



**HINDOOSTAN**  
**MILLS LIMITED**

**111<sup>th</sup>**  
**Annual Report**  
**2014 -2015**

A THACKERSEY GROUP COMPANY





## HINDOOSTAN MILLS LIMITED

SUDHIR THACKERSEY  
*Chairman Emeritus*

### BOARD OF DIRECTORS

RAOUL THACKERSEY  
*Chairman*

CHANDRAHAS THACKERSEY  
*Vice Chairman*

HRISHIKESH THACKERSEY  
*Executive Director*

ABHIMANYU THACKERSEY  
*Executive Director*

KRISHNADAS D. VORA

NARESH R. KARA

R. N. BANSAL

P. B. DESAI

SUJAL A. SHAH

BHAVESH V. PANJUANI

NITIN P. SHINGALA

VISHWADHARA DAHANUKAR

**CHIEF FINANCIAL OFFICER**  
HEENA SHAH

**COMPANY SECRETARY**  
DEVANAND P. MOJIDRA

**SOLICITORS**  
1)MULLA & MULLA AND  
CRAIGIE BLUNT & CAROE  
2)HARIANI & CO.

**AUDITORS**  
M. A. PARIKH & CO.,  
Chartered Accountants

**BANKERS**  
HDFC BANK LTD.  
AXIS BANK LTD.

<b>CONTENTS</b>	<b>PAGE NO.</b>
Notice .....	2
Directors' Report .....	11
Corporate Governance Report.....	15
Management Discussion and Analysis .....	40
Auditors' Report.....	44
Balance Sheet.....	48
Statement of Profit & Loss .....	49
Cash Flow Statement.....	50
Notes "1" to "27" .....	52
Proxy Form .....	77

**111<sup>TH</sup> ANNUAL GENERAL MEETING ON TUESDAY, AUGUST 11, 2015 AT 11.00 A.M. AT SIR VITHALDAS CHAMBERS, 6<sup>TH</sup> FLOOR, 16, MUMBAI SAMACHAR MARG, MUMBAI – 400 001.**

**Shareholders are requested to bring their copies of the Annual Report along with them at the Annual General Meeting.**

**Registered Office:**  
Sir Vithaldas Chambers,  
16, Mumbai Samachar Marg,  
Mumbai – 400 001.  
CIN: L17121MH1904PLC000195

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

## NOTICE

Notice is hereby given that the 111<sup>th</sup> Annual General Meeting (AGM) of the Members of Hindoostan Mills Limited will be held on Tuesday, August 11, 2015 at 11.00 a.m. at "Sir Vithaldas Chambers", 6<sup>th</sup> Floor, 16, Mumbai Samachar Marg, Fort, Mumbai- 400 001 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2015 and Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Abhimanyu Thackersey (DIN: 00349682) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To appoint a Director in place of Mr. Chandrahas Thackersey (DIN: 00060108) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
5. To ratify the appointment of M/s. M.A. Parikh & Co., Chartered Accountants as Auditors of the Company for the Financial Year 2015-16 and to fix their remuneration.

**“RESOLVED THAT**, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on December 12, 2014, the appointment of M. A. Parikh & Co., Chartered Accountants (Registration No. 107556W) as the auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2019 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration and reimbursement of actual out of pocket expenses incurred by them for the purpose of audit for the financial year ending March 31, 2016.”

### SPECIAL BUSINESS:

6. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

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

thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and such other approvals as may be necessary under the provisions of the said Act, the Company hereby accords its approval to the re-appointment of and payment of remuneration to Mr. Hrishikesh Thackersey (DIN: 00349752) as the Whole-time Director of the Company designated as “Executive Director” of the Company, for a further period of 5 years with effect from April 1, 2015 to March 31, 2020.

- (i) Period of appointment: 5 years from April 1, 2015 to March 31, 2020.
- (ii) Duties and powers: Mr. Hrishikesh Thackersey shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him subject to superintendence, control and direction of the Board of Directors of the Company.
- (iii) Remuneration: The remuneration to Mr. Hrishikesh Thackersey during his tenure as an Executive Director of the Company is as follows:

#### A. Salary:

Salary of ₹1,20,000/- per month, in the scale of ₹40,000 - ₹2,80,000 per month, with liberty to the Board of Directors to grant such increments as it may in its absolute discretion deem fit and as may be recommended by Nomination & Remuneration Committee within the limits specified under Schedule V to the Companies Act, 2013.

#### B. Perquisites:

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

- b) Company's contribution to Provident Fund and Superannuation Fund shall not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act as applicable from time to time. Gratuity payable shall not exceed half a month's salary for each completed year of service and shall not be included in the computation for the ceiling on remuneration.
- c) Car facility primarily for the purpose of the business of the Company.
- C. In the event of loss or inadequate profits during the currency of his tenure, the Executive Director shall be paid such remuneration by way of salary and perquisites as may be determined by the Board of Directors on recommendation of the Nomination & Remuneration Committee, subject to the ceiling as specified in Para (A) of Section II of Part II of Schedule V to the Companies Act, 2013 (as amended from time to time).
- (iv) **Other conditions:**
- a) Mr. Hrishikesh Thackersey shall be liable to retire by rotation as a Director.
- b) Mr. Hrishikesh Thackersey shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.
- c) Mr. Hrishikesh Thackersey shall be reimbursed all expenses actually and properly incurred by him for the business of the Company.
- d) The appointment may be terminated by either the Company or Mr. Hrishikesh Thackersey by giving three months' written notice."
- RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
7. To consider and if thought fit, to pass 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 and the Companies (Audit and Auditors) Rules, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such guidelines and approval as may be required from the Central Government, the Cost Auditors, appointed by the Board of Directors of the Company viz. M/s. Anant Ashok Katyare & Co., Cost Accountants (Regd. No. 31470) C-IV-6 & 7, Sterling Towers, Shahupuri, Kolhapur, Maharashtra - 416 001 to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 be paid a remuneration of ₹1,05,000/- (Rupees One lakh five thousand Only) plus Service Tax as applicable.
- RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
- By Order of the Board of Directors
- DEVANAND MOJIDRA**  
Company Secretary
- May 5, 2015  
Registered Office:  
Sir Vithaldas Chambers,  
16, Mumbai Samachar Marg,  
Mumbai - 400 001.  
CIN: L17121MH1904PLC000195  
email: complaint@hindoostan.com

**NOTES:**

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

**A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. Corporate members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. As per the requirement of Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, a statement containing details of the concerned Directors is provided herewith as annexure. The Directors have furnished the requisite declarations for their appointment/re-appointment.
4. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 6 & 7 of the accompanying Notice are annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
8.
  - (a) The Company has notified closure of Register of Members and Share Transfer Books from August 3, 2015 to August 11, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
  - (b) The dividend on Equity Shares, if declared at the Meeting, will be paid on or after August 12, 2015 to those members whose names shall appear on the Company’s Register of Members on August 1, 2015; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
  - (c) To all Members in respect of shares held in physical form, after giving effect to valid transfer in respect of transfer requests lodged with the Company on or before the close of business hours on August 1, 2015.
9. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Computech Sharecap Ltd., 147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Mumbai - 400 023 (“Computech”) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ Computech.
11. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified) the Company has transferred the unpaid or unclaimed dividends for the financial year 2006-07 on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed

amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on December 12, 2014 on the website of the Company ([www.hindoostan.com](http://www.hindoostan.com)), as also on the website of the Ministry of Corporate Affairs.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Computech.
13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Computech, for consolidation into a single folio.
15. Non-Resident Indian Members are requested to inform Computech, immediately of:
  - (a) Change in their residential status on return to India for permanent settlement.
  - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
16. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, companies can serve Annual Report and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in physical form, who have not registered their email address with the Company, are requested to submit their request with their valid email address to the Registrar and Share Transfer Agents of the Company. Members holding shares in demat form are requested to register/update their email address with their Depository Participant directly. Members of the Company, who have registered their email address, are entitled to receive such communication in physical form upon request.

Accordingly, electronic copy of the Annual Report for the financial year 2014-15 and Notice of the 111th Annual General Meeting of the Company inter-alia indicating the

process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email address are registered with the Company/ Depository for communication purposes unless any Member has requested for a hard copy of the same. Even after registering for e-communication, Members are entitled to receive the same in physical form, upon making a request in this regard, by post at free of cost. For this purpose, the Members may also send requests to the designated email address i.e. [complaint@hindoostan.com](mailto:complaint@hindoostan.com).

For Members who have not registered their email address with the Company/Depository, the physical copy of the Annual Report for the financial year 2014-15 and Notice of the 111th Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through the permitted mode.

17. Members may also note that the Annual Report for the financial year 2014-15 and the Notice of the 111<sup>th</sup> Annual General Meeting will also be available on the Company's website i.e. [www.hindoostan.com](http://www.hindoostan.com).

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

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

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

- (i) The voting period begins on Friday, August 7, 2015 at 9.00 a.m. and ends on Monday, August 10, 2015 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, August 5, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (iv) Click on “Shareholders”.
- (v) Now Enter your User ID
- For CDSL : 16 digits beneficiary ID
  - For NSDL : 8 Character DP ID followed by 8 Digits Client ID
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the password provided on the attendance slip.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant “Hindustan Mills Ltd.” on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the Resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non - Individual Shareholders and Custodians
- Non - Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to helpdesk.evoting@cdslindia.com.
19. The voting rights of the Members for the purpose of e-voting shall be reckoned in proportion to the paid-up value of the equity shares registered in their name as on Wednesday, August 5, 2015.
  20. Mr. Narayan Parekh, Partner of M/s. PRS Associates, Practicing Company Secretary has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  21. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  22. 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.
  23. The Results declared along with the Scrutinizer’s report shall be placed on the Company’s website i.e. [www.hindoostan.com](http://www.hindoostan.com) and on the website of CDSL within two (2) days of passing of the resolutions at the Annual General Meeting of the Company. The Results will also be communicated to the Stock Exchanges where the shares of the Company are listed.

## ANNEXURE TO THE NOTICE

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

#### Item No.6

The Nomination and Remuneration Committee at its meeting held on November 6, 2014 and the Board at its meeting held on February 11, 2015 had, subject to the Members’ approval and according to the provisions of the Articles of Association of the Company re-appointed Mr Hrishikesh Thackersey (DIN: 00349752) as the Whole-time Director designated as Executive Director of the Company for a further period of 5 (five) years with effect from April 1, 2015 to March 31, 2020 on the remuneration and terms and conditions of the employment recommended by the Nomination and Remuneration Committee of the Board.

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

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

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

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

None of the Directors, Key Managerial Personnel of the Company and their respective relatives is in any way concerned or interested in the said Resolutions, except for Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey, in Resolution at Item No. 6 of the Notice to the extent of their shareholding interest in the Company.

**THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT.**

**I. General Information:**

- (1) Nature of industry: The Company is mainly engaged in Textile Business, which includes manufacturing of Greige fabrics and fine fabrics. The Company also owned a Calendar Roll manufacturing facility. It has set-up Technical Textile manufacturing and moving towards manufacturing of Composite Reinforcement Fabrics.
- (2) Date or expected date of commencement of commercial production: The Company was incorporated on May 12, 1904 and is in business since then.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- (4) **Financial performance based on given indicators-**  
As per audited financial results for the accounting year ended March 31, 2015

Particulars	(₹in lakhs)
Revenue from Operations	15,378.40
Net (Loss) as per statement of Profit and Loss	(688.59)
Reserves and Surplus	8,510.90

- (5) Export performance and net foreign exchange collaborations, Foreign Exchange Earnings for the financial year ended March 31, 2015 was: ₹2676.23 lakhs.
- (6) Foreign investments or collaborators, if any: Nil

**II. Information about the appointees - Mr. Hrishikesh Thackersey:**

- (1) Background details  
Mr. Hrishikesh Thackersey, aged 36 is an M.B.A. from the University of Chicago, and has been associated with the Company for past 14 years. Earlier he was an “Executive Director” of The Hindoostan Spinning and Weaving Mills Limited and previous to that he was designated as an “Executive Thackersey Group”. Besides, he has vast experience in strategy, project analysis, financial instruments and investments.

- (2) Past remuneration for the Financial Year 2014-15: Mr. Hrishikesh Thackersey has drawn ₹18.77 lakhs.
- (3) Recognition or awards: Nil
- (4) Job profile and suitability:-

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

The Board of Directors considers that services and extensive experience of Mr. Hrishikesh Thackersey will be useful and beneficial to the Company in its overall development and growth.

- (5) Remuneration proposed Mr. Hrishikesh Thackersey:-  
As stated in the proposed resolution
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).

Taking into consideration the size of the Company, the profile of Mr. Hrishikesh Thackersey, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration package paid to similar top/senior level appointees in other companies.

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

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

**III. Other information:**

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

As at March 31, 2015 the Company has incurred a loss of ₹688.59 lakhs and in the coming and subsequent years, though it is likely that owing to the nature of the industry,

there may be inadequate profits, the Company shall take effective steps for improvement of output and profit.

This may be treated as an abstract of the terms of appointment and remuneration payable to Mr. Hrishikesh Thackersey with effect from April 1, 2015.

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

**Item No. 7**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s. Anant Ashok Katyare & Co., Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 at a remuneration of ₹1,05,000/- plus Service Tax as applicable.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for

ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2016.

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

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

By Order of the Board of Directors

**DEVANAND MOJIDRA**  
Company Secretary

May 5, 2015

Registered Office:

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

CIN: L17121MH1904PLC000195

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

As required in terms of Clause 49 of the Listing Agreement, details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are as follows:

<b>Name of the Director</b>	<b>Abhimanyu Thackersey</b>	<b>Chandrasah Thackersey</b>	<b>Hrishikesh Thackersey</b>
Date of Birth	13.08.1982	18.10.1948	20.11.1978
Date of appointment	09.05.2011	09.02.1994	23.07.2009
Qualifications	B.A. in Economics	B.Com.	M.B.A
Expertise in specific functional areas	Experience in textile industry and rich experience in commercial aspects of production, marketing, finance and accounts.	Experience in textile industry and realty industry	Experience in strategy, project analysis, financial instruments and investments.
List of Directorship held*	---	- Delta Investments Ltd. - Bhishma Realty Ltd. - Capricon Realty Ltd.	---
Chairman / Member of the Committees of the Board of the Companies on which he is a Director**	Nil	Nil	Nil
Number of equity shares held in the Company	34,573 Equity Shares	71,184 Equity Shares	26,621 Equity Shares
Relationship between directors inter-se	Brother of Mr. Hrishikesh Thackersey	N.A	Brother of Mr. Abhimanyu Thackersey

\* Excludes Private Limited Companies.

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

**DIRECTORS' REPORT**

TO  
THE MEMBERS OF HINDOOSTAN MILLS LIMITED,

Your Directors have pleasure in presenting the 111<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended March 31, 2015.

(₹ in lakhs)

<b>SUMMARISED FINANCIAL RESULTS</b>	<b>Current Year Ended 31.03.2015</b>	<b>Previous Year Ended 31.03.2014</b>
Gross Profit before Interest, Depreciation and Tax	<b>476.36</b>	1,154.69
<i>Less:</i> Finance Cost	<b>195.07</b>	14.22
Gross Profit after interest but before Depreciation	<b>281.29</b>	1,140.47
<i>Less:</i> Depreciation	<b>1011.38</b>	650.14
Profit before Exceptional and Extraordinary Items and Tax	<b>(730.09)</b>	490.33
<i>Add:</i> Exceptional Items	<b>41.50</b>	27.52
Profit/(Loss) before Taxation	<b>(688.59)</b>	517.85
<i>Less:</i> Provision for Taxation	--	105.50
<i>Less:</i> (Excess) / Short Provision of Tax of earlier year	--	(7.17)
Deferred Tax	--	24.60
Profit after Tax	<b>(688.59)</b>	394.92
Balance brought forward from last year	<b>684.35</b>	716.26
<i>Add:</i> (Loss) Transferred on amalgamation	--	(186.68)
<i>Add:</i> Transfer from General Reserve	87.10	--
Amount available for appropriation	<b>82.86</b>	924.50
<i>Less:</i> Proposed Dividend	<b>66.58</b>	166.45
<i>Less:</i> Tax on proposed Dividend	<b>13.32</b>	34.20
Balance carried to Balance Sheet	<b>2.96</b>	684.35

**REVIEW OF OPERATIONS:**

The revenue from operations of the Company for the financial year 2014-15 is ₹15,378.40 lakhs. The Loss before tax is ₹688.59 lakhs. The performance and overall view of the Textile, Engineering and Composite business has been covered in the Management Discussion and Analysis which forms part of this Directors' Report.

