ESTD. 1873

HINDOOSTAN
MILLS

August 09, 2022

The General Manager,
Department of Corporate Services – Listing,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

Scrip Code : 509895

Dear Sir

Sub.: Submission of Annual Report 2021-22

Pursuant to Regulations 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report including Notice of Annual General Meeting for the Financial Year 2021-2022. Annual General Meeting of the Company is scheduled to be held on Tuesday, September 06, 2022 through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") at 11.30 A.M.

In accordance with the MCA and SEBI Circulars, the Annual Report together with the Notice of the AGM is dispatched on August 09, 2022 by electronic mode to those Shareholders whose email addresses are registered with the Company / Depository Participants.

The remote e-voting facility shall be kept open from Friday, September 02, 2022 (9:00 a.m.) to Monday, September 05, 2022 (5:00 p.m.) for shareholders to cast their votes electronically. The cut-off date for voting (including remote e-voting) shall be Tuesday, August 30, 2022. The detailed instructions with respect to voting have been mentioned in the Notice of AGM.

The Annual Report containing Notice of 118th Annual General Meeting is also uploaded on the Company's website www.hindoostan.com.

Please take the same on record.

Yours faithfully,
For HINDOOSTAN MILLS LIMITED,

KAUSHIK KAPASI
Company Secretary and Compliance Officer
FCS 1479

HINDOOSTAN MILLS LIMITED MUMBAI

Encl: As above.

ESTD. 1873

HINDOOSTAN

MILLS LIMITED

118th

Annual Report

2021-2022

BOARD OF DIRECTORS
CHANDRAHAS THACKERSEY
Chairman

KHUSHAAL THACKERSEY
Executive Director

ABHIMANYU THACKERSEY
Executive Director

Independent Directors

SUJAL A. SHAH

BHAVESH V. PANJUANI

ASHOK N. DESAI

AMOL P. VORA

GEETA J. PALAN

Chief Financial Officer
Shraddha Shettigar

Company Secretary
Kaushik N. Kapasi

Auditors
SHR & Co.,
Chartered Accountants

Solicitors
Mulla & Mulla and Craigie Blunt & Caroe

Bankers
HDFC Bank Ltd.

Registered Office
Shivsagar Estate "D" Block, 8th Floor,
Dr. Annie Besant Road.
Worli, Mumbai – 400 018
CIN: L17121MH1904PLC000195

CONTENTS

118th Annual General Meeting onTuesday, September 06, 2022 at 11.30 a.m. through video conference/Other Audio Visual Means

Plants
Textiles Unit / Engineering Unit
Plot No.D-1, MIDC Industrial Area,
Village – Taswade, Tal – Karad,
Dist.– Satara – 415 110, Maharashtra

Registrar & Transfer Agents
Computech Sharecap Limited,
147, Mahatma Gandhi Road,
Opp. Jehangir Art Gallery,
Mumbai - 400 023.
Tel: 022 – 22635000/1/2/3/4
Fax: 022 – 22635005
helpdesk@computechsharecap.in
www.computechsharecap.com

NOTICE

Notice is hereby given that the 118th Annual General Meeting (AGM) of the Members of Hindoostan Mills Limited will be held on Tuesday, September 06, 2022 at 11.30 a.m. through video conference/Other Audio Visual Means, venue of the meeting shall be deemed to be the registered office of the Company at "Shivsagar Estate "D" Block, 8th floor, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Directors and the Auditors.
2. To appoint a Director in place of Mr. Abhimanyu J. Thackersey (DIN: 00349682) who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2015 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the remuneration of Rs.1,05,000/- payable to Mr. Pranav J. Taralekar, Cost Accountants (Regn. No.101896) on his reappointment by the Board of Directors of the Company as cost auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023 be and is hereby ratified."

By Order of the Board of Directors,

Kaushik N. Kapasi
Company Secretary
FCS: 1479

Date: May 24, 2022

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

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item No.3 given above as Special Business in this AGM, as they are unavoidable in nature.
2. The Register of Members of the Company will remain closed from Saturday, September 03, 2022 to Tuesday, September 06, 2022 (both days inclusive).
3. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM. In case any Institutional Members, facing issues for participating in AGM can write to complaint@hindoostan.com.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at complaint@hindoostan.com. Questions / queries received by the Company till 5.00 p.m. on Friday, September 02, 2022 shall only be considered and responded during the AGM.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending email to complaint@hindoostan.com between 9.00 a.m. on Wednesday, August 31, 2022 and 5.00 p.m. on Friday, September 02, 2022.
7. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
8. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode, the request be sent to complaint@hindoostan.com.

9. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection by the members electronically up to the date of 118th AGM, the request be sent to complaint@hindoostan.com.

10. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company pertaining to the period from 2014-15 to 2015-16, within the stipulated timeline. The Members, whose unclaimed dividends have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.

11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

12. The Company has pursuant to circular no. SEBI/HO/MIRSD/MIRSD-RTAMB/ CIR/2021/655 dated November 3, 2021 dispatched letters on February 12, 2022 to shareholders holding physical shares to furnish the details of PAN, contact details, specimen signature, Bank account details and Nomination details to our RTA immediately. Such shareholders are requested to submit the said documents, if not furnished immediately.

13. The voting rights of the Members for the purpose of e-voting shall be reckoned in proportion to the paid-up value of the equity shares registered in their name as on Tuesday, August 30, 2022 (cut off date).

14. Mr. Narayan Parekh, Partner of M/s. PRS Associates, Practicing Company Secretaries has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

15. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

16. 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.

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

INSTRUCTIONS FOR E-VOTING AND JOINING VIRTUAL MEETINGS

18. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular no. 2/2022 dated May 05, 2022. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. Further, pursuant to this circular, the Companies are allowed to dispatch financial statements by email.

19. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

20. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.

21. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

22. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

23. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.hindoostan.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

24. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular no.2/2022 dated 05-05-2022.

25. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and MCA Circular no.2/2022 dated 05-05-2022 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year on or before 31.12.2022 to conduct AGM through VC/OAVM.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on **Friday, September 02, 2022 at 9.00 a.m.** and ends on **Monday, September 05, 2022 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on August 30, 2022, the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	**Login Method**
Individual Shareholders holding securities in Demat mode with CDSL Depositories	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/Evoting Login The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depositories	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

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

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

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii)For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant "Hindoostan Mills Limited" on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii)After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii)Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv)You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

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

(xvi)There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii)Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; complaint@hindoostan.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least three days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance three days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at complaint@hindoostan.com (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

ANNEXURE TO THE NOTICE

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

Item No.3

The Board on recommendation of the Audit Committee Meeting has re-appointed Mr. Pranav J. Taralekar, ICWA as a Cost Auditor on remuneration of Rs.1,05,000/- to conduct Cost Audit of the cost records of the Company for financial year ending March 31, 2023.

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

Accordingly, consent of the Members is sought for passing Ordinary Resolution as set out at Item No.3 of the Notice for ratification of the remuneration payable to the Cost Auditor for financial year ending March 31, 2023.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.3 of the Notice.

The Board commends the Ordinary Resolutions set out at Item No.3 of the Notice for approval by the Members.

By Order of the Board of Directors,

Kaushik N. Kapasi
Company Secretary

Date: May 24, 2022
Registered Office:
Shivsagar Estate "D" Block, 8th floor,
Dr. Annie Besant Road,
Worli, Mumbai - 400 018
CIN: L17121MH1904PLC000195
email: complaint@hindoostan.com

Annexure

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

Name of the Director	Mr. Abhimanyu J. Thackersey
Age and Date of Birth	39 years; 13-08-1982
Date of first appointment	26-06-2020
Brief Resume (including profile, qualification, experience and expertise in specific functional areas)	Mr. Abhimanyu Thackersey is an Economics Graduate from The University of Michigan-Ann Arbor. He is one of the promoters of the Company. He has worked in the textile business ever since he graduated in 2004 starting with a Los Angeles based garment retailer before moving back to India in 2006 to join the family textile business. He was earlier Executive director of the Company from 09.05.2011 to 07.09.2017. He had managed the textile business of Hindoostan Mills Ltd. during the said period and led the company's foray into technical textiles in 2011. He is now Executive Director of the Company since February 08, 2021.
Directorship held in other Listed Companies	Nil
Membership / Chairmanship of Committees of other Listed Companies	Nil
Shareholding in the Company as on 24-05-2022	34,573 Equity shares (2.08%)
Relationship with other Director / Key Managerial Personnel of the Company	Nil

DIRECTORS' REPORT

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 118th Annual Report together with the Audited Financial Statements for the year ended March 31, 2022.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2022 is summarized below:

(Rs. in lakhs)

	Current Year Ended 31.03.2022	Previous Year Ended 31.03.2021
Gross Profit/(Loss) before Interest, Depreciation, Tax and exceptional profit from continuing operations	**483.81**	(69.01)
Less: Interest Cost	**14.97**	85.46
Gross Profit/(Loss) after interest but before Depreciation from continuing operations	**468.84**	(154.47)
Less: Depreciation	**535.30**	493.05
Profit/(Loss) before Tax from continuing operations	**(66.46)**	(647.52)
Exceptional Profit	**0.00**	1342.07
Profit after exceptional profit	**(66.46)**	694.55
Less: Tax adjustment of earlier years	**259.85**	0.00
Profit/(Loss) after Tax from continuing operations	**(326.31)**	694.55
Profit/(Loss) before Taxation from discontinued operations	**0.00**	1019.84
Less: Tax expenses of discontinued operations	**0.00**	0.00
Profit/(Loss) after Tax from discontinued operations	**0.00**	1019.84
Profit/Loss for the period	**(326.31)**	1714.39
Other comprehensive income/(Loss)	**10.20**	(12.57)
Total comprehensive income/(Loss)	**(316.11)**	1701.82

REVIEW OF OPERATIONS

The revenue from operations of the Company for the financial year 2021-22 has increased to Rs.10,374.43 Lacs from Rs.6,524.52 Lacs of previous year due to improvement in Covid-19 situation and increased demand in the market from the second quarter of the year under review.

Disciplinary action was taken against about 90 workers due to long absenteeism during the year 2020-21 in textile plant. Therefore, weaving operation was affected which resulted in lower utilization of capacity. Improvement in weaving division is expected after resolution of labour issue.

Market had improved during second quarter ended 30-09-2021. Change in product mix and optimum utilization of available resources had positive impact on margin of profit.

The Company has obtained Global Recycled Standard (GRS) certificate in respect of fabrics and yarn which has helped the Company to get orders from new customers in local as well as international market and fetched better premium.

Increased focus on value added products and sustainable yarn and fabrics (Organic and GRS certified) will give us competitive edge in the market. Additionally, this will lead to better profitability, brand value and simultaneously help to fulfill our social obligations.

Performance of engineering division was affected during second and third quarters under review due to impact of second wave of covid-19. Lower capital expenditure by the industry and increase in Cost of Steel & Cotton had affected the engineering business. Performance in Fourth quarter was however improved as a result, performance for the entire year was better than the previous year.

Engineering division diversified its business during the year under review from textile, paper and steel industry to corrugated and packing industry. The Company got repetitive orders from corrugated industry. The division also developed crush calendar machine for technical textile industry as an import substitute and successfully installed and commissioned the same for customers.

DIVIDEND

In view of losses incurred during the year under review, the Directors have not recommended dividend for the year ended March 31, 2022.

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, 2022.

DIRECTORS

Mr. Abhimanyu J. Thackersey, Director of the Company retires by rotation at 118th Annual General Meeting and being eligible offered himself for re-appointment as a Director of the Company.

His brief profile as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is part of the Notice convening the Annual General Meeting.

Terms of office of Dr. Ashok Desai, the independent director who was appointed as an independent director at 113th Annual General Meeting held on August 08, 2017 for a period of five years, expires on August 07, 2022.

COMMITTEES OF THE BOARD

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

INDUSTRIAL RELATIONS

The Company had initiated inquiry proceedings against 241 workers of textile plant for not attending plant from May 08, 2020 till January 18, 2021. About 90 workers have been terminated after inquiry proceedings. Inquiry proceedings for the balance workers who did not attend duty are still in the process.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company has, during the year under review, transferred unpaid dividend of Rs.3,03,240/- pertaining to the financial year 2013-14 which was unclaimed for more than seven years to Investor Education and Protection Fund in compliance with the provisions of Section 125 of the Companies Act, 2013.

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Form AOC-2 giving details of transactions with related parties referred to in sub-section (1) of section 188 is herewith enclosed, marked as **Annexure I**.

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

COMPLIANCE UNDER THE COMPANIES ACT

1) **Annual return**

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

2) **No. of Board meetings**

   Four Board Meetings were held during the year.

3) **Directors' Responsibility Statement**

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

   (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;

   (b) that 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 profit and loss of the Company for that period;

   (c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

   (d) that the directors have prepared the annual accounts on a going concern basis;

   (e) that the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and

   (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

4) **Declaration from Independent directors**

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

5) **Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director, appointment of Directors, Key Managerial Personnel, Senior Management and to fix/review their remuneration. Policy is on the Company's website www.hindoostan.com.

6) **Particulars of Loans, Guarantees or Investments**

The Company has not given any loan and guarantee nor made any investments under Section 186 of the Companies Act, 2013

7) **Board Evaluation**

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

8) **Information under section 197**

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

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

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

Mr. Khushaal Thackersey : 19.30

Mr. Abhimanyu Thackersey : 19.30

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

Directors, Chief Executive Officer, Company Secretary or Manager	% increase in remuneration in the financial year
Mr. Khushaal Thackersey, Executive Director	0.00
Mr. Abhimanyu Thackersey, Executive director	0.00
Ms. Shraddha Shettigar, CFO	2.90
Mr. Kaushik Kapasi, CS	5.10

iv. The percentage increase in the median remuneration of employees in the financial year: 4.5%

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

- 308 employees as on March 31, 2022

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

Average Salary Increase for KMP's : 1.30%

Average Salary Increase for non-KMP's : 5.02%

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

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

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

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

A. Conservation of energy

i. Engineering division has modified its Hydraulic punching machine to operate machine from both sides which has saved time and energy by saving total running hours of machine.

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

- Nil

iii. The Capital investment on energy conservation equipment.

- Nil

B. Technology absorption

i) the efforts made towards technology absorption

- Nil

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

- Nil

C. Foreign Exchange Earnings & Outgo:

Particulars	31.03.2022	31.03.2021
Foreign exchange earned (Rs. Lacs)	1,418.61	1,572.85
Foreign exchange used (Rs. Lacs)	199.72	215.05

RISK MANAGEMENT POLICY

The Company has evolved risk management policy identifying primary risk and secondary risk. Primary risk includes manpower development, product efficiency, fluctuation in price of raw materials and competition. Although the profitability of the company may be affected on account of these risk factors, Board has not identified any risk which threatens the existence of the Company. Financial Risk Management is mentioned in Note No. 35 (vii) of Note to Accounts, please refer page no. 98 to 102 of the Annual Report.

CORPORATE GOVERNANCE

The Company is maintaining the standards of corporate governance and adheres to the corporate governance requirements set out by SEBI. The Report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is an integral part of this Report. The requisite certificate from M/s. K. C. Nevatia & Associates, Practicing Company Secretaries confirming compliance with the conditions of corporate governance is attached to the Report on Corporate Governance.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

In view of the average loss for the three immediately preceding financial years, the Company was not required to spend any amount on CSR activities during the FY 2021-22. Since there was no CSR activity, annual report on CSR activities is not enclosed.

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work perform by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2021-22.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

AUDITORS

Statutory Auditors

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

Cost Auditors

The Board has re-appointed Mr. Pranav J. Taralekar, Cost Auditor to conduct cost audit of the cost records of the Company for FY 2022-23 on the remuneration of Rs.1,05,000/-. The Board has recommended to the Members to ratify the said remuneration.

Secretarial Audit

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

The observations made in the Secretarial Auditors' Report, are self-explanatory.

SEXUAL HARASSMENT

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors,

Abhimanyu Thackersey	Khushaal Thackersey
Executive Director	Executive Director

Place: Mumbai
Date: May 24, 2022

Annexure-I

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis - **Nil**
2. Details of material contracts or arrangement or transactions at arm's length basis

a	Name(s) of the related party and nature of relationship	**Bhor Chemical and Plastics Private Limited (Bhor) Relationship - Mr. Abhimanyu Thackersey, the Executive Director is a director/sharholder of Bhor.**	**Mr. Khushaal Thackersey Relationship - Executive Derector**	
b	Nature of contracts/arrangements / transactions-	Omnibus approval for Job works and purchase from Bhor or sale to them and vice versa; reimbursement of expenses that may be incurred by Bhor on behalf of the Company	Office premises admeasuring 100 sq. ft. taken on leave and license basis	Office premises admeasuring 3000 sq. ft. taken on leave and license basis
c	Duration of the contracts / arrangements / transactions-	One year from 1-04-2021 to 31-03-2022	08-02-2021 to 31-12-2021	Five years with effect from 01-01-2022 to 31-12-2026
d	Salient terms of the contracts or arrangements or transactions including the value, if any:	Omnibus approval for Rs. One Crore during the financial year 2021-22	License fees of Rs.10,000 per month	License fees of Rs. 4,50,000 per month with effect from 1-01-2022 to 31-12-2024 and to be increased by 15% with effect from 01-01-2025 till 31-12-2026
e	Date(s) of approval by the Board, if any:	08-02-2021	08-02-2021	05-08-2021
f	Amount paid as advances, if any:	nil	nil	Security deposit of Rs.13,50,000

For and on behalf of the Board of Directors,

Abhimanyu Thackersey
Executive Director

Khushaal Thackersey
Executive Director

Place: Mumbai
Date: May 24, 2022

ANNEXURE II
SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

Dear Sirs,

We have conducted online verification and examination of records, as facilitated by the Company, due to COVID-19 and subsequent lockdown situation for the purpose of the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Hindoostan Mills Limited bearing CIN: L17121MH1904PLC000195** (hereinafter called "the company") and for issuing this report. 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 and for isuing this report.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has during the financial year ended on 31st March, 2022 (Audit Period 01.04.2021 to 31.03.2022) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

1. We have examined in the best possible manner soft copies through internet / emails, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

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

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

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

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

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

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

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

      c. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

   (vi) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the company under the financial year under report.

      a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

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

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

      d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

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

      f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

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

Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

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

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

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

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

During the year under the report and as per the explanations and clarifications given to us and the representations made by the management, the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with circulars, notifications and amended rules, regulations, standards etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such other regulatory authorities for such acts, rules, regulations, standards etc. as may be applicable, from time to time issued for compliances under the pandemic situation, have been generally complied with by the Company.

