

ANNUAL REPORT
2017-2018

HYTONE TEXTYLES LIMITED

CORPORATE INFORMATION

L17120MH1989PLC050330

Date : 29th September, 2018
 Time : 10.00 a.m

Venue : Plot No.70, TTC (MIDC)
 Industrial Area,
 Textile Processing Zone,
 Mahape Village,
 Navi Mumbai 400706

Members are requested to bring their copy of Annual Report with them at the Annual General Meeting as copies of the Report will not be distributed at meeting.

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BOARD OF DIRECTORS

Mr. Amrut T. Shah - Chairman & Managing Director
 DIN: 00259420
 Mrs. Ranjan S. Gala –Director
 DIN: 01015712
 Mr. Hardik J Gala – Independent Director
 DIN: 02746305
 Mr. Hemang C Shah – Independent Director
 DIN: 07898953

AUDITORS

M/s. UKG & Associates
 Chartered Accountant

BANKERS

Union Bank of India

SHARE TRANSFER AGENT

Link Intime India Private Limited
 C-101,247 Park, L B S Marg,
 Vikhroli West,
 Mumbai-400083

SHARES LISTED AT

Bombay Stock Exchange Limited
 Mumbai - 400 001.

REGISTERED OFFICE

Plot No. A-70,
 TTC (MIDC) Industrial Area,
 Mahape Village,
 Navi Mumbai - 400 709,
 Maharashtra

WORKS

Plot No 77, Kopar Khairane,
 MIDC, Navi Mumbai 400709

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the members of the Company will be held on Saturday, the 29th day of September, 2018 at 10.00 a.m. at Plot No. 70, TTC (MIDC) Industrial Area, Textile Processing Zone, Mahape Village, Navi Mumbai – 400709 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the year ended March 31, 2018, and the reports of the Board of Directors and Auditors thereon and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint a Director in place of Mr. Amrut Shah (DIN: 00259420), who retires by rotation and being eligible, offers himself for re-appointment, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Amrut Shah (DIN: 00259420), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. To sell full or part of land or consider redevelopment of joint development of the property and in this regards, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (as amended or re-enacted from time to time) and other applicable provisions, if any, and the provisions contained in the Memorandum and Articles of Association of the Company, subject to other approvals, consents, permissions and sanctions, if any, as may be required from the appropriate statutory / regulatory authorities and financial institutions, if any, the consent of the Company, be and is hereby accorded to the Board of Directors of the Company (the “Board” which expression shall include any committee thereof) to sell, lease or otherwise dispose of full or part of land situated at Plot No. 70, Textile Processing Zone, TTC, MIDC, Mahape, Navi Mumbai and / or Plot No. A-77, TTC, MIDC Industrial Area, Koparkhairane, Navi Mumbai on such terms and conditions at such time(s) and in such form and manner, as the Board in its absolute discretion thinks fit in favour of entity at market price or at such price as may be mutually decided and also to consider redevelopment or joint development of the said land on such terms and conditions at such time(s) and in such form and manner, as the Board in its absolute discretion thinks fit in favour of entity.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof, determining the exact effective date, if needed to be changed and finalizing and executing necessary documents, its registration with appropriate authorities, including contracts, schemes, agreements, deeds of assignment / conveyance and such other documents, file applications and make representations in respect thereof and seek approval from appropriate authorities, including Statutory or Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any questions that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein above conferred, to any Director or Committee of Directors or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects.”

By Order of the Board of Directors
For **Hytone Textyles Limited**

Amrut T. Shah

Chairman & Managing Director
DIN: 00259420

Mumbai, September 6, 2018

Registered Office:

Plot No. 70, TTC (MIDC) Industrial Area,
Textile Processing Zone, Mahape Village,
New Mumbai - 400709.

Notes:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member of the Company. The instrument appointing the proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

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

3. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board resolution to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
5. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
6. Mr. Amrut T Shah is interested in the Ordinary Resolution as set out in Item No. 2 of the notice with regard to his re-appointment. Save and except the above, none of other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business as set out under Item No. 1 and 2 of the Notice.
7. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 30, 2017.
8. Details of Directors retiring by rotation / seeking appointment / re-appointment at the ensuing Meeting are provided in the “Annexure” to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

9. All documents referred to in the accompanying notice and the explanatory statements are open for inspection at the Registered Office of the Company during office hours on all working days, except Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA. SEBI has also mandated that securities of listed Companies can be transferred only in dematerialized w.e.f. December 5, 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
11. Members who hold shares in dematerialized form are requested to submit their PAN to their respective DPs with whom they are maintaining their demat accounts, as mandated by SEBI for every participant in securities market and are advised to contact their respective DPs for availing the nomination facility.
12. Members desirous of getting any information about the accounts of the Company are requested to send their queries so as to reach at least ten days before the meeting at the company's Registered office at Plot No.70, TTC (MIDC) Industrial Area, Textile Processing Zone, Mahape Village, Navi Mumbai – 400 709.
13. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrars & Transfer Agents, for consolidation into a single folio.
14. Members are requested to notify immediately any change in their address (with Pin code), if any, Quoting their Folio No.(s) to the Company. In case your mailing address mentioned on this Annual Report is without Pin code, and then you are requested to kindly inform your Pin code immediately.
15. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
16. The Company's Registrars & Transfer Agents for its share registry (both, physical as well as electronic) is Link Intime India Private Limited having its office at C-101,247 Park, L B S Marg, Vikhroli (West) Mumbai - 400083.
17. The Company's share capital had been dematerialized under ISIN "INE926D01012" with CDSL shareholder who have not dematerialized their shares may opt the same accordingly.
18. The Register of members and the Share Transfer Books of the Company would be closed from 23/09/2018 to 29/09/2018 (both days inclusive).
19. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual reports, Notices, Circulars, etc. from the Company electronically.
20. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Securities Depository Limited (CSDL).
 - II. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Saturday, September 22, 2018 (cut-off date) are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may also exercise their right to vote by electronic means.

- III. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- IV. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- V. The remote e-voting period commences on 26th September, 2018 (9:00 am) and ends on 28th September, 2018 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

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

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

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

- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- VI. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- VII. If you are already registered with CDSL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2018.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e 22nd September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.

- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII. Ms. Teena Dedhia, Partner of M/s Teena Dedhia & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and 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 shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.hytonetextiles.com and on the website of CSDL. The results shall simultaneously be communicated to the Stock Exchange Limited (BSE), Mumbai.

By Order of the Board of Directors
For **Hytone Textyles Limited**

Amrut T. Shah
Chairman & Managing Director
DIN: 00259420

Place : Mumbai
Date : September 6, 2018

Explanatory Statement
(Pursuant to Section 102 of the companies Act, 2013)

Statement of material facts as required under Section 102 of the Companies Act, 2013:

Item No. 3:

The Company is in possession of land situated at Plot No. 70, Textile Processing Zone, TTC, MIDC, Mahape, Navi Mumbai and Plot No. A-77, TTC, MIDC Industrial Area, Koparkhairane, Navi Mumbai In order to facilitate the Company to meet its financial obligations, loans etc. and to strengthen its financial stability and viability, it is proposed to sell the full or part of land of the Company under the provisions of Section 180(1)(a) of the Act as the same is not required for the operations of the Company in near future. The Board has proposed to sell the said part of land at the market price or at mutually agreed price in the best interest of the Company. The Board has also proposed to consider redevelopment of the said property of joint development of the said property with some developer, so that the premises may be utilized in a better manner.

Sale of full or part of the land would require an approval from the Members of the Company by way of Special Resolution in terms of Section 180 of the Act. The Board of Directors of the Company has accorded its approval at its meeting held on September 6, 2018 for sale of full or part of the land pursuant to the provisions of Section 180 (1) (a) of the Act, subject to the requisite approval by the Members and of the appropriate statutory authorities.

The Board is of the opinion that the aforesaid resolution is in the best interest of the Company and its Members and hence, recommends Special Resolution for your approval.