**DIVIDEND:**

Your Directors are pleased to recommend a dividend of ₹4/- per equity share (last year ₹10/- per equity share) for the financial year ended March 31, 2015, amounting to ₹79.90 lakhs (inclusive of dividend tax). The dividend payout is subject to approval of the members at the ensuing Annual General Meeting.



## **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, 2015.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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

## **DIRECTORS:**

All the Independent Directors have given declarations that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange.

The Board of Directors had on the recommendation of the Nomination & Remuneration Committee reappointed Mr. Hrishikesh Thackersey as Whole-time Director of the Company designated as “Executive Director” for a term of 5(Five) years with effect from April 1, 2015 upto March 31, 2020.

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

Brief profiles of the Directors, proposed to be re-appointed as required under clause 49 of the Listing Agreement are part of the Notice convening the Annual General Meeting.

### **(a) Board Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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, Nomination & Remuneration Committees.

### **(b) Remuneration Policy:**

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

### **(c) Meetings:**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year four Board

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

## **DIRECTORS’ RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by the Directors, in terms of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) 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) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had 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 under review .

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

Your Company has, during the year under review, transferred a sum of ₹15,030/- to Investor Education and Protection Fund, in compliance with the provisions of Section 205C of the Companies Act, 1956. The said remained unclaimed by the members of the Company for a period exceeding 7 years from its due date of payment.

**RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

**CASH FLOW STATEMENT:**

In conformity with the Accounting Standard 3 issued by the Institute of Chartered Accountants of India and the provisions of Clause 32 of the Listing Agreement with the BSE Limited, the Cash Flow Statement for the year ended March 31, 2015 is annexed to the accounts.

**PARTICULARS OF EMPLOYEES:**

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

The information required pursuant to Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year, will be made available for inspection at its Registered Office of the Company during the working hours for a period of twenty one (21) days before the date of Annual General Meeting of the company pursuant to Section 136 of the Companies Act, 2013 and members, if any interested in obtaining the details thereof, shall make specific request to the Company Secretary and Compliance Officer of the Company in this regard.

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

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

**Foreign Exchange Earnings & Outgo**

(₹ in lakhs)

Particulars	31.03.2015	31.03.2014
Foreign exchange earned	2676.23	2859.56
Foreign exchange used	3089.35	484.26

**CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with the BSE Limited, a separate report on Corporate Governance is enclosed herewith as **Annexure - I**, together with a certificate from the Company's Auditors confirming compliance of conditions on Corporate Governance.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure - II**.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken projects in the areas of Education and Vocational training /skills development. These projects are largely in accordance with Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities is annexed herewith as **Annexure -III**.

**RISK MANAGEMENT:**

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management



Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

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

There are no significant material orders 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. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

## **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 posted on the website of the Company.

## **AUDITORS:**

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

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

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations and comments appearing

in the Auditors' Report are self-explanatory and do not call for any further explanation/clarification by the Board.

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

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors on the recommendation of the Audit Committee, re-appointed M/s. Anant Ashok Katyare, Cost Accountants as Cost Auditors of the Company for the financial year 2015-16 on a remuneration of ₹1,05,000/- (Rupees One Lakh Five Thousand Only) plus service tax as applicable for the said financial year and requested the Members to ratify the remuneration as recommended above.

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

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company 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-IV**.

## **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.

## **APPRECIATION:**

Your Directors place on record their appreciation for the continued support and valuable co-operation extended to the Company by Shareholders, Bankers and other Stakeholders during the year under review. The Board also thanks the employees for their dedicated and sincere services at all levels of operations of the Company.

For and on behalf of the Board of Directors,

**RAOUL THACKERSEY**  
Chairman

Place: Mumbai  
Date: May 5, 2015



## ANNEXURE – I

## CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with the Stock Exchange the Corporate Governance Report is as under:

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

Your Company is committed towards compliance with the requirements of high standards of Corporate Governance Code. Your Company believes in conducting its business in fair and equitable manner in all respects with its stakeholders viz. shareholders, Government Departments, Banks, Consumers, 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. Your Company had started implementing the spirit of Corporate Governance even when it was not applicable to the Company. The following are the detailed practices on Corporate Governance in your Company.

**2.1 Board of Directors:**

- (i) The Company's Board of Directors comprises of 12 Directors including 7 Independent Directors as on March 31, 2015. All the Independent Directors on the Board are eminent professionals, having wide range of skills and experience in business, industry, finance, law and public enterprises. The Non-Executive Chairman of the Company is the Promoter and the number of Non Executive Directors is more than half of the total number of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.
- (ii) The composition of Board of Directors during the year, their names and the category of position held, number of Directorships and Committee positions held by them and the details of attendance of each Director at the Board Meetings and Annual General Meeting (AGM) are given below as under:

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

\* Excludes Private Limited Companies.

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

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

During the year under review, four Board Meetings were held, the dates being May 3, 2014, August 11, 2014, November 06, 2014 and February 11, 2015. The gap between two consecutive meetings does not exceed one hundred and twenty days.

The last Annual General Meeting was held on December 12, 2014.

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

As prescribed under Clause 49, table given below shows the Shareholding of the Non-Executive Directors in the Company as on 31.3.2015:

Sr. No.	Name of Directors	Category	No. of Shares held
1	Mr. Raoul Thackersey	Promoter	1,04,690
2	Mr. Chandrahas Thackersey	Promoter	71,184
3	Mr. K.D. Vora	Independent	100
4	Mr. N.R. Kara	Non-Independent	Nil
5	Mr. R.N. Bansal	Independent	Nil
6	Mr. P.B. Desai	Independent	Nil
7	Mr. Sujal A. Shah	Independent	Nil
8	Mr. Bhavesh V. Panjuani	Independent	Nil
9	Mr. Nitin P. Shingala	Independent	Nil
10	Ms. Vishwadhara Dahanukar	Independent	Nil

**(v) Directors with Material Pecuniary or Business Relationships:**

Table given below shows the relationship between the Directors:

Sr. No.	Name of the Directors	Designation	*Relationship between Directors Inter-se
1.	Mr. Raoul Thackersey	Chairman	Not related to any other Director
2.	Mr. Chandrahas Thackersey	Vice Chairman	Not related to any other Director
3.	Mr. Hrishikesh Thackersey	Executive Director	Brother of Mr. Abhimanyu Thackersey
4.	Mr. Abhimanyu Thackersey	Executive Director	Brother of Mr. Hrishikesh Thackersey
5.	Mr. K.D. Vora	Director	Not related to any other Director
6.	Mr. N.R. Kara	Director	Not related to any other Director
7.	Mr. R.N. Bansal	Director	Not related to any other Director
8.	Mr. P.B. Desai	Director	Not related to any other Director
9.	Mr. Sujal A. Shah	Director	Not related to any other Director
10.	Mr. Bhavesh V. Panjuani	Director	Not related to any other Director
11.	Mr. Nitin P. Shingala	Director	Not related to any other Director
12.	Ms. Vishwadhara Dahanukar	Director	Not related to any other Director

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

## 2.2 Board Committees:

The Board has constituted the following Committees of Directors:

### A) Audit Committee:

- (i) The Audit Committee consists of 4 Non-Executive 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 Clause 49 of the Listing Agreement.

The Board has amended the terms of reference of the Audit Committee in line with provisions of Section 177 of the Companies Act, 2013 and as per the guidelines set out in the Listing Agreement with the Stock Exchange.

Four meetings of the Audit Committee were held during the year ended March 31, 2015 on the following dates: May 3, 2014, August 11, 2014, November 06, 2014 and February 11, 2015. The attendance of each member at the meetings was as under:

Sr. No.	Name of Directors	Designation / Category	No. of meetings attended
1.	Mr. Sujal A. Shah	Chairman - Independent Director	4
2.	Mr. R.N. Bansal	Member - Independent Director	4
3.	Mr. P.B. Desai	Member - Independent Director	4
4.	Mr. Raoul Thackersey	Member - Promoter Director	4
5.	Mr. Nitin P. Shingala	Member - Independent Director	3

### (ii) Terms of Reference of the Audit Committee:

The terms of reference of Audit Committee are in accordance with requirements of Clause 49 of the Listing Agreement with the BSE Ltd. The brief description of the terms of reference of the Audit Committee is as under:

The scope and role of the Audit Committee is to review Internal Audit Reports, Statutory Auditor's Report on financial statements, to generally interact with Internal Auditors to review their finding, suggestions and other related matter and with Statutory Auditors, to review

Quarterly Financial Statements before submission to the Board for approval, discuss the financial performance, transactions with related parties etc.

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

The Chairman of the Audit Committee Mr. Sujal A. Shah was present at the last Annual General Meeting of the Company held on December 12, 2014, to address the shareholders' queries, pertaining to the Annual Accounts of the Company.

### B) Nomination and Remuneration Committee:

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Compensation Committee" as the "Nomination and Remuneration Committee"

- (i) The Nomination and Remuneration Committee comprises of the following members:

Mr. Bhavesh V. Panjuani	- Chairman - Independent Director
Mr. Sujal A. Shah	- Member - Independent Director
Mr. P. B. Desai	- Member - Independent Director

During the year under review, the Committee in the meeting held on November 06, 2014 has considered and recommended the revision in remuneration of Mr. Hrishikesh Thackersey and Mr. Abhimanyu Thackersey, Executive Directors of the Company. The Committee also considered and recommended to the Board the re-appointment of Mr. Hrishikesh Thackersey, as Whole-Time Director designated as Executive Director for a term of five years with effect from April 1, 2015.

All the members were present at the meeting.

- (ii) Terms of reference of the Nomination and Remuneration Committee:

The Committee is vested with the responsibility to function as per the SEBI guidelines and recommends to the Board the specific compensation package for the Executive Directors and fees payable to Non-Executive Directors besides framing guidelines for overall compensation packages of Directors/KMP.

(iii) Remuneration Policy:

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

(iv) Details of remuneration paid to Executive Directors during the year from April 1, 2014 to March 31, 2015:

(₹in lakhs)

Name	Salary	Benefits*	Contribution to P. F. & S. A.	Total
Mr. Hrishikesh Thackersey	13.00	3.21	2.56	18.77
Mr. Abhimanyu Thackersey	22.95	3.53	3.75	30.23

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

(v) Details of fees paid to Non-Executive Directors during the year from April 1, 2014 to March 31, 2015 are given below:

Name of Directors	Sitting Fees in ₹		Total
	Board Meeting	Committee Meeting	
Mr. Raoul Thackersey*	50,000	30,000	80,000
Mr. Chandrahas Thackersey*	50,000	--	50,000
Mr. K.D. Vora	40,000	10,000	50,000
Mr. N.R. Kara	40,000	5,000	45,000
Mr. R.N. Bansal	40,000	25,000	65,000
Mr. P.B. Desai	40,000	30,000	70,000
Mr. Sujal A. Shah*	50,000	40,000	90,000
Mr. Bhavesh V. Panjuani	40,000	15,000	55,000
Mr. Nitin P. Shingala	30,000	25,000	55,000
Ms. Vishwadhara Dahanukar	20,000	5,000	25,000

\*Includes fees paid as Director of Hindoostan Technical Fabrics Ltd. upto October 10, 2014.

**C) Stakeholders Relationship/Shareholders/Investors Grievance Committee:**

The Board has changed the nomenclature of Shareholders' / Investors' Grievance Committee to Stakeholders Relationship/Shareholders/Investors Grievance Committee as required under Section 178 of the Companies Act, 2013. The Committee will consider and resolve the grievances of security holders of the Company.

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

The Stakeholders Relationship/Shareholders/Investors Grievance Committee consists of following Directors:

Mr. N. R. Kara	- Chairman
Mr. Raoul Thackersey	- Member
Mr. Abhimanyu Thackersey	- Member
Mr. Chandrahas Thackersey	- Member

The Committee monitors the Shareholders' grievances, reviews existing investors' redressal system and suggests measures for improvement, discusses report of the Registrar and Transfer Agent and Practicing Company Secretary's Certificate under Clause 47 (c) of the Listing Agreement. A Company Secretary of the Company is the Compliance Officer.

The Committee had met on April 17, 2015. The Company received 6 complaints / queries from shareholders/ investors which have been resolved to the satisfaction of the complainants except one shareholder/investor complaint is pending as on March 31, 2015

**Share Transfer system:**

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

Shares lodged for transfer in the physical form either at the registered office of the Company or at the Registrar's office are normally processed at the earliest and within 15 days from the date of its receipt provided the documents are complete in all respects. There were no share transfers pending for more than 15 days as on March 31, 2015.

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

**D) Risk Management Committee:**

Risk Management is an ongoing process within the Organization. The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the Risk Management policy and framework in line with local legal requirements and SEBI guidelines;

- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

The Risk Management Committee consists of following Directors:

- Mr. Raoul Thackersey - Chairman
- Mr. Abhimanyu Thackersey - Member
- Mr. Chandrahas Thackersey - Member

#### E) Corporate Social Responsibility (CSR) Committee:

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.

The Corporate Social Responsibility Committee consists of following Directors:

- Mr. Raoul Thackersey - Chairman
- Mr. K. D. Vora - Member
- Mr. Sujal A. Shah - Member

#### F) Independent Directors Meeting:

During the year under review, the Independent Directors met on February 11, 2015, inter alia, to discuss:

- 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.

All the Independent Directors were present at the Meeting.

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

AGM	Year	Date	Time	Venue
108 <sup>th</sup>	2011-12	August 9, 2012	10.30 a.m.	Rama Watumull Auditorium, Mumbai
109 <sup>th</sup>	2012-13	July 26, 2013	10.30 a.m.	Sir Vithaldas Chambers, Mumbai
110 <sup>th</sup>	2013-14	December 12, 2014	11.00 a.m.	Sir Vithaldas Chambers, Mumbai

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

AGM Date	Special Resolutions passed
August 9, 2012	- Alteration in Articles of Association of the Company by inserting New Article No.108A after Article No.108.
July 26, 2013	- NIL
December 12, 2014	- Borrowing money(ies) for the business of the Company pursuant to Section 180(1)(c) of the Companies Act, 2013. - Creation of security on the properties of the Company both present and future pursuant to Section 180(1)(a) of the Companies Act, 2013.

(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

#### 3. Other Disclosures:

- There are no materially significant transactions with related parties viz., Promoters, Directors or the Management, their Subsidiaries or relatives etc., having potential conflict with Company's interest at large. Details of related party transactions are disclosed in Note no. 27B (XVI) to the annual accounts in this Annual Report.
- The Company has followed all relevant Accounting Standards and Indian GAAP as may be amended from time to time while preparing the financial statements.
- During the year under review, exercise on Risk Management was carried out and reviewed periodically covering the entire spectrum of business

operations by the Risk Committees and Steering Committee formed by the Company. The Board has been informed about the risk assessment and minimization procedures through means of a properly defined frame-work as stipulated under Clause 49 of the Listing Agreement. Business risk assessment, evaluation and its management is an ongoing process within the Company.

- (d) The Company did not make any Public Issues, Right Issues or Preferential Issues in the year under review.
- (e) The Company has complied with the requirements of the BSE Ltd./ SEBI and any Statutory Authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities.
- (f) The Board has adopted the Code of Conduct and Ethics ('the Code'). The Code is a comprehensive guide applicable to all the Directors and Members of Senior Management and employees of the Company. The Code is posted on the Company's website www.hindoostan.com and has been communicated to all the Directors and Senior Management Executives and the compliance of the same is affirmed by them every year. A Declaration signed by the Executive Directors affirming the compliance is annexed separately to this Annual Report.
- (g) There was no pecuniary relationship or transactions of Non-executive Directors vis-à-vis the Company during the year under review. The Company has no stock option policy as part of remuneration package applicable for Whole-time Directors or its employees.
- (h) The Executive Directors and Chief Financial Officer of the Company have certified regarding the financial statements for the year as stipulated in Clause 49 which is annexed separately in this Annual Report.
- (i) The FOREX exposures are monitored periodically and necessary cover is taken in consultation with FOREX experts to limit the risk of adverse exchange rate movement.

