dr. Ashok N. Desai	Member	2

(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.

Meeting of Independent directors which was scheduled to be held on March 26, 2020 could not be held due to lock down in India. The meeting of Independent directors was held on 26-06-2020 and evaluated performance of Audit Committee meeting, Board meeting, Stake holders committee meeting, independent directors, Executive directors, Non independent directors and Chairman.

(iv) **Remuneration to directors**:

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

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

Name of Directors	Sitting fees
Mr. Chandrahas Thackersey	1,50,000
Mr. Raoul Thackersey	50,000
Mr. Sujal A. Shah	1,70,000
Mr. Bhavesh V. Panjuani	1,70,000
Dr. Ashok N. Desai	1,35,000
Mr. Amol P. Vora (*w.e.f.17-05-2019)*	75,000
Ms. Maitreyee Agboatwala *(Upto 06-02-2020)*	50,000

(v) **Details of remuneration paid to Executive Directors during the year ended March 31, 2020:**

(Rs.in lakhs)

Name	Salary	Benefits*	Contribu-tion to P.F. & S.A.	Total	Contract period
Mr. Khushaal Thackersey	18.00	2.40	3.16	23.56	Five years with effect from 9.11.2016 to 8.11.2021
Mr. Rajiv Ranjan	45.78	0.39	--	46.17	from 1.12.2017 to 6.09.2020

* 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.

Notice period for the above directors is three months Notice.

C) **Stakeholders Relationship Committee:**

a) Name of Non-Executive Director heading the Committee – **Mr. Amol P. Vora (** with effect from 5-02-2020**)**

b) Name and designation of Compliance Officer - - **Mr. Kaushik Kapasi – Company Secretary with effect from August 07, 2019.**

c) Number of shareholders complaints received during the year - Nil

d) No complaint was pending as on March 31, 2020- Nil

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 Meeting attended held on 18-04-2019
Dr. Ashok N. Desai (upto 5-02-2020)	Chairman	1
Mr. Chandrahas Thackersey	Member	1
Mr. Khushaal Thackersey	Member	1
Mr. Amol P. Vora **(** with effect from 5-02-2020**)**	Chairman	N. A.

There were no queries / complaints during the year and no shareholder / investor complaint is pending as on March 31, 2020.

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 spend any amount on CSR activities and no CSR Committee Meeting was held in FY 2019-20.

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.

Independent directors meeting was held on June 26, 2020.

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

Year	Date	Time	Venue
2016-17	August 08, 2017	11.00 a.m.	Sir Vithaldas Chambers, Mumbai
2017-18	August 08, 2018		
2018-19	September 27, 2019		

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

AGM Date	Special Resolutions passed
August 08, 2017	- NIL
August 08, 2018	- NIL
September 27, 2019	- Reappointment of Mr. Sujal A. Shah and Mr. Bhavesh V. Panjuani, Independent Directors for a second term of 5 consecutive years. - To sell/transfer/dispose-off Composite Unit/Division at Ambernath.

(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:**

a. The quarterly Un-audited Financial Results and Yearly Audited Financial Results of the Company are uploaded on the web site of BSE Limited immediately after they are approved by the Board of Directors in their Board meetings.

b. The quarterly Un-audited Financial Results and Yearly Audited Financial Results of the Company have been advertised in Free Press Journal (English) and Navshakti (Marathi).

c. Website: https://hindoostan.com/

d. Whether it also displays official news releases: No official news has been released during the year.

e. Presentation made to institutional investors or to the analysts: None

5. **General Shareholder information:**

(i) Annual General Meeting for financial year 2019-20 through video conference

Date : Tuesday, September 29, 2020

Time : 12.00 Noon

Venue :

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

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

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

Friday, September 25, 2020 to Tuesday, September 29, 2020 (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

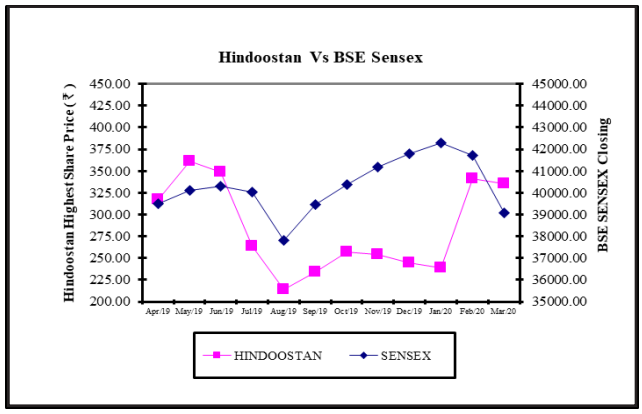
(vi) **Stock Code** : **509895**

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

Month	Quotation at BSE Ltd.			
	High (₹)	Low (₹)	Sensex High	Sensex Low
April, 2019	317.00	250.00	39487.45	38460.25
May, 2019	361.40	222.50	40124.96	36956.10
June, 2019	348.50	218.00	40312.07	38870.96
July, 2019	263.45	193.90	40032.41	37128.26
August, 2019	213.65	181.05	37807.55	36102.35
September, 2019	233.70	180.50	39441.12	35987.80
October, 2019	257.25	213.00	40392.22	37415.83
November, 2019	253.90	218.25	41163.79	40014.23
December, 2019	244.40	200.05	41809.96	40135.37
January, 2020	238.70	195.05	42273.87	40476.55
February, 2020	341.00	169.20	41709.30	38219.97
March, 2020	335.30	201.65	39083.17	25638.90

(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-2019	39031.55	250.10
May-2019	39714.20	342.55
June-2019	39394.64	218.10
July-2019	37481.12	193.90
August-2019	37332.79	190.00
September-2019	38667.33	233.10
October-2019	40129.05	250.00
November-2019	40793.81	226.95
December-2019	41253.74	237.25
January-2020	40723.49	197.65
February-2020	38297.29	319.35
March-2020	29468.49	211.95



(ix) Securities are not suspended from trading.

(x) Registrar and Transfer Agent:

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

Telephone : 022 – 22635000/1/2/3/4
Fax : 022 - 22635005
E-mail : helpdesk@computechsharecap.in
Website : www.computechsharecap.com

(xi) Share Transfer system:

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

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

(xii) Distribution of Shareholding as on March 31, 2020:

Group of Shares	No. of Shareholders	No. of shares held	% to Total Shares
1 to 50	7,053	90,538	5.44
51 to 100	590	44,522	2.67
101 to 250	370	58,467	3.51
251 to 500	98	35,753	2.15
501 to 1000	54	37,900	2.28
1001 to 5000	42	80,958	4.86
5001 and above	38	13,16,410	79.09
TOTAL	**8,245**	**16,64,548**	**100.00**

(xiii)Dematerialisation of Equity Shares:

Trading in Equity Shares of the Company is permitted only in dematerialised form as per Notification No.CIR/MRD/DP/14/2011 dated December 20, 2011, issued by the Securities & Exchange Board of India (SEBI). Nearly 96.29% shares are held under dematerialised mode as on March 31, 2020.

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

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

Please refer Para Risk Management policy under the Directors' Report

(xvi)Shareholding Pattern as on March 31, 2020:

	No. of Shares held	%
Promoters and Persons Acting in Concert	10,09,511	60.65
Banks, Financial institutions, Mutual Funds, Insurance companies	2,128	0.13
Private Corporate Bodies	10,908	0.66
Indian Public	6,26,495	37.63
NRIs / OCBs	15,506	0.93
TOTAL	**16,64,548**	**100.00**

(xvii)**Plant Location:**

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

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

c) **Composite Unit**
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) N*on-compliance with certain provisions of the Act / Security Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations to the extent as stated below:*

a. The Company has transferred an amount of Rs.0.92 lakhs and Rs.1.46 lakhs for the Financial year 2010-11 and 2011-12 respectively to Investor Education and Protection Fund (IEPF) and filed necessary forms. However pursuant to the provisions of Section 124(6) read with Rule 6 of the Rules, the Company has not transferred all shares (including the benefits on such shares) in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF) and necessary forms have not been filed with the respective authorities. Thus, there is non-compliance of the provisions of Section 124 and other relevant provisions of the Companies Act, 2013. The company has initiated the process for compliance of the said provisions of the Companies Act, 2013 read with its Rules.

b. The Company has not filed form MGT-14 for appointment of Company Secretary and Compliance Officer of the company and thus

violated the provisions of Section 179(3) of the Companies Act, 2013 read with its relevant rules. However, the Company has filed form DIR -12 for the said appointment.

c. There was delay in appointment of a qualified Company Secretary and Compliance Officer of the Company as per the requirements of Regulation 6(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and BSE Limited has levied a penalty of Rs.23600/- (including GST) and the same has been paid by the Company.

- P*l. refer Directors Report for their response on the aforesaid non compliance*

(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) The Company has complied all mandatory requirements of disclosure specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) 2015 as mentioned in this report.

(vi) Details of compliance with the non-mandatory requirements:-

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

(b) The Company has an open-door policy where employees have access to their Head of Departments who participate in monthly forum Meetings with the Management and any concern or instances of unethical behaviour or non-adherence to the Code of Conduct or any issue concerning the business of the Company, is brought up to the notice of Management and resolved from time to time while adequately safeguarding the employee who has availed this mechanism.