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

We further report that

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

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

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

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

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

For **PRS Associates**
Company Secretaries

(Narayan Parekh)
Partner
C.P. NO.: 6448
ACS No.: 8059
UDIN No. A008059D000375305

Date: 24th May, 2022

Place: Thane

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

Annexure I to Secretarial Audit Report

To,
The Members
Hindoostan Mills Limited
Shivsagar Estate "D" Block, 8th floor,
Dr. Annie Besant Road, Worli,
Mumbai 400018

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

1. The compliance of provisions of all laws, rules, regulations and standards applicable to **Hindoostan Mills Limited** (the Company) is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produce to us. We believe that the process and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Whenever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is partially limited to virtual examination based on inputs provided by the Management in soft copies. Any material deviation or non – compliance which may have occurred during the year under review and which may come to light later on, on the examination of the physical records can be addressed, if appropriate and found necessary, in the next Secretarial Audit Report, which report may be construed as an Addendum to this report to that extent.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **PRS Associates**
Company Secretaries

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

Date: 24th May, 2022
Place: Thane

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

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

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

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

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

2. **Board of Directors:**

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

Name of Directors	Category	No. of Board Meetings attended	Attendance of last AGM	No. of Directorship in other Companies		No. of Board Committees of other public Companies in which a member
				Public Company	Private Company	
Mr. Chandrahas Thackersey	C,NE,S,P	4	Yes	1	1	Nil
Mr. Khushaal Thackersey	ED,S,P	4	Yes	1	1	Nil
Mr. Abhimanyu Thackersey	ED,S,P	4	Yes	Nil	5	Nil
Mr. Sujal A. Shah	NE, I	4	Yes	9	Nil	2C/6M
Mr. Bhavesh V. Panjuani	NE, I	4	Yes	2	Nil	2M
Dr. Ashok N. Desai	NE, I	4	Yes	2	Nil	1M
Mr. Amol P. Vora	NE, I	4	Yes	Nil	Nil	Nil
Ms. Geeta J Palan	W,NE,I	4	Yes	Nil	Nil	Nil

Notes:

1. Excludes directorship in companies under Section 8 of the Companies Act, 2013.
2. For the purpose of counting membership in Board Committee of other Companies, Chairmanship / Membership of the Audit Committee and the Stakeholders Relationship Committee alone are considered.
3. The Company's Board of Directors comprises of 8 Directors including 5 Independent Directors, one of whom is woman director as on March 31, 2022. All the Independent Directors on the Board are eminent professionals, having wide range of skills and experience in business, industry, finance and law.
4. Abbreviations:

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

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

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

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

During the year under review, four Board Meetings were held, the dates being May 06, 2021, August 05, 2021, November 07, 2021 and February 08, 2022. The gap between two consecutive Meetings does not exceeded one hundred and twenty days.

The last Annual General Meeting was held on September 08, 2021.

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

The Shareholding of the Non-Executive Directors in the Company as on 31.3.2022:

Name of Directors	Category	No. of Shares held
Mr. Chandrahas Thackersey	Promoter	1,22,847
Mr. Sujal A. Shah	Independent	Nil
Mr. Bhavesh V. Panjuani	Independent	Nil
Dr. Ashok N. Desai	Independent	Nil
Mr. Amol P. Vora	Independent	Nil
Ms. Geeta J. Palan	Independent	Nil

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

Table given below shows the relationship between the Directors and skill/expertise/competence:

Name of the Directors	Designation	*Relationship between Directors Inter-se	skill/expertise/competence
Mr. Chandrahas Thackersey	Chairman	Father of Mr. Khushaal Thackersey	Experience of more than 51 years in Textile industry
Mr. Khushaal Thackersey	Executive Director	Son of Mr. Chandrahas Thackersey	Five years in Textile Industry
Mr. Abhimanyu Thackersey	Executive Director	Not related to any other Director	Experience of more than 11 years in textile industry. Earlier, he was executive director from 09.05.2011 to 06.09.2017.
Mr. Sujal A. Shah	Director	Not related to any other Director	Chartered Accountant having experience of 30 years in Valuation / Corporate Re-structuring / audit and other related fields
Mr. Bhavesh V. Panjuani	Director	Not related to any other Director	Advocate and Solicitor, practicing since about 32 years. Areas of legal practice include commercial and corporate law, litigation, arbitrations, commercial dispute resolution, contract documentation, negotiation and claims, besides other general civil practice.
Dr. Ashok N. Desai	Director	Not related to any other Director	Experience of more than 41 years in technological aspects of textile industry and research / development.
Mr. Amol P. Vora	Director	Not related to any other Director	Textile business for more than 21 years
Ms. Geeta J Palan	Director	Not related to any other Director	Legal and administration

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

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

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

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

(v) It is hereby confirmed that as per opinion of the board, the independent directors on the Board fulfill the conditions specified in regulations of SEBI (LODR) Regulations, 2015 and are independent of the management.

3. **Board Committees:**

The Board has constituted the following Committees of Directors:

A) Audit Committee:

The Audit Committee consists of the following 3 Independent Non-Executive Directors (financially literate/accounting or related financial expertise) and Mr. Chandrahas Thackersey, non-executive director as on March 31, 2022.

a. Mr. Sujal A. Shah - Chairman

b. Mr. Bhavesh V. Panjuani - Member

c. Dr. Ashok N. Desai - Member

d. Mr. Chandrahas Thackersey - Member

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

(i) Terms of Reference of the Audit Committee:

The terms of reference of Audit Committee are in accordance with the requirements as per Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

Four Meetings of the Audit Committee were held during the year ended March 31, 2022 on the dates: May 06, 2021, August 05, 2021, November 07, 2021 and February 08, 2022. The attendance of each Member at the Meetings was as under:

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

B) **Nomination and Remuneration Committee:**

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

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

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

Two Meetings of the Nomination and Remuneration Committee were held on May 06, 2021 and August 05, 2021. The attendance of each Member at the Meetings was as under:

Name of Members	Designation / Category	Number of Meetings attended
Mr. Bhavesh V. Panjuani	Chairman	2
Mr. Sujal A. Shah	Member	2
Dr. Ashok N. Desai	Member	2

(iii) Performance Evaluation Criteria:

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

(1) In order to induce the respondents to give their frank views, the instruments would be so designed that only ticks would be required, with no provision for description and the directors would not be required to identify themselves below the filled in questionnaire.

(2) The result of the evaluation would be discussed threadbare by the Board and remedial actions taken.

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

Meeting of Independent Directors was held on March 17, 2022, to evaluate members of the Audit Committee, members of the Board of Directors, members of the Stakeholders committee, Independent directors, Executive directors, Non-independent directors, and Chairman.

(iv) **Remuneration to directors**:

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

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

Name of Directors	Rupees
Mr. Chandrahas Thackersey	1,40,000/-
Mr. Sujal A. Shah	1,70,000/-
Mr. Bhavesh V. Panjuani	1,70,000/-
Dr. Ashok N. Desai	1,70,000/-
Mr. Amol P. Vora	1,20,000/-
Ms. Geeta J Palan	1,10,000/-

C) **Stakeholders Relationship Committee:**

a) Name of Non-Executive Director heading the Committee – **Mr. Amol P. Vora**

b) Name and designation of Compliance Officer - **Mr. Kaushik Kapasi – Company Secretary**

Status of Investor Complaints:

a. Number of complaints received during the financial year : Nil

b. number of complaints not solved to the satisfaction of shareholders : Nil

c. Number of complaints pending as of March 31, 2022 : Nil

D) **Remuneration of directors:**

(a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity : **Nil**

(b) Criteria of making payments to non-executive directors: **No remuneration paid to non-executive directors except sitting fees for attending meetings.**

(c) **The following disclosures of remuneration paid to Executive Directors during the year ended March 31, 2022:**

(Rs.in lakhs)

Name	Salary	Benefits*	Contribution to P.F. & S.A. #	Total	Contract period
Mr. Khushaal Thackersey	39.60	2.40	5.75	47.75	Three years with effect from 9.11.2021 to 8.11.2024
Mr. Abhimanyu Thackersey	39.60	2.40	5.75	47.75	Three years with effect from 8.02.2021 to 7.02.2024

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

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

Notice period for the above directors is three months' Notice. No stock is issued to directors.

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

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

a) Composition:

The Committee comprises of:

i) Mr. Chandrahas Thackersey - Chairman

ii) Mr. Sujal A. Shah - Member

iii) Mr. Bhavesh V. Panjuani - Member

The Company Secretary acts as the Secretary to the Committee.

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

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

In view of the average loss for the three immediately preceding financial years, the Company was not required to spend any amount on CSR activities and no CSR Committee Meeting was held in FY 2021-22.

E) **Independent Directors Meeting:**

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

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

The Independent Directors comprises of the following 5 Independent Non-Executive Directors (financially literate) as on March 31, 2022.

a. Mr. Sujal A. Shah - Director

b. Mr. Bhavesh V. Panjuani - Director

c. Dr. Ashok N. Desai - Director

d. Mr. Amol P. Vora - Director

e. Ms Geeta J Palan - Director

The Company Secretary acts as the Secretary to the Meeting.

Details of Meeting held during the year:

Name of Members	Designation	Meeting held on 17-03-2022
Mr. Sujal A. Shah	Director	Attended
Mr. Bhavesh V. Panjuani	Director	Attended
Dr. Ashok N. Desai	Director	Attended
Mr. Amol P. Vora	Director	Attended
Ms. Geeta J Palan	Director	Attended

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

Year	Date	Time	Venue
2018-19	September 27, 2019	11.00 A.M.	Sir Vithaldas Chambers, 16, Mumbai Samachar Marg, Fort, Mumbai - 400001
2019-20	September 29, 2020	12.00 Noon	Virtual meeting through video conference (VC) / Other Audio Visual Means (OAVM) on CDSL platform
2020-21	September 08, 2021	11.30 A.M.	Virtual meeting through video conference (VC) / Other Audio Visual Means (OAVM) on CDSL platform

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

AGM Date	Special Resolutions passed
September 27, 2019	- Reappointment of Mr. Sujal A. Shah and Mr. Bhavesh V. Panjuani, Independent Directors for a second term of 5 consecutive years. - To sell / transfer / dispose-off Composite Unit/Division at Ambernath.
September 29, 2020	- NIL
September 08, 2021	- Re-appointment of Mr. Khushaal C. Thackersey as an Executive Director for three years. - To revise the terms of appointment of Mr. Abhimanyu J. Thackersey as an Executive Director for three years in place of five years.

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

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

4. **Means of Communication:**

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

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

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

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

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

5. **General Shareholder information:**

(i) Annual General Meeting for the financial year 2021-22 through video conference

Date : Tuesday, September 06, 2022

Time : 11:30 am

Venue : Virtual meeting

In accordance with the general circular issued by the MCA on May 5, 2020 read with further circular dated May 05, 2022, the AGM shall be held through video conference (VC)/Other Audio Visual Means (OAVM) only.

(ii) Financial Year : **1st April 2021 to 31st March 2022**

(iii) **Date of Book Closure** : Saturday, September 03, 2022 to Tuesday, September 06, 2022 (both days inclusive)

(iv) **Dividend payment date** : Not Applicable

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

P J Towers, Dalal Street, Mumbai – 400 001

Listing Fee for the financial year 2021-22 has been paid

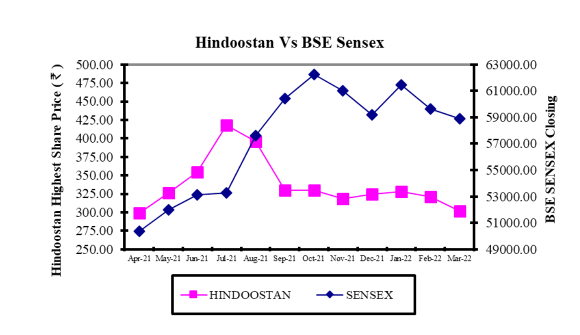
(vi) **Stock Code** : **509895**

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

Month	Quotation at BSE Ltd.			
	High (₹)	Low (₹)	Sensex High	Sensex Low
April, 2021	299.00	210.00	50375.77	47,204.50
May, 2021	325.95	230.00	52013.22	48,028.07
June, 2021	354.70	233.25	53126.73	51,450.58
July, 2021	418.00	285.00	53290.81	51,802.73
August, 2021	396.00	280.20	57625.26	52,804.08
September, 2021	330.00	286.20	60412.32	57,263.90
October, 2021	330.00	270.05	62245.43	58,551.14
November, 2021	318.00	266.10	61036.56	56,382.93
December, 2021	325.00	277.00	59203.37	55,132.68
January, 2022	328.50	278.10	61475.15	56,409.63
February, 2022	321.35	262.00	59618.51	54,383.20
March, 2022	302.00	270.10	58,890.92	52,260.82

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

Month	BSE Index (Sensex) (closing)	Hindoostan Mills Ltd. month end stock closing price (Rs.)
April, 2021	48,782.36	246.00
May, 2021	51,937.44	300.15
June, 2021	52,482.71	292.20
July, 2021	52,586.84	353.00
August, 2021	57,552.39	298.20
September, 2021	59,126.36	308.50
October, 2021	59,306.93	293.90
November, 2021	57,064.87	285.80
December, 2021	58,253.82	307.50
January, 2022	58,014.17	304.90
February, 2022	56,247.28	270.50
March, 2022	58,568.51	289.95



(ix) Securities are not suspended from trading.

(x) Registrar and Transfer Agent:

Name and Address	:	Computech Sharecap Limited, 147, Mahatma Gandhi Road, Opp. Jehangir Art Gallery, Mumbai - 400 023.
Telephone	:	022 – 22635000/1/2/3/4
Fax	:	022 - 22635005
E-mail	:	helpdesk@computechsharecap.in
Website	:	www.computechsharecap.com

(xi) Share Transfer Process:

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

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

(xii)Distribution of Shareholding as on March 31, 2022:

Group of Shares	No. of Shareholders	No. of shares held	% to Total Shares
1 to 50	5,075	70,877	4.26
51 to 100	516	39,728	2.39
101 to 250	335	53,659	3.22
251 to 500	107	38,578	2.32
501 to 1000	54	40,202	2.42
1001 to 5000	37	68,518	4.11
5001 and above	28	13,52,986	81.28
TOTAL	**6,152**	**16,64,548**	**100.00**

(xiii)Dematerialization of Equity Shares and liquidity:

Trading in Equity Shares of the Company is permitted only in dematerialized form as per Notification No. CIR/MRD/DP/14/2011 dated December 20, 2011, issued by the Securities & Exchange Board of India (SEBI). Nearly 97.52% shares are held under dematerialized mode as on March 31, 2022.

The equity shares of the Company are traded at BSE Limited.

(xiv)Outstanding GDRs/Warrants, Convertible Bonds, Conversion date & likely impact on equity: None

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

Please refer Para Risk Management policy under the Directors' Report

(xvi)Shareholding Pattern as on March 31, 2022:

	No. of Shares held	%
Promoters and Persons Acting in Concert	10,09,511	60.65
Banks, Financial institutions, Mutual Funds, Insurance companies	1,970	0.12
Private Corporate Bodies	37,151	2.23
Indian Public	6,03,121	36.23
NRIs / OCBs	12,795	0.77
TOTAL	**16,64,548**	**100.00**

(xvii)Plant Location:

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

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

(xviii)Address for correspondence:

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

(xix)**List of all credit ratings obtained by the entity:** The Company has not obtained credit rating.

6. **Other Disclosures:**

(i) There is no materially significant related party transaction that may have potential conflict with the interest of the Company at large;

(ii) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years: Nil

(iii) The Company has established vigil mechanism/whistle blower policy and also affirms that no personnel have been denied access to the Audit Committee;

(iv) The Company has also adopted policies on Preservation of Documents and Archival of Documents and Determination of Materiality of Events.

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

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

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

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

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

- The Company does not have subsidiary company.

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

http://www.hindoostan.com.

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

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

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

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

a. Number of complaints as of 1st April 2021 : Nil

b. Number of complaints filed during the financial year : Nil

c. Number of complaints disposed of during the financial year : Nil

d. Number of complaints pending as of 31st March 2022 : Nil

(xiii) Disclosure of 'Loans and advances' in the nature of loans to firms/companies in which directors are interested by name and amount : Nil

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

Members who have not yet encashed their dividend warrants pertaining to the dividend for the financial year 2014-15 and onwards are requested to make their claims without any delay to the Company.