None of the Directors or Key Managerial Personnel and their relatives are interested / concerned or deemed to be interested / concerned, financially or otherwise, in the above resolution.

By Order of the Board of Directors
For **Hytone Textyles Limited**

Amrut T. Shah
Chairman & Managing Director
DIN: 00259420

Place : Mumbai
Date : September 6, 2018

ANNEXURE – A

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING:

Name of Director	Mr. Amrut T Shah
DIN	00259420
Date of birth and age	17.09.1956
Date of appointment on the Board	01.04.1992
Qualifications	Diploma in Textile Engineering, Spinning Weaving
Brief profile, experience and expertise	Mr. Amrut Shah has rich experience of over 2 decades in the business of textiles. He has been on the Board of the Company, since 1992. Mr. Amrut Shah is responsible for the overall administration of the Hytone's operations. He has been looking after the affairs and operations of the Company under the expert supervision and control of the Board of Directors. He is involved in policy planning, vision and strategy and long term development activities of the Company.
Number of meetings of the Board attended during the year	5 out of 5
List of Directorship Membership/ Chairmanship of Committees of other Board	Directorships: 1. Anant Synthetics Private Limited 2. Magnifique Décor Private Limited 3. Hytone Holdings Private Limited 4. Kutch Corporate Forum
Shareholding in the Company	153625 equity shares
Relationship with other directors, manager and other Key Managerial Personnel of the Company	Not related to any Director / Key Managerial Personnel

Director's Report

Dear Members,

The Directors of the Company are pleased to present the 29th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2018.

1. Financial Summary:

The Company's performance during the financial year ended March 31, 2018 as compared to the previous financial year is summarized below:

Particulars	Amount in	
	2017-18	2016-17
Revenue from Operations	40,706,856	27,119,847
Other Income	1,559,923	2,064,538
Gross Income	42,266,779	29,184,385
Expenditure	35,449,622	18,742,482
Finance Charges	4,738,453	4,376,135
Depreciation	3,974,377	3,859,223
Total Expenditure	44,207,452	26,968,840
Net Profit before tax	(1,940,672)	2,215,545
Provision for tax	-	-
Net Profit after tax	(1,940,672)	2,215,545

2. State of Company's Affairs:

The Company is seeking business opportunities on a regular basis and will endeavour to take steps to revive the business subject to market conditions. In the meantime Company has earned its income by way of rental income.

3. Dividend:

With a view to conserve the resources for current as well as future business requirements and expansion plans, your Board is of the view that the current year's profit be ploughed back into the operations and hence no dividend is recommended for the financial year ended March 31, 2018.

4. Transfer to reserves:

The Company does not propose to transfer amount to the general reserve out of the amount available for appropriation and considered it appropriate to retain the same in the profit and loss account.

5. Nature of Business:

During the year under review, there was no change in the nature of business

6. Material changes and commitments

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this Report.

7. Details of Subsidiary/Joint Ventures/Associate Companies:

As on March 31, 2018, the Company does not have any subsidiary/joint venture/associate companies. Accordingly, the requirements pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is not applicable.

8. Share Capital:

The paid up Equity Share Capital of the Company as at March 31 2018 stood at Rs. 6,80,00,000 There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted stock options. As on March 31, 2018, none of the directors of the Company hold instruments convertible into equity shares of the Company. During the financial year 2017-18, there is no change in the Share Capital of the Company.

9. Disclosures in respect of voting rights not directly exercised by employees:

No disclosure is required under Section 67(3)(c) of the Companies Act, 2013, read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

10. Indian Accounting Standard (IND AS):

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('Ind AS') from 1st April, 2017 with a transition date of 1st April, 2016. The financial results for the year 2017-18 have been prepared in accordance with IND AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other recognized accounting practices and policies to the extent applicable. The Financial Results for all the periods of 2017-18 presented have been prepared in accordance with IND AS.

11. Secretarial Standards:

Pursuant to the approval given on 10th April, 2015 by the Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1st July, 2015. The said standards were further amended w.e.f. 1st October, 2017. The Company is in compliance with the same.

12. Business Responsibility Report:

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ended March 31, 2018.

13. Management Discussion and Analysis Report:

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis (MDA) is required to be annexed to this report. There is nothing to mention in this report as the Company has disposed off its assets of its plant and machinery pertaining to the Textile Division. So the company has not annexed the Management Discussion and Analysis to the Board's report.

14. Corporate Governance Report:

The Company constantly endeavors to follow best Corporate Governance guidelines and best practices and disclose the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company. The Company has put in place an effective corporate governance system which ensures that the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are duly complied with.

As per Regulation 34(3) read with Schedule V(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance, in accordance with Listing Regulations, along with a certificate from M/s UKG & Associates, Chartered Accountants, Statutory Auditors of the Company, are annexed hereto and forms part of the Report. The auditor's certificate for the year 2017-18 does not contain any qualification, reservation, adverse remark or disclaimer. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2017-18. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report.

The Managing Director and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of the SEBI Listing Regulations, 2015.

15. Directors and Key Managerial Personnel:

The Board of Directors consists of four members, of which two are Independent Directors. The Board also comprises of one woman Director. As on March 31, 2018, the Key Managerial Personnel of the Company under Section 203 of the Companies Act, 2013 are Mr. Amrut T Shah, Chairman and Managing Director, Mr. Vijay Sagvekar, Chief Financial Officer and Ms. Riddhi Thakkar, Company Secretary and Compliance Officer.

As per the provisions of Section 152(6) of the Companies Act, 2013 and the Company's Articles of Association, Mr. Amrut T Shah (DIN: 00259420) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company.

The following policies of the Company are attached herewith:

- a) Policy for selection of Directors and determining Directors independence as Annexure III; and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees as Annexure IV.

16. Disclosure Relating to Remuneration of Directors and Key Managerial Personnel

The remuneration paid to the Directors is in accordance with the Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013. The details of remuneration paid to the Directors including Executive Directors of the Company are given in Form MGT-9 forming part of the Directors Report.

17. Directors Responsibility Statement:

The Board of Director of the Company confirms that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

18. Number of Meeting of the Board

Five meetings of the board were held during the year. The details of the number of meetings held and attended by each Director are provided in the Corporate Governance Report, which forms part of this Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

19. Independent Directors' Meeting

In compliance with the requirements of Schedule IV of the Companies Act, 2013, a meeting of the Independent Directors was held on 28th March, 2018, without the participation of the Executive Directors or Management personnel.

The Independent Directors carried out performance evaluation of Non-Independent Directors and the Board of Directors as a whole, performance of Chairman of the Company, the quality, contents and timelines of flow of information between the Management and Board, based on the performance evaluation framework of the Company.

20. Declaration of Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there is no change in their status of independence. As required under Section 149(7) of the Companies Act, 2013, the said declaration was placed in the Board Meeting held on 14th May, 2018.

21. Familiarisation Programme

The Company has put in place an induction and familiarization programme for all its Directors including the Independent Directors so as to associate themselves with the nature of the industry in which the Company operates. Directors are periodically advised about the changes effected in the Corporate Laws, Listing Regulations with regard to their roles, rights and responsibilities as Director of the Company. The familiarisation programme for Independent Directors in terms of the provisions of Regulation 46(2)(i) of Listing Regulations, is uploaded on the website of the Company.

22. Board Evaluation:

The Company has devised a Policy for performance evaluation of the Board of Directors, Board Committees and Directors including Chairman, Executive Directors, Non-executive Directors and Independent Directors. Pursuant to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance including the procedure prescribed under SEBI Circular dated January 5, 2017 on Guidance Note on Board Evaluation.

The Board of Directors 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 Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

The performance evaluation of the Chairman and Non-Independent Directors was carried out by Independent Directors. The reports on performance evaluation of the Individual Directors were reviewed by the Nomination and Remuneration Committee and the Chairman of the Board held discussions with each Board member and provided feedback to them on the evaluation outcome. The Board of Directors expressed their satisfaction with the evaluation process.