**4. Reconciliation of Share Capital Audit:**

A qualified Practicing Company Secretary / Chartered Accountant carries out Secretarial Audit to reconcile the total admitted Capital with NSDL and CDSL and total issued and listed capital of the Company as per books. The Secretarial Audit report confirms that the total issued / paid-up capital is in accordance with the total number of shares

in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**5. Non-mandatory requirements:**

- (i) 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.
- (ii) 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.

**6. Means of Communication:**

The Company is publishing its quarterly and half-yearly results in the newspapers, therefore they are not sent to each shareholder. However, the Company furnishes such results on receipt of a request from the shareholders.

- (i) Quarterly Results - Free Press Journal  
Which newspapers (English) and Navshakti  
normally published in (Marathi), both at  
Mumbai.
- (ii) Any web site, where - Company's website viz.,  
displayed www.hindoostan.com
- (iii) Whether it also  
displays official  
News  
Releases - No
- (iv) Presentations made to  
Institutional investors - No  
/ analysts
- (v) Whether - Yes  
Management  
Discussion &  
Analysis is a part of  
Annual Report

**7. General Shareholder information:**

**(i) AGM: Date, time and venue :**

Tuesday, August 11, 2015 at 11.00 a.m. at Sir Vithaldas Chambers, 6<sup>th</sup> Floor, 16, Mumbai Samachar Marg, Fort, Mumbai- 400 001.

**(ii) Financial Calendar 2015-16 (Tentative):**

First Quarterly Results	: July/August, 2015
Second Quarterly Results	October/November, 2015
Third Quarterly Results	: January/February, 2016
Fourth Quarterly Results	May, 2016

**(iii) Date of Book Closure** : August 3, 2015 to August 11, 2015 (both days inclusive)

**(iv) Dividend payment date** : On or after August 12, 2015 (Within 30 days from the date of Annual General Meeting subject to approval of shareholders)

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

**(Annual Listing Fee for the year 2015-16 has been paid to BSE Limited).**

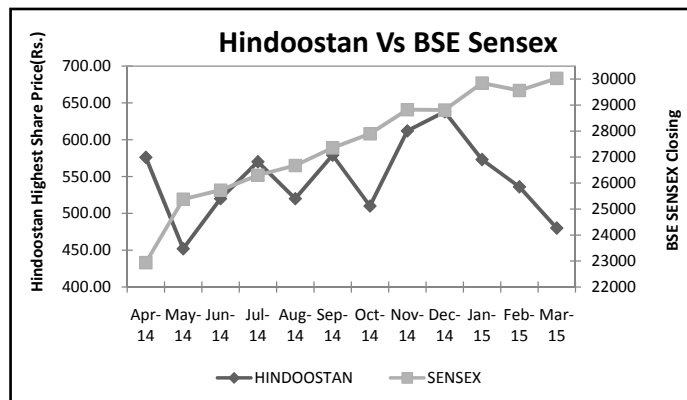
**(vi) Stock Code**

<b>Scrip ID</b>	: HINDMILLS
<b>Scrip Code</b>	: 509895
<b>ISIN No.</b>	: INE 832D01020
<b>CIN</b>	: L17121MH1904PLC000195

**(vii) Market Price Data:**

The details of monthly highest & lowest quotations of the Equity Shares (₹10/- each) of the Company at the BSE Limited.

Months	Quotation at BSE Ltd.	
	High (₹)	Low (₹)
April, 2014	576.00	379.65
May, 2014	452.00	362.00
June, 2014	520.00	435.00
July, 2014	569.70	431.50
August, 2014	519.90	462.00
September, 2014	579.00	451.00
October, 2014	509.80	461.00
November, 2014	611.95	465.05
December, 2014	638.00	487.00
January, 2015	572.90	475.00
February, 2015	536.00	425.20
March, 2015	480.00	352.00

**(viii) Performance in comparison to broad based indices:****(ix) Registrar and Transfer Agent:**

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

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

Tel: 022 – 22635000/1/2/3/4

Fax: 022 - 22635005

E-mail : helpdesk@computechsharecap.com

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

Trading in Equity Shares of the Company is permitted only in dematerialised form as per Notification No.CIR/MRD/DP/14/2011 dated December 20, 2011, issued by the Securities & Exchange Board of India (SEBI). Nearly 95.52% shares are held under dematerialised mode as on March 31, 2015.

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

Not Applicable

**(xii) Distribution of Shareholding as on March 31, 2015:**

Group of Shares	No. of Share holders	No. of shares held	% to Total Shares
1 to 50	8,605	1,14,419	6.87
51 to 100	766	56,923	3.42
101 to 250	469	75,674	4.55
251 to 500	136	48,315	2.9
501 to 1000	63	44,512	2.67
1001 to 5000	47	83,255	5.00
5001 and above	43	12,41,450	74.59
<b>TOTAL</b>	<b>10,129</b>	<b>16,64,548</b>	<b>100.00</b>

**(xiii) Shareholding Pattern as at March 31, 2015:**

	No. of Shares held	%
Promoters and Persons Acting in Concert	9,94,328	59.74
Banks, Financial institutions, Mutual Funds, Insurance companies	2,128	0.13
Private Corporate Bodies	13,655	0.82
Indian Public	6,30,939	37.90
NRIs / OCBs	23,498	1.41
<b>TOTAL</b>	<b>16,64,548</b>	<b>100.00</b>

**(xiv) Plant Location:**

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

**(xv) Address for correspondence:**

Registered Office & Head Office:  
Hindoostan Mills Limited  
Sir Vithaldas Chambers,  
16, Mumbai Samachar Marg,  
Mumbai - 400 001.  
Tel. No.: 022 - 2204 0846  
Fax No.: 022 - 2283 3841  
Email: [complaint@hindoostan.com](mailto:complaint@hindoostan.com)

(The above report was placed before the Board at its Meeting held on May 5, 2015 and the same was approved).



## DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

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

**HRISHIKESH THACKERSEY**

Executive Director

**ABHIMANYU THACKERSEY**

Executive Director

Place : Mumbai

Dated : May 5, 2015

## CEO / CFO CERTIFICATION

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

- (a) We have reviewed the financial statements and the cash flow statements for the financial year ended March 31, 2015 and that to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and procedures for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.

There are no deficiencies in the design or operation of such internal controls and procedures.

- (d) As indicated by us to the auditors and the Audit Committee:
- (i) there have been no changes in the accounting policies during the year;
- (ii) there have been no significant changes in internal controls over financial reporting during the year; and
- (iii) there have been no instances of significant fraud of which we have become aware, nor any involvement of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**HRISHIKESH THACKERSEY**

Executive Director

**ABHIMANYU THACKERSEY**

Executive Director

**HEENA SHAH**

Chief Financial Officer

Place : Mumbai,

Dated : May 5, 2015



**AUDITOR'S CERTIFICATE**

To the Members

**Hindoostan Mills Limited**

We have examined the compliance of conditions of Corporate Governance by Hindoostan Mills Limited, for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with the BSE Ltd.

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

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

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

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

**Mukul Patel**  
Partner  
Membership No. 32489

Place : Mumbai

Date : May 5, 2015

## ANNEXURE-II

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on March 31, 2015  
[Pursuant to section 92(3) of the Companies Act, 2013  
and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L17121MH1904PLC000195
Registration Date	May 12, 1904
Name of the Company	Hindoostan Mills Limited
Category / Sub-Category of the Company	Company having Share Capital
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

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Textiles	5205, 5206, 5207 5207, 5208, 5209, 5210, 5211, 5407	90.73%

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

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	554665	--	554665	33.32	555960	--	555960	33.4	0.08
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	415447	--	415447	24.96	438368	--	438368	26.34	1.38
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (1):</b>	<b>970112</b>	<b>--</b>	<b>970112</b>	<b>58.28</b>	<b>994328</b>	<b>--</b>	<b>994328</b>	<b>59.74</b>	<b>1.46</b>
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
<b>Sub-total (A) (2):</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>970112</b>	<b>--</b>	<b>970112</b>	<b>58.28</b>	<b>994328</b>	<b>--</b>	<b>994328</b>	<b>59.74</b>	<b>1.46</b>
<b>B. Public Shareholding</b>									
I. Institutions									
a) Mutual Funds	--	8	8	--	--	8	8	--	--
b) Banks / FI	408	1712	2120	0.13	408	1712	2120	0.13	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt (s)	--	--	--	--	--	--	--	--	--

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	
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1):-</b>	<b>408</b>	<b>1720</b>	<b>2128</b>	<b>0.13</b>	<b>408</b>	<b>1720</b>	<b>2128</b>	<b>0.13</b>	<b>--</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	14846	1335	16181	0.97	12320	1335	13655	0.82	-0.15
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	368873	69869	438742	26.36	334453	67125	401578	24.13	-2.23
i) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	213772		213772	12.84	229361		229361	13.78	0.94
c) Others (specify) (NRI & OCB)	19174	4439	23613	1.42	19059	4439	23498	1.41	-0.01
<b>Sub-total (B)(2):</b>	<b>616665</b>	<b>75643</b>	<b>692308</b>	<b>41.59</b>	<b>595193</b>	<b>72899</b>	<b>668092</b>	<b>40.14</b>	<b>-1.45</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>617073</b>	<b>77363</b>	<b>694436</b>	<b>41.72</b>	<b>595601</b>	<b>74619</b>	<b>670220</b>	<b>40.26</b>	<b>-1.46</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>1587185</b>	<b>77363</b>	<b>1664548</b>	<b>100.00</b>	<b>1589929</b>	<b>74619</b>	<b>1664548</b>	<b>100.00</b>	

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Abhimanyu Investments Pvt Ltd	21977	1.32	--	21977	1.32	--	--
2	Abhimanyu J Thackersey	34573	2.08	--	34573	2.08	--	--
3	Ameeta J Thackersey	22660	1.36	--	22660	1.36	--	--
4	Bhavika Nimish Sonawala	3720	0.22	--	3720	0.22	--	--
5	Chandrasah K Thackersey	71184	4.28	--	71184	4.28	--	--
6	Chandrani Investment Pvt Ltd	85017	5.11	--	87266	5.24	--	0.13
7	Delta Investments Limited	79880	4.80	--	95540	5.74	--	0.94
8	Devaunshi A Mehta	2814	0.17	--	2814	0.17	--	--
9	Devaunshi Investments Pvt Ltd	58430	3.51	--	59374	3.57	--	0.06
10	Ellora Investment Private Limited	53477	3.21	--	57545	3.46	--	0.25
11	Hrishikesh Investments Pvt Ltd	28937	1.74	--	28937	1.74	--	--
12	Hrishikesh J Thackersey	26621	1.60	--	26621	1.60	--	--
13	Jagdish U Thackersey	180586	10.85	--	180586	10.85	--	--
14	Khushaal C Thackersey	31638	1.90	--	31638	1.90	--	--
15	Leena C Thackersey	6474	0.39	--	6474	0.39	--	--
16	Malti U Thackersey	2488	0.15	--	2488	0.15	--	--
17	Mitika C Thackersey	5987	0.36	--	5987	0.36	--	--
18	Nina S Thackersey	40024	2.40	--	40024	2.40	--	--
19	Paulomi B Jain	4580	0.28	--	4580	0.28	--	--
20	Paura Investments Private Ltd	22639	1.36	--	22639	1.36	--	--
21	Pushya Trading Pvt Ltd	16067	0.97	--	16067	0.97	--	--
22	Raoul S Thackersey	104690	6.29	--	104690	6.29	--	--
23	Sudhir K Thackersey	16626	1.00	--	17921	1.08	--	0.08
24	The Bhor Chemicals & Plastics Pvt Ltd	37334	2.24	--	37334	2.24	--	--
25	Uranus Trading Private Ltd	11689	0.70	--	11689	0.70	--	--

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

Name of Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Cumulative Shareholding during the year	
	No. of shares at the beginning (01-04-14 / end of year 3-03-14)	% of total shares of the company			No. of shares	% of total shares of the company
Chandrali Investment Pvt. Ltd.	85017	5.11	01.04.2014	2249	87266	5.24
Devaunshi Investments Pvt. Ltd.	58430	3.51	01.04.2014	944	59374	3.57
Ellora Investment Pvt. Ltd.	53477	3.21	01.04.2014	4068	57545	3.46
Sudhir K Thackersey	16626	1.00	01.04.2014	1295	17921	1.08
Delta Investments Ltd.	79880	4.80	01.04.2014			
			16.06.2014	23	978691	58.80
			19.06.2014	250	978941	58.81
			20.06.2014	100	979041	58.82
			23.06.2014	500	979541	58.85
			24.06.2014	100	979641	58.85
			25.06.2014	150	979791	58.86
			01.07.2014	196	979987	58.87
			02.07.2014	300	980287	58.89
			04.07.2014	200	980487	58.90
			07.07.2014	451	980938	58.93
			08.07.2014	200	981138	58.94
			09.07.2014	1500	982638	59.03
			11.07.2014	100	982738	59.04
			14.07.2014	16	982754	59.04
			15.07.2014	200	982954	59.05
			17.07.2014	225	983179	59.07
			18.07.2014	250	983429	59.08
			21.07.2014	100	983529	59.09
			28.07.2014	12	983541	59.09
			30.07.2014	50	983591	59.09
			31.07.2014	29	983620	59.09
			14.08.2014	200	983820	59.10
			18.08.2014	200	984020	59.12
			19.08.2014	150	984170	59.13
			21.08.2014	32	984202	59.13
			22.08.2014	126	984328	59.13
			25.08.2014	400	984728	59.16
			26.08.2014	21	984749	59.16
			27.08.2014	216	984965	59.17

Name of Shareholder	Shareholding at the beginning of the year		Date	Increase/ Decrease in shareholding	Cumulative Shareholding during the year	
	No. of shares at the beginning (01-04-14 / end of year 3-03-14)	% of total shares of the company			No. of shares	% of total shares of the company
			28.08.2014	281	985246	59.19
			01.09.2014	148	985394	59.20
			10.09.2014	10	985404	59.20
			11.09.2014	45	985449	59.20
			12.09.2014	179	985628	59.21
			16.09.2014	327	985955	59.23
			17.09.2014	288	986243	59.25
			24.09.2014	10	986253	59.25
			25.09.2014	941	987194	59.31
			26.09.2014	49	987243	59.31
			29.09.2014	38	987281	59.31
			01.10.2014	45	987326	59.31
			07.10.2014	75	987401	59.32
			08.10.2014	54	987455	59.32
			09.10.2014	450	987905	59.35
			13.10.2014	1000	988905	59.41
			16.10.2014	425	989330	59.44
			17.10.2014	20	989350	59.44
			22.10.2014	16	989366	59.44
			10.11.2014	337	989703	59.46
			11.11.2014	100	989803	59.46
			13.11.2014	100	989903	59.47
			14.11.2014	397	990300	59.49
			17.11.2014	138	990438	59.50
			19.11.2014	1275	991713	59.58
			13.02.2015	2000	993713	59.70
			24.03.2015	350	994063	59.72
			25.03.2015	200	994263	59.73
			27.03.2015	65	994328	59.74
			31.03.2015		994328	59.74%