The following table gives the information relating to outstanding dividend accounts and the dates by which they can be claimed by the Members:

Sr. No.	Financial Year	Dividend Per Share (₹)	Date of Declaration	Due Date for Transfer to IEPF
1	2014-15	4.00	August 11, 2015	October 12, 2022
2	2015-16	4.50	August 09, 2016	October 14, 2023

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

7. Non-compliance of any requirement of corporate governance report of sub-paras (1) to (6) above, with reasons thereof shall be disclosed : **None**

8. Disclosure of discretionary requirements as specified in Part E of Schedule II :

The Chairman and the Executive directors of the Company are different persons, the Chairman is non executive director; however, he is related to Executive director

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

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

KHUSHAAL THACKERSEY
Executive Director

ABHIMANYU THACKERSEY
Executive Director

Mumbai, May 24, 2022

CERTIFICATE ON CORPORATE GOVERNANCE

To the Member of

Hindoostan Mills Limited

We have examined the compliance of the conditions of Corporate Governance by Hindoostan Mills Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

For K.C. NEVATIA & ASSOCIATES
COMPANY SECRETARIES

K.C.NEVATIA
Proprietor
FCS No.: 3963
C.P. No. 2348
UDIN: F003963D000373475

Place : Mumbai
Date : 24-05-2022

MANAGEMENT DISCUSSION AND ANALYSIS

A. BUSINESS SEGMENT – TEXTILES:

Industry Structure & Development:

The textile sector is the second-largest employer in the country after agriculture, employing around 4.5 crore people. The textile industry is worth $150 billion and contributes around 5% to the country's GDP, 7% of Industry output in value terms and 12% of the country's export earnings.

After a dramatic decline in demand in 2020-21, the textiles and apparel industry mounted a steady comeback in the current fiscal on the back of a rebound in exports and renewed domestic demand. Exports of textiles stood at US$ 29.8 billion during April 2021 to December 2021. Textile sector exports had increased by 31% in April- December 2021 as compared to last year.

Top players in the sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials. The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players into the Indian market.

The IIP also provides data for 23 subgroups of the manufacturing sector. In the period, April -November 2021-22, all the 23 sectors recorded a positive growth. The major industrial groups like textiles, wearing apparel, electrical equipment, motor vehicles staged a strong recovery. Improvement in the performance of the textiles and wearing apparel which is a labour-intensive industry has significant implications for employment creation.

The industry is, however, far from out of the woods, facing as it does a long road to recovery on account of several headwinds. 80% spurt in cotton prices in the past one year has pressured margins of textile and garment firms. Most firms are struggling to pass on the rise in raw material costs to consumers. In the global textile market of $1 trillion, India's share is still minuscule. Thus, there is a lot of room for India to increase its share in global exports. Import duty on cotton has been waived from April 2022 to September 2022 but it has not been able to cool down the prices because of global shortage of good quality of cotton. There has been increased trend of shifting towards production of man made fibres and blends in India as a measure to tide over this crisis.

India is working on major initiatives, to boost its technical textile industry. Government is supporting the sector through funding and machinery sponsoring.

Budget 2021-22 launched Production Linked Incentive Scheme approved for 13 sectors including textile products-MMF segment and technical textile.

The allocation for the textile sector for year 2022-23 in the Union Budget stands at about ₹12,382.14 crore, which is about 8.1 per cent higher than the revised budget allocation of 2021-22 which stood at about ₹11,449.32 crore.

The Company needs to remain prepared for any fallout of next wave of COVID-19 pandemic, and the impact of the ongoing Russia-Ukraine war.

Strengths and Opportunities:

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

The demographics and increasing purchasing power of the country's population indicate a growth in the textile demand in the country which is a positive indication for the company.

Weaknesses and threats:

The ever increasing no. of low-cost unorganized manufacturing hubs in textiles, specially fabrics continues to pose a challenge to us. Rise in cotton prices and power costs have affected the margin of textiles, however we could pass on a portion of increased cost to our customers because of buoyant demand. In the long term volatility of raw material and process costs is bound to have negative impact on the market.

Outlook:

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

B. BUSINESS SEGMENT – ENGINEERING:

Industry Structure and Development:

ECK Haubold & Laxmi (EHL) has strong design and engineering capability, knowledge and manufacturing prowess. It has transformed itself to a preferred developed partner through concentrated focus on innovation, technology and value addition. Covid-19 pandemic impacted our core businesses adversely and is still recovering from the impact of lockdown and market volatility. Our other sectors such as Steel & Paper Industry also faced the similar negative growth trend. The Business performance, enhancement, market opportunity assessment, sector mapping and growth strategy were key focus areas through out to indulge in new sectors. We are keen to establish ourselves in MDF and Plywood, and Corrugation industry with our applicator rolls and press rolls. To seek for an alternative to NCCM, USA and to widen our portfolio we are engaging with TOHO group through CBC India. We have strengthened our position in Calender Manufacturing and also added online Calender machine for paper industry in our portfolio.

Strengths and Opportunities:

Innovation is a continuing on-going process in the Company, which has helped us to explore new ideas and deliver solutions for transformation consistently. The opportunity to build up better sales pipeline and on top projects with diversification of products has increased our share of wallet in machine building along with customer satisfaction. This year we had a glimpse of working in technical textiles and would penetrate further in years to come.

Weaknesses and threats:

- High volatility in prices of key raw materials.
- Inventory management.
- Long sales cycle in steel industry.
- Market competition – grey market pricing.
- Technological upgrades, industry dynamics.
- Import lead time and its dependency across all business segments.
- Technical knowhow – after sales support on site especially in machine building.

Outlook:

The general business outlook remains positive in view of the overall demand condition. Increasing share of value added products remains one of the top priorities with focused cost management and continuous bench marking of best practices. Continuous efforts to enhance the brand image of the Company by focusing on R&D, quality, cost, timely delivery and customer service will help to scale up our market share.

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

Key ratio are mentioned in Annexure - A to Notes to financial statements, Page No.111 to 112.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To The Members of Hindoostan Mills Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Hindoostan Mills Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under section 133 of the Act, of the state of affairs of the Company as at March 31, 2022, its losses including its other comprehensive income, its cashflows and the changes in equity for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
	Inventory, its valuation and provisions thereof (Refer Note 2.11 of the Significant Accounting Policies)	
i)	➢ The inventories comprise of Cotton and Yarn (Raw Materials), Fabrics (FG), Work in Progress and others. Existence of Inventories is a matter of significant importance. ➢ Inventory valuation involves significant assumptions and estimations made by the Management. Management also makes an estimate for slow-moving inventories based on the age of the inventories. ➢ We have identified inventories as a key audit matter because of the size of the inventories, judgment applied in the valuation of inventories and provision for inventories.	Our audit procedures amongst others included the following: ➢ assessed the appropriateness of the inventories accounting policies and its compliances with applicable accounting standards. ➢ evaluated the design of key internal financial controls and operating effectiveness of the relevant key controls with respect to physical verification of inventory, valuation of inventory and provision for inventory. ➢ year-end count of inventory was carried out by the management and was checked on a sample basis by us as well as the Internal Auditors. ➢ tested, on a sample basis, the valuation of inventories as at the year end and the Management's assessment of provision required for slow-moving inventories held as at the balance sheet date.
ii)	**Provisions and Contingent Liabilities (Refer Note No. 35(X) to the standalone Financial Statements)**	
	➢ There are certain legal cases against the company or pursued by the company. This involves high level of management judgement to determine the possible outcome of the legal cases, estimation of level of provisioning and its related accounting disclosures.	Our audit procedures amongst others included the following: ➢ Performing substantiative procedure on underlying calculations for the provisioning made, relying on opinions if any obtained by the management ➢ discussing the matters with the management and assessing management conclusion and provisions thereof ➢ We have validated the completeness and appropriateness of the related disclosures of the financial statements and concluded that the disclosures are sufficient.

Other Matter

The comparative financial information of the company for the corresponding year ended March 31, 2021 was audited by the erstwhile auditor, who had expressed an unmodified opinion on those financial statements.

Our report is not modified in respect of this matter.

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report (the Report), but does not include the standalone financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows, and changes in equity of the Company in accordance with accounting principles generally accepted in India including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit, we report that:

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

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

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of cash flows and the standalone statement of changes in equity dealt with by this report are in agreement with the relevant books of account.

   d) The management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall:

      - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

      - Provide any guarantee, security or the like or on behalf of the Ultimate Beneficiaries.

   e) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall:

      - Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

      - Provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

   f) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) & (e) above contain any material misstatement.

   g) The company has not paid any dividend during the year.

   h) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   i) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

j) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

k) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act.

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

(i) The Company has disclosed the impact of pending litigations as on March 31, 2022 on its financial position in its standalone financial statements refer Note 35 (X) to the standalone financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

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

For For S H R & CO.

Chartered Accountants

FRN: 120491W

Deep N Shroff
Partner
Membership No. 122592
UDIN: 22122592AJMPFI9601

Place: Mumbai
Date: 24th May, 2022

Annexure A referred to in Paragraph 1 Of Our Report of Even Date on The Standalone Financial Statements for The Year Ended March 31, 2022 of Hindoostan Mills Limited:

i. In respect of Property, Plant & Equipment:

(a) The company has maintained its Property, Plant & Equipment register showing full particulars including quantitative details and situation of Property, Plant & Equipment.

The company is not having any intangible assets. Thus, the clause relating to maintenance of proper records showing full particulars of intangible assets is not applicable to the company.

(b) All the property, plant & equipment were physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the company and of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds are held in the name of the company.

(d) The company has not revalued its Property, Plant & Equipment during the year. Accordingly, clause 3(i) (d) of the Order is not applicable.

(e) According to the information and explanations given to us, the Company does not hold any benami property. Accordingly, clause 3(i) (e) of the order is not applicable.

ii. In respect of Inventories:

(a) As explained to us, inventory have been physically verified by the management during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate. No material discrepancies of 10% or more in the aggregate for each class of inventory were noticed. However, the discrepancies between physical verification of inventory as compared to book records which is less than 10% in the aggregate for each class of inventory have been adjusted in the books of account.

(b) During the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable.

iii. In respect of Granting of Loan and Advance:

During the year, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to the companies, firms, Limited Liability partnerships, or any other parties. Accordingly, clause 3(iii) (a) to (f) of the Order is not applicable.

iv. During the year, the company has not made any investments, hence the provision of section 186 of the Companies Act, 2013 (“the Act”) is not applicable. Further, the company has not given any loans, guarantees and securities in relation to which provision of section 185 of the Act are not applicable.

v. In respect of acceptance of Deposit:

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76 or any other relevant provision of the Companies Act and the rule framed there under during the year. No order has been passed by National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal.

vi. In respect of Cost Audit and Records:

According to the information and explanation given to us, the maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 and we are of the opinion that prima facie, the prescribed accounts and records have been so made and maintained. We have, however, not made detailed examination of the accounts and records with a view to determining whether they are accurate or complete.

vii. In respect of Statutory dues:

(a) According to the information and explanations given to us and based on our examination of the books of accounts of the company, the company is generally regular in depositing undisputed statutory dues in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.

According to the information and explanations given to us, there are no statutory dues outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues outstanding on account of any dispute except the following dues which have not been deposited with appropriate authorities on account of dispute:

Name of the Statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which it relates	Forum where matter is pending
Income Tax Act, 1961		3.12	2007 – 2008	Appeal preferred by the company before the Commissioner of Income Tax (Appeal)
		1.94	2010 – 2011	Appeal preferred by the company before the Commissioner of Income Tax (Appeal)
		0.10	2016 – 2017	Assistant Commissioner of Income Tax (Appeal)
Central Excise Act, 1944	Central Excise Duty	5.36	1996-2003	CESTAT

viii. According to the information and explanations given to us, there are no transactions which are not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, clause 3(viii) of the Order is not applicable.

ix. In respect of Loans taken:

(a) According to information and explanations given to us, the company has not borrowed any funds, thus, question of repayment of loan and interest thereon does not arise. Accordingly, clause 3(ix) (a) of the Order is not applicable.

(b) According to the information and explanations given to us, the company has not been declared as wilful defaulter by any bank or financial institutions or other lenders. Accordingly, clause 3(ix) (b) of the Order is not applicable.

(c) According to the information and explanations given to us, the company has not obtained any term loan during the year. Thus, question of utilisation does not arise. Accordingly, clause 3(ix) (c) of the Order is not applicable.

(d) According to the information and explanations given to us, the company has not obtained any loan during the year, hence the question of utilisation of loan obtained on short term basis, for long term purpose does not arise. Accordingly, clause 3(ix) (d) of the Order is not applicable.

(e) According to the information and explanations given to us, the company does not have any subsidiaries, associates or joint ventures, hence, the question of obtaining funds from any entity or person on account of or to meet the obligations does not arise. Thus, clause 3(ix) (e) of the Order is not applicable.

(f) According to the information given to us, the company does not have any subsidiaries, associates or joint ventures, thus the question of raising any loan on pledge of securities of such entities does not arise. Accordingly, clause 3(ix) (f) of the Order is not applicable.

x. In respect of Public Offer

(a) According to the information and explanations given to us, during the year, the company has not raised any funds by way of initial public offer or further public offer. Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year.

xi. In respect of Fraud

(a) Based on the audit procedures performed and information and explanations given by the management, we report that no fraud by the company or on the company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, the company has not received any whistle blower complaints during the year. Accordingly, clause 3 (xi) (c) of the Order is not applicable.

xii. In respect of Nidhi Companies:

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. In respect of Related Party Transaction:

According to the information and explanations given to us by the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the notes to the standalone financial statements as required by the applicable Indian Accounting Standards.

xiv. In respect of Internal Audit

(a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

(b) All the reports of the Internal Auditors for the period under audit were considered by us.

xv. In respect of non-cash transaction with Directors:

According to the information and explanations given to us and based on the examination of records conducted by us, during the year the company has not entered into any non-cash transactions with its directors and hence provisions of section 192 of the Act are not applicable.

xvi. In respect of Non-Banking Companies:

(a) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) (a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) According to information and explanation given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve bank of India. Accordingly, clause 3(xvi)(c) of the order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) of the order is not applicable.

xvii. The company has not incurred any cash losses in the financial year and in the immediately preceding financial year.

xviii. During the year, the statutory auditors were retired on account of rotation and not on account of resignation. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report.

xx. In respect of Corporate Social Responsibility:

(a) According to the information and explanations and based on the examinations of records, the company is not required to transfer any amount to a fund specified in schedule VII of the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to subsection (5) of section 135 of the said Act. Accordingly, clause 3(xx) (a) of the Order is not applicable.

(b) As stated in clause xx (a) above, as provision of section 135(5) of the Act is not applicable to the company, thus the question of transferring of unspent amount to a special account in compliance with the provision of section 135(6) does not arise. Accordingly, clause 3(xx) (b) of the Order is not applicable.

xxi. In respect of Consolidated Financial Report

According to the information and explanations given to us and based on the examination of records by us, the company is not a holding company of any other Company. Accordingly, clause 3(xxi) of the Order is not applicable.

For For S H R & CO.
Chartered Accountants
FRN: 120491W

Deep N Shroff
Partner
Membership No. 122592
UDIN: 22122592AJMPFI9601

Place: Mumbai

Date: 24th May, 2022

Annexure - B to the Independent Auditors' Report

Referred in paragraph 2(f) under "Report on Legal and Regulatory Requirement" section of our report of even date on the Standalone Ind AS Financial Statement of Hindoostan Mills Limited

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

1. We have audited the internal financial controls over financial reporting of **Hindoostan Mills Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements for company for the year ended on that date.

2. **Management's Responsibility for Internal Financial Controls**

   The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. **Auditors' Responsibility**

   Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects to the extent applicable.

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

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

4. **Meaning of Internal Financial Controls over Financial Reporting**

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

5. **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

6. **Opinion**

   In our opinion, to the best of our information and according to the explanations given to us the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For For S H R & CO.