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

- The Company does not have subsidiary company.

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

http://www.hindoostan.com.

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

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

(xi) Fees for all services paid by the listed entity to the statutory auditor : Rs.17.65 lacs

(xii) 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. Nnumber of complaints disposed of during the financial year : Nil

c. Number of complaints pending as on end of the financial year : Nil

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

Members who have not yet encashed their dividend warrants pertaining to the dividend for the financial year 2012-13 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	2012-13	7.50	July 26, 2013	September 28, 2020
2	2013-14	10.00	December 12, 2014	February 13, 2022
3	2014-15	4.00	August 11, 2015	October 12, 2022
4	2015-16	4.50	August 09, 2016	October 14, 2023

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

(xiv) 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, July 14, 2020

AUDITOR'S CERTIFICATE

To the Members
Hindoostan Mills Limited

1. The Corporate Governance Report prepared by **Hindoostan Mills Limited ("the Company"),** contains details as stipulated in regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2020. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management Responsibility

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

Auditors' Responsibility

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 1 above, except for following:-
   (a) Para no. 6(ii) (a) of corporate governance report relating to transfer of equity shares to Investor Education and Protection Fund.
   (b) Para no. 6(ii) (b) of corporate governance report relating to non-filing of Form MGT-14 for appointment of Company Secretary and Compliance Officer.
   (c) Refer 6(ii) (c) of corporate governance report relating to appointment of a qualified Company Secretary and Compliance Officer.

Other Matters and Restriction on use

10. This Report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

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

Mukul Patel
Partner
Membership No. 032489

Place: Mumbai
Date: 14th July, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

A. BUSINESS SEGMENT - TEXTILES:

Industry, Structure and Development:

For the textile industry in India, the year 2019-20 proved to be full of challenges just like the last few years, in line with the overall global economic situation.

The textile export outlook for the country was mostly stagnant as compared to the previous year.. There was no significant progress in India's discussions for FTAs with various trade partners across the globe, especially EU nations, which was one of the main reasons for low growth of exports from the country. With low entry barriers, the textile industry has seen a spurt in investments in the last few years which has resulted in intense pricing pressure due to over-capacity in most products.

The company is in the commodity business of grey yarns and fabrics where competition has always been fierce. However due to its own manufacturing capacity in Open End yarns, it has been able to carve out its competitive position in the segment of fabrics woven from in-house OE yarns due to control in costs, and offering better quality and services to buyers.

The year also saw payment cycles spiraling. Adverse market conditions resulted in delayed payments from buyers, thus affecting the working capital of most manufacturers. The huge delays from the government in the payment of capital subsidy and interest subsidy on capital investments under TUFS scheme have added to the pressure on working capital across the industry.

The 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.. The low prices being offered by the unorganized sector has further aggravated the situation in the industry.

Inspite of the tough environment, and the impact of the shutdown due to Covid-19 in the second half of March 2020, the company's textile business has been able to close the year 2019-20 with a turnover of nearly 90% as 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..

Weakness 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 impact of Covid-19 is expected to be very severe during 2020-21. The strict lockdown has resulted in nearly complete closure of the markets in first quarter. The effect of Covid-19 is expected to subside only towards the end of Q-2 which may translate into cash losses for the company and dent the cash flows which could result in tough times during the year.

While the global economic scenario continues to be dull, our export sales may be the same as compared to the previous year since the demand for grey fabrics in the count range produced by us continues as before from Korea and USA.

Outlook:

As a result of the various challenges, we foresee a 25-30% reduction in our Textile business in the coming year. We will however continue our focus on value addition by developing innovative products, while also optimizing utilization and productivity and providing best services to all our stakeholders.

B. BUSINESS SEGMENT - ENGINEERING

Industry, Structure and Development:

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

Strengths and Opportunities:

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

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

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

Weakness and threats:

Uniformity of goods and their quality assurance with after sales service continues to be the principal daunting task as majority of our supplies are tailored to meet customer demand. A larger part of our supplies are replacements in the processing line, where rolls need to be supplied as agreed and on schedule. Inventory handling and skilled technical service team is the key challenge while rendering services to this segment. The textile industry currently is undergoing a low liquidity state causing long payment cycles.

Outlook:

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

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of HINDOOSTAN MILLS LIMITED

Qualified Opinion

1. We have audited the accompanying Financial statements of Hindoostan Mills Limited ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and Statement of Cash Flows for the year then ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as " financial statements")

2. In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion section of our report,* the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

3. *In respect of non-compliance with certain provisions of the Act / Security Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations to the extent stated below:*

   i. *The Company has transferred an amount of Rs.0.92 lakhs and Rs.1.46 lakhs for the Financial year 2010-11 and 2011-12 respectively to Investor Education and Protection Fund (IEPF) and filed necessary forms. However pursuant to the provisions of Section 124(6) read with Rule 6 of the Rules, the Company has not transferred all shares (including the benefits on such shares) in respect of which dividend has not been paid or claimed for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF) and necessary forms have not been filed with the respective authorities. Thus, there is non-compliance of the provisions of Section 124 and other relevant provisions of the Companies Act, 2013. The company has initiated the process for compliance of the said provisions of the Companies Act, 2013 read with its Rules.*

   ii. *The Company has not filed form MGT-14 for appointment of Company Secretary and Compliance Officer of the company and thus violated the provisions of Section 179(3) of the Companies Act, 2013 read with its relevant rules. However, the Company has filed form DIR -12 for the said appointment.*

   iii. *There was delay in appointment of a qualified Company Secretary and Compliance Officer of the Company as per the requirements of Regulation 6(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and BSE Limited has levied a penalty of Rs.23600/- (including GST) and the same has been paid by the Company.*

4. We conducted our audit of the financial statements 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 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 qualified opinion on the financial statements.

Key Audit Matters

5. Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Inventory Physical verification of inventory was performed by the management subsequent to the year-end due to the restrictions imposed on account of COVID-19. Finished goods inventory are valued at lower of cost and net realizable value (NRV). Considering that there is always a volatility in the selling price of greige fabric, which is dependent upon various market conditions and the possible impact of COVID-19, determination of the net realizable value for greige fabric requires significant management judgement and therefore it has been considered as a key audit matter.	Due to the COVID-19 related lock-down we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have relied upon the Management certificate for Physical Verification. We have assessed the reasonableness of the inventory write down to NRV as estimated by the Management, by comparing the prices at which sales have since been effected on test check basis during April, 2020 to June, 2020.

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

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

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

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

Management's Responsibility for the Financial Statements

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

   In preparing the financial statements, the Board of Directors are 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 the Board of Directors 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 the Financial Statements

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

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with 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

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure "A",** a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    (d) In our opinion, the aforesaid financial statements comply with Ind AS 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, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report given in **Annexure "B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

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

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer to Note No. 31 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

(iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For M. A. Parikh & Co.
Chartered Accountants
Firm Registration Number. 107556W

Mukul M. Patel
Partner
Membership No. 032489
UDIN: 20032489AAAABK5471

Place: Mumbai
Date: 14th July, 2020

Annexure – A to the Auditors' Report

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

(i) In respect of fixed assets (property, plant and equipment and investment property)

(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, 2020 aggregating to Rs 75.42 lakhs (previous year Rs. 96.35 lakhs) was not verified for which mail confirmations have been obtained.

(iii) The Company has not granted loans to parties covered in the register maintained under section 189 of the Act. Thus, paragraph 3(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company:

(a) Has not made any investment during the year, thus section 186 of the Act is not applicable. With respect to investments made in prior years, the same were in compliance with section 186 of the Act.

(b) Has not given any loans, guarantees and securities in relation to which provisions of section 185 of the Act are not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Thus, paragraph 3 (v) of the Order is not applicable

(vi) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the rule made by the Central Government for the maintenance of Cost Records under Sub–Section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been so made and maintained. 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, Duty of Customs, Duty of Excise 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. 68.07 lakhs which have not been deposited as on 31st March, 2020 on account of disputes as given below:

Name of Statute	Nature of dues	Amount (Rs. in lakhs) (Net of payment)	Period to which the dues relate	Forum Where dispute is pending
Income Tax Act,1961	Income Tax dues	3.12	A.Y. 2007-08	Commissioner of Income Tax.
		1.94	A.Y. 2010-11	Commissioner of Income Tax.
		0.10	A.Y. 2016-17	Assistant Commissioner of Income Tax.
Central Excise Act	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
		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 (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 (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. The Company has not borrowed any money from financial institutions or debenture holders or Government.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Thus, paragraph 3 (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company has paid/provided managerial remuneration which is in accordance with the provisions of section 197 read with Schedule V of the Companies Act, 2013.

(xii) According to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by Indian Accounting Standard 24.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Thus, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us and based on our examination of the records of the Company it is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of the clause (xvi) of the Order are not applicable to the Company.