23. Internal Financial Controls:

The Company has an adequate internal control system commensurate with the size and scale of its business operations.

The Company has appointed Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements. The Audit Committee of the Board of Directors approves the annual internal audit plan, periodically reviews the progress of audits as per approved audit plans, critical internal audit findings presented by internal auditors, status of implementation of audit recommendations, if any, and adequacy of internal controls.

The Audit Committee takes due cognizance of the observations made by the auditors and gives their suggestions for improvement. The suggestions of the Audit Committee are also taken into account for further strengthening of the control systems.

24. Risk Management Policy:

Your Company recognizes that the risk is an integral part of business and is committed to managing the risks in proactive and efficient manner. Your Company periodically assesses the risks in the internal and external environment along with treating the risks and incorporates risk management plans in its strategy, business and operational plans.

The business plan for the future are devised and approved by the Board keeping in mind the risk factors which can significantly impact the performance of the particular business. All major capital expenditures commitments are subject to scrutiny by the Board and investments are permitted only on being satisfied about its returns or utility to the Company. There are no risks which in the opinion of the Board threaten the existence of the Company.

The Company has formulated and implemented a Risk Management Policy that outlines the framework and procedures to assess and mitigate the impact of risks. Under the guidance of the Board of Directors of the Company and Key Managerial Personnel who are conversant with risk management systems and procedures have been entrusted with the risk management of the Company in accordance with the formulated policy. The Audit Committee has additional oversight in the area of financial risks and controls. All risks are systematically addressed through mitigating actions on a continuing basis.

25. Audit Committee:

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms the part of this report.

26. Audit Committee Recommendations:

During the financial year 2017-18, there were no instances of non-acceptance of any recommendation of the Audit Committee by the Board of Directors.

27. Establishment Of Vigil Mechanism / Whistle Blower Policy:

As per the provisions of Section 177 of the Companies Act, 2013, the Company has adopted the Vigil Mechanism/Whistle Blower Policy to provide appropriate avenues to the employees to bring to the attention of the management any issues which is perceived to be in violation of or in conflict with the fundamental business principals of the Company. The policy is also posted on the website of the Company.

The employees are free to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or corporate governance policy or any improper activity to the Audit Committee of the Company or Chairman of the Company.

The Whistle Blower Policy has been appropriately communicated within the Company. The policy empowers the Chairman of the Audit Committee/Chairman of the Company to investigate any protected disclosure including matters concerning financials/accounting, etc. received from the employees under this policy.

During the financial year 2017-18, the Company has not received any complaint through Vigil Mechanism. The Whistle Blower Policy is available on the Company's website.

28. Nomination And Remuneration Policy:

The Board has, on the recommendation of the Nomination & Remuneration Committee formulated Nomination and Remuneration Policy for determining the criteria for determining qualifications, positive attributes and independence of a director and also criteria for determining the remuneration of directors, key managerial personnel and other employees.

The key objectives of the Policy are to lay down the criteria for appointment and remuneration of Directors, Key Managerial Personnel and Executives at Senior Management level and recommend to the Board their appointment, and also to formulate criteria for evaluation of performance of Independent Directors and the Board and to devise a policy on Board diversity.

The Policy, inter-alia, includes criteria for determining qualifications, positive attributes, independence of a director, and expertise and experience required for appointment of Directors, KMP and Senior Management.

As per the Policy, the remuneration / compensation to the Wholtime Directors shall be recommended by the Nomination and Remuneration Committee to the Board for its approval. However, the remuneration compensation to Whole-time Directors shall be subject to the approval of the shareholders of the Company and Central Government, wherever required. The policy is available on the Company's website.

29. Corporate Social Responsibility Committee

Since the Net Profit, Net worth and the Turnover of the Company for the year under review is less than Rupees Five Crore, Rupees Five Hundred Crore and Rupees One Thousand Crore respectively, the constitution of Corporate Social Responsibility (CSR) Committee is not applicable as per the provisions of Section 135 of the Companies Act, 2013 read with Rule 3 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

30. Statutory Auditors:

Pursuant to the provisions of section 139 of the Companies Act, 2013, the members of the Company at the 28th Annual General Meeting held on 30th September, 2017 appointed M/s. UKG & Associates, Chartered Accountants, (Firm Registration No.123393W) as Statutory Auditors of the Company from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting, covering one term of five consecutive years, subject to ratification by the members at each intervening Annual General Meeting.

According to the Companies (Amendment) Act, 2017 notified by the Ministry of Corporate Affairs on May 7, 2018, the requirement of ratification of Statutory Auditors by the members of the company at every Annual General Meeting has been done away with. Therefore, no resolution has been proposed for their ratification at the ensuing AGM. They have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Statutory Auditors' Report for the year 2017-18 does not contain any qualification, reservation, adverse remark or disclaimer made by Statutory Auditor. There is no incident of fraud requiring reporting by the auditors under Section 143(12) of the Companies Act, 2013.

31. Auditors Report:

The report contain the qualification regarding the statutory dues which are payable relating to property tax and water tax as below and there are no other reservation or adverse remarks in report.

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates
Navi Mumbai Municipal Corporation	Property Tax	1,59,19,702/-	From 2005 to 2012
M.I.D.C.	Water Tax	1,46,484/-	From 2005 to 2011

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Municipal Corporation Act, 1949	Property Tax	2,09,06,332/-	From 2005 to 2012	Assessor and Collector, Navi Mumbai Municipal Corporation

The board had discussed the same qualification in their meeting and get decide to resolve the qualification as soon as possible.

32. Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of Directors of the Company have appointed M/s DSSM & Co. LLP, Chartered Accountant as Internal Auditors of the Company, for the financial year 2017-18. The Audit Committee of the Board of Directors in consultation with the Internal Auditor formulates the scope, functioning, periodicity and methodology for conducting the internal audit.

33. Cost Auditors

During the year under review, the Company has not carried on any manufacturing activities. Hence no cost audit was required to be conducted.

34. Secretarial Auditor and Secretarial report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company have re-appointed, Teena Dedhia & Associates, Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the year 2017-18 issued by her in the prescribed form MR-3 is attached as Annexure III to this Report.

Secretarial auditor's remarks and Management explanation to auditor's remarks:

The Directors refers to the auditor's observations in the secretarial audit report and as required under section 204(1) of the Companies Act, 2013 the company has obtained a secretarial audit report.

1. Publication of results audited and unaudited in newspaper:

The Company has not been doing that since the financial position of the company does not allow Board to incur such expenditure keeping in mind that the results are made available for investors and market through stock exchange.

2. Demat of promoters shareholding:

Promoters of the Company are in the process of getting their shareholding in demat form.

35. Transaction with related Parties:

All contracts / arrangements / transactions entered by the Company during the financial year with Related Parties were in its ordinary course of business and on arms' length basis. Pursuant to section 177 of the Companies Act, 2013 and regulation 23 of SEBI Listing Regulations, 2015, all Related Party Transactions were placed before the Audit Committee for its approval. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

The policy on related party transactions as approved by the Board is uploaded on the Company's website. The Company's management ensures total adherence to the approved Policy on Related Party Transactions to establish Arm's Length Basis without any compromise.

Your Directors draw attention of the members to Note 36 to the financial statement which sets out related party disclosures.

36. Extract of Annual Return:

As provided under section 92(3) of companies Act, 2013 the extract of annual return is given in Annexure IV in the prescribed Form MGT-9, which forms part of this report.

37. Particulars of employee:

The information required under section 197 of the companies Act, 2013 read with rule 5(1) of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014 are given below:

A. Ratio of remuneration of each Director to the median employee's remuneration for the financial year.

Name of director	Designation	Ratio
Mr. Amrut T. Shah	Chairman & Managing Director	8.11:1

B. Percentage increase in remuneration of each director and Key Managerial personnel:

Name	Designation	% increase
Mr. Amrut T. Shah	Chairman & Managing Director	8.33
Mr. Vijay Sagvekar	Chief Financial Officer	3.18
Ms. Riddhi Thakkar*	Company Secretary	0

*Appointed wef February 14, 2018

C. The Percentage increase in the median remuneration of the employee: 10%**D. Total number of permanent employees : 9****E. Average percentile increase made in the salaries of employees other than key 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 managerial remuneration:**

Average increase in made in the salaries of employees other than the key managerial personnel during the year is 5.7%.