Chartered Accountants

FRN: 120491W

Deep N Shroff
Partner
Membership No. 122592
UDIN: 22122592AJMPFI9601

Place: Mumbai

Date: 24th May, 2022

Balance Sheet as at 31st March, 2022

₹ in lakhs

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
1 **Non-Current Assets**			
a Property, Plant & Equipment	3	1,803.40	2,248.28
b Right of use Assets	3	231.91	-
c Capital Work in Progress	4	4.65	-
d Investment in Property	5	-	-
e Financial Assets			
(i) Investment	6	850.17	236.88
(ii) Other Financial Assets	7	104.93	163.93
f Income Tax Assets (Net)	8	58.40	319.79
g Other non-current assets	9	6.19	1.92
Total Non Current Assets (A)		**3,059.65**	**2,970.80**
2 **Current Assets**			
a Inventories	10	2,365.98	1,748.67
b Financial Assets			
(i) Investment	11	424.21	329.65
(ii) Trade Receivables	12	1,242.27	1,373.70
(iii) Cash and Cash equivalents	13	615.20	246.76
(iv) Other bank balances (other than (iii) above)	13	255.30	1,109.17
(v) Other Financial Assets	14	144.14	162.84
c Other Current Assets	15	245.71	240.90
d Assets held for Sale **(Notes 35 XIX)**		30.57	-
Total Current Assets (B)		**5,323.38**	**5,211.69**
Total Assets (A)+(B)		**8,383.03**	**8,182.49**
EQUITY AND LIABILITIES			
1 **Equity**			
a Equity Share Capital	16	166.45	166.45
b Other Equity	17	5,393.76	5,709.87
Total Equity (A)		**5,560.21**	**5,876.32**
2 **Non-Current Liabilities**			
a Financial liabilities			
(i) Lease Liabilities	18	194.86	-
(ii) Other Financial Liabilities	19	5.24	4.66
b Provisions	20	729.85	761.70
Total Non Current Liabilities (B)		**929.95**	**766.36**
3 **Current Liabilities**			
a Financial liabilities			
(i) Lease Liabilities	21	40.51	-
(ii) Trade payables	22		
I. Total outstanding dues of Micro Enterprises and Small Enterprises		198.37	140.67
II. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		984.97	1,090.92
(iii) Other Financial Liabilities	23	2.76	5.80
b Other Current Liabilities	24	642.21	272.87
c Provisions	25	24.05	29.55
Total Current Liabilities (C)		**1,892.87**	**1,539.81**
Total Equity and Liabilities (A)+(B)+(C)		**8,383.03**	**8,182.49**
Significant Accounting Policies	**2**		
The accompanying notes including other explanatory information form an integral part of the financial statements.	**35**		

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

For and on behalf of the Board

For S H R & Co.
Chartered Accountants.
Firm's Registration No.120491W

Khushaal Thackersey
Executive Director
DIN- 02416251

Abhimanyu Thackersey
Executive Director
DIN- 00349682

Deep N Shroff
Partner
Membership No. : 122592
Place : Mumbai
Date : May 24, 2022

Shraddha Shettigar
Chief Financial Officer

Kaushik Kapasi
Company Secretary

Place : Mumbai
Date : May 24, 2022

Statement of Profit and Loss for the Year ended 31st March, 2022

₹ in lakhs
(Except Earning per Share)

Particulars		Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from Operations	26	10,374.43	6,524.52
II	Other Income	27	263.53	270.89
III	**Total Revenue**	(I+II)	**10,637.96**	**6,795.41**
IV	Expenses:			
	Cost of Materials Consumed	28	6,485.36	3,466.46
	Purchase of Stock-in-Trade		751.40	308.05
	Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	29	(476.34)	490.33
	Employee Benefits Expenses	30	1,434.34	1,026.81
	Finance costs	31	14.97	85.46
	Depreciation and Amortisation Expenses	32	535.30	493.05
	Other Expenses	33	1,959.39	1,572.77
	Total Expenses		**10,704.42**	**7,442.93**
V	Profit / (Loss) before Exceptional Items and Tax	(III - IV)	**(66.46)**	**(647.52)**
VI	Exceptional Items	34	-	1,342.07
VII	Profit / (Loss) Before Tax	(V + VI)	**(66.46)**	**694.55**
VIIII	Tax Expense:			
	Deferred Tax		-	-
	Tax Adjustments of Earlier Years		(259.85)	-
			(259.85)	**-**
IX	Profit / (Loss) for the Period from continuing operations	(VII-VIII)	**(326.31)**	**694.55**
X	Profit / (Loss) from discontinued operations		-	1,019.84
XI	Tax expense of discontinued operations		-	-
XII	Profit / (Loss) from Discontinued operations (after tax)		-	1,019.84
XIII	Profit /(Loss) for the Period		(326.31)	1,714.39
XIV	Other Comprehensive Income			
A	(i) Items that will not be reclassified to Profit or Loss			
	(a) Remeasurement of the defined benefit plan		10.08	(13.01)
	(b) Equity Instrument through Other Comprehensive Income		0.12	0.44
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
B	(i) Items that will be reclassified to profit or Loss		-	-
	Total Other Comprehensive Income [A (i) - A (ii) + B (i)]		10.20	(12.57)
XV	Total Comprehensive Income for the period (XIII)+(XIV)		**(316.11)**	**1,701.82**
XVI	Earning per Equity Share of ₹ 10/- each			
	Basic and Diluted from Continuing Operations	₹	**(19.60)**	**41.73**
	Basic and Diluted from Disontinued Operations	₹	**-**	**61.27**
	Basic and Diluted from Continuing Operation & Disontinued Operations	₹	**(19.60)**	**103.00**
	(Refer Note 32 Point no. IX of Other Notes to Accounts)			
Significant Accounting Policies		2A		
The accompanying notes including other explanatory information form an integral part of the financial statements.		35		

As per our report of even date attached

For S H R & Co.
Chartered Accountants.
Firm's Registration No.120491W

Deep N Shroff
Partner
Membership No. : 122592
Place : Mumbai
Date : May 24, 2022

For and on behalf of the Board

Khushaal Thackersey
Executive Director
DIN- 02416251

Abhimanyu Thackersey
Executive Director
DIN- 00349682

Shraddha Shettigar
Chief Financial Officer

Kaushik Kapasi
Company Secretary

Place : Mumbai
Date : May 24, 2022

Statement of Cash Flows for the Year Ended 31st March, 2022

₹ in lakhs

Particulars	Current Year		Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES			
Protit / (Loss) before tax from continuing operations	(66.46)		694.55
Profit / (Loss) before tax from discontinued operations	-	(66.46)	1,019.84
Adjustment for :			1,714.39
Depreciation and Amortisation expenses	535.30		493.05
Finance Cost	14.97		85.46
Property, Plant and Equipments Written off	0.09		11.70
Profit on Sale of Investment in Property	-		(1,342.07)
Bad Debts, Provision for Doubtful Debts and Advance Written Off	40.12		119.41
Sundry Debit Balances Written Off	27.57		21.28
Sundry Debit Balances Written Off (Refer Note no. 32(XV) - Discontinued Operations)	-		3.72
Lease Income	-		(24.60)
Profit on Sale of Investments (Net)	(1.39)		(3.98)
Fair Value Gain on Mutual Fund Valued as FVTPL	(122.61)		(13.59)
Profit on Sale of Property, Plant and Equipments (Net)	(6.53)		(0.65)
Profit on Sale of Property, Plant and Equipments (Refer Note no. 32(XV) - Discontinued Operations)	-		(1,092.59)
Provision for Doubtful Debts / Advances no longer required written back	(6.79)		(55.52)
Excess provision no longer required written back	(6.13)		(18.30)
Sundry Credit Balance Written Back	(15.63)		(11.05)
Sundry Credit Balance Written Back (Refer Note no. 32(XV) - Discontinued Operations)	-		-
Interest and Dividend Income	(43.06)		(29.75)
Unrealized exchange (gain) / loss	(4.72)		-
Interest Income (Refer Note no. 32(XV) - Discontinued Operations)	-		(0.07)
		411.19	(1,857.55)
Operating Profit before Working Capital Changes		344.73	(143.16)
Changes in :			
(Increase)/Decrease Inventories	(617.31)		494.47
(Increase)/Decrease Trade Receivables	164.28		1,392.57
(Increase)/Decrease Other Financial Assets	69.18		222.05
(Increase)/Decrease Other Non- Financial Assets	(56.70)		(149.21)
Increase/(Decrease) Trade Payables	(55.84)		(1,554.67)
Increase/(Decrease) Other Financial Liabilities	(2.46)		(30.19)
Increase/(Decrease) Other Current Liabilities	369.34		26.60
Increase/(Decrease) Provisions	(37.34)		53.32
		(166.85)	**454.94**
Cash Generated from Operations		177.88	311.78
Direct Taxes paid (Net of Refunds)		(1.54)	(21.85)
Net Cash Generated From Operating Activities		176.34	289.93

₹ in lakhs

Particulars	Current Year		Previous Year
B. CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipments	(117.46)		(67.88)
Sale of Investment in Property	-		1,350.00
Sale of Property, Plant and Equipments	9.99		1,227.89
Interest and Dividend Received	55.30		15.40
Movement in other bank balance	853.87		(1,071.19)
Lease Income Received	-		24.60
Investments Purchased during the year	(1,004.94)		(1,843.84)
Investments Sold during the year	421.22		1,292.00
Net Cash used in Investing Activities		217.98	926.98
C. CASHFLOW FROM FINANCING ACTIVITIES			
Interest Paid	(9.29)		(85.46)
Payment for Lease Liabilities	(10.91)		-
Payment of interest on Lease liability	(5.68)		-
Repayment of Borrowing	-		(908.64)
Net Cash used in Financing Activities		(25.88)	(994.10)
Net Increase in Cash and Cash Equivalents (A+B+C)		368.44	222.81
Cash and cash equivalents at the beginning of the year (Note 13)		246.76	23.95
Cash and Cash Equivalents at the end of the year (Note 13)		615.20	246.76

Notes :

1 Cash and Cash equivalents denote Cash and Bank balances at the year end.

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

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

Significant Accounting Policies 2A

The accompanying notes including other explanatory information form an integral part of the financial statements. 35

As per our report of even date attached

For S H R & Co.
Chartered Accountants.
Firm's Registration No.120491W

Deep N Shroff
Partner
Membership No. : 122592
Place : Mumbai
Date : May 24, 2022

For and on behalf of the Board

Khushaal Thackersey
Executive Director
DIN- 02416251

Abhimanyu Thackersey
Executive Director
DIN- 00349682

Shraddha Shettigar
Chief Financial Officer

Kaushik Kapasi
Company Secretary

Place : Mumbai
Date : May 24, 2022

Statement of Changes in Equity for the year ended 31st March 2022

(a) Equity Share Capital

Particulars	Numbers	₹ in lakhs
Equity Shares of Rs. 10 each issued, subscribed & fully paid		
As at March 31, 2021	16,64,548	166.45
As at March 31, 2022	16,64,548	166.45

(b) Other Equity

₹ in lakhs

Particulars	Reserves and Surplus					Other Reserves	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained earnings	FVTOCI Equity Instruments	
As at March 31, 2020	**1,076.11**	**83.63**	**587.78**	**6,447.61**	**(4,187.73)**	**0.65**	**4,008.05**
Profit / (Loss) for the year					1,714.39		1,714.39
Other comprehensive income					(13.01)	0.44	(12.57)
Total Comprehensive Income for the year	-	-	-	-	1,701.38	0.44	1,701.82
As at March 31, 2021	**1,076.11**	**83.63**	**587.78**	**6,447.61**	**(2,486.35)**	**1.09**	**5,709.87**
Profit / (Loss) for the year	-	-	-	-	(326.31)	-	(326.31)
Other comprehensive income	-	-	-	-	10.08	0.12	10.20
Total Comprehensive Income for the year	-	-	-	-	(316.23)	0.12	(316.11)
As at March 31, 2022	**1,076.11**	**83.63**	**587.78**	**6,447.61**	**(2,802.58)**	**1.21**	**5,393.76**

As per our report of even date attached

For and on behalf of the Board

For S H R & Co.
Chartered Accountants.
Firm's Registration No.120491W

Khushaal Thackersey
Executive Director
DIN- 02416251

Abhimanyu Thackersey
Executive Director
DIN- 00349682

Deep N Shroff
Partner
Membership No. : 122592
Place : Mumbai
Date : May 24, 2022

Shraddha Shettigar
Chief Financial Officer

Kaushik Kapasi
Company Secretary

Place : Mumbai
Date : May 24, 2022

Notes to Financial statements for the Year ended 31st March, 2022

Note 1: Corporate Information:

Hindoostan Mills Limited ("the Company") is a Public Limited Company, incorporated under the provision of the Companies Act, 1956 (as amended by the Companies Act, 2013). Its Shares is listed on Bombay Stock Exchange. The Company is engaged in the business of Manufacture and Sale of Fabric and Yarn and Refiling of Elastic Calendar Bowls. The Company has its the Registered Office and principal place of business at Shivsagar Estate "D" Block, 8th floor, Dr. Annie Besant Road, Worli, Mumbai- 400018.

These financial statements were authorized for issue in accordance with the resolution of the Directors on May 24, 2022 and are subject to the approval of the shareholders at the Annual General Meeting.

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

(A) Significant Accounting Policies:

2.1 Statement of Compliance

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

Accounting policies have been constantly applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

2.2 Basis of preparation presentation of Ind-AS Financial Statements:

2.2.1 Historical cost convention

These financial statements of the Company have been prepared in all material aspects in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('The Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. The Financial Statements have been prepared on accrual basis and under the historical cost basis, except for certain financial instruments and defined benefit plans that are measured at fair values at the end of each reporting period.

The Ind-AS financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities measured at fair value (refer accounting policy no. 2.10 regarding financial instruments). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs.

2.2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees ('INR' or 'Rupees' or 'Rs.' or '₹') which is the functional currency for the Company.

2.2.3 Fair Value Measurement

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

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

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

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

Note 2: Significant Accounting Policies (Contd.)

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

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

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

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

2.2.4 Current and Non-Current Classification of Assets and Liabilities and Operating Cycle:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act and Ind AS 1 Presentation of financial statements.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

Assets:

An asset is classified as current when it satisfies any of the criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

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

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

2.3 Property, Plant and Equipment (PPE):

Property, Plant and Equipment are recorded at their cost of acquisition, net of refundable taxes or levies, less accumulated depreciation and impairment losses, if any. Cost includes purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met.

Note 2: Significant Accounting Policies (Contd.)

These are depreciation over the useful economic life and assessed for impairment whenever there is an indication that the asset may be impaired. The depreciation period and the depreciation method for an asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the depreciation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on assets with finite lives is recognised in the Statement of Profit and Loss.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates these components separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest, if any.

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non-current assets.

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

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

2.4 Investment Property

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

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

2.5 Depreciation:

Depreciation is recognised on the cost of assets (other than freehold land and Capital work-in-progress) less their residual values on Written down value method over the useful lives as prescribed under Schedule II to the Companies Act, 2013, or as per technical assessment, except Plant & Equipments and Leasehold Improvements in Textile division which is depreciated on straight line basis. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Note 2: Significant Accounting Policies (Contd.)

2.5.1 The estimated useful lives of Tangible assets are as follows

Sr. No	PPE	Useful Life
1	Leasehold Land	over the period of lease i.e. 95 Years
2	Leasehold Improvements	over the period of lease i.e. 5 Years
3	Road	5 years
4	Buildings	30 years
5	Plant & Equipments	2 to 15 years
6	Office Equipments	5 years
7	Electrical Installations	10 years
8	Furniture & Fixture	10 years
9	Vehicle	8 years
10	Computer	3 years

2.5.2 The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

2.5.5 Refer Note 2.19 on Accounting of leases as per Ind As 116 for right of use.

2.6 Capital Work in Progress and Capital Advances:

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

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

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit or Loss.

2.8 Non-current assets held for sale / distribution to owners and discontinued operations :

The Company classifies non-current assets and disposal groups as held for sale / distribution if their carrying amounts will be recovered principally through a sale / distribution rather than through continuing use. Actions required to complete the sale / distribution should indicate that it is unlikely that

Note 2: Significant Accounting Policies (Contd.)

significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale / distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale / distribution classification is regarded to be met only when the assets or disposal group is available for immediate sale / distribution in its present condition, subject only to terms that are usual and customary for sales / distribution of such assets (or disposal groups), its sale / distribution is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale / distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale / for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell / distribute. Assets and liabilities classified as held for sale / distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale / distribution are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Statement of Profit and Loss.

Additional disclosures are provided in Note 35 (XIX). All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.9 Financial Instruments:

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

2.9.1 Financial Assets:

2.9.1.1 Initial Recognition and Measurement:

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

Note 2: Significant Accounting Policies (Contd.)

sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2.9.1.2 Subsequent Measurement:

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

- Financial Assets at amortised cost
- Financial Assets at fair value through other comprehensive income (FVTOCI)
- Financial Assets including derivatives and equity instruments at fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial Assets at amortised cost

A 'Financial instrument' is measured at the amortised cost if both the following conditions are met:

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

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans and other financial assets.

Financial instrument at FVTOCI

A 'Financial instrument' is classified as at the FVTOCI if both of the criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit & Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit or Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial instrument at FVTPL:

FVTPL is a residual category for Financial instruments. Any Financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a Financial instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

Note 2: Significant Accounting Policies (Contd.)

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit & Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity, on such sale.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

2.9.1.3 Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.9.1.4 Derecognition:

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Note 2: Significant Accounting Policies (Contd.)

2.9.1.5 Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

(b) Financial assets that are equity instruments and are measured as at FVTOCI

(c) Financial guarantee contracts which are not measured as at FVTPL

(d) Lease receivables under Ind AS 17

(e) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P & L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Note 2: Significant Accounting Policies (Contd.)

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Equity instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

2.9.2 Financial Liabilities:

2.9.2.1 Initial Recognition and Measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

2.9.2.2 Subsequent Measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit & Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit or Loss.

Loans and Borrowings:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Note 2: Significant Accounting Policies (Contd.)

2.9.2.3 Derecognition:

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

2.9.2.4 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original Classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in the Statement of Profit & Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

2.9.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Note 2: Significant Accounting Policies (Contd.)

(i) Raw materials and Packing Material : weighted average cost in case of Textile and for ECK purchase cost on a first in, first out basis.

(ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

(iii) Traded goods are valued at purchase cost on First in First out basis.

(iv) Stores and Spares are valued at purchase cost on First in First out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. the Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

2.11 Cash and Cash Equivalent:

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/ highly liquid investments with original maturity period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.12 Statement of Cash Flow:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the Company are segregated.

2.13 Foreign Currency Transactions:

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

Note 2: Significant Accounting Policies (Contd.)

2.14 Revenue Recognition:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

- Identify the contract(s) with a customer
- Identify the performance obligation in contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Goods and Service Tax (GST) is not received by the Company in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

2.14.1 Sale of Goods:

Revenue from sale of goods is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer or as per the terms agreed with the customers. The amount of revenue to be recognised is based on the consideration expected to be received in exchange for goods, excluding discounts, sales returns and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, goods and services tax, etc., where applicable. Any additional amounts based on terms of agreement entered into with customers, is recognised in the period when the collectability becomes probable and a reliable measure of the same is available.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any). The Company estimates variable consideration at contract inception until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Discounts

Discounts includes target and growth rebates, price reductions, incentives to customers or retailers. To estimate the amount of discount, the Company applies accumulated experience using the most likely method. The Company determines that the estimates of discounts are not constrained based on its historical experience, business forecast and the current economic conditions. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected discount. No element of financing is deemed present as the sales are made with credit terms largely ranging between 7 days to 120 days.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Note 2: Significant Accounting Policies (Contd.)

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.14.2 Income from Services:

Income from services is recognised as they are rendered based on agreements / arrangements with the concerned parties, and recognised net of goods and services tax / applicable taxes.

2.14.3 Export Incentives Income :

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

2.14.4 Rental Income:

Rent income is recognised based on agreements / arrangements with the concerned parties, and recognised net of goods and services tax / applicable taxes.

2.14.5 Interest Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.14.6 Dividend Income:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

2.15 Government Grants:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and charged to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Government grants such as sales tax incentive, export benefit schemes are recognized in the Statement of Profit and Loss as a part of other operating revenues whereas grants related to royalty, power incentives and interest subsidies are netted of from the related expenses.