For M. A. Parikh & Co.
Chartered Accountants
Firm Registration Number. 107556W

Mukul M. Patel
Partner
Membership No. 032489
UDIN: 20032489AAAABK5471

Place: Mumbai
Date: 14th July, 2020

Annexure - B to the Auditors' Report

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

Opinion

We have audited the internal financial controls over financial reporting of **Hindoostan Mills Limited** ("the Company"), as of 31st March, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statement. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

For M. A. Parikh & Co.

Chartered Accountants

Firm Registration Number. 107556W

Mukul M. Patel
Partner
Membership No. 032489
UDIN: 20032489AAAABK5471

Place: Mumbai
Date: 14th July, 2020

Balance Sheet as at 31st March, 2020

₹ in lakhs

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
ASSETS			
1 **Non-Current Assets**			
a Property, Plant and Equipment	3	2,649.88	3,023.23
b Capital Work in Progress	3	60.37	-
c Investment in Property	4	11.77	17.67
d Financial Assets			
(i) Investment	5	0.67	0.68
(ii) Other Financial Assets	6	158.30	136.09
e Other Non financial Assets	7	4.42	43.93
2 **Current Assets**			
a Inventories	8	2,243.15	2,218.34
b Financial Assets			
(i) Trade Receivables	9	2,824.09	3,068.79
(ii) Cash and cash equivalent	10	61.93	100.33
(iii) Other Financial Assets	11	379.75	255.97
c Current Tax Assets (Net)		297.95	296.40
d Other Current Assets	12	89.19	51.27
e Assets held for Sale		133.47	458.60
Total Assets		**8,914.94**	**9,671.30**
EQUITY AND LIABILITIES			
1 **Equity**			
a Equity Share Capital	13	166.45	166.45
b Other Equity	14	4,008.05	4,608.18
2 **Non-Current Liabilities**			
a Financial liabilities			
(i) Other Financial Liabilities	15	32.70	30.47
b Provisions	16	524.77	475.90
c Deferred Tax Liabiliites (Net)	17	-	1.41
3 **Current Liabilities**			
a Financial liabilities			
(i) Borrowings	18	908.64	960.44
(ii) Trade payables	19		
I. Total outstanding dues of Micro Enterprises and Small Enterprises		285.37	46.47
II. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		2,051.37	2,176.74
(iii) Other Financial Liabilities	20	690.06	1,044.22
b Other Current Liabilities	21	170.84	84.88
c Provisions	22	76.69	76.14
Total Equity and Liabilities		**8,914.94**	**9,671.90**
Significant Accounting Policies	**2**		
Other Notes to Accounts	**31**		

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 : July 14, 2020

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

Kaushik Kapasi
Company Secretary

Statement of Profit and Loss for the Year ended 31st March, 2020

₹ in lakhs

	Particulars	Note No.	Year ended 31. 03. 2020	Year ended 31. 03. 2019
I	Revenue from Operations	23	14,107.86	16,243.74
II	Other Income	24	229.02	248.24
III	**Total Revenue**	(I+II)	**14,336.88**	**16,491.98**
IV	Expenses:			
	Cost of Materials Consumed	25	9,161.25	10,518.65
	Purchase of Stock-in-Trade		720.10	1,134.88
	Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	26	(4.71)	(262.11)
	Employee Benefits Expenses	27	1,586.18	1,537.67
	Finance costs	28	120.01	198.23
	Depreciation and Amortisation Expenses	29	587.70	858.33
	Other Expenses	30	2,617.88	3,154.25
	Total Expenses		**14,788.41**	**17,139.90**
V	Loss Before Tax	(III-IV)	**(451.53)**	**(647.92)**
VI	Tax Expense:			
	Deferred Tax		1.41	2.25
VII	Loss for the Period from continuing operations	(V+VI)	**(450.12)**	**(645.67)**
VIII	Loss from discontinued operations		**(160.82)**	**(533.78)**
IX	Tax expense of discontinued operations		-	(1.38)
X	Loss from discontinued operations (after tax)		**(160.82)**	**(535.16)**
XI	Loss for the Period		**(610.94)**	**(1,180.83)**
XII	Other Comprehensive Income			
A	(i) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurement of the defined benefit plan		10.82	7.89
	(b) Equity Instrument through Other Comprehensive Income		(0.01)	0.03
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B	(i) Items that will be reclassified to profit or Loss		-	-
	Total Other Comprehensive Income [A (i)-(ii) + B (i)-(ii)] (XII)		10.81	7.92
XIII	Total Comprehensive Income for the period (XI)+(XII)		**(600.13)**	**(1,172.91)**
XIV	Earning per Equity Share of ₹ 10/- each			
	Basic and Diluted from Continuing Operations	₹	**(27.04)**	**(38.79)**
	Basic and Diluted from Disontinued Operations	₹	**(9.66)**	**(32.15)**
	(Refer Note 31 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 M.A.Parikh & Co
Chartered Accountants.
Firm Registration No.107556W

Mukul M. Patel
Partner
Membership No. : 032489
Place : Mumbai
Date : July 14, 2020

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

Kaushik Kapasi
Company Secretary

Cash Flow Statement for the Year Ended 31st March, 2020

₹ in lakhs

	Current Year		Previous Year
A. CASHFLOW FROM OPERATING ACTIVITIES			
Loss before tax from continuing operations	(451.53)		(647.92)
Loss before tax from discontinued operations	(160.82)	(612.35)	(533.78)
Adjustment for :			(1,181.70)
Depreciation and Amortisation expenses	587.70		858.33
Depreciation and Amortisation expenses (Refer Note no. 31(XIV) - Discontinued Operations)	-		25.88
Impairment (Refer Note no. 31(XIV) - Discontinued Operations)	143.96		356.51
Finance Cost	120.01		198.23
Finance Cost (Refer Note no. 31(XIV) - Discontinued Operations)	18.40		3.07
Property, Plant and Equipments Written off	-		15.39
Property, Plant and Equipments Written off (Refer Note no. 31(XIV) - Discontinued Operations)	-		8.19
Provision for Doubtful Debts and Advances	17.09		46.59
Provision for Doubtful Debts (Refer Note no. 31(XIV) - Discontinued Operations)	-		39.77
Bad Debts and Debit Balances Written Off	53.76		22.75
Bad Debts and Sundry Debit Balances Written Off (Refer Note no. 31(XIV) - Discontinued Operations)	13.97		9.54
Lease Income	(97.57)		(50.38)
Profit on Sale of Investments (Net)	-		(20.76)
Fair Value Gain on MF Valued as FVTPL	-		18.96
Profit on Sale of Property, Plant and Equipments (Net)	(0.62)		(0.25)
Loss on Sale of Property, Plant and Equipments (Refer Note no. 31(XIV) - Discontinued Operations)	-		5.42
Provision for Doubtful Advances no longer required written back	(58.18)		(17.33)
Provision for Doubtful Advances no longer required written back (Refer Note no. 31(XIV) - Discontinued Operations)	(39.76)		(6.50)
Excess provision no longer required written back	(1.00)		(2.01)
Excess provision no longer required written back (Refer Note no. 31(XIV) - Discontinued Operations)	-		(0.20)
Sundry Credit Balance Written Back	(15.08)		(31.66)
Sundry Credit Balance Written Back (Refer Note no. 31(XIV) - Discontinued Operations)	-		(0.79)
Interest and Dividend Income	(16.61)		(18.66)
Interest Income (Refer Note no. 31(XIV) - Discontinued Operations)	(0.49)		(1.61)
		725.58	**1,458.48**
Operating Profit before Working Capital Changes		**113.23**	**276.78**
Changes in :			
Inventories	(24.81)		98.41
Trade Receivables	257.81		(103.06)
Other Financial Assets	(146.97)		211.46
Other Non- Financial Assets	(58.78)		17.42
Trade Payables	129.62		193.40
Other Financial Liabilities	(91.23)		(92.25)
Other Current Liabilities	85.97		(67.84)
Provisions	60.24		53.78
		211.85	311.32
Cash Generated from Operations		325.08	588.10
Direct Taxes paid (Net of Refunds)		(1.55)	(5.45)
Net Cash Generated From Operating Activities		**323.53**	**582.65**

₹ in lakhs

	Current Year		Previous Year
B. CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipments	(71.84)		(63.60)
Sale of Property, Plant and Equipments	45.18		19.18
Interest and Dividend Received	18.07		21.49
Lease Income Received	97.57		50.38
Investments Purchased and Sold (Net)	-		68.53
Net Cash used in Investing Activities		**88.98**	**95.98**
C. CASHFLOW FROM FINANCING ACTIVITIES			
Interest Paid	(141.16)		(207.19)
Repayment of Borrowing	(309.75)		(476.29)
Net Cash used in Financing Activities		**(450.91)**	**(683.48)**
Net Increase in Cash and Cash Equivalents (A+B+C)		**(38.40)**	**(4.85)**
Cash and Cash Equivalents at the beginning of the year			
Cash and Cash Equivalents	80.72		57.84
Other Bank Balances	19.61		47.34
		100.33	**105.18**
Cash and Cash Equivalents at the end of the year			
Cash and Bank Balance	23.95		80.72
Other Bank Balances			
Earmarked Balance with Banks	7.95		11.96
Margin Money Deposit	30.03		5.71
Other Bank Deposits	-		1.94
		61.93	**100.33**

Notes :

1 Cash and Cash equivalents denote Cash and Bank balances at the year end. Earmarked Balance with Banks includes Balance in Current Account for Unpaid Dividend.