There are no other exceptional circumstances to increase in the remuneration of key managerial personnel and increase in the remuneration has been in accordance with the Company's policy. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time.

F. The company affirms that the remuneration is as per the remuneration policy of the Company.

Disclosure under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to any of employees of the company.

38. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2018 is given below:

(A) Conservation of Energy:

- (i) the steps taken or impact on conservation of energy –The Company has not continued with any manufacturing or processing activity. Considering the nature of Company's business there is no reporting to be made on conservation of energy in its operations.
- (ii) the steps taken by the Company for utilising alternate sources of energy – NIL
- (iii) the capital investment on energy conservation equipments – 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

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not applicable

- (a) the details of technology imported;
- (b) the year of import;
- (c) whether the technology been fully absorbed;
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development – NIL

(B) Foreign Exchange Earnings And Outgo:

	Current Year	Previous year
Foreign Exchange Outgo	Nil	Nil
Foreign Exchange Earnings	Nil	Nil

39. Particulars of Loans, Guarantees, or Investments:

There were no loans, guarantees given by the company under section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable. The Company has made an investment in Anant Sab Realtors LLP during the year, which is within the limits of Section 186.

40. Deposits from public:

During the year under review, your Company has not accepted or renewed any Deposit, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement of furnishing details of deposits which are not in compliance of Chapter V of the Act, is not applicable.

41. Prevention of Sexual Harassment of women at workplace

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and rules made there under, your Company has adopted a Sexual Harassment Policy for women to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment.

The Board states that during the year under review there were no cases or complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

42. Green Initiative

Electronic copy of the Annual Report 2017-18 and the Notice of the 29th Annual General Meeting are sent to all members whose email addresses are registered with the Company / depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

Your Directors would like to draw your attention to Section 20 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as may be amended from time to time which permits paperless compliances and also service of notice / documents (including annual report) through electronic mode to its members.

To support this green initiative, we hereby once again appeal to all those members who have not registered their e-mail addresses so far are requested to register their e-mail address in respect of electronic holding with their concerned Depository Participants and/or with the Company.

43. General:

Your Directors state that no disclosures or reporting is required in respect of the following items:

1. Issue of shares including sweat equity shares and ESOS to employees of the Company under any scheme including ESOS.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Reporting requirements under Rules 5,6 and 8(1) of the Companies (Accounts) Rules, 2014, since the Company did not have any subsidiary during the year.
4. The Company does not have any Employees' Stock Option Scheme.
5. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
6. No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

44. Acknowledgement:

Your Directors place on record their deep sense of appreciation of the dedication of the Company's employees at all levels and are confident they will maintain their commitment to excellence in the coming years.

Your Directors also express their deep appreciation of the support received from the Government and other Regulatory authorities.

Your Directors also thank you, our valued shareholders, the Financial Institution, Banks, Dealers, Agents and customers for their continued trust in the Company and its management.

For and on behalf of the Board

Amrut T. Shah

Chairman & Managing Director

DIN: 00259420

Place : Navi Mumbai
Date : September 6, 2018

Annexure I to Board's Report:**Policy for selection of Directors and determining Directors independence****INTRODUCTION:**

- 1.1 Hytone Textyles Limited ("the Company") believes that an enlightened Board consciously creates a culture of leadership to provide a long-term policy approach to improve the quality of governance. Towards this, the Company ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.
- 1.2 The Company recognizes the importance of Independent Directors in achieving the effectiveness of the Board and aims to have an optimum combination of Non-Independent and Independent Directors.

SCOPE AND PURPOSE:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

TERMS AND REFERENCES:**In this Policy, the following terms shall have the following meanings:**

- 3.1. "Director" means a director appointed to the Board of the Company.
- 3.2. "Nomination and Remuneration Committee" means the committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 178 of the Companies Act, 2013.
- 3.3. "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

ACCOUNTABILITIES:

- 4.1 The Board is ultimately responsible for the appointment of directors.
- 4.2 In terms of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee makes assessment and selection of candidates for appointment as directors and recommends to the Board appointment of directors on the Board. (can we mention about removal also as given in the section)

ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE ("NRC"):**The NRC is responsible for:**

- 5.1 identifying individuals suitably qualified to become Board members and who may be appointed in Senior Management and making recommendations to the Board on the appointment, re-appointment or removal of directors, key managerial personnel and senior management personnel;
- 5.2 formulation of criteria for evaluation of performance of every director including independent directors;
- 5.3 recommending remuneration payable to Independent and Non-Independent directors including sitting fee;

POLICY:**6.1 Qualifications and Criteria**

1. The Policy is aimed to engage directors (including non-executive directors and independent non-executive directors) who are highly skilled, competent and experienced persons within one or more fields of business, finance, accounting law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the business of the Company and who shall be able to positively carry out their supervisory role over the policies of the management of the Company and the general affairs of the Company.
2. The NRC and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with experience that are relevant for the Company's operations.
3. In evaluating the suitability of individual Board members, the NRC shall take into account many factors, including the following:
 - a) General understanding of the Company's business dynamics, business and social perspective,
 - b) Educational and professional background;
 - c) Personal achievements;
 - d) Personal and professional ethics, integrity and values;
 - e) Every director should ensure that he can give sufficient time and attention to the Company's affairs and attend the Board meetings and other committee meetings in which he is a member regularly..
4. The proposed appointee shall also fulfill the following requirements:
 - a) Shall possess a Director Identification Number;
 - b) Shall not be disqualified under the Companies Act, 2013;
 - c) Shall give his written consent to act as a Director;
 - d) Shall endeavor to attend all Board meetings and wherever he is appointed as a Committee Member, the Committee meetings;
 - e) Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
 - f) Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - g) Shall abide by the provisions of Section 166 of the Companies Act, 2013 which lays down the duties of directors as under:
 - i. Subject to the provisions of Companies Act, 2013, a director of a company shall act in accordance with the articles of the company.
 - ii. A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
 - iii. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
 - iv. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
 - v. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

- vi. A director of a company shall not assign his office and any assignment so made shall be void.
 - h) Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.
5. The NRC shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

6.2 Positive Attributes:

- a) Experience of management in a diverse organization;
- b) Excellent interpersonal and communication skills;
- c) Leadership skills;
- d) Having continuous professional development to refresh knowledge and skills.
- e) Commitment to high standards of ethics, personal integrity and probity;
- f) Commitment to the promotion of equal opportunities and health and safety in the workplace.

6.3 Criteria of Independence:

The NRC shall assess the independence of director at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determination of independence when any new interests or relationships are disclosed by a director.

The criteria of independence, as laid down in Companies Act, 2013, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

- (iii) holds together with his relatives two per cent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company.
- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
 - g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
 - h. who is not less than 21 years of age.
 - i. The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

6.4 Other Directorships / Committee Memberships:

- 6.4.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NRC shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- 6.4.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- 6.4.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- 6.4.4 A Director who is also a Director of a Listed Company, shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

For and on behalf of the Board

Amrut T. Shah

Chairman & Managing Director

DIN: 00259420

Place : Navi Mumbai
Date : September 6, 2018

Annexure II to Board's Report:

Remuneration Policy for directors, key managerial personnel, senior management and other employees

1. Statement of Purpose:

This Remuneration Policy (Policy) of Hytone Textyles Limited has been prepared to ensure the following:

- 1.1 The Policy is in compliance with Section 178(3) and Section 178(4) of the Companies Act, 2013 read with applicable Rules thereto.
- 1.2 Remuneration of directors, key managerial personnel, senior management and other employees is aligned to the interests of the Company and its shareholders within an appropriate governance framework.
- 1.3 The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel, senior management and other employees of the quality required to run the company successfully.