2.16 Employee Benefits:

2.16.1 Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to

Note 2: Significant Accounting Policies (Contd.)

be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, exgratia are recognised during the period in which the employee renders related service.

2.16.2 Post-Employment Benefits:

Defined Contribution plans:

Employee benefit in the form of Provident fund, Employees State Insurance Contribution and Labour Welfare fund are defined contribution plans. The Company has no obligation, other than the contribution payable to the respective fund. the Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefit plans:

The Company provides for retirement benefit in the form of gratuity. The Company's liability towards this benefit is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of balance sheet.

The obligation towards defined benefit plans is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance costs. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Compensated Absences :

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and this is shown under current provision in the Balance Sheet. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company has accumulating and non accumulating leave. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and this is shown under long term provisions in the Balance Sheet. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are

Note 2: Significant Accounting Policies (Contd.)

not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

2.17 Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.18 Leases:

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

As a Lessee:

(i) Right-of-use assets

The Company recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed

Note 2: Significant Accounting Policies (Contd.)

payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(iii) Short term leases and leases of low value of assets

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

2.19 Taxes :

Current Taxes:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the end of the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Taxes:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets

Note 2: Significant Accounting Policies (Contd.)

and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT):

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year.

Since the Company had adopted the new tax regime in the Financial Year 2020 - 2021 under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019, MAT is not applicable to the Company.

GST paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.20 Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Note 2: Significant Accounting Policies (Contd.)

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

2.21 Segment Reporting:

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

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

2.22 Impairment of non-financial assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment loss of continuing operations, including impairment on inventories is recognised in the statement of profit and loss.

2.23 Provisions:

Provisions (legal and constructive) are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered

Note 2: Significant Accounting Policies (Contd.)

from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

2.24 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.25 Commitments:

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

(a) The estimated amount of contracts remaining to be executed on capital account and not provided for; and

(b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of the Management.

2.26 Cash dividend and non-cash distribution to equity holders:

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

(B) Significant Accounting Judgements, Estimates and Assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the Company disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

Estimates, Assumptions and Judgements:

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

Note 2: Significant Accounting Policies (Contd.)

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

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

(i) Useful life of Property, Plant and Equipment:

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

(ii) Inventories:

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

(iii) Defined Benefit Obligation:

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 35 (III).

(iv) Current Tax expense and Deferred Tax:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. A tax assessement can involve complex issues, which can only be resolved over extended time periods. The recognisation of taxes that are subject to certain legal or economic limits or uncertainities is assessed individually by the managment based on the specific facts and circumstances.

Note 2: Significant Accounting Policies (Contd.)

(v) Recognition of Deferred Tax Assets/ Liabilities:

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

(vi) Provisions & Contingent Liabilities:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances, which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

(vii) Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note **35 (VII) & (VIII)** for further disclosures.

(viii) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management seems them not collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

The impairment provisions for financial assets are based on assumption about risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

(ix) Impairment reviews

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved.

(x) Estimation uncertainty relating to the global health pandemic on COVID-19:

The Company has taken into account the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial

Note 2: Significant Accounting Policies (Contd.)

statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has considered internal and external sources of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expects to recover the carrying amount of these assets. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

(C) Application of new Revised Ind AS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

(i) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

(ii) Ind AS 109 – Annual Improvements to Ind AS

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

(iii) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

(iv) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

(v) Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to the Financial Statements for the year ended 31st March 2022

NOTE 3:

A. PROPERTY, PLANT & EQUIPMENT

₹ in lakhs

Description of assets	Leasehold Land	Leasehold Improvements	Roads	Buildings	Plant & Equipments	Office Equipment	Electrical Installation	Furniture & Fixture	Vehicles	Computer	Total
Gross Block											
As at April 1, 2020	51.19	-	0.26	761.32	5,288.15	16.76	53.43	59.93	19.51	37.13	6,287.68
Additions	-	-	-	6.51	25.21	3.30	36.38	2.79	25.81	0.41	100.41
Transferred from Assets held for Sale	-	-	-	-	-	-	0.07	-	-	-	0.07
Disposals	-	-	-	-	(7.64)	(3.99)	(0.13)	(21.19)	(3.83)	(4.49)	(41.27)
As at March 31, 2021	**51.19**	**-**	**0.26**	**767.83**	**5,305.72**	**16.07**	**89.75**	**41.53**	**41.49**	**33.05**	**6,346.89**
Additions	-	72.41	-	-	30.49	5.54	0.35	-	-	1.29	110.08
Disposals	-	-	-	-	(4.31)	(0.66)	(0.68)	(0.09)	(1.63)	(2.15)	(9.52)
Transferred to Assets held for Sale	(0.77)	-	-	-	(214.43)	-	-	-	-	-	(215.20)
As at March 31, 2022	**50.42**	**72.41**	**0.26**	**767.83**	**5,117.47**	**20.95**	**89.42**	**41.44**	**39.86**	**32.19**	**6,232.25**
Accumulated Depreciation											
As at April 1, 2020	2.84	-	-	227.09	3,284.42	11.32	31.36	41.17	12.32	27.28	3,637.80
Depreciation expense for the year	0.71	-	-	45.68	422.22	1.09	6.83	4.95	5.03	2.69	489.20
Eliminated on disposal of assets / reclassification	-	-	-	-	(1.97)	(2.99)	(0.09)	(16.84)	(3.20)	(3.30)	(28.39)
As at March 31,2021	**3.55**	**-**	**-**	**272.77**	**3,704.67**	**9.42**	**38.10**	**29.28**	**14.15**	**26.67**	**4,098.61**
Depreciation expense for the year	0.70	3.02	-	42.10	448.88	2.12	10.73	3.03	8.28	2.07	520.93
Eliminated on disposal of assets / reclassification	-	-	-	-	(1.90)	(0.58)	(0.52)	(0.07)	(1.04)	(1.95)	(6.06)
Transferred to Assets held for Sale	(0.06)	-	-	-	(184.57)	-	-	-	-	-	(184.63)
As at March 31, 2022	**4.19**	**3.02**	**-**	**314.87**	**3,967.08**	**10.96**	**48.31**	**32.24**	**21.39**	**26.79**	**4,428.85**
Net Written down Value											
As at March 31, 2022	**46.23**	**69.39**	**0.26**	**452.96**	**1,150.39**	**9.99**	**41.11**	**9.20**	**18.47**	**5.40**	**1,803.40**
As at March 31, 2021	**47.64**	**-**	**0.26**	**495.06**	**1,601.05**	**6.65**	**51.65**	**12.25**	**27.34**	**6.38**	**2,248.28**

Notes to Financial Statements for the year ended 31st March 2022

B. Right of Use Assets

₹ in lakhs

Description of assets	Buildings	Total
Cost		
As at April 1, 2020	-	
Additions	-	-
Disposals	-	-
As at March 31, 2021	-	-
Additions	246.28	246.28
Disposals		-
As at March 31, 2022	246.28	246.28
Accumulated Depreciation		
As at April 1, 2020		
Depreciation expense for the year	-	-
Disposal of assets	-	-
As at March 31,2021	-	-
Depreciation expense for the year	14.37	14.37
Disposal of assets		-
As at March 31, 2022	14.37	14.37
Net written down value		
As at March 31, 2022	231.91	231.91
As at March 31, 2021	-	-

C. Net Book Value

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Owned Assets	1,803.40	2,248.28
Right-to-Use Assets	231.91	-
TOTAL	**2,035.31**	**2,248.28**

Notes:

3.1 Impairment losses recognised in the year

During the year ended March 31, 2022 and March 31, 2021, there are no impairment loss determined at each level of Cash Generating Unit (CGU). The recoverable amount was based on value in use and was determined at the level of CGU.

3.2 Contractual Commitments

Refer Note no. 35(IX) for disclosure of contractual commitments for the acquisition of PPE.

3.3 Asset Held for Sale

Refer Note no. 35(XIX) for Assets held for Sale.

3.4 Change due to Revaluation

During the year ended March 31, 2022 and March 31, 2021, there is no adjustments due to Revaluation of PPE by the Company.

3.5 Capitalised borrowing cost :

No borrowing costs are capitalised on property, plant and equipment.

Notes to Financial Statements for the year ended 31st March 2022

Note : Break-up of Depreciation / Amortisation for the year :

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31,2021
Depreciation / amortisation for the year		
- On Property, plant & equipment (See note 3)	529.24	460.81
TOTAL	**529.24**	**460.81**

Note 4 : Capital Workin Progress

₹ in lakhs

Description of assets	As at March 31, 2022	As at March 31,2021
Deemed cost		
Opening	-	60.37
Additions	4.65	0.23
Reclassifications	-	(60.60)
TOTAL	**4.65**	**-**

Note 5 : Investment in Property

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Other Investments		
Investment in Property		
5/8 th share in Bruce Street Property, Tenancy right and Godown		
Gross carrying amount opening	-	52.16
Sold during the year	-	(52.16)
Gross carrying amount closing	-	-
Accumulated Depreciation opening	-	40.39
Depreciation during the year	-	3.84
Sold during the year	-	(44.23)
Accumulated Depreciation closing	-	-
Net carrying amount	-	-
TOTAL	-	-
Fair Value :		
As at 31st March	See Note No. 5.2	See Note No. 5.2

Note 5.1 : Information regarding income and expenditure of Investment property

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Rental income derived from Investment property (Refer Note 27)	-	24.60
Direct operating expenses (including repairs and maintenance) for generating rental income	-	2.87
Surplus arising from investment property before depreciation	-	21.72
Less - Depreciation	-	3.84
Net Surplus arising from investment property	-	17.89

Notes to Financial Statements for the year ended 31st March 2022

Note 5.2 : Estimation of Fair Value :

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

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

Note 5.3:

The Board of Directors at their meeting held on 14th July 2020 had decided to sell the Company's 5/8 share, being 62.5% in the Bruce Street property located at 10, Homi Modi Street, Fort, Mumbai – 400001, for ₹ 1,350.00 lakhs and the same has been sold on 25th November 2020. The profit on sale of Property is ₹ 1342.07 lakhs is presented as "Exceptional Item".

Note 6 : Non Current - Investments

₹ in lakhs

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Investment measured at Fair Value through Other Comprehensive Income		
- Equity Instruments (Quoted)		
NIL (March 31, 2021 : 60) Equity shares of ₹ 2/- each fully paid up in Siemens Ltd.	-	1.11
Investment measured at Fair Value through Profit and Loss Account		
- Mutual Funds (Unquoted)		
11,09,240.290 (March 31, 2021: 5,90.483.4370) units of Parag Parikh Flexi Cap - Direct Plan	582.51	235.77
24,97,648.076 (March 31, 2021 : Nil) units of Parag Parikh Conservative Hybrid Fund - Direct Plan Growth	267.66	-
TOTAL	**850.17**	**236.88**
Aggregate amount of quoted investments at cost	-	1.11
Market value of quoted investments	-	1.11
Aggregate amount of unquoted investments at cost	850.17	235.77
Aggregate amount of impairment in value of investments	-	-

Note 7 : Non-Current Assets - Other Financial Assets

₹ in lakhs

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Unsecured, Considered Good		
Security Deposit (at Amortised Cost)	104.93	163.93
TOTAL	**104.93**	**163.93**

Note 8 : Income Tax Assets (Net)

₹ in lakhs

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Advance Income Tax Receivable (Net)	58.40	319.79
(Advance Tax of Rs. 58.40 Lakhs (2020 - 21: Rs. 319.79 Lakhs), Net of Provision for tax of Rs. NIL (2020 - 21: Rs. NIL)		
TOTAL	**58.40**	**319.79**

Notes to Financial Statements for the year ended 31st March 2022

Note 9 : Non-Current Assets - Other Non Financial Assets

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
(a) Capital Advances		
(i) For property, plant and equipment	2.73	-
(b) Advances other than capital advances		
(i) Prepaid Expenses	3.46	1.92
TOTAL	**6.19**	**1.92**

Note 10 : Inventories

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Inventories (lower of cost and net realisable value)		
(As verified, valued and certified by the Management)		
Raw Materials	729.32	585.04
Work-in-Process	570.90	458.31
Finished Goods	713.23	382.74
Stock-in-Trade	248.65	215.39
Stores, Spares and Loose tools	103.88	107.19
TOTAL	**2,365.98**	**1,748.67**

Note 10.1 :

Inventory is recognised, considering the nature of inventory, age, liquidation plan and net realisable value. Write down of inventories during the year amount to ₹ 32.36 lakhs (Previous year ₹ 33.56 lakhs). The effect of this write down was recognised in cost of materials consumed of ₹ Nil (Previous year ₹ Nil lakhs, changes in value of inventories of work-in-Process, stock-in-trade and finished goods of ₹ 20.20 lakhs (Previous year ₹ 23.62 lakhs) and stores and spares consumed of Rs. 12.16 lakhs (Previous year ₹ 9.94 lakhs) in the Statement of Profit and Loss.

Note 10.2:

The cost of inventories recognised as an expense during the year was Rs. 6760.42 lakhs (2020- 2021: Rs. 4264.84 lakhs). This is included as part of Cost of Materials Consumed and Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade in the Statement of Profit and Loss.

The mode of valuation of inventories has been stated in note 2.10.

Included above, Stock-in-Transit

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a) Raw Materials	30.41	-
b) Finished Goods	-	-
	30.41	**-**

Notes to Financial Statements for the year ended 31st March 2022

Note 11 : Current Assets - Investments

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Investments measured at Fair Value through Profit & Loss		
Unquoted :		
Investments in Mutual Funds		
35,602.604 (March 31, 2021: 28,587.7640) units of Parag Parikh Liquid Fund Direct Plan Growth	424.21	329.65
TOTAL	**424.21**	**329.65**
Aggregate amount of unquoted investments at cost	**424.21**	**329.65**
Aggregate amount of impairment in value of investments.	-	-

Note 12 : Trade Receivables (Unsecured unless stated otherwise)

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a) Unsecured, considered Good		
Considered good – Unsecured	1,242.27	1,373.70
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables – credit impaired	68.79	58.49
TOTAL	**1,311.06**	**1,432.19**
Less : Allowance for doubtful debts (including Expected Credit Loss Allowances)	(68.79)	(58.49)
TOTAL	**1,242.27**	**1,373.70**
Any Trade Receivable if Related Party Details of the above Trade Receivables from		
- Related Parties (Refer Note 35 (IV) of Other Notes to Accounts)	6.35	0.95
- Others	1,235.92	1,372.75
TOTAL	**1,242.27**	**1,373.70**

Note 12.1 :

Trade receivables are non interest bearing. The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period. The average credit period allowed to the customers is in the range of 7 - 45 days.

Note 12.2 : Movement in Allowance for Doubtful Trade receivables

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	58.49	89.01
Add : Allowances made during the year	11.54	25.00
Impairment losses recognised in the year based on lifetime expected credit losses		
On receivables originated in the year	5.55	-
Amounts written off during the year as uncollectible	-	-
Less : Amounts recovered / written back during the year	(6.79)	(55.52)
Balance as at the end of the year	68.79	58.49

Notes to Financial Statements for the year ended 31st March 2022

Note 12.3 : Trade Receivable ageing as on March 31, 2022

₹ in lakhs

Particulars	Unbilled	Outstanding for following periods from due date of payment						Total
		Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	818.86	412.05	16.91	-	29.75	33.49	1,311.06
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**818.86**	**412.05**	**16.91**	**-**	**29.75**	**33.49**	**1,311.06**
Less Allowance for doubtful debts (including Expected Credit Loss Allowances)								(68.79)
Net Trade Receivable								**1,242.27**

Note 12.4 : Trade Receivable ageing as on March 31, 2021

₹ in lakhs

Particulars	Unbilled	Outstanding for following periods from due date of payment						Total
		Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	899.93	422.31	0.11	76.35	-	33.49	**1,432.19**
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	**-**
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	**-**
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	**-**
Total	**-**	**899.93**	**422.31**	**0.11**	**76.35**	**-**	**33.49**	**1,432.19**
Less Allowance for doubtful debts (including Expected Credit Loss Allowances)								(58.49)
Net Trade Receivable								**1,373.70**

Notes to Financial Statements for the year ended 31st March 2022

Note 13 : Cash and Bank Balances

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and Cash equivalents		
(a) Balances with Banks	612.00	245.55
(b) Cash on Hand	3.20	1.21
TOTAL	**615.20**	**246.76**
Other Bank Balances		
(a) Balances with bank		
- Bank Deposits (with original maturity period for more than 3 months but less than 12 months)	250.00	1,100.00
- Margin Money Deposit (with original maturity period for more than 3 months but less than 12 months)	2.54	3.37
(Under Lien for Bank Guarantees issued by the Banks)		
(b) Earmarked Balances with Bank		
- Unclaimed Dividend Accounts	2.76	5.80
TOTAL	**255.30**	**1,109.17**

Note 13.1:

Short term fixed deposits are varying between three months and twelve months, depending on the immediate cash requirements and earn interest at the respective short term deposit rate. Interest rate is between 4.40% - 5.30%.

Note 13.2:

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as above.