2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in India Accounting Standard 7- 'Statement of Cash Flows' (Ind AS - 7) issued by the Institute of Chartered Accountants of India.

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

As per our report of even date attached

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

Mukul M. Patel
Partner
Membership No. : 032489

Place : Mumbai
Date : July 14, 2020

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

Kaushik Kapasi
Company Secretary

Statement of Changes in Equity for the year ended 31st March 2020

(a) Equity Share Capital

Particulars	Numbers	₹ in lakhs
Equity Shares of Rs. 10 each issued, subscribed & fully paid		
As at March 31, 2019	16,64,548	166.45
As at March 31, 2020	**16,64,548**	**166.45**

(b) Other Equity

₹ in lakhs

Particulars	Reserves and Surplus					Other Reserves	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained earnings	FVTOCI Equity Instruments	
As at March 31, 2018	1,076.11	83.63	587.78	6,447.61	(2,414.67)	0.63	5,781.09
(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)
As at March 31, 2019	**1,076.11**	**83.63**	**587.78**	**6,447.61**	**(3,587.61)**	**0.66**	**4,608.18**
(Loss) for the year	-	-	-	-	(610.94)	-	(610.94)
Other comprehensive income	-	-	-	-	10.82	(0.01)	10.81
Total Comprehensive Income for the year	-	-	-	-	(600.12)	(0.01)	(600.13)
As at March 31, 2020	**1,076.11**	**83.63**	**587.78**	**6,447.61**	**(4,187.73)**	**0.65**	**4,008.05**

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 : July 14, 2020

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

Kaushik Kapasi
Company Secretary

Notes to Financial statements for the Year ended 31st March, 2020

Note 1: Corporate Information:

Hindoostan Mills Limited ("The Company") is a Public Limited Company, incorporated under the provision of the Companies Act, 1956 (as amended by the Companies Act, 2013). Its Shares is listed on Bombay Stock Exchange. The Company is engaged in the business of Manufacture and Sale of Fabric and Yarn and Refiling of Elastic Calendar Bowls. The Company has its the Registered Office and principal place of business at **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 is the first time that the Company has prepared the financial statements in accordance with Ind-AS.

The Ind-AS financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy no. 2.13 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their 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 1st April, 2016 (date of transition) measured as per previous GAAP as its deemed cost on the date of transition.

2.4 Investment Property

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

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

2.5 Depreciation:

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

Note 2: Significant Accounting Policies (Contd.)

(a) Textile Unit:

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

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

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

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

(b) Engineering Unit:

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

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

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

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

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

2.6 Capital Work in Progress and Capital Advances:

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

2.7 Intangible Assets and amortisation thereof:

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

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

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

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

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

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

2.9 Assets held for Sale :

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

Note 2: Significant Accounting Policies (Contd.)

2.10 Inventories:

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

2.11 Revenue Recognition:

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

i. **Sale of Goods:**

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

ii. **Other Operating Revenue:**

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

iii. **Rental Income:**

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

iv. **Interest Income:**

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

v. **Dividend Income:**

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

2.12 Accounting for Government Grants:

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

2.13 Financial Instruments:

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

(i) **Financial Assets:**

Initial Recognition and Measurement:

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

Subsequent Measurement:

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

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

Financial Assets at Amortised Cost:

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Note 2: Significant Accounting Policies (Contd.)

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

ii) Financial Liabilities:

Initial Recognition and Measurement: -

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

Subsequent Measurement: -

This is dependent upon the classification thereof as under:

Loans and Borrowings: -

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

Note 2: Significant Accounting Policies (Contd.)

Derecognition: -

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

(iii) **Equity Instruments:**

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

2.14 Employee Benefits:

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

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

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

2.15 Leases:

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

As a Lessee:

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

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

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

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

As a lessor:

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

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

Lease is classified as finance lease when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amount due from lessee under finance lease is recorded as receivables at the Company's net investment in the lease. Finance

Note 2: Significant Accounting Policies (Contd.)

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 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.

Note 2: Significant Accounting Policies (Contd.)

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

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

MAT:

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

2.19 Provisions, Contingent Liabilities and Contingent Assets:

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

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

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

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

2.20 Earnings Per Share:

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

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

2.21 Cash and Cash Equivalent:

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

2.22 Statement of Cash Flow

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

2.23 Commitments

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

(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.

Note 2: Significant Accounting Policies (Contd.)

2.24 Segment Reporting

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

The Board of Directors of the Company has been identified as being the Chief Operating Decision Maker (CODM) by the management of the Company. CODM for management purposes organises the Company into business units based on its products and services and has three reportable segments.

2.25 Significant Accounting Judgements, Estimates and Assumptions:

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

Estimates Assumptions and Judgements:

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

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

a) Estimation of current tax expense and deferred tax:

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

b) Recognition of deferred tax assets/ liabilities:

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

c) Estimation of Provisions & Contingent Liabilities:

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

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

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life, its expected usage pattern and the expected

Note 2: Significant Accounting Policies (Contd.)

residual value at the end of its life. The useful lives, usage pattern and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

e) Estimation of Provision for Inventory:

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

f) Estimation of Defined Benefit Obligation:

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

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

g) Estimated fair value of Financial Instruments.

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

Notes to Financial Statements for the year ended 31st March 2020

NOTE 3: PROPERTY, PLANT AND EQUIPMENT (PPE)

A. Current Year ₹ in lakhs

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

B. Notes :

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

II. Refer Note no. 31 (I) for disclosure of contractual commitments for the acquisition of PPE.

III. Refer Note no. 31 (XIV)(ii) for Assets held for Sale.

Notes to Financial Statements for the year ended 31st March 2020

NOTE 3: PROPERTY, PLANT AND EQUIPMENT (PPE)

B. Previous Year

₹ in lakhs

Description	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK	
	Opening Block As At 01.04.2018	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	As At 31.03.2018
TANGIBLE ASSETS														
Land														
Leasehold Land	90.55	-	-	-	39.36	51.19	2.48	0.84	-	-	1.19	2.13	49.06	88.07
Buildings														
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 Improvements	43.00	-	-	43.00	-	-	34.94	2.54	-	37.48	-	-	-	8.06
Leasehold improvement Electrical	6.18	-	-	6.18	-	-	3.22	0.30	-	3.52	-	-	-	2.96
Plant & Equipments														
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	55.43	33.39	7.43	-	-	13.77	27.05	26.38	50.64
Furniture & Fixtures	79.55	-	7.58	-	12.39	59.58	32.55	9.72	2.03	-	5.66	34.58	25.00	47.00
Vehicle	20.08	-	-	-	-	20.08	5.62	4.17	-	-	-	9.79	10.29	14.46
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**	**82.76**	**991.48**	**6,080.15**	**2,453.43**	**876.73**	**13.18**	**59.19**	**200.87**	**3,056.92**	**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**	**82.76**	**1,027.59**	**6,080.15**	**2,464.95**	**878.32**	**14.68**	**59.19**	**212.48**	**3,056.92**	**3,023.23**	**4,700.98**

Notes :

I. Refer Note no. 18.1 and 20.1 for information on PPE pledged as a security by the company.

II. Refer Note no. 31(I) for disclosure of contractual commitments for the acquisition of PPE.

III. Refer Note no. 31(XIV)(ii) for Assets held for Sale.

IV. * Written off includes ₹ 8.19 lakhs in relation with Composite Division which was discontinued w.e.f. 30th June 2018.

V. # Depreciation for the year include ₹ 25.88 lakhs depreciation for the period 1st April 2018to 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 2020

Note 4 : Investment in Property ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Other Investments		
Investment in Property		
5/8 th share in Bruce Street Property, Tenancy right and Godown		
Gross carrying amount opening	52.16	50.66
Additions / Transferred from PPE	-	1.50
Gross carrying amount closing	52.16	52.16
Accumulated Depreciation opening	34.49	27.10
Transferred from PPE	-	1.50
Depreciation	5.90	5.89
Accumulated Depreciation closing	40.39	34.49
Net carrying amount	11.77	17.67
TOTAL	**11.77**	**17.67**
Fair Value :		
As at 31st March	See Note No. 4.3	See Note No. 4.3

Note 4.1 : Information regarding income and expenditure of Investment property ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Rental income derived from Investment property	97.57	21.57
Direct operating expenses (including repairs and maintenance) for generating rental income	4.58	3.65
Surplus arising from investment property before depreciation	92.99	17.92
Less - Depreciation	5.90	5.89
Net Surplus arising from investment property	87.09	12.03

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

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

Particulars	As at 31.03.2020	As at 31.03.2019
For a period not later than one year	107.09	113.93
For a period later than one year and not later than five years	285.54	408.10

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 builidng 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 2020

Note 4.4 :

The Board of Directors at their meeting held on 14th July 2020 had decided to sell the Company's entire share, being 5/8th i.e. 62.5% in the Bruce Street property located at 10 Homi Modi Street, Fort, Mumbai – 400001, at ₹ 1,350.00 lakhs.