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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase / Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Yogesh Uttamlal Mehta	34700	2.08	01.04.14				
	IN30112715066598			04.04.14	-2200	Transfer	32500	1.95
				23.05.14	242	Transfer	32742	1.97
				25.07.14	2858	Transfer	35600	2.14
				14.08.14	1430	Transfer	37030	2.22
				22.08.14	1509	Transfer	38539	2.32
				29.08.14	377	Transfer	38916	2.34
				05.09.14	1323	Transfer	40239	2.42
				12.09.14	89	Transfer	40328	2.42
				17.10.14	622	Transfer	40950	2.46
				24.10.14	730	Transfer	41680	2.50
				31.10.14	105	Transfer	41785	2.51
				14.11.14	789	Transfer	42574	2.56
				21.11.14	791	Transfer	43365	2.61
				28.11.14	69	Transfer	43434	2.61
				06.12.14	124	Transfer	43558	2.62
				12.12.14	856	Transfer	44414	2.67
				19.12.14	151	Transfer	44565	2.68
				31.12.14	644	Transfer	45209	2.72
				09.01.15	2292	Transfer	47501	2.85
				16.01.15	82	Transfer	47583	2.86
				23.01.15	137	Transfer	47720	2.87
				30.01.15	19	Transfer	47739	2.87
				13.02.15	100	Transfer	47839	2.87
				31.03.15	--	--	47839	2.87
2	Hiren Naresh Kara	1194	0.07	01.04.14				
	IN30074911065699			11.04.14	32210	Transfer	33404	2.01
				13.06.14	10355	Transfer	43759	2.63
				31.03.15	--	--	43759	2.63
3	Hiren Naresh Kara	37200	2.23	01.04.14				
	IN30014210540103			31.03.15	--	--	37200	2.23
4	Hiren Naresh Kara	28194	1.69	01.04.14				
	IN30014210540582			31.03.15	--	--	28194	1.69
5	Hitesh Ramji Javeri	23000	1.38	01.04.14				
	IN30036020087818			16.05.14	250	Transfer	23250	1.40

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase / Decrease in share-holding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
				31.03.15	--	--	23250	1.40
6	Harsha Hitesh Javeri	20035	1.20	01.04.14				
	IN30036020087795			09.05.14	556	Transfer	20591	1.24
				23.05.14	450	Transfer	21041	1.26
				31.03.15	--	--	21041	1.26
7	Kapila Manhar Mehta	15330	0.92	01.04.14				
	1301190300048059			31.03.15	--	--	15330	0.92
8	Bijal Hiren Kara	12748	0.77	01.04.14				
	IN30014210507468			31.03.15	--	--	12748	0.77
9	Payal Anant Sampat	10410	0.63	01.04.14				
	1302860000092346			31.03.15	--	--	10410	0.63
10	Pradeep Gordhandas Vora	--	--	01.04.14				
	IN30154950485654			31.03.15	8874	Transfer	8874	0.53
11	Chirayush Pravin Vakil	5606	0.34	01.04.14		Transfer		
	1201370000008131			04.04.14	-8	Transfer	5598	0.34
				18.04.14	4	Transfer	5602	0.34
				25.04.14	204	Transfer	5806	0.35
				17.10.14	245	Transfer	6051	0.36
				31.10.14	165	Transfer	6216	0.37
				14.11.14	1	Transfer	6217	0.37
				21.11.14	120	Transfer	6337	0.38
				09.01.15	276	Transfer	6613	0.40
				31.01.15	43	Transfer	6656	0.40
				06.02.15	181	Transfer	6837	0.41
				13.02.15	295	Transfer	7132	0.43
				27.02.15	734	Transfer	7866	0.47
				06.03.15	277	Transfer	8143	0.49
				13.03.15	28	Transfer	8171	0.49
				31.03.15	--	--	8171	0.49
12	Anil Bansilal Lodha	6880	0.41	01.04.14				
	1201750200016078			06.06.14	371	Transfer	7251	0.44
				31.12.14	-315	Transfer	6936	0.42
				09.01.15	-1300	Transfer	5636	0.34
				31.03.15	--	--	5636	0.34

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

Sl. No.	For Each of the Directors and KMP	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
1	Mr. Raoul Thackersey	1,04,690	6.29	1,04,690	6.29
2	Mr. Chandrahas Thackersey	71,184	4.28	71,184	4.28
3	Mr. Hrishikesh Thackersey	26,621	1.60	26,621	1.60
4	Mr. Abhimanyu Thackersey	34,573	2.08	34,573	2.08
5	Mr. K. D. Vora	100	0.00	100	0.00
6	Mr. R.N. Bansal	Nil	Nil	Nil	Nil
7	Mr. P.B. Desai	Nil	Nil	Nil	Nil
8	Mr. Sujal A. Shah	Nil	Nil	Nil	Nil
9	Mr. Bhavesh V. Panjvani	Nil	Nil	Nil	Nil
10	Mr. Nitin P. Shingala	Nil	Nil	Nil	Nil
11	Ms. Vishwadhara Dahanukar	Nil	Nil	Nil	Nil
12	Mr. Naresh R. Kara – Non Executive Director				
	01.04.2014	32,210	1.94	32210	1.94
	09.04.2014	-32,210	-1.94	--	--
	31.03.2015	--	--	--	--
13	Ms. Heena Shah - Chief Financial Officer				
	01.04.2014	291	0.011		
	25.04.2014	-241	0.008	50	0.003
	31.03.2015			50	0.003
14	Mr. Devanand Mojindra - Company Secretary				
	07.08.2014	--	--	--	--
	31.03.2015	--	--	--	--

## 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	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	--	--	--
Change in Indebtedness during the financial year				
Addition	3054.23	350	--	3404.23
Reduction	--	250	--	250
Indebtedness at the end of the financial year				
i) Principal Amount	3054.23	100	--	3154.23
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	25.23	--	--	25.23
<b>Total (i+ii+iii)</b>	<b>3079.46</b>	<b>100</b>	--	<b>3179.46</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Mr. Hrishikesh Thackersey	Mr. Abhimanyu Thackersey	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.00	22.95	35.95
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.21	3.53	6.74
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Options	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- as % of profit	--	--	--
	- others, specify	--	--	--
5	Others, please specify			
	i. Deferred bonus	--	--	--
	ii. Retirals (Superannuation & PF)	2.56	3.75	6.31
	<b>Total (A)</b>	<b>18.77</b>	<b>30.23</b>	<b>49.00</b>

B. Remuneration to other Directors:

1. Independent Directors

(₹ in lakhs)

Particulars of Remuneration	Mr. K. D. Vora	Mr. R. N. Bansal	Mr. P. B. Desai	Mr. Sujal A. Shah*	Mr. Bhavesh V. Panjuani	Mr. Nitin P. Shingala	Ms. V. Dahanukar	Total Amount
- Fee for attending Board/Committee Meetings	0.50	0.65	0.70	0.90	0.55	0.55	0.25	4.00
-Commission	--	--	--	--	--	--	--	--
- Others, please specify	--	--	--	--	--	--	--	--
<b>Total (B)(1)</b>	<b>0.50</b>	<b>0.65</b>	<b>0.70</b>	<b>0.90</b>	<b>0.55</b>	<b>0.55</b>	<b>0.25</b>	<b>4.00</b>

2. Other Non Executive Directors

(₹ in lakhs)

Particulars of Remuneration	Mr. Raoul S. Thackersey*	Mr. Chandrahas K. Thackersey*	Mr. Naresh R. Kara	Total Amount
- Fee for attending Board / Committee Meetings	0.80	0.50	0.45	1.55
-Commission	--	--	--	--
- Others, please specify	--	--	--	--
<b>Total (B) (2)</b>	<b>0.80</b>	<b>0.50</b>	<b>0.45</b>	<b>1.55</b>
<b>Total (B)= (B) (1)+B(2)</b>				<b>5.55</b>

\*Includes fees paid as Director of Hindoostan Technical Fabrics Ltd. upto October 10, 2014.

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Heena Shah – Chief Financial Officer	Mr. Devanand Mojidra – Company Secretary*	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	30.45	6.62	37.07
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Options	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- as % of profit	--	--	--
	-others, specify..	--	--	--
5	Others, please specify			
	i. Deferred bonus	--	--	--
	ii. Retirement benefits (Superannuation & PF)	4.18	0.60	4.78
	Total (C)	34.63	7.22	41.85

\* With effect from 7<sup>th</sup> August 2014.

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

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

NONE

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT**

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.**

CSR Policy is stated herein below:

Weblink: [http://www.hindoostan.com/investordata/policies/csr\\_policy.pdf](http://www.hindoostan.com/investordata/policies/csr_policy.pdf)

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

Mr. Raoul Thackersey

Mr. K. D. Vora and

Mr. Sujal A. Shah

3. **Average net profit of the Company for last three financial years : ₹313.26 lakhs**

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

The Company is required to spend ₹6.27 lakhs

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

Total amount to be spent for the financial year:- ₹6.27 lakhs

(a) Amount unspent , if any; ₹6.27 lakhs

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects Or programs (1) Local area or other  (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in lakhs)	Amount spent on the projects or programs sub-heads:  (1) Direct expenditure on projects or programs.  (2) Overheads:	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1	Educational Scholarship, Bridge Education, Tuition Support, Book Provisioning, Setting up class room / library and providing educational aid to Govt. Schools	Literacy	Karad, Maharashtra	4.00	--	--	Vithaldas Damodar Thackersey Charitable Trust
2	Enhancing Vocational training / skills development	Vocational Training	Karad, Maharashtra	2.27	--	--	
	<b>TOTAL</b>			<b>6.27</b>			

Chief Executive Officer or  
Managing Director

Chairman of CSR Committee

## ANNEXURE-IV

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

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

To,

The Members of  
Hindoostan Mills Limited  
Mumbai

Dear Sirs,

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Hindoostan Mills Limited (“the Company”) as given in Annexure I for the financial year ended on 31st March, 2015 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder
  - (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report:
  - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
3. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were not attracted to the Company under the financial year under report.
4. We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts,

Laws and Regulations to the Company. The list of major head / groups of Acts, Laws and Regulations as applicable to the Company is given in Annexure II.

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

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations.

1. The arrears of duty of custom amounting to ₹6.31 lacs is outstanding more than six months from the date it became payable.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period 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 while the dissenting member's views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has undertaken the following event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- i. The Hon'ble High Court of Bombay vide its Order dated 10th October, 2014, has sanctioned the Scheme of Amalgamation between Hindoostan Technical Fabrics Limited (HTFL), the wholly owned subsidiary Company and Hindoostan Mills Limited (HML), the Company. The Said Scheme of Amalgamation though made effective during the year under report, however the appointed date being the 1st April, 2013, the merged accounts have been prepared for the year ended on 31st March, 2014 and adopted by the Shareholders accordingly.

**For PRS Associates**  
Company Secretaries

**(Narayan Parekh)**

Partner

C.P. NO.: 6448

ACS No.: 8059

Date: 5<sup>th</sup> May, 2015

Place: Mumbai



## ANNEXURE I

## List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Copy of Balance sheet as at 31.03.2015
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Transfer Committee, Stakeholders Relationship Committee, CSR Committee along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meeting held during the financial year under report.
5. Statutory Registers viz:
  - Register of Directors & Key Managerial Personnel (KMP)
  - Register of Directors Shareholding
  - Register of Transfer and Transmission of shares
  - Register of Members
  - Register of Charges
  - Register of Contracts in which directors are interested
  - Register of loans & Investment
  - Register of payment of Dividend
6. Agenda papers submitted to all the Directors / members for the Board Meetings and Committee Meetings
7. Declarations received from directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
8. Intimation received from promoter and promoter group Company under the prohibition of Insider Trading Code and Substantial Acquisition of Shares and Takeovers Regulations, 2011
9. E-forms filed by the Company from time to time under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
10. Intimation/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of the listing Agreement during the year under report.
11. Documents related to payment of Dividend made to its shareholders during the year under report.
12. Consolidated Compliance Certificate issued by the Management during the year under report.

## ANNEXURE II

## List of applicable laws to the Company:

List of applicable laws to the Company and its plants situated at:  
Registered Office: Sir Vithaldas Chambers, 3rd Floor, 16, Mumbai Samachar Marg, Mumbai-400 001

## Plants Location:

- a) Textile Unit:  
Plot No. D-1, MIDC Industrial Area, Village – Taswade, Tal - Karad, District - Satara - 415109, Maharashtra.
- b) Engineering Unit:  
Plot No. D-1, MIDC Industrial Area, Village - Taswade, Tal \* Karad, District - Satara - 415109, Maharashtra.
- c) Composite Unit:  
Plot No. D-1, MIDC Industrial Area, Village - Taswade, Tal - Karad, District - Satara - 415109, Maharashtra

## Under the Major Group and Head:

1. Factories Act, 1960
2. Industrial (Development & Regulation) Act, 1951
3. Labour laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, bonus, gratuity, provident fund, ESIC, Industrial Disputes
4. Registration Act, 1908
5. Acts prescribed under prevention and control of pollution
6. Acts as prescribed under Direct Tax and Indirect Tax
7. Land Revenue Laws of Maharashtra State
8. Labour Welfare Act relating to Maharashtra State.
9. Local laws as applicable to various offices and plants.

## MANAGEMENT DISCUSSION AND ANALYSIS

### A. BUSINESS SEGMENT –TEXTILES:

#### Industry Structure & Development:

The industry has had a difficult year which has seen demand as well as fabric prices remain at a very low level. A bumper cotton crop has seen its prices falling below the Minimum Support Price (MSP) set by the Government due to reduction in exports and lack of domestic demand by textile mills. Export demand has also weakened through the course of the year as the world saw China unload its hoarded cotton stocks, bringing global fabric prices down. Volatility in the foreign exchange rates has affected export sales.

The commoditized nature of the textile industry is largely due to many players trying to compete in the same product and market segments. Production capacities are steadily increasing leading to greater availability of the same products, not allowing prices to rise with the rising cost of other inputs such as power, labour and other resources.

In our opinion, the only sustainable road to success lies in the innovation of products as well as marketing. As we have mentioned before, the company's strategy is to create a niche for its existing products as well as focus on new product developments which we hope will add considerable value to the textile operation of the company.

#### Opportunities and Threats:

The company is exploring several niche product areas where there are opportunities, such as some home textile products, and using of value added fibers. In the recently completed expansion, we have focused on processing high value products which can help set us apart from our competition.

Since the company's operations are centred in Maharashtra, the increasing cost of inputs such as power and fuel remain its largest threats. Continuous efforts towards efficient manufacturing and saving of power costs will aid us to mitigate part of these threats. Import policy for fabrics from competing countries as well as the exchange rates also continue to pose a threat to the profitability of our textile operation. Our efforts to develop and market unique products should be an important factor in overcoming these threats.

#### Risks and Concerns:

Volatility in raw material costs particularly in cotton continues to remain a significant concern. The company has a fairly strong

procurement strategy which helps us compete in the domestic markets. However, sales to International markets are directly affected by India's cotton pricing and policy.

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

Retaining a skilled and talented workforce in an industry like textiles is also a major challenge for any company in the space.

#### Outlook:

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

The company has decided to focus on value instead of size which will help it remain relevant and profitable in the years to come.

### B. BUSINESS SEGMENT – ENGINEERING UNIT:

#### Industry Structure and Development:

Due to the slow demand faced by the textile industry, the textile machine market has remained stagnant as purchasing decisions were postponed. There seems to be a growth in the demand for indigenous calendaring machines which added some volume to the calendaring roll business. The Steel Industry continues to show good promise, but the sales cycle is long and difficult as purchasing locally manufactured non-woven rolls represents a change of behaviour for the customers. The paper industry remains stable, and increased volumes may come with successful product innovation.

Rollers will remain an integral part of continuous manufacturing processes, and as Indian industry grows, the roll market will follow. The Company will continue to look for new areas of business within this larger roll market.

#### Opportunities and Threats:

The Company will continue to focus on the Steel industry with its non-woven rolls, as this market is under-penetrated and offers good potential for growth in this value-added product line.

In order to do so, there will be much effort required to build relationships with these customers, and find a better way both to make initial sales and find other applications for the product in the plants of existing customers.

The Company has developed a high-strength roller for use in industries that have very demanding applications, and have successfully supplied this product to the thin film manufacturing industry. This new technology and product line will certainly have many applications across industries, and the Company will make a sustained effort to identify these opportunities.

In a small and largely unorganised market, the entry of small competitors will affect the sales of the Company due to price competition. However, the Company continues to differentiate its products through quality and performance to remain the supplier of choice for its customers.

#### **Risks and Concerns:**

Volatility of the fortunes of the textile industry will continue to determine the demand for a large part of the Company's roll business. Diversifying the product line and servicing other industries will help the Company achieve stable sales without such dependence on a single industry.