2. Scope of policy:

The Policy applies to all directors, key managerial personnel, senior management and other employees.

2.1 The expression "key managerial personnel" means:

- (i) Chief Executive Officer, Managing Director, Manager and Whole-time Director;
- (ii) Company Secretary;
- (iii) Chief Financial Officer; and
- (iv) such other executive as may be prescribed.

2.2 The expression "senior management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

3. Remuneration Philosophy:

The Company believes in paying competitive remuneration to its executives. The remuneration philosophy aims at following outcomes:

- 3.1 Remuneration is structured to align with the Company's interests, taking account of the Company's strategies and risks.
- 3.2 Drive performance- Executive compensation is linked to individual and Company performance, which, in turn, impacts the quantum of payout.
- 3.3 External Equity – Executive compensation is designed to be competitively bench marked with the industry compensation or general industry compensation for applicable roles.
- 3.4 Internal Equity – Executives performing similar role, complexity of job are paid at similar compensation levels.
- 3.5 The Company complies with applicable legal requirements and appropriate standards of governance.

4. Remuneration guidelines:

4.1 The remuneration paid by the Company to its Directors, key managerial personnel, senior management and other employees is classified under following major heads:

- 4.1.1 Total Fixed Cost: This includes base salary, other cash allowances, perquisites and retirement benefits.
- 4.1.2 Variable Cost: This includes variable pay linked to Company and individual performance. Variable pay for senior executives constitutes a significant weightage of total remuneration.
- 4.1.3 The sum total of the Total Fixed Cost and Variable Cost is called the Cost to Company in the relevant executive's remuneration package.
- 4.2 The Cost to Company being offered to a new hire for a replacement position or new position with reference to scope of this policy is governed by the remuneration philosophy as mentioned in clause no. 3. The endeavour is to ensure internal equity in compensation is maintained, however at the same time compensation is competitive to attract a new hire.
- 4.3 Remuneration is annually reviewed for all the executives who are eligible for compensation review in accordance with the remuneration philosophy.
- 4.4 The Nomination and Remuneration Committee shall ensure that the remuneration payable to managerial personnel is in accordance with the provisions of Chapter XIII (Sections 196 to 203) read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 4.5 The Nomination and Remuneration Committee may recommend a suitable sitting fee, incidentals, travel and other costs to non-executive directors as may be prescribed under the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board

Amrut T. Shah

Chairman & Managing Director

DIN: 00259420

Place : Navi Mumbai
Date : September 6, 2018

Annexure III to Board's Report:

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,
The Members,
Hytone Textyles Limited
Plot No.70, TTC MIDC Industrial Area,
Mahape Village,
Navi Mumbai - 400709

I have conducted the secretarial audit of the compliance of Hytone Textyles Limited applicable statutory provisions and the adherence to good corporate practices by Hytone Textyles Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended March 31, 2018 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Hytone Textyles Limited ("the company") for the financial year for the ended March 31, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and Other Laws applicable to the Company;
 1. Income Tax Act, 1961
 2. The Bombay Shop & Establishment Act, 1948
 3. Finance Act, 1994
 4. Profession Tax Act, 1975
 5. The Minimum Wages Act, 1948
 6. Negotiable Instrument Act, 1881
 7. The Contract Act, 1872
 8. Central sales tax Act, 1956

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Obligations and Disclosures Regulations entered into by the Company with BSE Limited.

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

I further report that; The Board of Directors of the Company is not constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Remarks:

I report that

1. Pursuant to Regulation 47 (4) of the SEBI (Listing Obligations and Disclosures) Regulations, 2015, the Company shall issue a public notice in at least in one English daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the company is situated for following matters:
 - a) Board meeting wherein quarterly unaudited / audited results are to be considered where Prior 7 clear day's intimation needs to be published.
 - b) Financial results within 48 hrs of the conclusion of Board or committee meeting at which they were approved.However, the company has not complied with the requirements of the aforesaid regulation of the Listing Regulation.
2. On review it was observed that Company has not paid Statutory dues of Property Tax of Rs.1,59,19,702/- to Navi Mumbai Municipal Corporation from the Year 2005 to 2012 and Water Tax of Rs. 1,46,484/- to M.I.D.C. from the Year 2005 to 2011. There is also a pending dispute at Assessor and Collector, Navi Mumbai Municipal Corporation office for pending Property Tax dues of Rs. 2,09,06,332/- from the year 2005 to 2012.
3. Pursuant to SEBI Guidelines, the promoter's shareholding should be in demat form. On review it is observed that not all shares held by the promoters of the Company are in demat form.

For Teena Dedhia & Associates
Company Secretaries

Teena Dedhia
(Proprietor)
C.P No. 9214
FCS: 8922

Place : Mumbai
Date : September 6, 2018

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

‘ANNEXURE A’

To,
The Members,
Hytone Textstyles Limited
Plot No.70, TTC MIDC, Industrial Area,
Mahape Village,
Navi Mumbai - 400 706.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Teena Dedhia & Associates
Company Secretaries

Teena Dedhia
(Proprietor)
C.P No. 9214
FCS: 8922

Place : Mumbai
Date : September 6, 2018

Annexure IV to Boards Report

Form MGT-9

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the companies (Management and Administration) Rules, 2014]

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particulars	Details
1.	CIN	L17120MH1989PLC050330
2.	Registration Date	11/01/1989
3.	Name of Company	HYTONE TEXTYLES LIMITED
4.	Category/sub category of company	Company limited by shares/Non-government company
5.	Address of registered office and contact details	Plot No. 70, TTC. MIDC Industrial Area, Near Ramnath Solar Bus Stop, Mahape, Navi Mumbai-400709 Tel. : 022-27782144 Mob.+91- 9324002995 Email: hytone@hytonetextile.com
6.	Whether Listed Company	Yes
7.	Name and contact details of registrar and transfer agent.	LINK INTIME INDIA PRIVATE LIMITED C-101, 247 Park, L.B.S. Marg, Vikhorli (West), Mumbai-400083 Phone: 022 25963838 Fax: 022 25946969 Email : accounts@linktime.co.in

II. PRICIPAL BUSINESS ACTIVITES OF THE COMPANY:

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

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the company
1.	Renting and Leasing of Property	9972	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. no.	Name and Address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1.	N.A.				

Note: The Company has no holding, subsidiary and Associate Company within the provisions of Companies Act, 2013.

IV. SHAREHOLDING PATTERN (Equity share capital break up as percentage of Total Equity)

i. Category wise shareholding:

Category of Shareholders	No. of shares held at the beginning of the year i.e. 01/04/2017				No. of shares held at the end of the year i.e. 31/03/2018				% Change during the year
	Demat	Physical	Total	% of total	Demat	Physical	Total	% of total	
A. Promoter									
1. Indian									
a) Individual/HUF	789034	63200	852234	16.07	799234	63200	862434	16.27	0.2
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate(s)	1698500	0	1698500	32.05	1698500	0	1698500	32.05	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1)	2487534	63200	2550734	48.12	2497734	63200	2560934	48.32	0.2
2. Foreign									0
g) NRIs-Individual	0	0	0	0	0	0	0	0	0
h) Other Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corporate(s)	0	0	0	0	0	0	0	0	0
j) Baanks/FI	0	0	0	0	0	0	0	0	0
k) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
Total of (A) [A1+A2]	2487534	63200	2550734	48.12	2497734	63200	2560934	48.32	0
B. Public Shareholding									
1. Institution									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	200	0	200	0.003	200	0	200	0.003	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	200	0	200	0	200	0	200	0	0
2. Non-Institution									
a) Bodies Corporates									
i. Indian	864178	94700	958878	18.09	862968	109000	971968	18.33	0.24
ii. Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 Lakh	551302	954858	1506160	28.41	553502	953458	1506960	28.43	0.02
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	79800	14300	94100	1.77	69600	0	69600	1.31	-0.46
iii. Clearing member	450	0	450	0	450	0	450	0	0
iv. Non- Resident Indian (REPAT)	10597	97400	107997	2.04	9797	97400	107197	2.02	-0.02
v. Non-Resident Indian (NON REPAT)	3865	0	3865	0.07	3965	0	3965	0.07	0
HUF	77616	0	77616	1.46	78726	0	78726	1.48	0.02
Sub-Total (B)(2)	1587808	1161258	2749066	51.86	1579008	1159858	2738866	51.67	-0.19
Total Public Shareholding (B)=(B)(1)+(B)(2)	1588008	1161258	2749266	51.87	1579208	1159858	2739066	51.68	-0.19
C. Shares held by Custodian for ADRs & GDRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4075542	1278458	5300000	100.00	4076942	1223058	5300000	100.00	0

ii. Shareholding of Promoters:

* There is no change in each person wise total holding. The difference is due to consolidation of folios on basis of PAN.