Note 14 : Current Assets - Other Financial Assets (Unsecured, considered Good)

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(at amortised cost)		
Interest Receivable	16.41	28.91
State Subsidy Receivable (Refer Note 35 (XVII)	127.73	127.73
Other Receivables	-	6.20
TOTAL	**144.14**	**162.84**

Notes to Financial Statements for the year ended 31st March 2022

Note 15 : Other Current Assets (Unsecured, considered Good)

₹ in lakhs

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Advances other than capital advances		
Export Incentive Receivable	91.17	30.65
Less : Allowance for credit loss	(9.87)	-
	81.30	30.65
Balances with Government authorities (other than income taxes)	74.31	128.43
Advances to Employees	22.04	22.34
Advances to Suppliers	13.31	4.30
Prepaid Expenses	50.30	47.02
Other Advances	5.06	8.16
Less : Allowance for credit loss	(0.61)	-
	4.45	8.16
TOTAL	**245.71**	**240.90**

Note 16 : Equity Share Capital

₹ in lakhs

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Authorised Capital		
2,77,67,500 (31st March 2021 : 2,77,67,500) Equity Shares of ₹ 10/- each	2,776.75	2,776.75
2,500 (31st March 2021 : 2,500) 5% Redeemable Cumulative "A" Preference Shares of ₹ 10/- each	0.25	0.25
7,80,000 (31st March 2021 : 7,80,000) 15% Non Convertible Redeemable Non Cumulative Preference Shares of ₹ 10/- each	78.00	78.00
1,00,00,000 (31st March 2021 : 1,00,00,000) Preference Shares of ₹ 10/- each	1,000.00	1,000.00
TOTAL	**3,855.00**	**3,855.00**
Issued , Subscribed and Paid up Capital		
16,64,548 (31st March 2021 : 16,64,548) Equity Shares of ₹ 10 /- each fully paid up	166.45	166.45
TOTAL	**166.45**	**166.45**

The Company has issued only one class of shares referred to as Equity Shares having a par value of ₹ 10/-. Each holder of Equity Shares is entitled to one vote per share. i.e. Each shareholder is eligible for one vote per share. The dividend proposed by the Board is subject to the approval of shareholders except in case of interim dividend.

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

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

Notes to Financial Statements for the year ended 31st March 2022

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

₹ in lakhs

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity shares with voting rights			
Year ended March 31, 2021			
No. of shares	16,64,548	-	16,64,548
Amount (₹ in Lakhs)	166.45	-	166.45
Year ended March 31, 2022			
No. of shares	16,64,548	-	16,64,548
Amount (₹ in Lakhs)	166.45	-	166.45

Details of the Shareholders holding of Promoters in the Company

Name of Equity Shareholders	As at March 31, 2022		As atMarch 31, 2021		% Change during the year
	No. of Shares Held	Percentage of Holding	No. of Shares Held	Percentage of Holding	
Mr. Khushaal Thackersey	1,88,159	11.30%	1,90,079	11.42%	-0.12%
Mr. Chandrahas Thackersey	1,22,847	7.38%	1,22,847	7.38%	-
Chandrali Investments Private Limited	87,266	5.24%	87,266	5.24%	-
Delta Investments Limited	1,45,509	8.74%	1,45,509	8.74%	-
Mr. Jagdish Thackersey	2,05,613	12.35%	2,05,613	12.35%	-
Mr. Abhimanyu J Thackersey	34,573	2.08%	34,573	2.08%	-
Ms. Ameeta J Thackersey	25,148	1.51%	25,148	1.51%	-
Ms. Bhavika Nimish Sonawala	5,640	0.34%	3,720	0.22%	0.12%
Ms. Devaunshi A Mehta	2,814	0.17%	2,814	0.17%	-
Mr. Hrishikesh J Thackersey	26,621	1.60%	26,621	1.60%	-
Ms. Leena C Thackersey	6,474	0.39%	6,474	0.39%	-
Ms. Mitika C Nanavati	5,987	0.36%	5,987	0.36%	-
Abhimanyu Investments Private Limited	-	-	12,977	0.78%	-0.78%
Ellora Investment Co. Private Limited	57,545	3.46%	57,545	3.46%	0.00%
Hrishikesh Investments Private Limited	-	-	28,937	1.74%	-1.74%
Pushya Trading Private Limited	-	-	16,067	0.97%	-0.97%
The Bhor Chemicals and Plastics Private Limited	95,315	5.73%	37,334	2.24%	3.48%
Ms. Nina S Thackersey	-	-	-	-	-
Ms. Paulomi B Jain	-	-	-	-	-
Mr. Raoul S Thackersey	-	-	-	-	-
Mr. Sudhir K Thackersey	-	-	-	-	-
Devaunshi Investments Private Limited	-	-	-	-	-
Paura Investments Private Limited	-	-	-	-	-
Uranus Trading Private Limited	-	-	-	-	-

Notes to Financial Statements for the year ended 31st March 2022

Shareholders holding more than 5% shares of the Company

Name of Equity Shareholders	As at March 31, 2022		As at March 31, 2021	
	No. of Shares Held	Percentage of Holding	No. of Shares Held	Percentage of Holding
Mr. Khushaal Thackersey	188,159	11.30%	190,079	11.42%
Mr. Chandrahas Thackersey	122,847	7.38%	122,847	7.38%
Chandrali Investments Private Limited	87,266	5.24%	87,266	5.24%
Delta Investments Limited	145,509	8.74%	145,509	8.74%
Mr. Jagdish Thackersey	205,613	12.35%	205,613	12.35%
Mr. Hiren Kara	119,721	7.19%	119,571	7.18%
Mr. Yogesh Uttamlal Mehta	99,226	5.96%	99,226	5.96%
The Bhor Chemicals and Plastics Private Limited	95,315	5.73%	37,334	2.24%

Note 17 : Other Equity

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve		
Balance at the beginning of the reporting period	1,076.11	1,076.11
Movements	-	-
Balance at end of the year	**1,076.11**	**1,076.11**
Capital Redemption Reserve		
Balance at the beginning of the reporting period	83.63	83.63
Movements	-	-
Balance at end of the year	**83.63**	**83.63**
Securities Premium Account		
Balance at the beginning of the reporting period	587.78	587.78
Movements	-	-
Balance at end of the year	**587.78**	**587.78**
Other Reserve		
General Reserve		
Balance at the beginning of the reporting period	6,447.61	6,447.61
Movements	-	-
Balance at end of the year	**6,447.61**	**6,447.61**
Retained Earnings		
Balance as at the beginning of the year	(2,446.64)	(4,161.03)
Less : (Loss) / Profit for the year	(326.31)	1,714.39
Balance in Surplus	(2,772.94)	(2,446.64)
Other Comprehensive Income		
Balance as at the beginning of the year	(38.62)	(26.05)
Add : Movement in OCI (net) during the year	10.20	(12.57)
Balance as at the end of the year	(28.43)	(38.62)
TOTAL	**5,393.76**	**5,709.87**

Notes to Financial Statements for the year ended 31st March 2022

Note 17.1:

Persuant to the amalgamation in the earlier years, Capital Reserve, Capital Redemption Reserve and Securities premium have been incorporated in the Company. This reserves will be utilised in accordance with the provisions of the Companies Act, 2013.

Note 17.2 :

General Reserves is created pursuant to the scheme of amalgation and transfer profits from Retained earnings for appropriation purpose. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Note 17.3 :

The Company has elected to recognise changes in the fair value of certain investments in equity securities in OCI. These changes are accumulated within the FVOCI equity investment reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Note 18: Non-Current Liabilities - Financial Liabilities ₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (Refer Note 35 Point no. II of Other Notes to Account)	194.86	-
TOTAL	**194.86**	**-**

Note 19: Non-Current Liabilities - Other Financial Liabilities ₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	5.24	4.66
TOTAL	**5.24**	**4.66**

Note 20 : Non-Current Liabilities - Provisions ₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits (Refer Note 35 Point no. III of Other Notes to Account)		
- for Gratuity	413.85	487.02
- for Leave Salary	83.34	90.82
TOTAL (A)	**497.19**	**577.84**
Provision for Others		
- for Employee Liabilities (Refer Note 35 Point no. XI / XII of Other Notes to Account)	100.92	59.32
- for Expenses (Refer Note 35 Point no. XIII of Other Notes to Account)	131.74	124.54
TOTAL (B)	**232.66**	**183.86**
TOTAL (A + B)	**729.85**	**761.70**

Note 21: Current Liabilities - Financial Liabilities ₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liabilities (Refer Note 35 Point no. II of Other Notes to Account)	40.51	-
TOTAL	**40.51**	**-**

Notes to Financial Statements for the year ended 31st March 2022

Note 22 : Trade Payables

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
i. Total outstanding dues of Micro Enterprises and Small Enterprises	198.37	140.67
ii. Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	984.97	1,090.92
(Refer Note 35 Point no. XVI of Other Notes to Accounts)		
TOTAL	**1,183.34**	**1,231.59**

Note 22.1 :

The above information has been provided as available with the company to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED Act.

Note 22.2 :

The average credit period on purchases is 7 to 60 days. No interest is charged by the trade payables.

Note 22.3 : Trade Payables Ageing as on March 31, 2022

₹ in lakhs

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	150.43	47.94	-	-	-	198.37
(ii) Others	113.54	453.63	389.25	8.6	6.13	8.58	979.73
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	5.24	5.24
TOTAL	**113.54**	**604.06**	**437.19**	**8.60**	**6.13**	**13.82**	**1,183.34**

Note 22.4 : Trade Payables Ageing as on March 31, 2021

₹ in lakhs

Particulars			Outstanding for following periods from due date of payment				
	Unbilled	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	88.08	52.21	0.38	-	-	140.67
(ii) Others	128.64	647.50	255.32	33.36	12.72	8.14	1,085.68
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	5.24	5.24
TOTAL	**128.64**	**735.58**	**307.53**	**33.74**	**12.72**	**13.38**	**1,231.59**

Notes to Financial Statements for the year ended 31st March 2022

Note 23 : Other Financial Liabilities

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed Dividend	2.76	5.80
TOTAL	**2.76**	**5.80**

There is no amount due and outstanding to be credited to the Investor Education & Protection Fund.

Note 24 : Other Current Liabilities

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Other Advances		
Advances from Customers	41.20	76.71
Advances for Sale of Property, Plant and Equipment	210.66	-
(b) Others		
Statutory Dues	47.43	33.26
Employee Payable	306.94	118.86
Other Liabilities	35.98	44.04
TOTAL	**642.21**	**272.87**

Note 25 : Provisions

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits (Refer Note 35 Point no. III of Other Notes to Account)		
- for Gratuity	16.30	21.17
- for Leave Salary	7.75	8.38
TOTAL	**24.05**	**29.55**

Notes to Financial Statements for the year ended 31st March 2022

Note 26 : Revenue from Operations ₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Products (Net of Returns and GST)	10,093.40	6,357.01
Sale of Services (Net of Returns and GST)	122.82	54.41
(Refer Note 35 Point no. I of Other Notes to Account)	**10,216.22**	**6,411.42**
Other Operating Revenues		
Export Incentives	105.22	50.21
Other Income	52.99	62.88
	158.21	**113.10**
TOTAL	**10,374.43**	**6,524.52**

DISAGGREGATION OF REVENUE ₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Segment		
- Textile	8,932.18	5,356.80
- Engineering	1,442.25	1,167.72
Total revenue from contracts with customers	**10,374.43**	**6,524.52**
Revenue based on Geography		
- India	8,613.30	4,822.77
- Outside India	1,602.92	1,588.65
Total revenue from contracts with customers	**10,216.22**	**6,411.42**
Timing of revenue recognition		
Goods transferred at a point in time	10,093.40	6,357.01
Services transferred over time	122.82	54.41
Total revenue from contracts with customers	**10,216.22**	**6,411.42**

Reconciliation of Revenue from operations with contract price ₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract Price	10,482.58	6,627.62
Reductions towards variable consideration components	266.37	216.20
Total Revenue from Operations	**10,216.22**	**6,411.42**

Contract Balances ₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Trade receivables	1,242.27	1,373.70
Contract assets	-	-
Contract liabilities (Advance received from customers)	41.20	76.71

Notes to Financial Statements for the year ended 31st March 2022

Note 27 : Other Income

₹ in lakhs

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Interest Income	43.06	29.81
Dividend on FVTOCI Investments	-	0.01
Profit on Sale of Investments (Net)	1.39	3.98
Fair Value Gain on Mutual Fund Valued as FVTPL	122.61	13.59
Provision for Doubtful Debts / Advances no Longer Required Written Back	6.79	55.52
Lease Income	-	24.60
Insurance Claim Received	1.33	5.72
Profit on sale of Property, Plant and Equipments (Net)	6.53	0.65
Sundry Credit Balances Written back	15.63	11.05
Excess provision of earlier year no longer required written back	6.13	18.30
Sale of Scrap	-	-
Exchange Gain (Net)	28.33	6.52
Miscellaneous Income	31.73	101.14
TOTAL	**263.53**	**270.89**

Note 27.1 : Details of Interest Income

₹ in lakhs

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Interest Income		
- At Amortised Cost	0.26	-
- On Income Tax Refund	1.49	0.22
- Other Interest Income	41.31	29.59
	43.06	**29.81**

Note 28 : Cost of Materials Consumed

₹ in lakhs

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Opening Stock	585.04	562.29
Add : Purchase of Raw Materials	6,629.64	3,489.21
Less : Closing Stock	729.32	585.04
TOTAL	**6,485.36**	**3,466.46**

Notes to Financial Statements for the year ended 31st March 2022

Note 29 : Change in Inventories

₹ in lakhs

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Opening Stock		
Work-in-Process	458.31	418.15
Finished Goods	382.74	799.41
Traded Goods	215.39	329.21
	1,056.44	1,546.77
Less : Closing stock		
Work-in-Process	570.90	458.31
Finished Goods	713.23	382.74
Traded Goods	248.65	215.39
	1,532.78	1,056.44
TOTAL	**(476.34)**	**490.33**

Note 30 : Employee Benefits Expenses

₹ in lakhs

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Salaries, Wages, Allowances and Other Benefits	1,232.38	879.25
Contribution to Provident and other funds		
to Provident Fund	96.89	59.92
to Employee's State Insurance Corporation	13.47	7.44
to Labour Welfare Fund	0.19	0.06
to Superannuation Fund	3.79	2.92
Gratuity (Refer Note 35 Point no. III of Other Notes to Account)	66.45	58.57
Staff Welfare Expense	21.17	18.64
TOTAL	**1,434.34**	**1,026.81**

Note 31 : Finance Costs

₹ in lakhs

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Interest Expenses		
- on Lease Liability	5.68	-
- on MSME Vendors	1.94	13.72
- on Others	7.35	71.74
TOTAL	**14.97**	**85.46**

Notes to Financial Statements for the year ended 31st March 2022

Note 32 : Depreciation and Amortisation Expenses

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On Property, Plant and Equipments (Refer Note 3)	520.92	489.21
On Investment in Property	-	3.84
On Right to Use Asset (Refer Note 3)	14.37	-
TOTAL	**535.30**	**493.05**

Note 33 : Other Expenses

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of Packing Material, Stores and Spares	359.82	233.23
Power and Fuel (Net of Subsidy ₹ 127.83 lakhs (P.Y. 145.80 lakhs) received from Government of Maharashtra)	830.88	588.70
Processing Charges	217.01	130.26
Rent	47.61	61.28
Rates and Taxes (excluding Income Tax)	29.84	11.66
Repairs to Buildings	1.85	2.34
Repairs to Machinery	37.97	23.00
Other Repairs	34.70	18.51
Insurance	57.20	69.58
Freight, Forwarding and Clearing Charges	36.16	28.84
Legal and Professional Fees	48.12	49.51
Auditors Remuneration	20.97	17.64
Directors Fees	8.80	11.60
Bad Debts and Advance Written Off	40.12	119.41
Provision for Doubtful Debts & Advances	27.57	25.00
Travelling, Conveyance and Vehicle Expenses	38.88	26.45
Communication Expenses	10.17	9.68
Miscellaneous Expenses	111.72	146.10
TOTAL	**1,959.39**	**1,572.77**
Auditors Remuneration:		
For Audit Fees	15.50	15.95
For Tax Audit	1.50	1.50
For Other Work	3.70	-
For Out of Pocket	0.27	0.19
	20.97	**17.64**

Note 34 : Exceptional Items

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit on Sale of Investment in Property	-	1,342.07
TOTAL	**-**	**1,342.07**

Notes to Financial Statements for the year ended 31st March 2022

Note 35: Other Notes to Accounts

I. Segment Information :

The Board of Directors of the Company has been identified as being the Chief Operating Decision Maker (CODM) by the management of the Company. CODM for management purposes organises the Company into business units based on its products and services for the purpose of making decisions about resource allocation and performance assessment and has Two reportable segments.

A Information about Business Segment - Primary

₹ in lakhs

Particulars	Textile		Engineering		Total	
	2021 - 2022	2020 - 2021	2021 - 2022	2020 - 2021	2021 - 2022	2020 - 2021
Segment Revenue						
(1) Sales of Products	8,932.18	5,356.80	1,442.25	1,167.72	10,374.43	6,524.52
Less: Inter Segment Revenue	-	-	-	-	-	-
Net Sales from Continuing Operations	**8,932.18**	**5,356.80**	**1,442.25**	**1,167.72**	**10,374.43**	**6,524.52**
Sales from Discontinued Operations						
Composite					-	3.00
TOTAL					**10,374.43**	**6,527.52**
Result						
Segment Results from Continuing Operations	(361.32)	(822.55)	172.43	146.89	(188.89)	(675.66)
Profit / (Loss) from Discontinued Operations					-	(72.82)
TOTAL					**(188.89)**	**(748.48)**
Unallocated Corporate Income / (Expense)					95.83	1,176.59
Operating Profit					**(93.06)**	**428.11**
Interest Expenses					14.97	85.46
Interest / Dividend Income					41.57	29.67
Exceptional Items					-	1,342.07
Profit Before Tax					**(66.46)**	**1,714.39**
Income Tax					259.85	**-**
Profit for the year					**(326.31)**	**1,714.39**

Other Notes to Accounts (Contd.)