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

#### **Outlook:**

The main focus continues to be on developing new proprietary products that will both offer a much-needed solution for customers while insulating the Company from price competition from new market entrants. The Company will also strive to improve service to existing customers by developing products that will make their manufacturing processes more efficient by providing quality improvements and cost reduction.

### **C. BUSINESS SEGMENT – COMPOSITES:**

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

During the first half of the year, excess inventories built up in the system and weak liquidity had a negative effect on supplies to key customers. A more certain economic environment coupled with a resumption of several stalled projects and indigenization programs ensured a more robust growth during the second half of the year. The green shoots of growth have only started to appear now and we see this trend accelerating in the coming year.

Issues of relatively low competence and capability in processing Composites still affect various end use industries, and has resulted in volume growth being relatively muted. The fact that advanced textiles, intermediates, and technologies are largely available only outside of India has not allowed a strong domestic market to emerge. During the year, key end use markets such as Defense & Aerospace still remained reliant on imports to meet a large percentage of their demand. The company has focused its efforts on spreading awareness about substituting imports with our products available locally which has helped us partner with key customers on projects with high volume/margin growth.

During the year the company has worked on building competence and relationships with key stakeholders through the value chain. We are now in a much better position than before to capitalize on the opportunities available for growth globally. Domestic and international markets continue to show a strong demand for quality cost competitive products and solutions both of which we have been focused on steadfastly.

In order to align our Brand with our Strategy the company has also decided to rebrand the composites business as "Hindoostan Composites Solutions" thus signalling our shift from being only an intermediate material manufacturer to a complete solution provider.

#### **Opportunities and Threats:**

Sound strategy to further penetrate key markets such as Defense and Aerospace remain the dominant opportunity for the company. We have established relationships with key end users in these high growth markets and have begun initial business with them. We expect to capitalize on this start and move to becoming sole suppliers to these key customers. This process is well underway as evidenced by the pickup in sales towards the end of the last quarter.

Ongoing technological advancements in both areas of production and R&D have put us in an exceptionally strong position locally, and will also continue to drive our foray into international markets with significant improvement to existing product lines as well as the introduction of new products. Our Karad unit is expected to be ISO certified in the coming year and we continue to add material qualification and testing facilities at our R&D centre which should further help get us closer to fulfilling our customers needs.

Imports from established global players still continue to be the primary threat to our business. A few Indian companies have also announced their foray in the space with aggressive investments and planned capacity additions, but these are yet to materialize.

That said, we continue to carefully monitor competitive activities and align our strategies to stay ahead of the curve. On the regulatory front, uncertainly on the availability of certain critical raw materials due to license restrictions remains a concern. This has a detrimental effect on certain product development activities that the company might intend to undertake.

**Risks and Concerns:**

Low liquidity remains a major concern for the coming year. Large multinationals as well as smaller composite players continue to have issues with working capital and cash flows. This tends to slow down projects and has ripple effect through the value chain. With easing credit and improving manufacturing growth, we are hopeful that this situation will stabilize in the coming year.

Capacity addition and limited processing capabilities is another inherent concern. India continues to be near the bottom in terms of per capita composites consumption as well composites manufacturing capacity. This limits the type and volume of products that can be processed domestically which in turn has caused stagnation in certain end use markets. However, this means that the potential of future growth is large.

To mitigate these risks the company has focused on establishing its own credit policy which has allowed us to improve our payment cycles and collections from customers. On the processing side, the company will continue to look at opportunistic value added manufacturing activities to supplement our existing products and markets.

**Outlook:**

Global and domestic outlook for the composites market continues to be extremely positive. Forecasts suggest the Indian composites market will hit US \$1.8 billion by 2017 and grow at a CAGR of 20%. Sufficient evidence exists in key end use markets such as Defense, Aerospace, Automotive and Wind Energy that the forecast should be easily achievable. Recent announcements by global composites majors and investments by Indian MNC's into composite manufacturing and capacity building in India argues well for the growth and development of this market.

On the macro level - easing credit, improving sentiment, stable economic environment and increasing per capita incomes should help improve the demand for composite products.

Given the wide variety of options available to us in the current ecosystem ensuring a strong sustainable strategy for growth and development becomes extremely critical. The focus for the future will be on strengthening our position in the composite market and augmenting this growth by looking at developing niche

composite components. Ensuring we attain profitability without compromising on strategy and direction will be the guiding principle of our development.

**D. REVIEW AND ANALYSIS:**

**Financial Performance:**

During the year under review, the financial performance of the Company has been affected mainly on account of reduced market demand and price pressure. The Company continues to focus on its core products as well as on new product developments and strong operational principles to sustain its growth. Flexibility to adapt quickly and strategic sale/purchase will be a key to success in volatile scenarios.

During the year under review, Revenue from Operations is increased to ₹153.77 crores from ₹146.62 crores in the Previous Year. The segment wise details are as under:

₹in crores

Segment	Current Year	Previous Year
Textiles	139.51	135.21
Engineering	9.26	9.41
Composite	5.00	2.00
<b>TOTAL</b>	<b>153.77</b>	<b>146.62</b>

The Export turnover on FOB basis is ₹26.76 crores as against ₹28.60 crores in the previous year.

Operational margins in Textile unit have been down mainly on account of lack of domestic demand and rising input cost.

The Engineering business although topline remain unchanged, the profitability up slightly on account of favourable demand and better product-mix.

Topline growth was good and expected to continued for Composite unit. The company has focused its efforts to partner with some key customers on projects with high volume/margin for growth.

**Profitability:**

During the year under review, the Profit before Depreciation, Interest and Tax has decreased at ₹ 4.76 crores in the current year as compared to ₹ 11.55 crores in the previous year. The Company has incurred the loss of ₹ 6.89 crores as compared to profit of ₹ 5.18 crores in the Previous Year.

**E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has adequate Internal Control Systems to ensure that all its Assets are properly safeguarded. The systems and procedures of the Company are designed to ensure proper internal controls to give true and accurate information to the management. The management continuously reviews the Internal Control Systems and procedures to ensure smooth and efficient conduct of business. Various economic measures and improvements in certain areas suggested by Internal Auditors are also discussed from time to time in the Audit Committee Meetings for all round improvement in the working of the Company.

**F. HUMAN RESOURCES/INDUSTRIAL RELATIONS:**

The Company had 486 employees as on March 31, 2015. Occupational health, safety and environment were given due importance through training and awareness programmes. Measures for safety of employees, their training, welfare and development, attracting and retaining talent continued to receive top priority. Functional trainings for plant employees at Karad were undertaken during the year towards competency building.

HR activities are now becoming more focused and peaceful and healthy relations through regular interaction with recognized union / workers are on topmost priority. The management and union have equally recognized the need of dialogue and flexible thinking to avoid any labour disruptions in future.

**G. CAUTIONARY STATEMENT:**

The statements made in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include availability of raw materials and their prices and domestic and global demand and supply conditions, changes in Government regulations and tax policies, economic development within India and so many other incidental and relevant factors.

The Company assumes no responsibility in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.



## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS

#### Report on the Financial Statements

We have audited the accompanying financial statements of **HINDOOSTAN MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

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

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

#### Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements

and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
  - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

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, Statement of Profit and Loss, and 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 accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer to Note No. 27B Point No. III(A), III(B) and III(C) of other notes to the financial statements.
  - ii. The company does not have any long-term contracts including derivatives contracts and hence there are no material foreseeable losses.
  - 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 Accountant  
Firm Reg. No. 107556W

**MUKUL M. PATEL**  
Partner  
Membership No. 32489

Place: Mumbai  
Date: 5th May, 2015

### **Annexure to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2015, we report that :

- i. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) We are informed that the physical verification of Fixed Assets was carried out by the management at year end. According to the information and explanations given to us, discrepancies noticed on such verification were not material and have been dealt with appropriately in the books of accounts.
- ii. In respect of its Inventories:
  - (a) As explained to us, Inventories were physically verified during the year by the management at reasonable intervals except inventory lying with third party processors as on 31<sup>st</sup> March, 2015 aggregating to Rs 3.86 lakhs (previous year Rs. 7.37 lakhs) for which confirmations have been obtained.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of Inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its Inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans to any party, covered in the register maintained under section 189 of the Companies Act, 2013 and hence clause 3(iii) of the Order is not applicable
- iv. In our opinion and according to the information and explanations given to us, there is an adequate Internal Control System commensurate with the size of the Company and the nature of its business for the purchase of Inventory and Fixed Assets and for the sale of goods and services. We have not noticed any major weaknesses in the Internal Control System during the course of audit.

- v. The Company has not accepted any Deposits and hence, the directions of the Reserve Bank of India and the provisions of section 73 to 76 and other relevant provision of the Companies Act 2013 and its rules, are not applicable. Hence clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of accounts and records maintained by the Company relating to the manufacture of textiles pursuant to the order made by the Central Government for the maintenance of Cost Records under Sub-Section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii. In respect of statutory dues:
- (a) According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable with the appropriate authorities during the year, except the arrears of Duty of Custom amounting to Rs. 6.31 Lacs outstanding for more than six months from the date they became payable.
- (b) According to the information and explanations given to us, statutory dues aggregating to 381.74 lakhs which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of dues	Amount (Rs. in lakhs) (Gross)	Period to which the dues relate	Forum Where dispute is pending
Income Tax Act, 1961	Income Tax dues	3.12	A.Y. 2007-08	Commissioner of Income Tax.
		132.34	A.Y. 2010-11	Commissioner of Income Tax.
Central Excise Act	Excise Duty	4.06	1977-2002	Asst./Dy. Commissioner of Central Excise.
		2.49		Joint Commissioner of Central Excise
		37.96		Commissioner (Appeals) of Central Excise
		102.10	1996-2003	CESTAT
		39.93	1994-1999	Supreme Court
Maharashtra Sales Tax and Central Sales Tax	Sales Tax and Central Sales Tax	29.02	2000-01, 2002-03, 2009-10 & 2010-11	Dy. Commissioner of sales-tax (Appeal)-I
Maharashtra Sales Tax on the transfer of property in goods involved in the execution of the work contract (Reenacted) Act, 1989	Work contract Tax	30.72	1990-91 to 2000-01	Dy. Commissioner of sales-tax (Appeal)-I



- (c) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under have been transferred to such fund within time.
- viii. Company does not have accumulated losses as at the end of the financial year and hence the question of accumulated losses being more than fifty per cent of its net worth does not arise. The Company has not incurred cash losses in the current financial year and the immediate preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank and financial institution during the year. The Company has not issued any debenture during the year.
- x. According to information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- xi. According to information and explanations given to us, and on examination of the balance sheet and other records, we report that the term loan availed by the company has been applied for the purpose for which it is raised.
- xii. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

Chartered Accountants  
Firm Reg. No. 107556W

**Mukul M. Patel**

Partner  
Membership No. 32489

Place: Mumbai

Date: 5<sup>th</sup> May, 2015

**BALANCE SHEET AS AT 31ST MARCH, 2015**

₹ in lakhs

	Note No.	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	166.45	166.45
Reserves And Surplus	2	8,510.90	9,337.98
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	1,891.17	-
Long Term Provisions	4	268.33	229.62
<b>Current Liabilities</b>			
Short-Term Borrowings	5	714.26	-
Trade Payables	6	1,166.03	940.32
Other Current Liabilities	7	1,306.00	735.18
Short-Term Provisions	8	174.58	278.32
<b>Total</b>		<b>14,197.72</b>	<b>11,687.87</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
<u>Fixed Assets</u>			
9			
Tangible Assets		7,212.48	5,206.86
Intangible Assets		47.27	52.43
Capital Work in Progress		265.34	47.10
Retired Fixed Assets		1.14	1.14
Non-Current Investments	10	35.35	38.01
Long Term Loans And Advances	11	169.18	237.50
<b>Current Assets</b>			
Current Investments	12	297.16	43.02
Inventories	13	2,603.37	2,892.04
Trade Receivables	14	2,687.78	2,196.67
Cash and Bank Balances	15	93.47	181.02
Short-Term Loans And Advances	16	725.51	697.35
Other Current Assets	17	59.67	94.73
<b>TOTAL</b>		<b>14,197.72</b>	<b>11,687.87</b>
SIGNIFICANT ACCOUNTING POLICIES	27 A		
OTHER NOTES TO ACCOUNTS	27 B		

Notes referred to above form an integral part of Balance Sheet

As per our report of even date attached

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

**Mukul M.Patel**  
Partner  
Membership No. : 32489  
Place : Mumbai  
Date : May 5, 2015

**For and on behalf of the Board**

**Abhimanyu Thackersey**  
Executive Director

**Heena Shah**  
Chief Financial Officer

**Hrishikesh Thackersey**  
Executive Director

**Devanand Mojindra**  
Company Secretary

Place : Mumbai  
Date : May 5, 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in lakhs

	Note No	Current Year	Previous Year
I. Revenue from Operations	18	15,378.40	14,666.48
II. Other Income	19	110.31	146.29
III. Total Revenue (I +II)		15,488.71	14,812.77
<b>IV. Expenses:</b>			
Cost of Materials Consumed	20	9,646.25	9,809.87
Purchase of Stock-in-Trade		682.57	560.85
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	21	205.04	(738.66)
Employee Benefits Expense	22	1,310.45	1,142.90
Finance costs	23	195.07	14.22
Depreciation and Amortisation Expense	24	1,011.38	650.14
Other Expenses	25	3,161.77	2,883.12
CSR Expenses		6.27	-
(Refer Note 27B Point no. XVIII of Other Notes to Accounts)			
<b>Total Expenses</b>		<b>16,218.80</b>	<b>14,322.44</b>
V. (Loss)/Profit before Exceptional and Extraordinary Items and Tax	(III- IV )	(730.09)	490.33
VI. Exceptional Items	26	41.50	27.52
VII. (Loss)/ Profit Before Tax	(V+VI)	(688.59)	517.85
VIII. Tax Expense:			
Current Tax		-	105.50
(Excess) Provision of Tax of Earlier Year		-	(7.17)
Deferred Tax		-	24.60
IX. (Loss) / Profit for the Year	(VII-VIII)	(688.59)	394.92
X. Earning per Equity Share of ₹ 10/- each			
Basic and Diluted	₹	(41.37)	23.73
(Refer Note 27B Point no. XIII of Other Notes to Accounts)			
SIGNIFICANT ACCOUNTING POLICIES	27 A		
OTHER NOTES TO ACCOUNTS	27 B		

Notes referred to above form an integral part of Statement of Profit &amp; Loss

As per our report of even date attached

For and on behalf of the Board

**FOR M.A.Parikh & Co**

Chartered Accountants.