Sr. No.	Shareholders Name	Shareholding at the Beginning of the year i.e.01/04/2017			Shareholding at the end of the year i.e.31/03/2018			% change in share holding during the year
		No. of Shares	% of total share of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total share of the company	% of shares pledged/ encumbered to total shares	
1	Anant Synthetics Private Limited	1508500	28.46	0	1508500	28.46	0	0
2	Hytone Holdings Private Limited	190000	3.58	0	190000	3.58	0	0
3	Satish Khimji Gala	178025	3.36	0	178025	3.36	0	0
4	Praful Keshavji Shah	106325	2.01	0	106325	2.01	0	0
5	Amrut Tilak Shah	154125	2.90	0	154125	2.90	0	0
6	Kaushik Morarji Chheda	133925	2.52	0	144425	2.72	0	0.2
7	Ranjan Satish Gala	51300	0.97	0	51300	0.97	0	0
8	Kalpana Praful Shah	42934	0.81	0	42934	0.81	0	0
9	Morarji N. Chheda	36000	0.68	0	49500	0.93	0	0.25
10	Keshavji Tejpar Shah	34400	0.65	0	34400	0.65	0	0
11	Ketan Keshavji Shah	23600	0.45	0	23600	0.45	0	0
12	Sakarben Keshavji Shah	18100	0.34	0	18100	0.34	0	0
13	Indira Amrut Shah	28100	0.53	0	28100	0.53	0	0
14	Morarji N. Chheda	11800	0.22	0	0	0	0	-0.22
15	Kaushik Morarji Chheda	10500	0.2	0	0	0	0	-0.2
16	Neena Umesh Gala	0	0	0	10200	0.19	0	0.19
17	Heena Pankaj Shah	7700	0.15	0	7700	0.15	0	0
18	Bhanuben M. Chheda	7300	0.14	0	7300	0.14	0	0
19	Manish Chheda	1700	0.03	0	2200	0.04	0	0.01
20	Morarji N. Chheda	1700	0.03	0	0	0	0	-0.03
21	Rita Chheda	1700	0.03	0	1700	0.03	0	0
22	Ranjan Satish Gala	1000	0.02	0	1000	0.02	0	0
23	Manish Chheda	500	0.01	0	0	0	0	-0.01
24	U. K. Gala	500	0.01	0	500	0.01	0	0
25	Geeta L. Shah	200	0	0	200	0	0	0
26	Hemant T. Shah	200	0	0	200	0	0	0
27	Laxmichand T. Shah	200	0	0	200	0	0	0
28	Nayna H. Shah	200	0	0	200	0	0	0
29	Tilak B. Shah	200	0	0	200	0	0	0
		2550734	48.12	0	2560934	48.12	0	

iii. Change in promoters shareholding*: (please specify, if there is no change)

*The transfer of shares is done to consolidate the folios on the basis of PAN. There is no change in each person wise total holding.

Sr No.	Particulars	Shareholding at the beginning of the year 01/04/2017		Transactions during the year		Cumulative shareholding during at the end of the year 31/03/2018	
		No. of Shares	% of total shares of the company	Date of transaction	No. of shares	No. of Shares	% of total shares of the company
	Amrut T Shah						
1	At the Beginning of the year	153625	2.89				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 26.01.2018	500		
3	At end of the year					154125	2.90
	Kaushik Morarji Chheda						
1	At the Beginning of the year	127325	2.40				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 26.01.2018 09.02.2018	1700 15400		
3	At end of the year					144425	2.72
	Morarji Nanji Chheda						
1	At the Beginning of the year	47800	0.90				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 26.01.2018	1700		
3	At end of the year					49500	0.93
	Indira Amrut Shah						
1	At the Beginning of the year	27600	0.52				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 26.01.2018	500		
3	At end of the year					28100	0.53
	Bhanuben Morarji Chheda						
1	At the Beginning of the year	5600	0.10				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 26.01.2018	1700		
3	At end of the year					7300	0.13
	Manish Chheda						
1	At the Beginning of the year	500	0.01				

Sr No.	Particulars	Shareholding at the beginning of the year 01/04/2017		Transactions during the year		Cumulative shareholding during at the end of the year 31/03/2018	
		No. of Shares	% of total shares of the company	Date of transaction	No. of shares	No. of Shares	% of total shares of the company
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 26.01.2018 09.02.2018	500 1700		
3	At end of the year					2700	0.05

iv. Shareholding Pattern of top ten shareholders (other than directors, promoters, and holders of GDRs and ADRs)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares Of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	Efficient Securities Private Limited	431890	8.1489				
	At the end of the year					431890	8.1489
2	Anmol Textile Industries Private Limited	424042	7.62				
				04.08.2017 Add: Transfer	900		
	At the end of the year					424942	7.64
3	Narendra Ravilal Shah HUF	61000	1.1509				
	At the end of the year					61000	1.1509
4	Monghiben Ramniklal Shah	53000	1.0000				
	At the end of the year					53000	1.0000
5	Patheja Brothers Forgings & Stampings Limited	37400	0.7057				
	At the end of the year					37400	0.7057
6	Sahjun Impex Trading Private Limited	32700	0.6170				
	At the end of the year					32700	0.6170
7	Patheja Forgings & Auto Parts Mfgrs Ltd.	26900	0.5075				
	At the end of the year					26900	0.5075
8	Mukesh C Agrawal	16600	0.3132				
	At the end of the year					16600	0.3132
9	Mulchand Vasanji Shah	10000	0.18				
	At the end of the year					10000	0.18
10	Kanti Keshavji Shah	10000	0.18				
	At the end of the year					10000	0.18

v. Shareholding of Directors & Key Managerial Personnel

Sr. no.	Name of the Director & Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Directors					
1	Mr. Amrut T. Shah	154125	2.91	154125	2.91
Key Managerial Personnel					
1	Mr. Vijay Sagvekar - CFO	0	0	0	0
2	Ms. Riddhi Thakkar - CS	0	0	0	0

V. INDEBTEDNESS:

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

	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i.Principal Amount	986479	0	0	986479
ii.Interest due but not paid	0	0	0	0
iii.Interest accrued but not due	0	0	0	0
Total (i+ ii + iii)	986479	0	0	986479
Change in Indebtedness during the financial year				
i.Addition	0	0	0	0
ii.Deduction	337152	0	0	337152
Indebtedness at the end of the financial year				
i.Principal Amount	649327			649327
ii.Interest due but not paid	0	0	0	0
iii.Interest accrued but not due	0	0	0	0
Total (i+ ii + iii)	649327	0	0	649327

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole –time directors and/or manager

Sr. no.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Amrut T. Shah Chairman & Managing Director	Mr. Praful K Dedhia Whole Time Director*	
1	Gross Salary			
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	13,00,000	7,00,000	20,00,000
	b. Value of perquisites u/s 17(2) of the Income tax Act, 1961			
	c. Profits in lieu of salary under section 17(3) of the Income tax Act, 1961			
2	Stock Option	0		0

Sr. no.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Amrut T. Shah Chairman & Managing Director	Mr. Praful K Dedhia Whole Time Director*	
3	Sweat Equity	0		0
4	Commission-as % of profit	0		0
5	Others Allowance	0		0
	Total (A)	13,00,000	7,00,000	20,00,000
	Ceiling as per the Act (10% of profits calculated under Section 198 of the Companies Act, 2013)			

*Resigned wef October 1, 2017

B. Remuneration to other director:

The Company does not pay any type of fees or remuneration to any other Directors.