Note 5 : Non Current Assets - Investments ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Investment measured at Fair Value through Other Comprehensive Income		
Investments in Equity Instruments (Quoted)		
60 (31st March 2019 : 60) Equity shares of ₹ 2/- each fully paid up in Siemens Ltd.	0.67	0.68
Investment measured at Fair Value through Profit and Loss Account		
Other Non- Current Investments (Unquoted)		
42 (31st March 2019 : 42) Shares of ₹ 5,000/- each in Yashwant Sahakari Sakhar Karkhana Ltd. #	-	-
(Refer Note 31 Point no. III of Other Notes to Accounts)		
TOTAL	**0.67**	**0.68**
Aggregate amount of quoted investments at cost	0.01	0.01
Market value of quoted investments	0.67	0.68
Aggregate amount of unquoted investments	-	-

Note 6 : Non-Current Assets - Other Financial Assets ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, Considered Good		
Security Deposit	158.30	136.09
TOTAL	**158.30**	**136.09**

Note 7 : Non-Current Assets - Other Non Financial Assets ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, Considered Good		
Capital Advances	0.25	43.93
Prepaid Expenses	4.17	-
TOTAL	**4.42**	**43.93**

Note 8 : Inventories ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Raw Materials	562.29	523.74
Work-in-Process	418.16	452.74
Finished Goods	799.41	585.86
Stock-in-Trade	329.21	503.47
Stores, Spares and Loose tools	134.08	152.53
TOTAL	**2,243.15**	**2,218.34**

Notes to Financial Statements for the year ended 31st March 2020

Note 8.1 :

Inventory is recognised, considering the nature of inventory, age, liquidation plan and net realisable value. Write down of inventories during the year amount to ₹ 100.48 lakhs (Previous year ₹ 30.36 lakhs). The effect of this write down was recognised in cost of materials consumed of ₹ 35.84 lakhs (Previous year ₹ 6.66 lakhs, changes in value of inventories of work-in-progress, stock-in-trade and finished goods of ₹ 63.48 lakhs (Previous year ₹ 23.50 lakhs) and stores and spares consumed of ₹ 1.16 lakhs (Previous year ₹ 0.20 lakhs) in the Statement of Profit and Loss.

Note 9 : Trade Receivables ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
a) Unsecured, considered Good		
Trade receivables	2,824.83	3,080.64
Less : Allowance for Doubtful Trade receivables	(0.74)	(11.85)
	2,824.09	3,068.79
b) Unsecured, considered Doubtful	88.27	157.52
Less : Allowance for Doubtful Trade receivables	(88.27)	(157.52)
	-	-
TOTAL	**2,824.09**	**3,068.79**

Note 9.1 : Movement in Allowance for Doubtful Trade receivables ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Balance as at the beginning of the year	169.37	110.91
Add : Allowances made during the year	17.09	86.35
Less : Allowances written back during the year	(97.45)	(27.89)
Balance as at the end of the year	89.01	169.37

Note 10 : Cash and Cash Equivalents ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with Banks	19.12	74.76
Cash on Hand	4.83	5.96
Other Bank Balances		
Bank Deposits	-	3.25
Margin Money Deposit	30.03	5.71
(Under Lien for Bank Guarantees issued by the Banks)		
Earmarked Balances with Bank		
In Current Account (Unpaid Dividend)	7.95	9.73
In Current Account (Fraction Coupon)	-	0.92
	37.98	19.61
TOTAL	**61.93**	**100.33**

Notes to Financial Statements for the year ended 31st March 2020

Note 11 : Current Assets - Other Financial Assets (Unsecured, considered Good) ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Interest Receivable	14.42	15.39
Export Incentive Receivable	33.00	24.70
Balance with excise, sales tax and other government authorities	202.31	89.28
Less : Provision for Doubtful Advances	-	(0.50)
	202.31	88.78
Other Receivables	130.02	127.10
TOTAL	**379.75**	**255.97**

Note 12 : Other Current Assets (Unsecured, considered Good) ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Advances to Employees	0.94	0.41
Advances to Suppliers	8.98	3.51
Prepaid Expenses	62.97	35.66
Other Advances	16.30	11.69
TOTAL	**89.19**	**51.27**

Note 13 : Equity Share Capital ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Authorised Capital		
2,77,67,500 (31st March 2019 : 2,77,67,500) Equity Shares of ₹ 10/- each	2,776.75	2,776.75
2,500 (31st March 2019 : 2,500) 5% Redeemable Cumulative "A" Preference Shares of ₹ 10/- each	0.25	0.25
7,80,000 (31st March 2019 : 7,80,000) 15% Non Convertible Redeemable Non Cumulative Preference Shares of ₹ 10/- each	78.00	78.00
1,00,00,000 (31st March 2019 : 1,00,00,000) Preference Shares of ₹ 10/- each	1,000.00	1,000.00
TOTAL	**3,855.00**	**3,855.00**
Issued , Subscribed and Paid up Capital		
16,64,548 (31st March 2019 : 16,64,548) Equity Shares of ₹ 10 /- each fully paid up	166.45	166.45
TOTAL	**166.45**	**166.45**

Notes to Financial Statements for the year ended 31st March 2020

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	As at 31.03.2020	As at 31.03.2019
16,64,548 Equity Shares at the beginning of the year	166.45	166.45
16,64,548 Equity Shares at the end of the year	**166.45**	**166.45**

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

Name of Equity Shareholders	No. of Shares Held	Percentage of Holding
Chandrali Investments Private Limited		
Current Year	**87,266**	**5.24%**
Previous year	87,266	5.24%
Delta Investments Limited		
Current Year	**1,45,509**	**8.74%**
Previous year	1,10,707	6.65%
Mr. Jagdish Thackersey		
Current Year	**2,05,613**	**12.35%**
Previous year	1,96,613	11.81%
Mr.Hiren Kara		
Current Year	**1,18,093**	**7.09%**
Previous year	1,15,966	6.97%
Mr. Raoul Thackersey		
Current Year	**96,692**	**5.81%**
Previous year	96,692	5.81%
Mr. Yogesh Uttamlal Mehta		
Current Year	**98,533**	**5.92%**
Previous year	83,929	5.04%

Notes to Financial Statements for the year ended 31st March 2020

Note 14 : Other Equity ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Capital Reserve	1,076.11	1,076.11
Capital Redemption Reserve	83.63	83.63
Securities Premium Account	587.78	587.78
Other Reserve		
General Reserve	6,447.61	6,447.61
Surplus		
Balance as at the beginning of the year	(3,550.09)	(2,369.26)
Less : Loss for the year	(610.94)	(1,180.83)
Balance in Surplus	(4,161.03)	(3,550.09)
Other Comprehensive Income		
Balance as at the beginning of the year	(36.86)	(44.78)
Add : Movement in OCI (net) during the year	10.81	7.92
Balance as at the end of the year	(26.05)	(36.86)
TOTAL	**4,008.05**	**4,608.18**

Note 15 : Non-Current Liabilities - Other Financial Liabilities ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Securuty Deposits	32.70	30.47
TOTAL	**32.70**	**30.47**

Note 16 : Non-Current Liabilities - Provisions ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Employees Benefits (Unfunded)		
Provision for Leave Salary	84.96	78.52
Provision for Gratuity	439.81	397.38
(Refer Note 31 Point no. IX of Other Notes to Accounts)		
TOTAL	**524.77**	**475.90**

Note 17 : Non-Current Liabilities - Deferred Tax Liabilities (Net) ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liabilities	-	4.57
Less: Deferred Tax Assets	-	(3.16)
TOTAL	-	**1.41**

Notes to Financial Statements for the year ended 31st March 2020

Note 17.1 : Movement in Deferred Tax Liabilities (net) ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	1.41	2.28
Recognised in Statement of Profit & Loss		
Fair value of adjustment of Financial Liabilities	(4.56)	0.24
Fair value of adjustment of Financial Assets	0.07	0.95
Fair value of adjustment of Investment	-	(3.90)
Expected Credit Losss	3.08	1.84
Closing Balance	**-**	**1.41**

Note 18 : Current Liabilities - Borrowings ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Secured		
Working Capital Loan from a Bank	908.64	960.44
TOTAL	**908.64**	**960.44**

Note 18. 1 : Details of terms and conditions of repayment and security provided for in respect of the Short- Term Borrowings as follows:

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

(b) Security :

Primary Security :

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

Collateral Security :

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

Note 19 : Trade Payables ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
i. Total outstanding dues of Micro Enterprises and Small Enterprises	285.37	46.47
ii. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises (Refer Note 31 Point no. V of Other Notes to Accounts)	2,051.37	2,176.74
TOTAL	**2,336.74**	**2,223.21**

Notes to Financial Statements for the year ended 31st March 2020

Note 20 : Other Financial Liabilities ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Current maturities of Long Term Borrowing (Refer Note 20.1)	-	257.95
Interest accrued and due on Borrowings	-	2.75
Unclaimed Dividend	7.95	9.73
Creditors for Capital Goods	13.52	-
Other Liabilities (including ₹ 43.65 lakhs (31st March 2019 : ₹ 1.63 lakhs) relating to MSMED vendors) (Refer Note 31 Point no. V of Other Notes to Accounts)	668.59	773.79
TOTAL	**690.06**	**1,044.22**