Firm Registration No.107556W

**Abhimanyu Thackersey**

Executive Director

**Hrishikesh Thackersey**

Executive Director

**Heena Shah**

Chief Financial Officer

**Devanand Mojindra**

Company Secretary

**Mukul M.Patel**

Partner

Membership No. : 32489

Place : Mumbai

Date : May 5, 2015

Place : Mumbai

Date : May 5, 2015

**CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in lakhs

	Current Year	Previous Year
<b>A. CASHFLOW FROM OPERATING ACTIVITIES</b>		
Net (Loss) / Profit before Taxation	(688.59)	517.85
Adjustment for :		
Depreciation	1011.38	650.14
Finance Cost	195.07	14.22
Provision for Doubtful Debts and Advances	38.27	2.56
Bad Debts and Debit Balances Written Off	9.33	2.05
Dividend Income	(0.01)	(0.01)
Lease Income	(60.60)	(54.66)
Profit on Sale of Investments (Net)	(4.14)	(26.63)
Profit on Sale of Fixed Assets (Net)	(41.50)	(31.57)
Provision no longer required written back	(3.53)	(4.45)
Sundry Credit Balance Written Back	(1.82)	(8.58)
Interest Income	(45.56)	(64.99)
	<b>1,096.89</b>	478.08
Operating Profit before Working Capital Changes	<b>408.30</b>	995.93
Changes in :		
Inventories	288.67	(831.05)
Trade and Other Receivables	(346.64)	(732.07)
Trade and Other Payables	321.19	500.41
Provisions	58.34	42.68
	<b>321.56</b>	(1020.03)
Cash Generated from Operations	<b>729.86</b>	(24.10)
Direct Taxed paid (Net of Refunds)	<b>(114.17)</b>	(163.97)
Net Cash Generated From Operating Activities	<b>615.69</b>	(188.07)
<b>B. CASHFLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(3,340.38)	(274.53)
Sale of Fixed Assets	93.21	55.19
Interest Received	42.89	61.91
Dividend Received	0.01	0.01
Lease Income Received	60.60	54.66
Investments Purchased and Sold (Net)	(247.34)	528.80
Net Cash used in Investing Activities	<b>(3391.01)</b>	426.04

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

₹ in lakhs

C. CASHFLOW FROM FINANCING ACTIVITIES	Current Year		Previous Year
	Dividend Paid	(196.62)	
Interest Paid	(169.84)		(14.22)
Long Term Borrowing	2,339.97		-
Short Term Borrowing	714.26		-
Net Cash used in Financing Activities		<b>2687.77</b>	(157.36)
Net Increase in Cash and Cash Equivalents		<b>(87.55)</b>	80.61
Cash and Cash Equivalents at the beginning of the year			
Cash and Cash Equivalents	135.96		46.09
Other Bank Balances	45.06	<b>181.02</b>	16.52
Balance Transferred on Amalgamation			
Cash and Cash Equivalents	-	-	15.97
Other Bank Balances	-	-	21.83
		<b>181.02</b>	100.41
Cash and Cash Equivalents at the end of the year			
Cash and Bank Balance	35.89		135.96
Other Bank Balances	57.58		45.06
Earmarked Balance with Banks as stated below		<b>93.47</b>	181.02
Cash and Cash Equivalents at the end of the year		<b>(57.58)</b>	(45.06)
		<b>35.89</b>	135.96

## Notes :

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

As per our report of even date attached

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

**Mukul M.Patel**  
Partner  
Membership No. : 32489

Place : Mumbai  
Date : May 5, 2015

For and on behalf of the Board

**Abhimanyu Thackersey**  
Executive Director

**Heena Shah**  
Chief Financial Officer

**Hrishikesh Thackersey**  
Executive Director

**Devanand Mojindra**  
Company Secretary

Place : Mumbai  
Date : May 5,2015

**NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in lakhs

	As at 31.03.2015	As at 31.03.2014
<b>NOTE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
2,77,67,500 (P. Y. 2,77,67,500) Equity Shares of ₹10/- each	2,776.75	2,776.75
2,500 (P. Y. 2,500) 5% Redeemable Cumulative "A" Preference Shares of ₹10/- each	0.25	0.25
7,80,000 (P.Y. 7,80,000) 15% Non Convertible Redeemable Non Cumulative Preference Shares of ₹10/- each	78.00	78.00
1,00,00,000 (P. Y. 1,00,00,000) Preference Shares of ₹10/- each	1,000.00	1,000.00
<b>TOTAL</b>	<b>3,855.00</b>	<b>3,855.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
16,64,548 (P. Y. 16,64,548) Equity Shares of ₹10 /- each fully paid up	166.45	166.45
<b>TOTAL</b>	<b>166.45</b>	<b>166.45</b>

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

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

9,58,708, Equity Shares of ₹10/- each are allotted on 27<sup>th</sup> 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 1<sup>st</sup> April 2011.

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

₹ in lakhs

	As at 31.03.2015	As at 31.03.2014
16,64,548 Equity Shares at the beginning and at the end of the year of ₹ 10/- each fully paid up	166.45	166.45
	<b>166.45</b>	<b>166.45</b>

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

Name of Equity Shareholders	No. of Shares Held	Percentage of Holding
<b>Chandrali Investments Private Limited</b>		
Current Year	87,266	5.24%
Previous year	85,017	5.11%
<b>Delta Investments Limited</b>		
Current Year	95,540	5.74%
Previous year	79,880	4.80%
<b>Mr. Jagdish Thackersey</b>		
Current Year	180,586	10.85%
Previous year	180,586	10.85%
<b>Mr. Raoul Thackersey</b>		
Current Year	104,690	6.29%
Previous year	104,690	6.29%
<b>Mr. Hiren Kara</b>		
Current Year	109,161	6.56%
Previous year	65,394	3.93%

## NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in lakhs

	As at 31.03.2015	As at 31.03.2014
<b>NOTE 2 : RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>	<b>1,076.11</b>	1,076.11
<b>Capital Redemption Reserve</b>	<b>83.63</b>	83.63
<b>Securities Premium Account</b>	<b>587.78</b>	587.78
<b>Other Reserve</b>		
General Reserve		
Balance as per last Financial Statement	<b>6,906.11</b>	6,866.61
Less : Adjustment for Depreciation (Refer Note 27B Point no. IVA of Other Notes to Accounts)	<b>(58.59)</b>	-
Less: Transfer to Surplus	<b>(87.10)</b>	-
Add: Transfer from Surplus	-	39.50
Balance transferred to Balance Sheet	<b>6,760.42</b>	6,906.11
Surplus		
Balance as per last Financial Statement	<b>684.35</b>	716.26
Less: Loss transferred on Amalgamation	-	(186.68)
	<b>684.35</b>	529.58
Add: Transfer from General Reserve	<b>87.10</b>	-
	<b>771.45</b>	529.58
Add: Net (Loss) / Profit after tax transferred from Statement of Profit & Loss	<b>(688.59)</b>	394.92
Amount available for Appropriation (A)	<b>82.86</b>	924.50
<b>Appropriations:</b>		
Proposed Dividend	<b>66.58</b>	166.45
Tax on Proposed Dividend	<b>13.32</b>	34.20
Transfer to General Reserve	-	39.50
Total of Appropriations (B)	<b>79.90</b>	240.15
Balance in Surplus (A-B)	<b>2.96</b>	684.35
<b>TOTAL</b>	<b>8,510.90</b>	9,337.98
<b>NOTE 3 : LONG TERM BORROWINGS</b>		
<b>Secured</b>		
Term Loan from a Bank	<b>1,891.17</b>	-
	<b>1,891.17</b>	-

**NOTE 3.1: DETAILS OF TERMS AND CONDITIONS OF REPAYMENT AND SECURITY PROVIDED FOR IN RESPECT OF THE LONG- TERM BORROWINGS AS FOLLOWS:**

(a) Term Loan from Axis Bank is payable in 60 monthly installments of ₹ 40.80 Lakhs each commencing from 31<sup>st</sup> May, 2015. Interest rate is base rate + 2.75% i.e. 12.90% as on 31.03.2015

(b) Security :

**Primary Security :**

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

**Collateral Security:**

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

(iii) Investment in UTI Fixed Income Fund Series XVIII of ₹ 250 lakhs (P.Y. Nil) is kept in form of liquid security under Bank lien.

**NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in lakhs

	As at 31.03.2015	As at 31.03.2014
<b>NOTE 4 : LONG TERM PROVISIONS</b>		
<u>Provision for Employees Benefits</u>		
Provision for Leave Salary	63.69	52.25
Provision for Gratuity	204.64	177.37
<b>TOTAL</b>	<b>268.33</b>	<b>229.62</b>
<b>NOTE 5 : SHORT TERM BORROWINGS</b>		
<u>Secured</u>		
Working Capital Loan from a Bank	614.26	-
<u>Unsecured</u>		
14 % Unsecured Loan from Related Party repayable on demand	100.00	-
<b>Total</b>	<b>714.26</b>	<b>-</b>

**NOTE 5.1 : DETAILS OF TERMS AND CONDITIONS OF REPAYMENT AND SECURITY PROVIDED FOR IN RESPECT OF THE SHORT- TERM BORROWINGS AS FOLLOWS:**

- (a) Secured Loan from HDFC Bank :Interest rate is base rate + 2% i.e. 12% as on 31.03.2015 for Cash Credit and Libor +2.5 for Pre- Shipment Credit.
- (b) Security :
- Primary Security :
- (i) The above Loan is secured by first charge on all the Stocks, Book Debts (Present & Future) and Other Current Assets
- Collateral Security :
- (ii) Second Charge on Plant & Machinery (Present & Future) of the Company's Textile Unit at Plot no. D-1, MIDC Industrial Area, Village - Taswade, Tal-Karad, Satara.

₹ in lakhs

	As at 31.03.2015	As at 31.03.2014
<b>NOTE 6 : TRADE PAYABLES</b>		
Trade Payables	1,166.03	940.32
(Refer Note 27B Point no. VIII of Other Notes to Accounts)		
<b>TOTAL</b>	<b>1,166.03</b>	<b>940.32</b>



## NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2015

₹ in lakhs

	As at 31.03.2015	As at 31.03.2014
<b>NOTE 7 : OTHER CURRENT LIABILITIES</b>		
Current maturities of Long Term Borrowing (Refer Note No. 3.1 for Terms & Conditions)	448.80	-
Interest accrued but not due on Long Term Borrowing	25.23	-
Unclaimed Dividend	10.70	7.58
Amount due to a Director	1.00	1.00
Other Liabilities	756.48	659.71
Advances from Customers	46.91	43.79
Withholding Taxes Payable	16.88	23.10
<b>TOTAL</b>	<b>1,306.00</b>	<b>735.18</b>
<b>NOTE 8 : SHORT TERM PROVISIONS</b>		
<u>Provision For Employee Benefits</u>		
Provision for Leave Salary	11.11	9.95
Provision for Gratuity	57.29	43.56
Provision for Bonus/ Exgratia	26.28	25.07
	<b>94.68</b>	<b>78.58</b>
<u>Others</u>		
Proposed Dividend	66.58	166.45
Corporate Dividend Tax on Proposed Dividend	13.32	33.29
	<b>79.90</b>	<b>199.74</b>
<b>TOTAL</b>	<b>174.58</b>	<b>278.32</b>

**NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2015**

**NOTE 9: FIXED ASSETS**

Description	GROSS BLOCK						DEPRECIATION/AMORTISATION BLOCK						NET BLOCK	
	Opening Block As At 01.04.2014	Additions during the year	Deductions during the year	Write off during the year	Closing Block As At 31.03.2015	For the Year	Adjustment *	Deductions during the year	Write off during the year	Closing Block As At 31.03.2015	As At 31.03.2015	As At 31.03.2014		
<b>TANGIBLE ASSETS</b>														
<u>Land</u>														
Freehold Land	5.90	-	-	-	5.90	-	-	-	-	-	5.90	5.90		
Leasehold Land	117.12	-	-	-	117.12	1.23	-	-	-	25.34	91.78	93.01		
<u>Buildings</u>														
Road	5.22	-	-	-	5.22	2.68	-	-	-	4.24	0.98	3.66		
Buildings	2,288.90	22.96	-	-	2,311.86	89.73	-	-	-	1,409.43	902.43	969.20		
<u>Leasehold Improvements</u>														
Leasehold Improvements	40.05	-	-	-	40.05	8.52	-	-	-	16.81	23.24	31.76		
<u>Plant &amp; Equipments</u>														
Plant & Machinery **	11,268.81	3,070.05	995.06	-	13,343.80	829.63	46.67	943.42	-	7,308.74	6,035.06	3,892.95		
Office Equipments	56.84	3.01	0.49	-	59.36	17.79	2.55	0.42	-	47.29	12.07	29.47		
Electrical Installations	336.32	3.58	-	-	339.90	17.52	8.24	-	-	284.75	55.15	77.33		
<u>Furniture &amp; Fixture</u>														
Furniture & Fixture	92.14	6.62	-	-	98.76	13.35	-	-	-	60.08	38.68	45.41		
<u>Vehicle</u>														
Vehicle	117.07	-	-	-	117.07	15.42	-	-	-	88.60	28.47	43.89		
<u>Computer</u>														
Computer	56.48	15.92	-	-	72.40	10.35	1.13	-	-	53.68	18.72	14.28		
<b>Total Tangible Assets</b>	14,384.85	3,122.14	995.55	-	16,511.44	1,006.22	58.59	943.84	-	9,298.96	7,212.48	5,206.86		
<b>INTANGIBLE ASSETS</b>														
Marketing Know How	51.59	-	-	-	51.59	5.16	-	-	-	10.32	41.27	46.43		
Tenancy Right	6.00	-	-	-	6.00	-	-	-	-	-	6.00	6.00		
<b>Total Intangible Assets</b>	57.59	-	-	-	57.59	5.16	-	-	-	10.32	47.27	52.43		
<b>CAPITAL WORK IN PROGRESS</b>	47.10	218.24	-	-	265.34	-	-	-	-	-	265.34	47.10		
<b>RETIRED FIXED ASSET</b>														
Office Equipments	1.00	-	-	-	1.00	-	-	-	-	0.80	0.20	0.20		
Furniture & Fixtures	2.87	-	-	-	2.87	2.06	-	-	-	2.06	0.81	0.81		
Computer	1.33	-	-	-	1.33	1.20	-	-	-	1.20	0.13	0.13		
<b>Total Retired Fixed Asset</b>	5.20	-	-	-	5.20	4.06	-	-	-	4.06	1.14	1.14		
<b>TOTAL (CURRENT YEAR)</b>	14,494.74	3,340.38	995.55	-	16,839.57	1,011.38	58.59	943.84	-	9,313.34	7,526.23	5,307.53		
<b>TOTAL (PREVIOUS YEAR)</b>	(14,507.68)	(438.17)	(450.88)	(0.23)	(14,494.74)	(650.13)	-	(263.62)	(0.08)	(9,187.21)	(5,307.53)	-		

\* Adjustment is as per Part C of schedule II of Companies Act, 2013

Refer Note 27B Point No. IV of Other Notes to Accounts

\*\* Plant & Machinery includes certain items declared surplus which are valued at net book value aggregating to ₹30.09 lakhs

## NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in lakhs	
	As at 31.03.2015	As at 31.03.2014
<b>NOTE 10: NON CURRENT INVESTMENTS (AT COST UNLESS OTHERWISE STATED)</b>		
<b><u>Other Investments</u></b>		
<b><u>Investment in Property</u></b>		
5/8 th share (P.Y.5/8 th) in Bruce Street Property	35.34	35.34
<b><u>Investments in Equity Instruments (Quoted)</u></b>		
60 (P.Y.60) Equity shares of ₹ 2/- each fully paid up in Siemens Ltd.	0.01	0.01
<b><u>Investments in Preference Shares of Associate Companies</u></b>		
Nil (P.Y.13,333) 0.10% Redeemable Preference Shares of ₹10/- each fully paid up in Bhishma Realty Limited	-	1.33
Nil (P.Y.13,333) 0.10% Redeemable Preference Shares of ₹10/- each fully paid up in Capricon Realty Limited	-	1.33
<b><u>Other Non- Current Investments</u></b>		
42 (P.Y.42) Shares of ₹ 5000/- each in Yashwant Sahakari Sakhar Karkhana Ltd	2.10	2.10
Less : Provision for diminution in value (Refer Note no. 27B Point no VI of Other Notes to Accounts)	(2.10)	(2.10)
<b>TOTAL</b>	<b>35.35</b>	<b>38.01</b>
<b>Aggregate amount of Quoted Investments and Market Value</b>		
Quoted Investments (Market Value as on 31.03.2015 ₹0.84 lakh (P.Y. ₹ 0.46 lakh))	0.01	0.01
<b>TOTAL</b>	<b>0.01</b>	<b>0.01</b>
<b>Aggregate amount of Unquoted Investments</b>		
Other	35.34	38.00
<b>TOTAL</b>	<b>35.34</b>	<b>38.00</b>
<b>Aggregate amount of Provision for Diminution in value of Investments</b>		
Provision for Diminution in value of Investments in Shares of Yashwant Sahakari Sakhar Karkhana Ltd	2.10	2.10
<b>TOTAL</b>	<b>2.10</b>	<b>2.10</b>
<b>NOTE 11 : LONG TERM LOANS AND ADVANCES</b>		
<b><u>Unsecured, Considered Good</u></b>		
Capital Advances	49.19	147.46
Security Deposit	119.99	90.04
<b>TOTAL</b>	<b>169.18</b>	<b>237.50</b>

**NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2015**

	₹ in lakhs	
	As at 31.03.2015	As at 31.03.2014
<b>NOTE 12 : CURRENT INVESTMENTS</b>		
<b><u>Unquoted :</u></b>		
<u>Investments in Mutual Funds</u>		
2,17,597.357 (P.Y.2,14,543.251) units of HDFC Floating Rate Fund	47.16	43.02
25,00,000.000 (P.Y. Nil) units of UTI Fixed Term Income Fund Series XVIII	250.00	-
<b>TOTAL</b>	<b>297.16</b>	43.02
 <b>Aggregate amount of Unquoted Investments</b>		
Other Unquoted Investments	297.16	43.02
<b>TOTAL</b>	<b>297.16</b>	43.02
 <b>NOTE 13 : INVENTORIES (LOWER OF COST OR NET REALISABLE VALUE)</b>		
Raw Materials	972.87	1,094.52
Work-in-Process	372.46	363.95
Finished Goods	968.94	1,243.21
Stock-in-Trade	105.86	45.14
Stores, Spares and Loose tools	182.24	144.22
Property under Development	1.00	1.00
(Refer Note 27B Point no. VII of Other Notes to Accounts)		
<b>TOTAL</b>	<b>2,603.37</b>	2,892.04
 <b>NOTE 14 : TRADE RECEIVABLES (CURRENT)</b>		
<b><u>Unsecured</u></b>		
<u>Outstanding for a period exceeding six months</u>		
Considered Good	109.29	37.99
Considered Doubtful	38.81	35.65
Less : Provision for Doubtful Debts	(38.81)	(35.65)
	-	-
	<b>109.29</b>	37.99
<u>Outstanding for a period less than six months</u>		
Considered Good	2,578.49	2,158.68
<b>TOTAL</b>	<b>2,687.78</b>	2,196.67

## NOTES TO BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in lakhs	
	As at 31.03.2015	As at 31.03.2014
<b>NOTE 15 : CASH AND BANK BALANCES</b>		
<b><u>Cash and Cash Equivalents</u></b>		
Balances with Banks		
In Current Accounts	26.11	126.97
Cash On Hand	9.78	8.99
<b><u>Other Bank Balances</u></b>		
Margin Money Deposit	45.56	36.17
(Under Lien for Bank Guarantees issued by the Banks)		
In Current Account (Unpaid Dividend)	10.70	7.57
In Current Account (Employee Deposit)	1.32	1.32
	<b>57.58</b>	45.06
<b>TOTAL</b>	<b>93.47</b>	181.02
<b>NOTE 16 : SHORT TERMS LOANS AND ADVANCES</b>		
Unsecured , Considered Good		
<b>Others</b>		
Advances to Employees	0.84	0.53
Advances to Suppliers	17.15	9.74
Balance with Central Excise	10.61	19.68
Vat Refund Receivable	183.18	253.54
Advance Tax (Net of Provisions)	438.33	324.16
Other Advances	157.63	138.60
Less : Provision	(82.23)	(48.90)
	<b>75.40</b>	89.70
<b>TOTAL</b>	<b>725.51</b>	697.35
<b>NOTE 17 : OTHER CURRENT ASSETS</b>		
Interest Receivable	12.04	9.37
Export Incentive Receivable	46.94	59.52
Other Receivable	0.69	25.84
<b>TOTAL</b>	<b>59.67</b>	94.73

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

	₹ in lakhs	
	Current Year	Previous Year
<b>NOTE 18 : REVENUE FROM OPERATIONS</b>		
Sale of Products	14,912.14	14,180.95
Sale of Services	313.24	252.34
Less: Excise duty	113.75	82.23
	<b>15,111.63</b>	14,351.06
<b>Other Operating Revenues</b>		
Export Incentives	120.23	127.54
Sales Tax Setoff	61.70	90.26
Other Income	79.49	84.59
Provision no longer required written back	3.53	4.45
Sundry Credit Balance Written Back	1.82	8.58
	<b>266.77</b>	315.42
<b>TOTAL</b>	<b>15,378.40</b>	14,666.48
<b>NOTE 19 : OTHER INCOME</b>		
Interest Income	45.56	64.99
Dividend Income	0.01	0.01
Gain on sale of Investments	4.14	26.63
Lease Income	60.60	54.66
<b>TOTAL</b>	<b>110.31</b>	146.29
<b>NOTE 20 : COST OF MATERIALS CONSUMED</b>		
Opening Stock	1,094.52	909.19
Add: Stock Transferred on Amalgamation	-	82.75
	<b>1,094.52</b>	991.94
Add : Purchase of Raw Materials	<b>9,524.60</b>	9,915.77
Less : Inventory Written off	-	3.32
Less : Closing Stock	<b>972.87</b>	1,094.52
<b>TOTAL</b>	<b>9,646.25</b>	9,809.87

## NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in lakhs	
	Current Year	Previous Year
<b>NOTE 21 : CHANGE IN INVENTORIES</b>		
<u>Opening Stock</u>		
Work-in-Process	363.95	382.20
Finished Goods	1,243.21	493.04
Traded Goods	45.14	28.74
	<b>1,652.30</b>	903.98
Add: Finished Goods Stock Transferred on Amalgamation	-	9.66
	<b>1,652.30</b>	913.64
<u>Less : Closing Stock</u>		
Work-in-Process	372.46	363.95
Finished Goods	968.94	1,243.21
Traded Goods	105.86	45.14
<b>TOTAL</b>	<b>1,447.26</b>	1,652.30
<b>TOTAL</b>	<b>205.04</b>	(738.66)
<b>NOTE 22 : EMPLOYEE BENEFITS EXPENSE</b>		
<u>Salaries &amp; Wages</u>		
Salaries & Wages	1,070.12	921.91
Bonus / Ex Gratia	26.33	25.05
Leave Encashment	16.37	18.10
<u>Contribution to Provident and other funds</u>		
Contribution to Provident Fund	84.13	74.71
Contribution to ESIC	0.21	0.14
Contribution to Labour Welfare Fund	0.20	0.25
Contribution to Gratuity	44.04	45.73
Contribution to Superannuation Fund	8.42	8.81
<u>Staff Welfare Expense</u>	60.63	48.20
<b>TOTAL</b>	<b>1,310.45</b>	1,142.90
<b>NOTE 23 : FINANCE COST</b>		
Interest Expense	195.07	14.22
(Net of Capitalisation amounting to ₹ 41.49 Lakhs (P.Y. Nil))		
<b>TOTAL</b>	<b>195.07</b>	14.22

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

₹ in lakhs

	Current Year	Previous Year
<b>NOTE 24 : DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and Amortisation Expense	1,011.38	650.14
<b>TOTAL</b>	<b>1,011.38</b>	<b>650.14</b>
<b>NOTE 25 : OTHER EXPENSES</b>		
Consumption of Stores and Spares	616.30	608.29
Power and Fuel (Net of Subsidy ₹ 72.39 Lakhs (P.Y. ₹ 55.94 Lakhs) received from Government of Maharashtra)	1,171.60	1,163.50
Processing Charges	128.34	89.99
Rent	77.74	43.71
Rates and Taxes	44.03	39.05
Repairs to Buildings	9.74	14.67
Repairs to Machinery	31.56	24.74
Other Repairs	40.01	29.52
Insurance	31.56	31.68
Freight, Forwarding and Clearing Charges	115.88	91.84
Commission, Brokerage and Incentives	254.79	252.47
Legal and Professional fees	129.59	154.32
Miscellaneous Expenses	443.60	311.07
Auditors Remuneration	14.44	14.11
Directors Fees	6.80	7.30
Share Issue Expenses	-	3.40
Provision for Doubtful Debts and Advances	38.27	2.56
Bad Debts	6.62	-
Wealth Tax	0.90	0.90
<b>TOTAL</b>	<b>3,161.77</b>	<b>2,883.12</b>
<u>Auditors Remuneration:</u>		
For Audit fees	6.74	5.66
For Tax Audit	1.41	1.40
For Consolidation of Accounts	-	1.12
For Other Services	6.29	5.93
	<b>14.44</b>	<b>14.11</b>
<b>NOTE 26 : EXCEPTIONAL ITEMS</b>		
Profit on sale of Fixed Assets (Net)	41.50	31.57
Inventory write off	-	(4.05)
<b>TOTAL</b>	<b>41.50</b>	<b>27.52</b>



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

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

**II. Use of Estimates:**

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

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

- i. Tangible Fixed Assets are recorded at their original cost of acquisition/installation (net of Modvat / Cenvat credit availed) and Borrowing Costs, if any.
- ii. Machinery Spares which can be used only in connection with a particular item of fixed asset and the use of which is irregular, are capitalised at cost (net of Modvat / Cenvat credit availed)
- iii. Fixed Assets declared surplus are valued as follows:
  - Material items of Assets at lower of net realizable value and net book value.
  - At net book value if the value is not material.

**2. Intangible Fixed Assets**

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

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

Assets taken on finance lease after April 1, 2001 are accounted for as Fixed Assets in accordance with the Accounting Standard -19 "Lease" (AS 19) issued by the Institute of Chartered Accountants of India and as prescribed under Section 133 of Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Assets have been accounted at fair value. Lease payments are apportioned between finance charge and reduction of outstanding liability.

**ii. Operating Lease**

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

**IV. Depreciation/ Amortization****A. Tangible Fixed Assets****1. Textile Unit:**

- i. Depreciation on all the Plant and Machineries is provided on the Straight Line Method in accordance with Schedule II to the Companies Act, 2013.
- ii. Depreciation on Assets other than Plant and Machineries is provided on the Written Down Method in accordance with Schedule II to the Companies Act, 2013.
- iii. Costs of Reeds are written off over a period of 2 years.

**2. Engineering Unit:**

- i. Depreciation on Fixed Assets is provided on the Straight Line Method for the Assets acquired upto March 31, 2001 in accordance with Schedule II to the Companies Act, 2013.
- ii. Depreciation on Fixed Assets is provided on the Written Down Method for the Assets acquired on or after April 1, 2001 in accordance with Schedule II to the Companies Act, 2013.

**3. Composite Unit:**

- i. Depreciation on all the Plant and Machineries is provided on the Straight Line Method in accordance with Schedule II to the Companies Act, 2013.

**NOTE 27A: SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

ii. Depreciation on all Fixed Assets other than Plant and Machineries is provided on the Written Down Method in accordance with Schedule II to the Companies Act, 2013.

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

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

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

**B. Intangible Assets**

**1. Tenancy Rights:**

Management is of the opinion that the Tenancy Rights need not be amortized.

**2. Other Intangible Assets:**

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

**V. Investments:**

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

**VI. Inventories:**

**1. Textile Unit:**

i. Raw Materials :

At monthly average cost or net realizable value whichever is lower.

ii. Stores and Spares :

At cost or net realizable value whichever is lower.

iii. Process Stock and Finished Goods :

At quarterly average cost or net realizable value whichever is lower.

**2. Engineering Unit:**

i. Raw Materials :

At cost or net realizable value whichever is lower.

ii. Process stock :

Cost comprises of Raw Material cost and processing cost.

iii. Stores and Other Consumables :

Stores and Other Consumables are valued at cost. Cost is considered on First in First out Basis.

iv. Finished Goods :

Finished Goods are valued at lower of cost or net realizable value.

**3. Composite Unit:**

i. Raw Materials :

At cost or net realizable value whichever is lower

ii. Stores and Spares :

At cost or net realizable value whichever is lower

iii. Process Stock and Finished Goods :

At cost or net realizable value whichever is lower

Cost comprises of cost of conversion and other costs incurred in bringing the inventory to their present location and condition.

**VII. Employee Benefits:**

**1. Defined Contribution Plan:**

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

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

**2. Defined Benefit Plan:**

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

**VIII. Foreign Currency Transactions:**

Transactions in Foreign Currency are recorded at the original rate of exchange in force at the time the transactions are effected. Exchange differences arising on repayment / restatement of foreign currency liabilities incurred for the purpose of acquiring Fixed Assets from a country outside India are adjusted in carrying amount of the respective Fixed Assets. Exchange differences arising on settlement of other transactions are recognised in the Statement of Profit and Loss.

**NOTE 27A: SIGNIFICANT ACCOUNTING POLICIES (Contd.)**

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

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

**IX. Research and Development:**

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

**X. Revenue Recognition:**

1. Revenue from Domestic sale is recognised on transfer of significant risks and rewards of ownership which is based on the dispatch of goods.
2. Revenue from Export sale is recognised on transfer of significant risks and rewards of ownership which is based on Bill of Lading date.
3. Dividend income is recognised when the right to receive dividend is established.
4. Income from Property Development is accounted on pro-rata basis taking into consideration amount receivable for property development, number of flats sold and construction work completed.
5. Revenue in respect of other income/claims, etc is recognised only when it is reasonably certain that ultimate collection will be made.
6. Revenue in respect of Government Grants is recognised on receipt basis.

**XI. Taxes on income:**

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

relevant enacted tax rates. At each Balance Sheet date, the Company reassesses unrealized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

**XII. Accounting of Value Added Tax (VAT):**

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

**XIII. Borrowing Costs:**

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

**XIV. Provision, Contingent Liabilities and Contingent Assets: (AS-29)**

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

**XV. Impairment of Fixed Assets:**

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

## NOTE 27B: OTHER NOTES TO ACCOUNTS

### I. Basis of Preparation of Financial Statements:

The accounts for the year ended 31st March 2015 are prepared in accordance with Section 133 of Companies Act, 2013.

### II. 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	88.39	1071.10
B	Other Commitments	618.89	603.93

### III. 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 ₹ 116.07 (P.Y. ₹ 116.07 lakhs), Sales Tax ₹ 27.02 lakhs (P.Y ₹ 27.02 lakhs) and Works Contract Tax ₹ 21.14 lakhs (P.Y. ₹ 36.03 lakhs)]	711.91	695.44
B	The Income-Tax demands in respect of earlier years under dispute are pending in appeal before higher authorities.	49.44	49.44
C	Demand for payment of electricity duty by Government of Maharashtra matter resting with Supreme Court	228.20	228.20
D	Concessional Custom duty on Machinery Imported	726.87	215.73

### IV. DEPRECIATION:

A. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing on or after 1<sup>st</sup> April, 2014, the Company has re-worked depreciation with reference to the useful lives of Fixed Assets prescribed by PART 'C' of Schedule II to the Act. Where the remaining useful life of an Asset is nil, the carrying amount of the Asset after retaining the residual value, as at 1st April, 2014 amounting to ₹ 58.59 Lakhs has been adjusted to the General Reserve. In other cases the carrying values have been depreciated over the remaining useful lives of the Assets and recognized in the Statement of Profit and Loss. As a result the charge for depreciation is higher by ₹ 200.91 Lakhs for the year ended 31<sup>st</sup> March 2015.

B. Net Block as on 31.03.2015 of Plant and Machinery includes Reeds amounting to ₹ 10.91 Lakhs (P.Y. ₹ 25.62 Lakhs). The Management based on internal technical evaluation has estimated useful life of Reeds as two years. Hence the Cost of Reeds are written off over a period of two years.

V. The Board of Directors has recommended a Dividend of ₹4/- per share on 1,664,548 Equity Shares of ₹ 10/- each aggregating to ₹ 79.90 lakhs (Inclusive of Dividend Distribution Tax of ₹13.32 lakhs)

### VI. INVESTMENTS:

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

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

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

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

**NOTE 27B: OTHER NOTES TO ACCOUNTS (Contd)****IX. Current Tax:**

In view of losses for the year ended 31<sup>st</sup> March 2015, no provision for Income Tax and Minimum Alternate Tax under Section 115JB of Income Tax Act, 1961 is required to be made.