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

Sr No.	Particulars of Remuneration	Name of Key Managerial Personnel	
		Vijay Sagvekar	Riddhi Thakkar*
1	Gross Salary		
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	4,48,623	37,500
	b. Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	c. Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission-as % of profit	0	0
5	Others Allowance	0	0
	Total (B)	4,48,623	37,500

*Ms. Riddhi Thakkar was appointed wef February 14, 2018

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	NIL				
Punishment					
Compounding					
B. Directors					
Penalty	NIL				
Punishment					
Compounding					
C. Other Officers In Default					
Penalty	NIL				
Punishment					
Compounding					

For and on behalf of the Board

Amrut T. Shah
Chairman & Managing Director
DIN: 00259420

Place : Navi Mumbai
Date : September 6, 2018

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The philosophy of Corporate Governance is a principle based approach as codified in Regulation 34(3) of SEBI Listing Regulations, 2015, encompassing the fundamentals of rights and roles of various shareholders of the Company, disclosure, transparency and board responsibility.

The Company's philosophy on corporate governance oversees business strategies and ensures ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

2. BOARD OF DIRECTORS:

a. Composition of the Board:

As on March 31, 2018, the Board of the Company consisted of 4 Directors, of whom 2 were executives and 2 were non-executive independent (including 1 woman director). Accordingly, the composition of the Board is in conformity with Regulation 17 of the Listing Regulations.

The Board of Directors comprises of professionals drawn from diverse fields that bring with them a wide range of skills and experience to the Board which enhances the quality of Board's decision making process.

Non-Executive Directors are having diverse backgrounds with considerable professional proficiency, with expertise and experience in technical, general corporate management, finance, banking, legal and other allied fields which enable them to contribute effectively to the Company in their capacity as member of the Board.

As per the declarations received by the Company from each of the Directors, none of them are disqualified under Section 164(2) of the Companies Act, 2013.

The Independent Directors of the Company are in compliance with the provision of Regulation 16(2) of SEBI Listing Regulations, 2015. Further, disclosures have been made by the Directors regarding their Chairmanship / Membership of the mandatory Committees of the Board and that the same are within the maximum permissible limit as stipulated under Regulation 16(2) of SEBI Listing Regulations, 2015.

The Senior Management have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

Transactions with related parties are disclosed in Note No. 36 of 'Notes forming part of the financial statements' for the year ended March 31, 2018. There has been no material pecuniary transaction or relationship between the Company and its Non-executive and/or independent Directors during the year 2017-18.

The composition of the Board as on March 31, 2018 and details of Board and Annual General Meetings held, the attendance of the Directors, Committee Chairmanship / Directorship etc is as follows:

Name of the Director	Category	No. of Board meetings held/ attended	Attendance at the last AGM	No of Directorships in other Public Limited Companies	No of Committee positions held in other Public Limited Companies
Mr. Amrut T. Shah	Chairman and Managing Director	5/5	Yes	-	-
Mrs. Ranjan Gala	Executive Director	5/5	Yes	-	-
Mr. Praful Dedhia#	Executive Director	3/5	Yes	-	-
Mr. Hardik Gala *	Independent Non-Executive	2/5	No	-	-
Mr. Hemang Shah*	Independent Non-Executive	2/5	No	-	-
Mr. Dilip Khona#	Independent Non-Executive	3/5	Yes	-	-
Mr. Sanjay Gala#	Independent Non-Executive	3/5	Yes	-	-

Resigned wef October 1, 2017

*Appointed wef October 1, 2017

None of the Directors on the Board hold directorships in more than ten public companies.

Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director.

b. Board Meetings:

The Board of Directors met 5 times during the financial year ended on March 31, 2018 on the following dates:

Date of the Board Meeting	May 30, 2017	September 4, 2017	September 14, 2017	December 14, 2017	February 14, 2018
Board Strength	5	5	5	4	4
No of Directors present	5	5	5	4	4

c. Board Meeting Procedures

The agenda papers with relevant explanatory notes and material documents relating to matters for perusal of the Board / Committee are circulated in advance, so as to facilitate discussion and informed decision-making in the meeting, especially those that require deliberation at the highest level.

The information supplied by the Management to the Board of the Company is in compliance with regulation 17(7) read with Part A of Schedule II to the SEBI Listing Regulations, 2015. The independent directors of the Company at their meeting held on March 28, 2018 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

d. Directors' Tenure, Appointment / Re-appointment and Remuneration

In terms of Section 152 read with Section 149(13) of the Companies Act, 2013 Mr. Amrut Shah is liable to retire by rotation. The said Director has offered himself for re-appointment and resolution for his reappointment is incorporated in the Notice of the ensuing Annual General Meeting.

The brief profile and other information as required under Regulation 36(3) of SEBI Listing Regulations, 2015 relating to

Directors being appointed / reappointed, forms part of the Notice of ensuing Annual General Meeting.

e. Separate Meeting of Independent Directors

As per stipulations in Section VII of the Code for Independent Director in Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulation, 2015, a separate meeting of the Company's Independent Directors was held on March 28, 2018 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board. The independent Directors present elected Mr. Hemang Shah as Chairman of the Meeting. Mr. Hemang Shah presented the views of the Independent Directors on matter relating to Board processes and overall affairs of the Company to the full Board. All the Independent Directors attended the meeting.

f. Familiarization Programme for Independent Directors

With a view to familiarising the independent directors with the Company's operations, as required under regulation 25(7) of the SEBI Listing Regulations, 2015, the Company has provided program on an ongoing basis to enable them to understand the business of the Company.

Moreover, the Management has also endeavoured to appraise the Directors regarding their responsibilities under the new Listing Regulations vis-a-vis those contained in the erstwhile Listing Agreements. The details of the familiarization programme has been displayed on the Company's website.

3. COMMITTEES OF THE BOARD:

During the financial year under review, the Board had three committees viz., Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee. The Board decides the term of reference of these committees and assignment of its Members thereof.

A) AUDIT COMMITTEE:

The Audit Committee of the Board has been constituted in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013. The Audit Committee comprises of 3 members, of which two-third are independent and Chairman of the Committee is an Independent Director. All the members of the Committee are financially literate and have accounting and financial management related expertise.

The Composition of the Audit Committee is as under:

Mr. Hemang Shah	- Independent Non-Executive: Chairman
Mr. Hardik Gala	- Independent Non-Executive
Mr. Amrut T. Shah	- Executive Director

The terms of reference of the Audit Committee includes the matters specified under Regulation 18 of SEBI Listing Regulations, 2015 with the Stock Exchanges as well as Section 177 of the Companies Act, 2013. Broad terms of reference includes: oversights of financial reporting process, review financial results and related information, approval of related party transactions, review internal financial controls and risk management, evaluate performance of statutory and internal Auditors, audit process, relevant compliances, appointment and payment of remuneration to statutory auditors.

The Audit Committee also assures the Board about the adequate internal control procedures and financial disclosures commensurate with the size of the Company and in conformity with the requirements of the new Listing Regulations.

The Board has been reviewing the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

The Chairman of the Audit Committee was present at the 28th Annual General Meeting of the Company held on September 30, 2017. The Minutes of the Audit Committee Meetings were noted at the Board Meetings.

Dates of Audit Committee Meetings:

During the financial year four meetings were held on May 30, 2017; September 14, 2017, December 14, 2017, February 14, 2018. The gap between two Audit Committee meetings did not exceed four months.