(ii) Other Information

₹ in lakhs

Particulars	Textile		Engineering		Total	
	2021 - 2022	2020 - 2021	2021 - 2022	2020 - 2021	2021 - 2022	2020 - 2021
Other Information						
Segment Assets	5,375.90	5,041.51	1,068.44	1,088.66	**6,444.34**	**6,130.17**
Segment Assets Discontinued Operations : Composite					-	-
Add: Unallocable common Assets					1,938.69	2,052.32
TOTAL ASSETS					**8,383.03**	**8,182.49**
Segment Liabilities	2,024.23	1,363.57	205.36	300.37	**2,229.59**	**1,663.94**
Segment Liabilities Discontinued Operations : Composite					-	-
Add: Unallocable Common Liabilities					593.23	642.23
TOTAL LIABILITIES					**2,822.82**	**2,306.17**
Depreciation and Amortisation	447.10	420.12	72.79	66.94	519.89	487.06
Add: Unallocable Depreciation					15.41	5.99
					535.30	**493.05**

(iii) Reconciliation of Assets & Liabilities

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Segment Operating Assets	6,444.34	6,130.17
Unallocated Assets		
(II) Non Current Assets		
Financial Assets		
- Property Plant and Equipment	296.65	2.96
- Non-Current Investments	850.17	236.88
- Other Non Financial Assets	0.18	0.18
- Income Tax	58.40	319.80
TOTAL Non Current Assets (II)	**1,205.40**	**599.82**
(III) Current Assets		
- Non-Current Investments	424.21	329.65
- Cash and Cash Equivalents	260.71	1,106.17
- Other Financial Assets	9.12	19.03
- Other Current Assets	39.25	37.65
TOTAL Non Current Assets (III)	**733.29**	**1,492.50**
TOTAL Unallocated Assets (II + III)	**1,938.69**	**2,052.32**
TOTAL ASSETS (I + II + III)	**8,383.03**	**8,182.49**

Other Notes to Accounts (Contd.)

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(I) Segment Operating Liabilities	2,229.59	1,485.44
Unallocated Liabilities		
(II) Non Current Liabilities		
Financial Liabilities		
- Other Financial Liabilities	5.24	4.66
Provisions	561.18	761.70
TOTAL Non Current Liabilities (II)	**566.42**	**766.36**
(III) Current Liabilities		
Financial Liabilities		
- Other Financial Liabilities	2.76	5.80
- Other Current Liabilities	-	19.02
Provisions	24.05	29.55
TOTAL Non Current Liabilities (III)	**26.81**	**54.37**
TOTAL Unallocated Liabilities (II + III)	**593.23**	**820.73**
TOTAL Liabilities (I + II + III)	**2,822.82**	**2,306.17**

B Secondary Segment: Geographical Segment

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from External Customers		
India	8,613.30	4,822.77
Outside India	1,602.92	1,588.65
TOTAL	**10,216.22**	**6,411.42**

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Segment assets based on their location		
India	8,316.32	7,977.37
Outside India	66.71	205.12
TOTAL	**8,383.03**	**8,182.49**
Addition to Fixed Assets		
India	110.08	100.41
Outside India	-	-
TOTAL	**110.08**	**100.41**

C No single customer contributed 10% or more to the Company's revenue for the year ended March 31, 2022 and for the year ended March 31, 2021 it had 1 customer which contributed 720.15 lakhs.

D The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2A.

E Segment profit represents the profit before finance cost and tax earned by each segment without allocation of central administration costs and directors' salaries, investment income and finance costs. This is the measure reported to the chief operating decision maker for the purposes of allocation and assessment of segment performance.

Other Notes to Accounts (Contd.)

II. DISCLOSURE UNDER IND AS 116 “LEASES":

A As a Lessee :

The Company has lease contracts for buildings used in its operations. Leases of land and building generally have lease terms between 3 and 5 years. Generally, the Company is restricted from assigning and subleasing the leased assets.

(i) The following amounts are recognised in the Statement of Profit and Loss for the year

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of Right-of-use assets	14.37	-
Interest on lease liabilities	5.68	-
Expenses related to short term leases	47.61	61.27
TOTAL	**67.66**	**61.27**

(ii) The following table sets out the maturity analysis of lease liability to be paid after the reporting date:

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 1 year	59.30	-
1 to 3 years	117.80	-
3 years and above	108.68	-

(iii) Set out below are the carrying amounts of lease liabilities and the movements during the period:

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
As at April 1	-	
Addition	246.28	-
Finance cost accrued	5.68	-
Payment of lease liabilities	(16.59)	-
As at March 31	**235.37**	**-**
Current Lease Liabilities	40.51	-
Non Current Lease Liabilities	194.86	-

(iv) The following is the movement of cash outflow on lease liabilities during the year

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total cash outflow of leases	16.59	-

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

A. Defined Contribution Plans:

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Superannuation with the government certain state plans such as Employees’ State Insurance (ESI). PF cover substantially all regular employees and the Superannuation plan covers certain employees. Contributions are made to the Government’s administered funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI

Other Notes to Accounts (Contd.)

Scheme, and contributions into the Superannuation plan is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

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

(b) Contributions are made to Superannuation plan at the rate of 15% p.a. of basic salary, up to a maximum limit of ₹ 1 lakh p.a. per employee. The obligation of the Company is Limited to the amount contributed and it has no further contractual or constructive obligation.

(c) The expenditure recognised during the year

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contribution to Provident Fund	96.89	59.92
Contribution to ESIC	13.47	7.44
Contribution to Superannuation	3.78	2.92

B. Defined Benefit Plan:

In respect of Gratuity, a defined benefit plan, is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment or on completion of five years or death while in employment. The level of benefit provided depends on the member's length of service and salary at the time of retirement/termination age. Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2022:

B.1 The principal assumptions used for the purposes of the actuarial valuations were as follows.

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Mortality Rate during Employment	Indian Assured Life Mortality(2006-08)	
Rate of Discounting	6.82%	6.84%
Rate of Salary escalation	6.00%	0.00% p.a. for the next 1 years, 6.00% p.a. thereafter, starting from the 2nd year
Expected Return on Plan Asset	NA	NA
Rate of Employee Turnover	2.00%	2.00%

B.2 Expense recognised in the Statement of Profit and Loss

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	31.23	27.12
Past service cost	-	-
Interest cost	35.22	31.45
Expenses Recognised in Statement of Profit and Loss	**66.45**	**58.57**

Other Notes to Accounts (Contd.)

B.3 Amount Recognized in Statement of Other Comprehensive Income (OCI):

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.22)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(17.82)	1.08
Actuarial (Gains)/Losses on Obligations - Due to Experience	7.96	11.92
Net (Gain) / Loss for the Period Recognised in OCI	**(10.08)**	**13.01**

B.4 Net Asset/(Liability) recognised in the Balance Sheet:

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of Defined Benefit Obligation as at the end of the year	564.39	516.43
Fair value of Plan Assets at the end of the year	-	-
Difference	564.39	516.43
Amount Recognised in the Balance Sheet	**564.39**	**516.43**

B.5 Movements in the present value of the defined benefit obligation :

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of Defined Benefit Obligation as at the beginning of the year	516.43	459.82
Interest cost	35.22	31.45
Current Service cost	31.23	27.12
Past Service cost	-	-
Benefits paid direct by the Employer	(8.41)	(14.97)
Actuarial (gain)/loss on obligations due to change in Demographic Assumptions	(0.22)	-
Actuarial (gain)/loss on obligations due to change in Financial Assumptions	(17.82)	1.09
Actuarial (gain)/loss on obligations due to Experience	7.96	11.92
Present value of Defined Benefit Obligation as at the end of the year	**564.39**	**516.43**

Includes liability aggregating to ₹ 134.23 lakhs (Previous year ₹ 8.25 lakhs) in relation to employees who have resigned on or before March 31, 2022, which is reflected under other current liabilities pending full and final settlement of their account.

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

Other Notes to Accounts (Contd.)

B.6 Risks associated with defined benefit plan:

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

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

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

Asset Liability Matching (ALM) Risk: The plan faces the ALM risk as to the matching cash flow entity has to manage pay out based on pay as you go basis from own fund.

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

B.7 Expected future benefit payments:

Maturity profile of defined benefit obligation for the next 10 years
(Undiscounted amount) :

₹ in lakhs

Year Ending 31st March	As at March 31, 2022	As at March 31, 2021
1st Following Year	150.54	29.41
2nd Following Year	15.21	13.92
3rd Following Year	15.10	19.01
4th Following Year	22.01	18.28
5th Following Year	30.98	23.42
Sum of Years 6 and above	901.09	1,102.21

B.8 Sensitivity Analysis:

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Delta Effect of +1% Change in Rate of Discounting	(39.30)	(50.37)
Delta Effect of -1% Change in Rate of Discounting	45.43	58.74
Delta Effect of +1% Change in Rate of Salary Increase	43.81	56.81
Delta Effect of -1% Change in Rate of Salary Increase	(38.57)	(49.60)
Delta Effect of +1% Change in Rate of Employee Turnover	5.30	4.91
Delta Effect of -1% Change in Rate of Employee Turnover	(5.94)	(5.55)

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

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

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

Other Notes to Accounts (Contd.)

C. Compensated Absences :

The Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per the Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

The obligation for compensated absences (non-funded) is also recognized using the projected unit credit method and accordingly the long-term paid absence has been valued. The Liability towards leave encashment for the year ended March 31, 2022 as per actuarial valuation is ₹ 104.98 lakhs (P.Y. ₹ 100.82 lakhs) (including liability aggregating to ₹ 13.89 lakhs in relation to employees who have resigned on or before March 31, 2022, which is reflected under other current liabilities pending full and final settlement of their account).

IV. Related Party Information:

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

Directors and Key Management Personnel (KMP)	Mr. Chandrahas Thackersey – Non-Executive Director Mr. Abhimanyu Thackersey—Executive Director Mr. Khushaal Thackersey – Executive Director Mr. Rajiv Ranjan – Executive Director (w.e.f - 11.12.2017 to 06.09.2020) and Chief Executive Officer (w.e.f – 07.09.2020 to 30.09.2020) Mr. Bhavesh V Panjuani – Independent Director Mr. Amol Vora Mr. Ashok N Desai- Independent Director Mr. Sujal A Shah – Independent Director Mrs. Geeta J Palan – Independent Director Ms. Shraddha Shettigar – Chief Financial Officer Mr. Kaushik Kapasi – Company Secretary
Associates/Enterprise/Companies where control exists	Thackersey Moolji and Co. Sir Vithaldas D Thackersey Charitable Trust The Bhor Chemicals and Plastics Private Limited

B Transactions with Related Parties:

₹ in lakhs

Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent and Maintenance charges paid		
Thackersey Moolji and Co.	-	19.31
Sir Vithaldas D Thackersey Charitable Trust	0.26	1.66
Khushaal Thackersey	14.40	0.18
Remuneration (Note d and e)		
Mr. Khushaal Thackersey	42.00	9.23
Mr. Abhimanyu Thackersey	42.00	6.96
Mr. Rajiv Ranjan	-	17.61
Mr. Kaushik Kapasi	23.17	20.19

Other Notes to Accounts (Contd.)

₹ in lakhs

Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Mrs. Shraddha Shettigar	17.24	14.50
Sale of Goods / Services		
The Bhor Chemicals & Plastics Limited	49.51	7.32
Purchase of Property, Plant and Equipment		
The Bhor Chemicals & Plastics Limited	13.86	-
Sale of License		
The Bhor Chemicals & Plastics Limited	10.88	-
Sale of Investment in Property		
Sir Vithaldas D Thackersey Charitable Trust	-	1,350.00
Security Deposit given		
Mr. Khushaal Thackersey	13.50	-
Directors Sitting Fees		
Mr. Chandrahas Thakcersey	1.40	1.50
Mr. Abhimanyu Thackersey	-	1.00
Mr. Amol P. Vora	1.20	1.55
Mrs. Geeta Palan	1.10	1.10
Mr. Sujal A Shah	1.70	2.15
Mr. Bhavesh V Panjuani	1.70	2.15
Mr. Ashok N Desai	1.70	2.15
Balances Receivable / (Payable) with Related Parties		
Sale of Goods / Services		
The Bhor Chemicals & Plastics Limited	6.35	0.95
Amount Due to Directors		
Mr. Abhimanyu Thackersey	2.93	2.70
Mr. Khushaal Thackersey	2.93	2.75
Security Deposit		
Mr. Khushaal Thackersey	13.50	-

Notes:

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

b. The amount outstanding are unsecured and will be settled in cash or receipt of goods or services. No guarantee have been given. No expense has been recognized in the current period or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

c. The remuneration of the directors and key management personnel is determined by the remuneration committee having regard to the performance of individual and market trends.

Other Notes to Accounts (Contd.)

d. Key Management Personnel (KMP) who are under the employment of the Company are entitled to post employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are provided on the basis of actuarial valuation, for the company as a whole, hence the details in respect of long term benefits to KMP and their relatives are not disclosed. Further there is no Share-based payments to Key Management Personnel of Company.

V. Earnings Per Share:

₹ in lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) For Continuing Operations		
Profit attributable to equity shareholders for basic & diluted EPS	(326.31)	694.55
Weighted average number of equity shares for basic & diluted EPS	16,64,548	16,64,548
Basic & diluted earnings per equity share of ₹ 10 each (March 31, 2021 ₹ 10 each) (in Rupees)	(19.60)	41.73
(B) For Discontinued operations		
Profit attributable to equity shareholders for basic & diluted EPS	-	1,019.84
Weighted average number of equity shares for basic & diluted EPS	16,64,548	16,64,548
Basic & diluted earnings per equity share of ₹ 10 each (March 31, 2021 ₹ 10 each) (in Rupees)	-	61.27
(C) For Continuing & Discontinued operations		
Profit attributable to equity shareholders for basic & diluted EPS	(326.31)	1,714.39
Weighted average number of equity shares for basic & diluted EPS	16,64,548	16,64,548
Basic & diluted earnings per equity share of ₹ 10 each (March 31, 2021 ₹ 10 each) (in Rupees)	(19.60)	103.00

VI. CAPITAL MANAGEMENT

The company's objective for capital management is to maximise shareholder value, safeguard business continuity and support growth of the company. Capital includes, Equity Capital, Securities Premium, and other reserves and surplus, attributable to the equity shareholders of the company. The company determines the capital requirement based on annual plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the company regularly monitors its key gearing ratio and other financial parameters and takes corrective actions wherever necessary. The company is not subject to any externally imposed capital requirements.

Gearing Ratio : As the compnay does not have any debt, the gearing Ratio has not been given.

VII. Financial Risk Management

Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management has identified the following risk.

- Credit Risk
- Market Risk
- Liquidity Risk
- Currency Risk

Other Notes to Accounts (Contd.)

Company's Audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

A Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Before accepting any new customer, the company evaluates the credit worthiness of the potentional customers based on past history and other external inquiries as deemed appropriate. The Company only deals with parties which has good credit ratings / worthiness based on company's internal assessment. The Company has not acquired any credit impaired asset. There was no modification in any financial assets

(i) Trade Receivable

Customer credit is managed by each business division subject to the Company's established policy procedures and control related to customer credit risk management.

Export customers are mainly against Letter of Credit. For local sales the company have appointed various commission agent. In case any customer defaults the amount recovered from the agent's commission. Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets and their credit worthiness are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets

The Company has written off trade receivables amounting to ₹ 26.44 Lakhs during the year (March 31, 2021 ₹ 84.56 lakhs) as there was no reasonable expectations of recovery and were outstanding for more than 720 days from becoming due.

Exposure to the Credit risks ₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)	1,242.27	1,373.70
- Trade Receivable	-	58.49

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying amount	1,311.06	1,432.19
Expected loss rate		
- Textile	1.63%	0.91%
- Engineering	1.40%	1.33%
Loss allowance provision	5.56	-

(ii) Other Financial Assets

Credit risk from balances with banks is managed by management in accordance with the Company policy. Investment of surplus funds are made only in approved Mutual Funds. The other financial assets are from various forum of Government authorities and are released by Government authorities on completion of relevant terms and conditions for the release of outstanding.

Other Notes to Accounts (Contd.)

B Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates, foreign currency exchange rates and commodity prices) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of investment activities and revenue generating and operating activities in foreign currencies.

The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

The sensitivity analyses in the following sections relates to the outstanding balance as at March 31, 2022 and March 31, 2021.

The sensitivity analyses have been prepared on the basis that the proportion of financial instruments in foreign currencies are all constant in place at March 31, 2022. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

(i) Interest Rate Risk:

The Company's investments are primarily in fixed rate interest bearing investments. Hence, the Company is not significantly exposed to interest rate risk.

(ii) Foreign Currency risk:

The Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the Company's functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Company's foreign exchange risk arises from foreign currency revenues and expenses, (primarily in US Dollars and Euros). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company's revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company evaluates exchange rate exposure arising from foreign currency transactions. The company follows established risk management policies and standard operating procedures. The company's exposure to foreign currency changes for all other currencies is not material.

Derivative instruments and unhedged foreign currency exposure:

(a) Derivative contracts outstanding as at March 31, 2022

₹ in lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Forward Contracts to sell USD	Nil	Nil

Other Notes to Accounts (Contd.)

(b) Particulars of unhedged foreign currency exposures and the sensitivity analysis to the profit for a 5% change in exchange rate is given below

₹ in lakhs

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Amount	Effect on profit before tax		Amount	Effect on profit before tax	
		5%	5%	Amount	5%	5%
Import of Goods and Services		Increase	Decrease		Increase	Decrease
Raw Material	115.00	(5.75)	5.75	154.15	(7.71)	7.71
Stores, Spares and Components	53.06	(2.65)	2.65	24.88	(1.24)	1.24
Commission on exports to agent	31.66	(1.58)	1.58	36.02	(1.80)	1.80
Export of Goods						
FOB Value of Export Sales	1,578.41	78.92	(78.92)	1,572.85	78.64	(78.64)

(c) Outstanding foreign currency exposures : **Amounts in lakhs**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
Trade Receivable				
USD	0.89	66.71	2.85	204.13
Trade Payable				
USD	-	-	0.04	3.09
EURO	-	-	0.04	3.62

(iii) Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchases and sales mainly of Fabric, Yarns and other textile related products, including the raw material components for such Frabics, Yarns, etc, i.e Cotton. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Company's raw materials generally fluctuate in line with commodity cycles, although the prices of raw materials used in the Company's business are generally more volatile. Cost of raw materials forms the largest portion of the Company's cost of revenues. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. As of March 31, 2022, the Company had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity prices.

