HINDOOSTAN
MILLS

August 13, 2020

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

Scrip Code: 509895

Dear Sir,

Re: Outcome of Board Meeting held on August 13, 2020.

1. **Un-Audited Financial Results and "Limited Review" for the 1st Quarter ended June 30, 2020**
   In terms of Regulation 33 of SEBI (Listing Obligation And Disclosure Requirement) Regulations, 2015 and modifications, if any, we are enclosing herewith Un-Audited Financial Results for the 1st Quarter ended June 30, 2020 together with "Limited Review" report by the Auditors, as reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on August 13, 2020 for your information and record.

2. **Appointment of CEO**
   In terms of regulation 30 of SEBI (Listing Obligation And Disclosure Requirement) Regulations, 2015 and modifications, if any, we hereby inform that Mr. Rajiv Ranjan whose term as Executive Director is expiring on September 06, 2020 has been appointed as a CEO with effect from September 07, 2020.

The Meeting of the Board of Directors commenced at 11.30 A.M. and concluded at 1.30 P.M.

Kindly take the matter on record.

Yours faithfully,
For HINDOOSTAN MILLS LIMITED,

KAUSHIK KAPASI
Company Secretary & Compliance Officer

HINDOOSTAN MILLS LIMITED MUMBAI

Hindoostan Mills Limited
Registered office: Sir Vithaldas Chambers, 16 Mumbai Samachar Marg, Fort, Mumbai 400 001, India.
CIN no. L17121MH1904PLC000195. T. 91-22-61240700, Email: contact@hindoostan.com ,
Web site www.hindoostan.com

HINDOOSTAN MILLS LIMITED

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

Statement of Unaudited Results for the Quarter ended 30th June 2020

₹ in lakhs

Sr. No.		Particulars	Quarter Ended			Year Ended
			30.06.2020	31.03.2020	30.06.2019	31.03.2020
			(Unaudited)	(Audited)	(Unaudited)	(Audited)
I		**Revenue**				
	(a)	Net Sales/Income from Operations	567.80	3,423.98	3,671.75	13,945.65
	(b)	Other Operating Income	23.21	48.01	33.23	162.21
		Total Revenue from operations	591.01	3,471.99	3,704.98	14,107.86
		Other Income	39.19	109.72	41.74	229.02
		Total Revenue	**630.20**	**3,581.71**	**3,746.72**	**14,336.88**
II		**Expenses**				
	a)	Cost of Materials Consumed	351.51	2,014.95	2,537.65	9,161.25
	b)	Purchase of Stock - in -Trade	6.75	158.81	351.99	720.10
	c)	Changes in Inventories of Finished goods , Work in progress and Stock in Trade	(47.74)	195.99	(244.68)	(4.71)
	d)	Employee Benefits Expense	182.08	347.49	385.34	1,586.18
	e)	Finance Cost	41.68	30.48	32.13	120.01
	f)	Depreciation and Amortisation Expenses	95.27	141.69	149.73	587.70
	g)	Other Expenses	199.58	721.47	652.63	2,617.88
		Total Expenses	**829.13**	**3,610.88**	**3,864.79**	**14,788.41**
III		Loss before Tax (Refer Note No. 9)	(198.93)	(29.17)	(118.07)	(451.53)
IV		Less : Tax expense				
		- Deferred Tax	-	-	(0.35)	(1.41)
V		Loss for the period from continuing operations	(198.93)	(29.17)	(117.72)	(450.12)
VI		Loss before tax from discontinued operation (Refer Note No. 9)	(4.41)	(3.54)	(143.18)	(160.82)
VII		Less : Tax expense of discontinued operation	-	-	-	-
VIII		Loss for the period from discontinuing operations	(4.41)	(3.54)	(143.18)	(160.82)
IX		Loss for the Period	(203.34)	(32.71)	(260.90)	(610.94)
X		Other Comprehensive Income				
		- Items that will not be reclassified subsequently to profit & loss	2.70	4.66	2.08	10.81
XI		Total Comprehensive Income	(200.64)	(28.05)	(258.82)	(600.13)
XII		Paid-up Equity Share Capital (Face value ₹ 10/-each)	166.45	166.45	166.45	166.45
XIII		Earnings Per Equity Share from continuing operation				
	-	Basic	(11.95)	(1.75)	(7.07)	(27.04)
	-	Diluted	(11.95)	(1.75)	(7.07)	(27.04)
XIV		Earnings Per Equity Share from discontinuing operation				
	-	Basic	(0.26)	(0.21)	(8.60)	(9.66)
	-	Diluted	(0.26)	(0.21)	(8.60)	(9.66)
XV		Earnings Per Equity Share from continuing and discontinuing operation				
	-	Basic	(12.22)	(1.97)	(15.67)	(36.70)
	-	Diluted	(12.22)	(1.97)	(15.67)	(36.70)
		See accompanying notes to the Financial Results				
			(Not Annualised)	(Not Annualised)	(Not Annualised)	(Annualised)