**Deferred Tax :**

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

**X. ADDITIONAL INFORMATION:**

₹ in lakhs

		Current Year	Previous Year
<b>A</b>	<b><u>SALES</u></b>		
1	<u>Sale of Goods</u>		
(a)	<u>Manufactured Goods</u>		
	Fabric	12,899.14	12,375.64
	Yarn	95.6	103.68
	Engineering Products	580.13	669.26
	Composite Products	335.42	196.12
	Waste	97.66	117.78
	Accessories Sale	1.67	-
	<b>Total Sale of Manufactured Goods</b>	<b>(i) 14,009.62</b>	<b>13,462.48</b>
(b)	<u>Traded Goods</u>		
	Fabric	618.02	634.00
	Composite Products	157.95	2.24
	Calendar Machine Spare sale	8.25	-
	Machinery	4.55	-
	<b>Total Sale of Traded Goods</b>	<b>(ii) 788.77</b>	<b>636.24</b>
2	<u>Services</u>		
	Refilling of Engineering Products	279.27	236.05
	Job Work	30.7	16.29
	Technical Services	3.27	-
	<b>Total Services</b>	<b>(iii) 313.24</b>	<b>252.34</b>
	<b>GRAND TOTAL</b>	<b>(i + ii + iii) 15,111.63</b>	<b>14,351.06</b>
<b>B</b>	<b><u>CONSUMPTION OF RAW MATERIALS :</u></b>		
	Cotton and Fiber	2,383.46	2,903.58
	Yarn	6,673.32	6,325.71
	Composite Products	285.06	77.95
	Others	304.41	502.63
	<b>TOTAL</b>	<b>9,646.25</b>	<b>9,809.87</b>

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

		₹ in lakhs	
		Current Year	Previous Year
<b>X.</b>	<b>ADDITIONAL INFORMATION (contd.)</b>		
<b>C</b>	<b><u>PURCHASE OF TRADED GOODS</u></b>		
	Fabric	589.01	559.12
	Machinery	3.49	-
	Machine Spare	5.06	-
	Composite Products	85.01	1.73
	<b>TOTAL</b>	<b>682.57</b>	<b>560.85</b>
<b>D (i)</b>	<b><u>Stock of Finished Goods:</u></b>		
	<u>Opening Stock of Finished Goods:</u>		
	<u>Manufactured Goods</u>		
	Fabric	1,186.24	443.71
	Engineering Products	15.78	14.52
	Composite Products	23.66	9.66
	Waste	9.33	5.67
	<u>Traded Goods</u>		
	Fabrics	42.78	26.38
	Machinery	2.36	2.36
	Refilling of Engineering Products	8.20	29.14
	<b>Total opening Stock of Finished Goods</b>	<b>1,288.35</b>	<b>531.44</b>
	<u>Closing Stock of Finished Goods:</u>		
	<u>Manufactured Goods</u>		
	Fabric	871.57	1,186.24
	Engineering Products	8.25	15.78
	Composite Products	76.98	23.66
	Waste	9.04	9.33
	<u>Traded Goods</u>		
	Fabric	103.50	42.78
	Machinery	2.36	2.36
	Refilling of Engineering Products	3.10	8.20
	<b>Total Closing Stock of Finished Goods</b>	<b>1,074.80</b>	<b>1,288.35</b>
<b>(ii)</b>	<b><u>Stock of WIP:</u></b>		
	<u>Opening Stock of WIP</u>		
	<u>Manufactured Goods</u>		
	Fabric	13.95	12.50
	Yarn	340.38	359.92
	Engineering Products	4.98	1.01
	<u>Traded Goods</u>		
	Fabric	2.80	8.77
	Refilling of Engineering Products	1.84	-
	<b>Total Opening Stock of WIP</b>	<b>363.95</b>	<b>382.20</b>

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

		₹ in lakhs	
		Current Year	Previous Year
<b>X. ADDITIONAL INFORMATION (contd.)</b>			
	<u>Closing Stock of WIP</u>		
	<u>Manufactured Goods</u>		
	Fabric	24.89	13.95
	Yarn	330.00	340.38
	Engineering Products	11.50	4.98
	<u>Traded Goods</u>		
	Fabric	3.86	2.80
	<u>Refilling of Engineering Products</u>	2.21	1.84
	<b>Total Closing Stock of WIP</b>	<b>372.46</b>	<b>363.95</b>

		₹ in lakhs	
		Current Year	Previous Year
<b>XI. OTHER DISCLOSURES</b>			
<b>A. C.I.F. Value of Imports in respect of:</b>			
	Raw Material	296.88	253.84
	Stores, Spares & Components	63.10	65.90
	Capital Goods	2,642.69	68.49
	<b>TOTAL</b>	<b>3,002.67</b>	<b>388.23</b>
<b>B. Expenditure in Foreign Currency on account of:</b>			
	Commission	62.00	72.94
	Foreign Travel	10.12	9.81
	Exhibition Expense	14.56	13.28
	<b>TOTAL</b>	<b>86.68</b>	<b>96.03</b>

		₹ in lakhs			
		Current Year		Previous Year	
		Percentage to Total Consumption %	Amount	Percentage to Total Consumption %	Amount
<b>C. Value of Raw Materials Consumed:</b>					
	Imported	3.55%	342.55	2.41%	236.45
	Indigenous	96.45%	9,303.70	97.59%	9,573.42
	<b>TOTAL</b>	<b>100.00%</b>	<b>9,646.25</b>	<b>100.00%</b>	<b>9,809.87</b>

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

**XI. OTHER DISCLOSURES (Contd.)**

₹ in lakhs

	Current Year		Previous Year	
	Percentage to Total Consumption %	Amount	Percentage to Total Consumption %	Amount
<b>D. Value of Stores and Spares Consumed:</b>				
Imported	9.54%	58.8	14.65%	89.12
Indigenous	90.46%	557.5	85.35%	519.17
<b>TOTAL</b>	<b>100.00%</b>	<b>616.3</b>	<b>100.00%</b>	<b>608.29</b>

₹ in lakhs

	Current Year	Previous Year
<b>E. Earnings in Foreign Exchange on account of Export of goods on F.O.B. Basis</b>		
Earnings in Foreign Exchange on account of Export of goods on F.O.B. Basis	2,676.23	2,859.56

₹ in lakhs

	No of Nonresident Share holder	No of Share held by Nonresident	Current Year	Previous Year
	<b>F. Dividend Remitted in Foreign Currency:</b>			
Dividend for F.Y. 2013-14	1	3,060	0.31	-
Dividend for F.Y. 2012-13	1	3,060	-	0.23

₹ in lakhs

	Current Year	Previous Year
	<b>XII. Details of Foreign Currency Exposure</b>	
A Outstanding Forward Contracts at the end of the year (Hedged)	238.70	434.08
B Export Receivable not covered by Forward Contract	-	12.08
<b>XIII. Earnings Per Share</b>		
(Loss)/Profit after taxation as per Statement of Profit & Loss - ₹ in lakhs	(688.59)	394.92
No. of Equity Shares	16,64,548	16,64,548
Earnings per Share (of ₹ 10/- each)	₹ (41.37)	23.73



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

		₹ in lakhs	
		Current Year	Previous Year
<b>XIV. EMPLOYEE BENEFITS:</b>			
<b>A. GRATUITY ( FUND BASED ) :</b>			
<b>Reconciliation of opening and closing balances of Defined Benefit Obligation</b>			
Present value of Defined Benefit Obligation as on 1st April, 2014		217.28	193.63
Interest cost		20.36	15.98
Current Service Cost		18.04	16.49
Past Service Cost		-	-
Liability Transferred In/ Acquisition		3.89	
Benefits paid		(3.05)	(18.19)
Benefits Paid From the Fund			-
Net Actuarial Loss		5.65	13.26
Present value of Defined Benefit Obligation as on 31st March, 2015		262.17	221.17
Fair value of plan assets		0.24	0.24
Net liability recognized in balance sheet		261.93	220.93
<b>Expenses recognized during the year</b>			
Current Service Cost		18.05	16.48
Interest Cost		20.34	15.98
Expected return on Plan Assets		(0.02)	(0.02)
Actuarial Loss		5.67	13.28
Past Service Cost		-	-
Net Cost recognized in Statement of Profit & Loss		44.04	45.72
<b>Actuarial Assumptions</b>			
Mortality Table		<b>Indian Assured life Mortality (2006-08)</b>	
Discount Rate (per annum)		8.00%	9.37%
Attrition Rate		2.00%	2.00%
Expected rate of return on Plan Assets		8.00%	8.70%
Salary Escalation		6.80%	8.00%

**Note:**

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

**B. LEAVE ENCASHMENT (NON FUND BASED):**

The liability towards leave encashment for the year ended 31<sup>st</sup> March, 2015 as per actuarial valuation is ₹ 74.80 lakhs (P.Y. ₹ 62.20 lakhs), which has been duly provided for.

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

				₹ in lakhs
				Total
				Textile
				Engineering
				Composite
<b>XV. SEGMENT REPORTING:</b>				
<b>A. PRIMARY BUSINESS SEGMENT</b>				
<b>SEGMENT REVENUE</b>	<b>13,951.39</b>	<b>927.41</b>	<b>499.60</b>	<b>15,378.40</b>
Previous Year	13,521.08	940.44	204.96	14,666.48
<b>SEGMENT RESULT</b>	<b>(306.73)</b>	<b>(13.10)</b>	<b>(177.45)</b>	<b>(497.28)</b>
Previous Year	668.96	(81.70)	(166.83)	420.43
<b>Unallocated Corporate Expense/Income (Net)</b>				<b>(83.31)</b>
Previous Year				19.12
<b>OPERATING (LOSS)/PROFIT</b>				<b>(580.59)</b>
Previous Year				439.55
<b>Interest Expenses</b>				<b>195.07</b>
Previous Year				(14.22)
<b>Interest / Dividend Income</b>				<b>45.57</b>
Previous Year				65.00
<b>Exceptional Items</b>				<b>41.50</b>
Previous Year				27.52
<b>(LOSS)/ PROFIT BEFORE TAX</b>				<b>(688.59)</b>
Previous Year				517.85
<b>Income Taxes (Incl. Deferred Tax)</b>				<b>-</b>
Previous Year				(122.93)
<b>NET (LOSS)/PROFIT</b>				<b>(688.59)</b>
Previous Year				394.92

**B. SECONDARY SEGMENT: GEOGRAPHICAL SEGMENT**

				₹ in lakhs
				Total
				India
				Rest of World
<b>Revenue attributable to location of customers</b>	<b>15,376.87</b>	<b>12,629.70</b>	<b>2,747.17</b>	
	(14,661.48)	(11,732.48)	(2,929.00)	
<b>Segment Assets based on their location</b>	<b>2,695.63</b>	<b>2,570.64</b>	<b>124.99</b>	
	(2,196.67)	(1,998.11)	(198.56)	
<b>Addition to Fixed Assets</b>	<b>3,340.38</b>	<b>3,340.38</b>	<b>-</b>	
	(274.53)	(274.53)	-	

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

## XVI. RELATED PARTY INFORMATION:

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

Associates/Companies where control exists	Thackersey Moolji & Co., Delta Investments Ltd., Art Leather Ltd., Bintex Investments Ltd., Parnakuti & Allied Estate Development Corporation
Key Management Personnel (KMP)	Mr. Hrishikesh Thackersey – Executive Director Mr. Abhimanyu Thackersey – Executive Director Ms. Heena Shah – Chief Financial Officer Mr. Devanand Mojindra – Company Secretary
Relative of KMP	Mr. Sudhir Thackersey Mr. Raoul Thackersey Mr. Chandrahas Thackersey Mr. Jagdish Thackersey Mr. Khushaal Thackersey

## B. TRANSACTIONS WITH RELATED PARTIES:

₹ in lakhs

Sr. No.	Nature of Transactions	Current Year	Previous Year
1	<b>Rent &amp; Maintenance charges paid</b> Thackersey Moolji & Co.	25.74	17.67
2	<b>Managerial Remuneration</b> Mr. Abhimanyu Thackersey Mr. Hrishikesh Thackersey	30.23 18.77	23.47 17.46
3	<b>Guest House Expenses Paid</b> Parnakuti & Allied Estate Development Corporation	22.00	-
4	<b>Salary Paid to</b> Mr. Khushaal Thackersey Ms. Heena Shah Mr. Devanand Mojindra (w.e.f 07.08.2014)	4.03 34.63 7.22	3.36 30.25 -
5	<b>Directors Sitting Fees</b> Mr. Chandrahas Thackersey Mr. Raoul Thackersey Mr. Jagdish Thackersey (Refer Note b below) Mr. Abhimanyu Thackersey (Refer Note b below)	0.50 0.80 0.10 0.10	0.60 1.05 0.25 0.15
6	<b>Amount Due to a Director</b> Mr. Chandrahas Thackersey	1.00	1.00
7	<b>Interest Paid</b> Art Leather Ltd Bintex Investments Ltd Delta Investments Ltd Mr. Chandrahas Thackersey Mr. Khushaal Thackersey	- - 15.39 0.09 -	2.12 2.11 5.89 - 3.80

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

₹ in lakhs

Sr. No.	Nature of Transactions	Current Year	Previous Year
<b>8</b>	<b>Unsecured Loan Received</b>		
	<u>Loan Received during the year</u>		
	Art Leather Ltd.	-	100.00
	Bintex Investments Ltd.	-	100.00
	Delta Investments Ltd.	<b>350.00</b>	200.00
	Mr.Khushaal Thackersey	-	100.00
	<u>Loan Repaid during the Year</u>		
	Art Leather Ltd.	-	100.00
	Bintex Investments Ltd.	-	100.00
	Delta Investments Ltd.	<b>250.00</b>	200.00
	Mr.Khushaal Thackersey	-	100.00
	<u>Balance as on 31st March, 2015</u>		
	Delta Investments Ltd.	<b>100.00</b>	-
<b>9</b>	<b>Sale of Redeemable Preference Shares in Bishma Realty Ltd</b>		
	Delta Investments Ltd.	<b>1.33</b>	-
<b>10</b>	<b>Sale of Redeemable Preference Shares in Capricon Realty Ltd</b>		
	Delta Investments Ltd.	<b>1.33</b>	-

**Notes:**

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

**XVII. LEASES**

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

₹ in lakhs

	Current Year	Previous Year
Within one year	<b>16.67</b>	15.60
After one year but not more than five years	<b>32.14</b>	52.59

**NOTE 27B: OTHER NOTES TO ACCOUNTS (Contd.)****XVIII. Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The CSR Activities fall within the guidelines referred under Section 135 and specified in Schedule VII of the Companies Act, 2013. During the year Company has made donation to Vithaldas Damodar Thackersey Charitable Trust amounting to ₹ 6.27 lakhs to carry out the said activities at Karad.

₹ in lakhs

Sr. No.	Particulars	Amount spent	Amount to be spent	Total
i	Construction/acquisition of any asset	-	-	-
ii	On purposes other than (i) above	6.27	-	6.27

**XIX.** The figures in Balance Sheet and Statement of Profit and Loss are rounded off to the nearest lakhs and indicated in lakhs of Rupees.

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

**Signatures to Notes "1" to "27"**

As per our report of even date attached

**For and on behalf of the Board**

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

**Abhimanyu Thackersey**  
Executive Director

**Hrishikesh Thackersey**  
Executive Director

**Heena Shah**  
Chief Financial Officer

**Devanand Mojidra**  
Company Secretary

**Mukul M.Patel**  
Partner  
Membership No. : 32489  
Place : Mumbai  
Date : May 5, 2015

Place : Mumbai  
Date : May 5,2015





## HINDOOSTAN MILLS LIMITED

CIN No: L17121MH1904PLC000195

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

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

### FORM OF PROXY

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

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

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

as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the 111<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, August 11, 2015 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
1.	Adoption of the Audited Statement of Profit and Loss for the year ended March 31, 2015 and Balance Sheets as at that date, the Report of Board of Directors and Auditors thereon.		
2.	To declare Dividend on Equity Share.		
3.	Re-appointment of Mr. Abhimanyu Thackersey as Director liable to retire by rotation.		
4.	Re-appointment of Mr. Chandrahas Thackersey as Director liable to retire by rotation.		
5.	Appointment of M/s. M.A. Parikh & Co., as Auditors of the Company.		
6.	Approval of re-appointment of Mr. Hrishikesh Thackesey as Whole-time Director designated as Executive Director.		
7.	Approval of remuneration of Cost Auditor, M/s. Anant Ashok Katyare & Co., for the Financial Year ending March 31, 2016.		

Signed this ..... day of ..... 2015

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

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

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and notes please refer to the Notice of the Annual General Meeting.
3. It is optional to put a "X" in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'against' column blank against the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

Affix  
Revenue  
Stamp



**NOTES**



NOTES



**NOTES**





*If undelivered, please return to :*

**HINDOOSTAN MILLS LIMITED,**

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