(iv) Equity Price Risk

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

C Liquidity Risk

(i) Liquidity risk management

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt, and overdraft from banks at an optimised cost. Working capital requirements are adequately addressed by internally generated funds. Trade receivables are kept within manageable levels.

Other Notes to Accounts (Contd.)

(ii) Maturities of financial liabilities

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the company may be required to pay.

₹ in lakhs

As At March 31, 2022	On Demand	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and Above	TOTAL
Non Derivative financial instruments						
Non-Current Lease Liabilities	-	-	93.24	101.62	-	194.86
Other Non-current financial liabilities	-	5.24	-	-	-	5.24
Trade payables	-	1,183.34	-	-	-	1,183.34
Current Lease Liabiliities	-	40.51	-	-	-	40.51
Other financial liabilities	-	2.76	-	-	-	2.76
Other financial liabilities	-	642.21	-	-	-	642.21

₹ in lakhs

As At March 31, 2021	On Demand	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and Above	TOTAL
Non Derivative financial instruments						
Non-Current Lease Liabilities	-	-	-	-	-	-
Other Non-current financial liabilities	-	4.66	-	-	-	4.66
Trade payables	-	1,231.59	-	-	-	1,231.59
Current Lease Liabiliities	-	-	-	-	-	-
Other financial liabilities	-	5.80	-	-	-	5.80
Other Current liabilities	-	272.87	-	-	-	272.87

(iii) Maturities of financial Assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

₹ in lakhs

As At March 31, 2022	On Demand	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and Above	TOTAL
Non Derivative financial instruments						
Trade Receivable	-	1,242.27	-	-	-	1,242.27
Other Non Current Financial Assets	-	104.93	-	-	-	104.93
Other Financial Assets	-	144.14	-	-	-	144.14

Other Notes to Accounts (Contd.)

As At March 31, 2021	On Demand	Less than 1 Year	1 - 3 Years	3 - 5 Years	5 years and Above	TOTAL
Non Derivative financial instruments						
Trade Receivable	-	1,322.35	51.35	-	-	1,373.70
Other Non Current Financial Assets	-	163.93	-	-	-	163.93
Other Financial Assets	-	162.84	-	-	-	162.84

VIII. Fair Value Measurement

The significant accounting policies, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability, and equity instrument are disclosed in note 2.10 of the Ind AS financial statement.

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at March 31, 2022 are as follows:

₹ in lakhs

Particulars	Note No	Fair Value through Profit / Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
Financial Assets					
Non Current					
Investment	6	850.17	-	-	850.17
Other Financial Assets	7	-	-	104.93	104.93
Current					
Investment	11	424.21	-	-	424.21
Trade Receivable	12	-	-	1,242.27	1,242.27
Cash and cash equivalents	13	-	-	615.20	615.20
Other bank balances	13			255.30	255.30
Other Financial Assets	14	-	-	144.14	144.14
Total		**1,274.38**	**-**	**2,361.84**	**3,636.22**

₹ in lakhs

Particulars	Note No	Fair Value through Profit / Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
Financial Liabilities					
Non Current					
Lease Liabiliies	18			194.86	194.86
Other Non-current financial liabilities	19	-	-	5.24	5.24
Current					
Lease Liabiliies	21			40.51	40.51
Trade payables	22	-	-	1,183.34	1,183.34
Other Financial liabilities	23	-	-	2.76	2.76
Other Current liabilities	24			642.21	642.21
Total		**-**	**-**	**2,068.92**	**2,068.92**

Other Notes to Accounts (Contd.)

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

₹ in lakhs

Particulars	Note No	Fair Value through Profit / Loss	Fair Value Through OCI	Amortized Cost	Total carrying value
Financial Liabilities					
Non Current					
Other Non-current financial liabilities	19	-	-	4.66	4.66
Current					
Lease Liabiliies	21			-	-
Trade payables	22	-	-	1,231.59	1,231.59
Other Financial liabilities	23	-	-	5.80	5.80
Other Current liabilities	24			272.87	272.87
Total		**-**	**-**	**1,514.92**	**1,514.92**

Carrying amounts of cash and cash equivalents, trade receivables and trade payable as at March 31, 2022 and March 31, 2021 approximate the fair value because of their short term nature. Difference between the carrying amount and fair values of other financial liabilities subsequently measured at amortized cost is not significant in each of the year's presented.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Receivables are evaluated by the company based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(ii) The fair value of financial liabilities, security deposit, as well as other financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(iii) The fair values of the unquoted equity instruments have been estimated using a net adjusted fair value method. The valuation requires management to make certain assumptions about the assets, liabilities, investments of Investee Company. The probabilities of the various assumptions can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments based on the best information available to the Company.

(iv) The fair values of quoted equity instruments are derived from quoted market prices in active markets.

Fair Value Hierarchy

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

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs are other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices).

Other Notes to Accounts (Contd.)

Level 3: Inputs are based non observable market data. Fair value is determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

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

₹ in lakhs

As at March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets :				
Investment measured at Fair Value through Other Comprehensive Income				
Investments in Quoted Equity Shares	-	-	-	-
Security Deposits	-	-	104.93	104.93
Investment measured at Fair Value through Profit / Loss				
Investment in Mutual Fund	1,274.38	-	-	1,274.38
Total	**1,274.38**	**-**	**104.93**	**1,379.31**
Financial Liability:				
Security Deposits	-	-	5.24	5.24
Total	**-**	**-**	**5.24**	**5.24**

₹ in lakhs

As at March 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets :				
Investment measured at Fair Value through Other Comprehensive Income				
Investments in Quoted Equity Shares	1.11	-	-	1.11
Security Deposits	-	-	163.93	163.93
Investment measured at Fair Value through Profit / Loss				
Investment in Mutual Fund	565.42	-	-	565.42
Total	**566.53**	**-**	**163.93**	**730.46**
Financial Liability :				
Security Deposits	-	-	4.66	4.66
Total	**-**	**-**	**4.66**	**4.66**

IX. 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 (Net of Advances)	40.62	52.75

Other Notes to Accounts (Contd.)

X. Contingent liabilities (to the extent not provided for)

₹ in lakhs

Sr. No.	Particulars	As at March 31, 2021	Addition	Settled / Deletion	As at March 31, 2022
	Claims against the Company not acknowledged as Debts				
A	Central Excise	5.37	-	-	5.37
		(39.70)	-	(34.33)	(5.37)
B	Sales Tax	54.61	-	54.61	-
		(6.35)	(48.26)	-	(54.61)
C	Works Contract Tax	18.77	-	18.77	-
		(18.77)	-	-	(18.77)
D	Income Tax	9.16	1.06	8.94	1.28
		(9.16)	-	-	(9.16)
E	Demand for payment of Electricity Duty by Government of Maharashtra.	228.20	-	-	228.20
		(228.20)	-	-	(228.20)
F	Concessional Custom duty on Machinery Imported	-	-	-	-
		(32.42)	-	(32.42)	-
G	Bank Guarantees	0.93	-	0.93	-
		(0.38)	(0.93)	(0.38)	(0.93)
H	Others	1,677.66	-	-	1,677.66
		(1,677.66)	-	-	(1,677.66)
	Total	**1,994.70**	**1.06**	**83.25**	**1,912.51**
		(2,012.64)	**(49.19)**	**(67.13)**	**(1,994.70)**
I	Workers claims (Refer note no. 35 (XI) and (XII))	Amount not determinable			
J	The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. The Company will assess the impact and its evaluation once the subject rules are notified.	Amount not determinable			

Figures in bracket denotes previous year.

Note:

The amounts shown above represents the best possible estimates arrived at on the basis of available information. The uncertainties are dependent on the outcome of the different legal processes. The timing of future cash flows will be determinable only on receipt of judgments / decisions pending with various forums/authorities. The Company does not expect any reimbursements against the above.

Other Notes to Accounts (Contd.)

XI During lock down due to Covid-19, the textile factory was closed during the period April 1 to May 8 2020. The Company has paid on account advances (subject to adjustment against wages) to workers for this closure period, which is equivalent to about 50% of their wages. A final decision will be taken in this matter depending upon the negotiations with the Union. In view of the management no further liability is estimated. (Refer Note 20)

XII The company has initiated disciplinary action against certain employees, out of which some of the employees have been terminated after following certain formal inquiries and procedures under the Industrial Dispute Act and some matters are still under inquiry. The company will make necessary provision of any liabilities that may arise on account of the action initiated by it upon the outcome and completion of such inquiries and procedures. (Refer Note 20)

XIII The Memorandum of Settlement between Hindoostan Mills Limited and the Karad Taluka Girani Kamagar Sangh, Karad (Sangh) expired on December 31, 2019. The "Charter of Demands" has been submitted by the Sangh to the Management. The negotiations between the Management and the Sangh are in progress and accordingly, the Company has made a provision on an estimated basis which will be adjusted in the year in which negotiations are concluded. (Refer Note 20)

XIV The Company had entered into an Agreement with a Property Developer (Developer) in 1993 pursuant to which the development rights for construction of Residential Flats on the plot of Land belonging to the Company were transferred for consideration comprising of monetary compensation and allotment of specified constructed area to the Company subject to payment of the Cost of construction for such allotted area. (Refer Note 20)

The settlement of accounts between the Company and the Developer under the said Agreement had been a subject of Arbitration since the year 2002 as there were claims and counter claims. The Company had provided ₹ 63.98 lakhs in the Financial Statements for the year ended 31st March, 2017 as the sum payable to Caprihans in terms of the Arbitration Award dated October 31, 2016. Thereafter, the said Caprihans challenged the said Arbitration Award before the Hon. High Court at Mumbai.

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

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

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

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

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

XV Provision for Disputed Matters :

Provision for disputed matters in respect of known contractual risks, litigation cases, duties and other levies / claims, the actual outflow of which will depend on the outcome of the respective proceedings.

The movements in the above account are summarized below:-

₹ in lakhs

Sr. No.	Particulars	As at March 31, 2021	Addition During the Year	Deletion During the Year	As at March 31, 2022
1	Provision for Employee Dues	59.33	41.59	-	100.92
2	Provision for Expenses	124.54	7.20	-	131.74
	TOTAL	**183.87**	**48.79**	**-**	**232.66**

Other Notes to Accounts (Contd.)

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

₹ in lakhs

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
A	Principal amount due and remaining unpaid	198.37	140.67
B	Interest due on above	0.04	0.31
C	Payment made beyond the appointed day during the year	123.07	354.02
D	Interest paid	-	-
E	Interest due and payable for the period of delay	1.94	13.72
F	Interest accrued and remaining unpaid	21.42	19.48
G	Amount of further interest remaining due and payable in succeeding years	-	0.60

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

XVII Interest Subsidy:

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

(b) Recovery of subsidy from Government: The aggregate revenue recognised by the Company for the period from October 2016 to September 30, 2019 and which is outstanding as on date aggregates to ₹ 127.73 lakhs is on account of government resolution with regards to release of interest subsidy which is awaited.

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

XVIII Current Tax:

(a) The Company has decided to opt for concessional income tax rate of 22 percent as per section 115 BAA of the Income Tax Act, 1961 effective from Assessment Year 2021 – 22.

(b) In view of management no provision for Income tax is required considering the accumulated loss of the earlier years. Company has not created any Deferred Tax Assets in respect of past accumulated losses on account uncertainty of future taxable profit.

XIX Asset Held For Sale:

₹ in lakhs

Particular	As at March 31, 2022	As at March 31, 2021
Net Block	30.57	-
Less : Impairment	-	-
Less : Assets sold	-	-
Less : Assets transferred to Property, Plant and Equipment’s	-	-
Assets held for Sale	30.57	-

Other Notes to Accounts (Contd.)

XX During the year, Income Tax Receivable of Rs. 259.85 lakhs pertaining to very old period has been charged off to the Statement of Profit and Loss account as Tax adjustments for earlier years, due to uncertainty of its recoverability.

XXI Additional Regulatory Information

For Ratio as required is given in Annexure A attached to the Financial Statement.

XXII Discontinued Operations.

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

i) The results of Discontinued Operations are presented below:

₹ in lakhs

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Revenue from Operations	-	3.00
Other Income (Includes Interest Income ₹ NIL (P.Y. ₹ 0.07 lakhs), Provision for Doubtful Debts no longer required written back Rs. Nil lakhs (P.Y. ₹ NIL lakhs) and Profit on sale of Assets held for Sale ₹ NIL (P.Y. ₹ 1092.59 lakhs)	-	1,092.66
Total Income	**-**	**1,095.66**
Employee Benefits Expenses	-	-
Finance Costs	-	-
Impairment	-	-
Other Expenses (Includes Sundry Debit balances written off ₹ NIL (P.Y. ₹ 3.72 lakhs))	-	75.82
Total Expenses	**-**	**75.82**
Profit / (Loss) before tax	**-**	**1,019.84**
Tax (expense)	-	-
Profit / (Loss) for the year from Discontinued Operation	**-**	**1,019.84**

ii) Assets held for sale :

₹ in lakhs

Particular	**As at March 31, 2022**	**As at March 31, 2021**
Net Block	-	133.47
Less : Impairment	-	-
Less : Assets sold	-	133.40
Less : Assets transferred to Property, Plant and Equipment's	-	0.07
Assets held for Sale	-	-

Other Notes to Accounts (Contd.)

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

₹ in lakhs

Particular	**As at March 31, 2022**	**As at March 31, 2021**
Operating	-	(69.99)
Investing	-	1226.37
Financing	-	(1158.44)
Net Cash(outflow)/Inflow	-	(2.06)

iv) The Board of Directors at their meeting held on June 5, 2018 had decided to discontinue the operations of Composite Division effective from June 30, 2018.

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

XXIII The Company's operations and revenue were impacted on account of disruption in economic activity due to CoVID 19. The management believes that the overall impact of the pandemic is short term and temporary in nature and is not likely to have any significant impact on the recoverability of the carrying value of its assets and the future operations. The management is closely monitoring the developments and possible effects that may result from the pandemic on its financial condition, liquidity and operations and is actively working to minimize the impact of this unprecedented situation.

XXIV The Company's financial statements are authorized for issue in accordance with a resolution of the Board of Directors on May 24, 2022 in accordance with the provisions of the Companies Act, 2013 and are subject to the approval of the shareholders at the ensuing Annual General Meeting.

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

XXVI Figures for the previous year have been rearranged/recompanyed as and when necessary in terms of current year's companying.

Signatures to Notes "1" to "35"

As per our report of even date attached

For S H R & Co.
Chartered Accountants.
Firm's Registration No.120491W

Deep N Shroff
Partner
Membership No. : 122592
Place : Mumbai
Date : May 24, 2022

For and on behalf of the Board

Khushaal Thackersey
Executive Director
DIN- 02416251

Abhimanyu Thackersey
Executive Director
DIN- 00349682

Shraddha Shettigar
Chief Financial Officer

Kaushik Kapasi
Company Secretary

Place : Mumbai
Date : May 24, 2022

Notes to Financial Statements for the year ended 31st March 2022

Notes to the standalone financial statements for the financial year ended March 31, 2022
All amounts are in Rs. lakhs unless otherwise stated
Annexure A

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Variance
Current Ratio (In times)	Total Current Assets	Total Current Liabilities	2.81	3.38	-16.91
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.04	0.00	0.00
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes (before Exceptional and Discontinued Operation) + Depreciation + Interest	Debt service = Interest and lease payments + Principal repayments	8.40	-0.82	-1130.71
Reason for Variance: The company has improved its operational income during the current financial year i.e. 2021 - 2022					
Return on equity ratio (in %)	Net Profit after taxes + Income from Discontinued operation - Preference dividend (if any)	Average total equity	-5.71	34.11	-116.73
Reason for Variance: In the previous year the company had accounted profit on sale of Assets of Rs. 2361.91 Lakhs					
Inventory Turnover ratio (number of Days)	Average Inventory	Cost of goods sold	111.08	170.82	-34.97
Reason for Variance: Improved working capital management including inventory management in the current financial year 2021 - 2022.					
Trade receivables turnover ratio (Number of Days)	Average trade receivables	Sales and Services	46.49	118.33	-60.71
Reason for Variance: Improved working capital management including recovery from Debtors in the current financial year 2021 - 2022.					
Trade payables turnover ratio (Number of Days)	Average trade payables	Cost of Material Consumed + Purchase of stock in trade + Other expenses	49.54	124.56	-60.23
Reason for Variance: Improved working capital management including payments to Creditors in the current financial year 2021 - 2022.					
Net capital turnover ratio (in times)	Sales and Services	Average working capital (i.e. Total current assets less Total current liabilities)	2.89	2.35	23.24
Net profit ratio (in %)	Net Profit after taxes (before Exceptional and Discontinued Operation)	Revenue from operations	-3.18	-10.00	-68.23
Reason for Variance: The Company net loss has reduced due to improved financial performances during the current financial year i.e. 2021 - 2022					

Notes to Financial Statements for the year ended 31st March 2022

Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Variance
Return on capital employed (in %)	Net Profit before taxes (before Exceptional and Discontinued Operation) + Finance Cost	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	-0.89	-12.47	-92.88
Reason for Variance: The Company net loss has reduced due to improved financial performances during the current financial year i.e. 2021 - 2022					
Return on investment (in %) (Mutual Funds)	Income generated from invested funds	Average invested funds	21.94	3.45	535.94
Reason for Variance: The return on investment on Mutual Funds has increased in the current financial year i.e. 2021 - 2022 mainly due to increase in Fair Value of investments made in the Mutual Funds as compared to previous financial year i.e. 2020 - 2021 in which investments were made.					

If undelivered, please return to :

HINDOOSTAN MILLS LIMITED,

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