HINDOOSTAN MILLS LIMITED MUMBAI

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HINDOOSTAN MILLS LIMITED

Unaudited Segment Information for the Quarter ended 30th June 2020

₹ in lakhs

Sr.No.	Particulars	Quarter Ended			Year Ended
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30.06.2020	31.03.2020	30.06.2019	31.03.2020
1	**Segment Revenue**				
	a) Textile	511.58	3,048.90	3,463.77	12,951.95
	b) Engineering Products	79.43	423.09	241.21	1,155.91
	Gross Sales/Income from Operations	**591.01**	**3,471.99**	**3,704.98**	**14,107.86**
2	**Segment Results - Loss before Tax, Interest & Unallocable overheads**				
	a) Textile	(160.40)	(142.89)	(114.10)	(585.09)
	b) Engineering Products	(20.12)	95.70	(2.83)	117.24
	c) Composite Products - Discontinued operation	(4.47)	22.14	(150.38)	(142.91)
	Total	**(184.99)**	**(25.05)**	**(267.31)**	**(610.76)**
	d) Interest Expenses	(41.68)	(30.48)	(32.13)	(120.01)
	e) Interest Expenses - Discontinued operation	-	-	(0.07)	(18.40)
	f) Unallocable overheads net of unallocable income	23.27	48.49	30.99	136.32
	g) Unallocable overheads net of unallocable income - Discontinued operation	0.06	(25.67)	7.27	0.50
	h) **Total Loss before Tax** (Refer Note No. 9)	**(203.34)**	**(32.71)**	**(261.25)**	**(612.35)**
3	**Segment Assets**				
	a) Textile	6,944.18	7,262.12	7,383.59	7,262.12
	b) Engineering Products	937.76	1,134.06	913.03	1,134.06
	c) Composite Products - Discontinued operation	139.50	140.05	289.94	140.05
	d) Unallocable	401.35	378.71	387.34	378.71
	Total Assets	**8,422.79**	**8,914.94**	**8,973.90**	**8,914.94**
4	**Segment Liabilities**				
	a) Textile	2,527.66	2,574.09	2,522.99	2,574.09
	b) Engineering Products	405.57	540.29	219.70	540.29
	c) Composite Products - Discontinued operation	2.85	1.74	36.90	1.74
	d) Unallocable	736.68	715.68	691.02	715.68
	Total Liabilities	**3,672.76**	**3,831.80**	**3,470.61**	**3,831.80**
5	**Capital Employed** (Segment Assets - Segment Liabilities)				
	a) Textile	4,416.52	4,688.03	4,860.60	4,688.03
	b) Engineering Products	532.19	593.77	693.33	593.77
	c) Composite Products - Discontinued operation	136.65	138.31	253.04	138.31
	d) Unallocable	(335.33)	(336.97)	(303.68)	(336.97)
	Total Capital Employed in the Company	**4,750.03**	**5,083.14**	**5,503.29**	**5,083.14**

Notes :

1) The above unaudited financial results as reviewed by the Audit Committee, have been approved and taken on record at the meeting of the Board of Directors held on 13th August, 2020. The limited review as required as per listing agreement has been carried out by the Statutory Auditors of the Company.