Note 20. 1 : Details of security provided for in respect of the Long - Term Borrowings as follows:

Primary Security :

(i) The 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 21 : Other Current Liabilities ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Advances from Customers	94.25	15.81
Statutory Dues	23.83	25.29
Employee Dues	52.76	43.78
TOTAL	**170.84**	**84.88**

Note 22 : Provisions ₹ in lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Provision For Employee Benefits (Unfunded)		
Provision for Leave Salary	9.71	10.31
Provision for Gratuity	20.00	26.62
(Refer Note 31 Point no. IX of Other Notes to Accounts)		
Provision for Bonus/ Ex Gratia	46.98	39.21
TOTAL	**76.69**	**76.14**

Notes to Financial Statements for the year ended 31st March 2020

Note 23 : Revenue from Operations ₹ in lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Sale of Products	13,721.12	15,969.87
Sale of Services	224.53	74.35
	13,945.65	**16,044.22**
Other Operating Revenues		
Export Incentives	91.87	84.07
Other Income	70.34	115.45
	162.21	**199.52**
TOTAL	**14,107.86**	**16,243.74**

Note 24 : Other Income ₹ in lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest Income	16.60	18.65
Dividend Income	0.01	0.01
Gain on Sale of Investments	-	20.76
Provision for Doubtful Debts / Advances no Longer Required Written Back	58.18	18.86
State Subsidy towards Interest	3.72	27.24
(Refer Note 31 Point no. VI of Other Notes to Accounts)		
Lease Income	97.57	21.57
Insurance Claim Received	3.84	68.82
Profit on sale of Property, plant and equipments (Net)	0.62	0.25
Sundry Credit Balances Written back	15.08	31.66
Excess provision of earlier year no longer required written back	1.00	2.01
Miscellaneous Income	32.40	38.41
TOTAL	**229.02**	**248.24**

Note 25 : Cost of Materials Consumed ₹ in lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Opening Stock	523.74	864.51
Add : Purchase of Raw Materials	9,199.80	10,177.88
Less : Closing Stock	562.29	523.74
TOTAL	**9,161.25**	**10,518.65**

Notes to Financial Statements for the year ended 31st March 2020

Note 26 : Change in Inventories ₹ in lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Opening Stock		
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
Less : Closing stock		
Work-in-Process	418.15	452.74
Finished Goods	799.41	585.86
Traded Goods	329.21	503.46
	1,546.77	1,542.06
TOTAL	**(4.71)**	**(262.11)**

Note 27 : Employee Benefits Expenses ₹ in lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Salaries and Wages		
Salaries and Wages	1,308.95	1,273.76
Bonus / Ex Gratia	44.91	39.65
Leave Encashment	12.68	13.91
Contribution to Provident and other funds		
to Provident Fund	104.53	84.78
to Employee's State Insurance Corporation	21.36	24.68
to Labour Welfare Fund	0.22	0.27
to Superannuation Fund	2.78	2.75
Provision for Gratuity	58.97	57.26
Staff Welfare Expense	31.78	40.61
TOTAL	**1,586.18**	**1,537.67**

Note 28 : Finance Costs ₹ in lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest Expense	120.01	198.23
TOTAL	**120.01**	**198.23**

Notes to Financial Statements for the year ended 31st March 2020

Note 29 : Depreciation and Amortisation Expenses ₹ in lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
On Property, plant and equipments	581.80	852.44
On Investment in Property	5.90	5.89
TOTAL	**587.70**	**858.33**

Note 30 : Other Expenses ₹ in lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Consumption of Stores and Spares	559.16	603.23
Power and Fuel (Net of Subsidy ₹ 308.60 lakhs (P.Y. Nil) received from Government of Maharashtra)	1,215.55	1,551.45
Processing Charges	217.90	252.32
Rent	50.05	52.32
Rates and Taxes	11.32	13.79
Repairs to Buildings	-	0.72
Repairs to Machinery	38.12	39.72
Other Repairs	18.57	17.82
Insurance	39.87	35.83
Freight, Forwarding and Clearing Charges	47.77	55.94
Legal and Professional Fees	84.03	100.43
Auditors Remuneration	17.65	17.48
Directors Fees	8.00	12.70
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	17.09	46.59
Bad Debts	45.08	21.32
Irrecoverable Advances / Sundry Debit Balances written off	8.67	1.43
Miscellaneous Expenses	239.05	296.81
TOTAL	**2,617.88**	**3,154.25**
Auditors Remuneration:		
For Audit Fees	15.95	15.95
For Tax Audit	1.50	1.50
For Certification and Other Work	0.20	0.03
	17.65	**17.48**

Notes to Financial Statements for the year ended 31st March 2020

Note 31 : 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.	52.75	35.07
B	Other Commitments.	527.61	831.38

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 ₹ Nil lakhs (P.Y. ₹ 55.63 lakhs), Sales Tax ₹ 6.35 lakhs (P.Y ₹ 6.35 lakhs), Works Contract Tax ₹ 18.77 lakhs (P.Y. ₹ 18.77 lakhs) and others ₹ 1,677.66 lakhs (P.Y. ₹ 2,012.31 lakhs)	1,742.48	2,132.76
B	The Income-Tax demands in respect of earlier years under dispute are pending in appeal before higher authorities.	9.16	13.11
C	Demand for payment of Electricity Duty by Government of Maharashtra.	228.20	228.20
D	Concessional Custom duty on Machinery Imported	32.42	35.95
E	Bank Guarantees (P Y:- ₹ 5.71 lakhs being lien against Bank Guarantee of UCO Bank)	0.38	6.44

III. Investments:

The Investment of 42 Shares in Yeshwant Sahakari Sakhar Karkhana Ltd. (Society), are held in the names of two 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 had provided ₹ 63.98 lakhs in the Financial Statements for the year ended 31st March, 2017 as the sum payable to Caprihans in terms of the Arbitration Award dated 20th October, 2016. Thereafter, the said Caprihans challenged the said Arbitration Award before the Hon. High Court at Mumbai.

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

(a) the majority award rejecting Caprihans claim for cost of construction at ₹ 3,100 per sq. ft. is set aside;

(b) the liability of the Company to pay interest on the unpaid cost of construction is subject matter of fresh Arbitration;

(c) the cost of litigation claimed by the said Caprihans being discretionary, the decision of the Arbitrators rejecting the same is not required to be interfered.

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

Other Notes to Accounts (Contd.)

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

₹ in lakhs

Sr. No.	Particulars	As at 31.03.2020	As at 31.03.2019
A	Principal amount due and remaining unpaid	329.02	48.10
B	Interest due on above	3.02	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	5.76	0.66
F	Interest accrued and remaining unpaid	5.76	0.66
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. Interest Subsidy:

(a) Recognition of interest subsidy: Company has been recognising interest subsidy in terms of its eligibility under the New Textile Policy 2012 as Other Income from May 2014 to September 2019.

(b) Recovery of subsidy from Government: The aggregate revenue recognised by the Company for the period from October 2016 to 30th September 2019 and which is outstanding as on date aggregates to ₹ 127.33 lakhs is on account of government resolution with regards to release of interest subsidy which is awaited.

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

VII. Current Tax:

In view of losses for the year ended 31st March 2020, 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	(450.12)	(645.67)
(Loss) for the year after Tax (₹ in lakhs) from Discontinued Operations	(160.82)	(535.16)
Weighted Average number of Equity Shares	16,64,548	16,64,548
Basic and Diluted Earnings per Share (of ₹ 10/- each) from Continuing Operations	(27.04)	(38.79)
Basic and Diluted Earnings per Share (of ₹ 10/- each) from Discontinued Operations	(9.66)	(32.15)

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 benefit of employees:

(a) Contributions to Provident Fund for employees at the rate of 12% p.a. of basic salary (as per regulations), are made to registered Provident Fund administered by the government.

Other Notes to Accounts (Contd.)

(b) Contributions are made to Superannuation plan at the rate of 15% p.a. of basic salary, up to a maximum limit of ₹ 1 lakh p.a. per employee. The obligation of the Company is Limited to the amount contributed and it has no further contractual nor constructive obligation.

(c) The expenditure recognized during the year towards Provident Fund ₹ 104.61 lakhs (Previous year ₹ 85.34 lakhs) and Superannuation plan ₹ 2.77 lakhs (Previous year ₹ 2.75 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, 2020:

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	424.00	400.47
Interest cost	33.03	31.36
Current Service cost	25.94	25.90
Past Service cost	-	-
Benefits paid direct by the Employer	(12.33)	(25.85)
Actuarial (gain)/loss on obligations due to change in Financial Assumptions	(17.09)	1.89
Actuarial (gain)/loss on obligations due to Experience	6.27	(9.77)
Present value of Defined Benefit Obligation as at the end of the year	459.82	424.00

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	459.82	424.00
Fair value of Plan Assets at the end of the year	-	-
Difference	459.82	424.00
Amount Recognised in the Balance Sheet	459.82	424.00

B.3 Expense recognized during the period:

₹ in lakhs

Particulars	Current Year	Previous Year
Current service cost	25.94	25.90
Past service cost	-	-
Interest cost	33.02	31.36
Expenses Recognised in Statement of Profit and Loss	58.97	57.26

Other Notes to Accounts (Contd.)