2) The Covid-19 pandemic has had a major impact on businesses across the world and the Company too has been affected by it.
As a result of the lockdown, which was implemented from March 22, 2020, the Company lost sizeable export, and domestic sales during the month of March which has adversely affected the financial performance of the quarter and year ended March 31, 2020.
The Company started partial operations with reduced capacity on 9th May 2020 and gradually scaled up the operations to about 30% capacity despite the difficulty in availability of manpower, The Company has taken precautionary measures to safeguard health and safety of employees coming to work. It has also permitted work from home to staff.
Lower consumption and demand in the first quarter of 2020-21 have driven both the raw material and greige fabric prices down by about 10% each. After a dull month in April, while the export sales have picked up from May, the domestic sales continue to be very low. Lower production and sales have negatively impacted the revenues and profitability of the Company for Q1- 2020-21. This situation is expected to continue till Q3. Non-fulfilment of existing contracts/agreements by any party will not have a significant impact on the business of the Company.
While the Company is comfortable on capital and financial resources front, there are delays in receivable collection from buyers as they are extending payment terms. There may be a short-term liquidity crunch due to disturbed operations of the Company.

3) The Board of Directors at their meeting held on 5th June 2018 had decided to discontinue the operations of Composite Division effective from 30th June, 2018. Barring unforeseen circumstances, the Management expected to complete the transaction of sale of the assets of the said Division either in whole or substantially the whole or in parts as approved by shareholders.
Despite best efforts, the Company has not been able to finalize the deal for remaining assets of ₹ 133.47 lakhs and hence it continues to reflect the same as "Assets Held for Sale".

HINDOOSTAN MILLS LIMITED MUMBAI

4) 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, at ₹ 1350.00 lakhs. During the quarter the Company has received ₹ 100.00 lakhs as an Earnest Money Deposit.

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

6) During lock down due to Covid-19, our factory was closed during the period April 1 to May 8 2020. Payment of wages during lockdown is under consideration of the Supreme Court, in a case filed by Nagreeka Textiles, Kolhapur, and other cases, and final judgement is awaited. However in order to mitigate the hardship being faced by the workmen, the Company has paid on account advances (subject to adjustment) 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 judgement of the court.

7) Interest Subsidy:-

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

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

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

8) As reported earlier, in connection with the joint property development transaction entered into by the Company earlier with Caprihans India Ltd., (Caprihans) in the past, the Company had provided ₹ 63.98 lakhs in the Financial Statements for the year ended 31st March, 2017 as the sum payable to Caprihans in terms of the Arbitration Award dated 20th October, 2016. Thereafter, the said Caprihans challenged the said Arbitration Award before the Hon. High Court at Mumbai.

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

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

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

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

Against the said judgment of the Ld. Single Judge of the Hon. High Court at Mumbai, the Company has filed an appeal before the Division Bench of the Hon. High Court.

The said Caprihans have also filed an appeal before the Division Bench of the Hon. High Court challenging the judgment of the Ld. Single Judge. The Appeals will come up in due course for hearing.

The Company is of the view that, at this juncture, since the matter is sub judice, the provision of ₹ 63.98 lacs will be adjusted in the year in which finality is reached.

9) Loss before Tax Sr. No (III) ₹ 198.93 lakhs relates to Continuing operations and Profit before Tax Sr. No (VI) ₹ 4.41 lakhs relates to Discontinued operations aggregating to ₹ 203.34 lakhs is shown in Sr. No (2h) per Segment Results.

10) In view of losses for the quarter ended 30th June 2020, no provision for Income Tax and Minimum Alternate Tax under Section 115JB of Income Tax Act, 1961 are required to be made.

11) There was no investor complaint pending at the beginning of the quarter. During the quarter ended 30th June 2020, the Company has received no complaints and hence no complaint is pending as at 30th June 2020.

12) Figures for the earlier periods have been regrouped / reclassified wherever necessary.

RRanjan

Mumbai
Dated : 13th August, 2020

Rajiv Ranjan
Executive Director

HINDOOSTAN MILLS LIMITED
MUMBAI

M. A. PARIKH & CO.
CHARTERED ACCOUNTANTS

Limited Review Report on Quarterly Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
Board of Directors of
Hindoostan Mills Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of Hindoostan Mills Limited (the Company) for the quarter ended 30th June, 2020, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations).

Management's responsibility

2. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", as prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India.

Auditor's responsibility

3. Our responsibility is to issue a report on the Statement based on our review.

   We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of personnel of the Company and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. **Conclusion**

   Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standard i.e. "Ind AS" prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

MUKUL MADHUBHAI PATEL Digitally signed by MUKUL MADHUBHAI PATEL Date: 2020.08.13 14:08:56 +05'30'

Mukul Patel
Partner
Membership No. 032489
UDIN: 20032489AAAABM8252
Place: Mumbai
Date: 13th August, 2020

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