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	(10.82)	(7.89)
Return on Plan Assets, Excluding Interest Income	-	-
Net Expense for the Period Recognised in OCI	(10.82)	(7.89)

B.5 Actuarial Assumptions:

Particulars	Current Year	Previous Year
Mortality Rate during Employment	Indian Assured Life Mortality(2006-08)	
Rate of Discounting	6.84%	7.79%
Rate of Salary escalation	0% for the next 1 year, 6% thereafter starting from Year 2	6.80%
Rate of Employee Turnover	2.00%	2.00%

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

B.6 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	31st March 2016	31st March 2017	31st March 2018	31st March 2019	31st March 2020
Present value of Obligation	294.85	356.51	400.47	423.99	459.82
Plan assets	0.24	-	-	-	-
Deficit / (Surplus)	294.61	356.51	400.47	423.99	459.82
Experience (gain) or loss on plan liabilities	6.52	(4.70)	48.11	(9.77)	6.27
Experience (gain) or loss on plan assets	0.02	0.27	-	-	-

Other Notes to Accounts (Contd.)

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 31st March	
2021	20.00
2022	14.15
2023	23.39
2024	23.19
2025	19.95
2026-2030	151.28
Thereafter	869.20

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**
Impact on defined benefit obligation)						
Current Year	**(46.61)**	**54.68**	**53.31**	**(42.44)**	**4.54**	**(5.09)**
Previous Year	(43.64)	51.44	50.10	(43.28)	4.91	(5.58)

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

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

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

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 recognized using the projected unit credit method and accordingly the long-term paid absence has been valued. The Liability towards leave encashment for the year ended 31st March, 2020 as per actuarial valuation is ₹ 94.66 lakhs (P.Y. ₹ 93.48 lakhs including liability aggregating to ₹ 4.65 lakhs in relation to employees who have resigned on or before 31st March, 2019, which is reflected under other financial liabilities pending full and final settlement of their account).

Other Notes to Accounts (Contd.)

X. Segment Reporting:

A. Primary Business Segment

(i) Statement of Profit and Loss

₹ in lakhs

Particulars	Textile	Engineering	Composite (Discontinued Operation)	Total
Segment Revenue	**12,951.95**	**1,155.91**	**-**	**14,107.86**
Previous Year	14,899.00	1,344.74	84.81	16,328.55
Segment Result	**(585.09)**	**117.24**	**(142.91)**	**(610.76)**
Previous Year	(703.61)	107.51	(543.00)	(1,139.10)
Unallocated Corporate (Expense)/Income (Net)				**121.38**
Previous Year				138.42
Operating Loss				**(489.38)**
Previous Year				(1,000.68)
Interest Expenses				**138.41**
Previous Year				201.29
Interest / Dividend Income				**15.44**
Previous Year				20.27
Loss Before Tax				**(612.35)**
Previous Year				(1,181.70)
Income Tax				**1.41**
Previous Year				0.87
Loss for the year				**(610.94)**
Previous Year				(1,180.83)

Note : Figures in bracket denotes Loss.

(ii) Balance Sheet

₹ in lakhs

Particulars	Textile	Engineering	Composite	Un allocable	Total
Assets					
Current Year	**7,262.12**	**1,134.06**	**140.05**	**378.71**	**8,914.94**
Previous Year	7,773.77	976.22	478.90	442.40	9,671.29
Liabilities					
Current Year	**2,574.09**	**540.29**	**1.74**	**715.68**	**3,831.80**
Previous Year	2,685.28	274.61	47.49	668.14	3,675.52
Capital Employed					
Current Year	**4,688.03**	**593.77**	**138.31**	**(336.97)**	**5,083.14**
Previous Year	5,088.49	701.61	431.41	(225.74)	5,995.77

Other Notes to Accounts (Contd.)

B. Secondary Segment: Geographical Segment

₹ in lakhs

Particulars	Total	India	Rest of World
Revenue attributable to location of customers	**14,107.86**	**11,624.16**	**2,483.70**
	16,328.55	14,010.36	2,318.19
Segment assets based on their location	**8,914.94**	**8,514.89**	**400.05**
	9,671.30	9,569.39	101.91
Addition to Fixed Assets	**70.45**	**70.45**	**-**
	64.74	64.74	-

XI. Related Party Information:

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

Associates/Enterprise/ Companies where control exists	Thackersey Moolji and Co. Sir Vithaldas D Thackersey Chartiable Trust Chandrali Investment Private Limited
Key Management Personnel (KMP)	Mr. Chandrahas Thackersey – Non-Executive Director Mr. Rajiv Ranjan – Executive Director & CEO Mr. P. D .Vora— Independent Director (w.e.f. 08.08.2018 to 29.03.2019) Mr. Khushaal Thackersey – Executive Director Mr. Prem Malik - Non-Independent Non-Executive Director (up to 12.02.2019) Mr. Bhavesh V Panjuani – Independent Director Mr. Amol Vora (w.e.f –17.05.2019) Mr. Ashok N Desai- Independent Director Mr. Krishnadas D Vora – Independent Director (up to 08.08.2018) Mr. Raoul S Thackersey – Non-Executive Director (upto 28.09.2019) Mr. Sujal A Shah – Independent Director Mrs. Vishwadhara Dahanukar – Independent Director (up to 09.08.2018) Mrs. Maitreyee N Agbotawala – Independent Director (w.e.f 01.11.2018 to 06.02.2020) Ms. Shraddha Shettigar – Chief Financial Officer (w.e.f. 25.04.2018) Mr. Jagat Reshamwala – Company Secretary (up to 30.11.2018) Mr. Rajesh Singh – Company Secretary (w.e.f. 21.01.2019 to 06.08.2019) Mr. Kaushik Kapasi – Company Secretary (w.e.f -07.08.2019)
Relative of KMP	Mrs. Leena Thackersey

Other Notes to Accounts (Contd.)

B. Transactions with Related Parties:

₹ in lakhs

Sr. No.	Nature of Transactions	Current Year	Previous Year
1	**Rent and Maintenance charges paid**		
	Thackersey Moolji and Co.	38.61	38.61
	Sir Vithaldas D Thackersey Charitable Trust	2.42	2.10
2	**Managerial Remuneration**		
	Mr. Khushaal Thackersey	23.56	23.56
	Mr. Rajiv Ranjan	46.17	45.71
3	**Salary Paid to**		
	Mr. Jagat Reshamwala	-	22.53
	Mr. Kaushik Kapasi	14.22	-
	Mr. Rajesh Singh	3.22	1.58
	Mrs. Sharddha Shettigar	16.84	16.21
4	**Sales to Executive Directors and Related Party**		
	Mr. Khushaal Thackersey	-	0.09
	Mrs. Leena Thackersey	0.02	-
	Chandrali Investment Private Limited	-	37.46
5	**Directors Sitting Fees**		
	Mr. Prem Malik	-	0.75
	Mr. Chandrahas Thakcersey	1.50	1.85
	Mr. Raoul S Thackersey	0.50	0.75
	Mr. Krishnadas D Vora	-	0.90
	Mr. Amol P. Vora	0.75	-
	Mr. P. D .Vora	-	0.85
	Mr. Sujal A Shah	1.70	2.25
	Mr. Bhavesh V Panjuani	1.70	2.25
	Mrs. Vishwadhara Dahanukar	-	0.75
	Mrs. Maitreyee N Agbotawala	0.50	0.60
	Mr. Ashok N Desai	1.35	1.75
6	**Interest Paid**		
	Sir Vithaldas D Thackersey Charitable Trust	-	14.89
7	**Consultancy Fees Paid**		
	Mr. Prem Malik	-	21.00
8	**Balances as on 31.03.2020**		
	Rent and Maintenance Charges		
	Thackersey Moolji & co	3.47	-
	Sir Vithaldas D Thackersey Charitable Trust	2.43	1.77

Notes:

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

b. The above figures are exclusive of GST wherever applicable.

Other Notes to Accounts (Contd.)

XII The balances relating to Sundry Debtors, Sundry Creditors and Loans and Advances as on 31st March, 2020 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.

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

XIV. Discontinued Operations.

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

i) The results of discontinued Operations are presented below:

₹ in lakhs

Particulars	Current Year	Previous Year
Revenue from Operations	-	84.81
Other Income (Include Interest Income ₹ 0.49 lakhs (P.Y. ₹ 1.61 lakhs), Provision for Doubtful Debts no longer required written back ₹ 39.76 lakhs (P.Y. ₹ 9.04 lakhs), Excess provision of earlier year no longer required written back ₹ Nil (P.Y. ₹ 0.20 lakhs) and sundry credit balance written back ₹. Nil (P.Y. ₹ 0.79 lakhs)	40.25	12.29
Total Income	**40.25**	**97.10**
Cost of Material Consumed	-	9.97
Purchase of Stock-in-Trade	-	71.51
Changes in Inventories of finished goods, Work-in-progress and Stock-in-Trade	-	16.38
Employee Benefits Expenses	0.08	14.96
Finance Costs	18.40	3.07
Depreciation and amortization expense	-	25.88
Impairment	143.96	356.51
Other Expenses (Includes Property, plant and equipment Written Off ₹ Nil (P.Y. ₹. 8.19 lakhs), Provision for Doubtful Debts ₹ Nil (P.Y. ₹ 39.77 lakhs), Bad Debts ₹ 13.97 lakhs (P.Y. ₹ 7.64 lakhs) , Loss on Sale of Property, Plant and Equipments ₹ Nil (P.Y. Rs. 5.42 lakhs))	38.63	132.60
Total Expenses	**201.07**	**630.88**
(Loss) before tax	**(160.82)**	**(533.78)**
Tax (expense)	-	(1.38)
(Loss) for the year from a discontinued operation	**(160.82)**	**(535.16)**

ii) Assets held for sale :

₹ in lakhs

Particular	Current Year	Previous Year
Net Block	458.60	815.11
Less : Impairment	143.96	356.51
Less : Asset sold	42.51	-
Less : Asset transferred to Fixed Assets	138.66	-
Assets held for Sale	133.47	458.60

Other Notes to Accounts (Contd.)

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

₹ in lakhs

Particular	Current Year	Previous Year
Operating	(44.64)	(136.33)
Investing	184.78	107.72
Financing	(150.82)	(3.07)
Net Cash(outflow)/Inflow	(10.68)	(31.68)

iv) The Board of Directors at their meeting held on 5th June 2018 had decided to discontinue the operations of Composite Division effective from 30th June, 2018. Barring unforeseen circumstances, the Management expects to complete the transaction of sale of the assets of the said Division either in whole or substantially the whole or in parts as approved by shareholders. In the meantime, the assets of the said Division as on 31st March 2019 having an aggregate written down value of ₹ 458.60 lakhs have been reclassified as "Assets Held for Sale" valued at their respective written down values or net realizable values whichever are lower. During the quarter ended 30th June 2019, fixed assets aggregating to ₹ 42.51 lakhs were sold and Management obtained a fresh valuation report of ₹ 272.13 lakhs for remaining assets and accordingly recognized further impairment loss of ₹ 143.96 lakhs for the quarter ended 30th June 2019.

Since the markets are seeing a resurgence in the demand for Technical Textiles products, the Company is planning to develop new products in specialty chemicals, technical textiles and ancillary products for which Company requires the machinery of Composite division. Accordingly, the Company has transferred the machinery of Composite division having a Net block of ₹ 138.66 lakhs on 31st March, 2020 from "Assets Held for Sale" to "Property, Plant and Equipment".

Despite best efforts, the company has not been able to finalize the deal for remaining assets of ₹ 133.47 lakhs and hence it continues to reflect the same as "Assets Held for Sale".

XV. Financial Risk Management

Financial risk management objectives and policies

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

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.

Other Notes to Accounts (Contd.)

Exposure to interest rate risk

₹ in lakhs

Particulars	Current Year	Previous Year
Total Borrowings	908.64	1,218.39
% 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	4.54	6.09
50 bps decrease would increase the profit before tax by	(4.54)	(6.09)

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, 2020

₹ in lakhs

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

(b) Particulars of unhedged foreign currency exposures

₹ in lakhs

Particulars	Current Year			Previous Year		
	Amount	5% Increase	5% Decrease	Amount	5% Increase	5% Decrease
Import of Goods and Services						
Raw Material	117.51	(5.88)	5.88	173.57	(8.68)	8.68
Stores, Spares and Components	71.05	(3.55)	3.55	63.31	(3.17)	3.17
Commission on exports to agent	45.29	(2.26)	2.26	41.03	(2.05)	2.05
Export of Goods						
FOB Value of Export Sales	2,426.13	121.31	(121.31)	2,294.40	114.75	(114.75)

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.

Other Notes to Accounts (Contd.)

D. Liquidity Risk

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash 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 requirement for a short-term cash crunch on account of extended credit availed by customer. 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 31st March, 2020	Note No.	Carrying Amount	Less than 12 Months	More than 12 Months
Other Non-current financial liabilities	15	32.70	-	32.70
Borrowings	18	908.64	908.64	-
Trade payables	19	2,336.74	2,336.74	-
Other financial liabilities	20	690.06	690.06	-

₹ in lakhs

As At 31st March, 2019	Note No.	Carrying Amount	Less than 12 Months	More than 12 Months
Other Non-current financial liabilities	15	30.47	-	30.47
Borrowings	18 & 20	1,218.39	1,218.39	-
Trade payables	19	2,223.21	2,223.21	-
Other Financial Liabilities	20	786.27	786.27	-

XVI. Capital risk management

Risk Management

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

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

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

XVII. Financial Instrument:

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability, and equity instrument are disclosed in note 2.13 of the Ind AS financial statement.

Other Notes to Accounts (Contd.)

(a) Financial assets and liabilities

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

₹ in lakhs

Particulars	Note No	Fair Value through Profit / Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
Financial Assets					
Non Current					
Investment	5	-	0.67		0.67
Other Financial Assets	6	-		158.30	158.30
Current					
Trade Receivable	9	-		2,824.09	2,824.09
Cash and cash equivalents	10	-		61.93	61.93
Other Financial Assets	11	-		379.75	379.75
Total		**-**	**0.67**	**3,424.07**	**3,424.74**

₹ in lakhs

Particulars	Note No	Fair Value through Profit / Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
Financial Liabilities					
Non Current					
Other Non-current financial liabilities	15	-	-	32.70	32.70
Current					
Borrowings	18	-	-	908.64	908.64
Trade payables	19	-	-	2,336.74	2,336.74
Other Financial liabilities	20	-	-	690.06	722.10
Total		**-**	**-**	**3,968.14**	**3,968.14**

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
Financial Assets					
Non Current					
Investment	5	-	0.68	-	0.68
Other Financial Assets	6	-	-	136.09	136.09
Current					
Trade Receivable	9	-	-	3,068.79	3,068.79
Cash and cash equivalent	10	-	-	100.33	100.33
Other Financial Assets	11	-	-	255.97	255.97
Total		**-**	**0.68**	**3,561.18**	**3,561.86**

Other Notes to Accounts (Contd.)

₹ in lakhs

Particulars	Note No	Fair Value through Profit / Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
Financial Liabilities					
Non Current					
Other Non-current financial liabilities	15	-	-	30.47	30.47
Current					
Borrowings	18	-	-	1,218.39	1,218.39
Trade payables	19	-	-	2,223.21	2,223.21
Other Financial liabilities	20	-	-	786.27	786.27
Total		**-**	**-**	**4,258.34**	**4,258.34**

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade payable as at 31st March, 2020, and 31st March, 2019 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 is determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

₹ in lakhs

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

Other Notes to Accounts (Contd.)

₹ in lakhs

As at 31st March, 2019	Level 1	Level 2	Level 3	Total
Financial Assets :				
Investment measured at Fair Value through Other Comprehensive Income				
Investments in Quoted Equity Shares	0.68	-	-	0.68
Security Deposits	-	-	136.09	136.09
Total	**0.68**	**-**	**136.09**	**136.77**
Financial Liability :				
Borrowing from a Bank	-	-	1,218.39	1,218.39
Security Deposits	-	-	30.47	30.47
Total	**-**	**-**	**1,248.86**	**1,248.86**

XVIII. The Memorandum of Settlement between Hindoostan Mills Limited and the Karad Taluka Girani Kamagar Sangh, Karad (Sangh) expired on 31st December,2019. The "Charter of Demands" has been submitted by the union to the Management. The negotiations between the Management and the Sangh are in progress and accordingly, the Company has made a provision on an estimated basis which will be adjusted in the year in which negotiations are concluded.

XIX. The Covid-19 pandemic has had a major impact on businesses across the world and the Company too has been affected by it.

As a result of the lockdown, which was implemented from March 22, 2020, the Company lost sizeable export, and domestic sales during the month which has adversely affected the financial performance of the quarter and year ended March 31,2020.

The Company started partial operations with reduced capacity on 9th May 2020 and gradually scaled up the operations to about 30% capacity despite the difficulty in availability of manpower. The Company has taken precautionary measures to safeguard health and safety of employees coming to work. It has also permitted work from home to staff.

Lower consumption and demand in the first quarter of 2020-21 have driven both the raw material and greige fabric prices down by about 10% each. After a dull month in April, while the export sales have picked up from May, the domestic sales continue to be very low. Lower production and sales are expected to negatively impact the revenues and profitability of the Company for Q1 and the entire year 2020-21. Non-fulfillment of existing contracts/agreements by any party will not have significant impact on the business of the Company.

While the Company is comfortable on capital and financial resources front, there are delays in receivable collection from buyers as they are extending payment terms. There may be a short-term liquidity crunch due to disturbed Operations of the company.

XX. The Company's financial statements are authorized for issue in accordance with a resolution of the Board of Directors on 14th July, 2020 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 "31

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 : July 14, 2020

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

Kaushik Kapasi
Company Secretary

NOTES

If undelivered, please return to :

HINDOOSTAN MILLS LIMITED,

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