Attendance in Audit Committee Meetings:

Name of the Director	No of Meetings Held	No. of Meeting Attended
Mr. Amrut T. Shah	4	4
Mr. Hardik Gala*	4	2
Mr. Hemang Shah*	4	2
Mr. Dilip Khona#	4	2
Mr. Sanjay Gala#	4	2

*Appointed wef October 1, 2017

The Company Secretary of the Company acts as secretary to the Committee. Audit Committee meetings are attended by Chief Financial Officer, representatives of the Statutory Auditor and Internal Auditor as required for the relevant matters discussed at the meeting.

B) STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Company has constituted the Stakeholders' Relationship and Investors' Grievance Committee in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations (erstwhile Listing Agreements). The Stakeholder Relationship Committee oversee investors' grievances and redressal mechanism and recommends measures to improve the level of Investor's Services.

The Composition of Stakeholder's Relationship Committee is as under:

Mr. Hardik Gala	-	Independent Non-Executive: Chairman
Mr. Amrut T. Shah	-	Executive Director
Mr. Hemang Shah	-	Independent Non-Executive

The said Committee also approves cases such as the transfer of shares in physical form, issue of duplicate share certificates and requests regarding Transmission / Consolidation / Split of Share Certificates etc. The powers for the aforesaid has been delegated to the Registrar & Transfer Agents who approves the documents fortnightly. The transfer registers duly signed by the authorized person is placed before the meeting of Stakeholders' Relationship Committee meetings on quarterly basis.

The terms of reference of the Stakeholders' Relationship Committee covers the matters specified under Regulation 20 of SEBI Listing Regulations, 2015 with the Stock Exchanges. The minutes of the Stakeholders' Relationship Committee were noted at the Board Meeting.

In addition, the committee also looked into matters that can facilitate investor services and relation.

Further, as per regulation 40(2) of the Listing Regulation, a report on transfer of shares / deletion of name / issue of duplicate share certificates / transmission of securities is also placed at each meeting of the Board of Directors.

During the year under review, the complaints received have been solved to the satisfaction of the shareholder. There are no pending complaints/transfers as on date.

Dates of Stakeholder's Relationship Committee Meetings:

During the financial year four meetings were held on May 30, 2017; September 4, 2017, December 14, 2017, February 14, 2018. The gap between two Stakeholder's Relationship Committee meetings did not exceed four months.

Attendance in Stakeholder's Relationship Committee Meetings:

Name of the Director	No of Meetings Held	No. of Meeting Attended
Mr. Amrut T. Shah	4	4
Mr. Hardik Gala*	4	2
Mr. Hemang Shah*	4	2
Mr. Dilip Khona#	4	2
Mr. Sanjay Gala#	4	2

*Appointed wef October 1, 2017

Resigned wef October 1, 2017

The Company Secretary and Compliance officer acted as the Secretary of the Committee.

C) NOMINATION AND REMUNERATION COMMITTEE:

In Compliance with section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosures) Regulations, 2015 the Board has constituted the 'Nomination and Remuneration Committee' which reviewed the overall compensation policy, service agreements and other employment conditions of Managing / Whole time Directors.

The Nomination and remuneration Committee comprises of 3 members. All three members are Non-Executive Directors and of which two are independent Directors. The Company Secretary acts as the Secretary to the Committee.

This committee comprises of the following:

1. Mr. Hemang Shah - Chairman
2. Mr. Amrut T. Shah - Member
3. Mr. Hardik Gala - Member

The Committee met twice during the year on September 4, 2017 and February 14, 2018

Nomination and Remuneration Policy

On recommendation of Nomination and Remuneration Committee, the Board of Directors have approved a Nomination and Remuneration Policy for the appointment and remuneration of the Director, Key Managerial Personnel (KMP) and other employees. The key objectives of the Policy are to lay down the criteria for appointment and remuneration of Directors, Key Managerial Personnel and Executives at Senior Management level and recommend to the Board their appointment, and also to formulate criteria for evaluation of performance of Independent Directors and the Board and to devise a policy on Board diversity. The Policy, inter-alia, includes criteria for determining qualifications, positive attributes, independence of a director, and expertise and experience required for appointment of Directors, KMP and Senior Management.

The details of the remuneration policy are available on the website of the Company.

4. GENERAL BODY MEETINGS:

Details of Annual General Meeting held during last three years:

Year	Venue	Date	Time
2014-2015	Plot No. 70 TTC (MIDC), Indl. Area, Mahape Village, Navi Mumbai - 400 709	30 th September, 2015	10.00 a.m.
2015-2016		29 th September, 2016	10.00 a.m.
2016-2017		30 th September, 2017	10.00 a.m.

The following special resolution was passed at the last three Annual General Meeting:

Date of AGM	Summary of Special Resolution passed
30 th September, 2015	-
29 th September, 2016	-
30 th September, 2017	Alteration of the Articles of Association of the Company
	Appointment of Mr. Hardik Gala as an Independent Director Appointment of Mr. Hemang Shah as an Independent Director Re-appointment of Mr. Amrut T Shah as a Managing Director

5. MD/CEO/CFO CERTIFICATION

As required under Regulation 17(8) of SEBI Listing Regulations, 2015, the CEO and CFO certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended was placed before Board of Directors at its Meeting held on May 30, 2018.

6. COMPLIANCE OFFICER

The Company Secretary is the Compliance Officer under Regulation 6 of the SEBI Listing Regulations, 2015 and other applicable SEBI Regulations and Rules.

7. DISCLOSURE :**A) REMUNERATION OF THE DIRECTORS:**

Details of remuneration of directors during the financial year ended on March 31, 2018 are given below:

Name of Director	Sitting Fees	Salary/ Allowance	Total
Mr. Amrut T. Shah	NIL	13,00,000/-	13,00,000/-
Mrs. Ranjan Gala	NIL	NIL	NIL

B) Related Party Transaction

Your Company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transactions. The policy on Related Party Transactions is hosted on the website of the Company.

Particulars of transactions between the Company and related parties as per Accounting Standard (AS) 18 – 'Related Party Disclosures' notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Audit and Accounts) Rules, 2014 are given under Note No. 36 of the annual accounts for the financial year 2017-18. None of the transactions with any of the related party are in conflict with the interest of the Company.

C) Cases of Non Compliance/Penalties

There has been no instance of non-compliance by the Company on any matter relating to capital market. Hence, the question of imposition of penalties or strictures by SEBI or the Bombay Stock Exchange does not arise.

D) VIGIL Mechanism

To strengthen its policy of corporate transparency, the company has established an innovative and empowering mechanism for employees. Employees can report to the management their concerns about unethical behavior, actual or suspected fraud or violation of company's code of conduct or ethics policy.

E) Disclosure of Accounting Treatments

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards.

F) Subsidiary Company

The Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any subsidiary.

G) Risk Management

Your Company has laid down procedure to inform Board members about risk assessment and minimization and has implemented the Risk Management plan and continuously monitors it. Details of Risk Management by the Company have been provided in the directors' Report and Management Discussion and Analysis.

H) Code of Business Conduct & Ethics

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website.

I) Preventing Conflict of Interests

Members of Board and Senior Management Team while discharging their duties, avoid their conflict of interest in the decision making process. The members of Board refrain themselves from any discussions and voting in transactions where they have concern or interest.

J) Insider Trading Code

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The PIT Regulations"). The PIT Regulations has come into effect from May 15, 2015 and replaced the earlier Regulations. The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed company.

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the PIT Regulations.

The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is displayed on the Company's website.

K) Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carries out reconciliation of share capital Audit, on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

8. MEANS OF COMMUNICATION:

- a) Newspapers: Due to financial constraints, the un-audited quarterly results, the half yearly results and the audited annual results have not been published in any newspaper.
- b) Website: The Company's website www.hytonetextiles.com contains a separate dedicated section "Investor relations" where shareholders information is available. Quarterly & annual financial results and Annual Report are also available on the said website.
- c) Annual Report: Annual Report containing, inter alia, Board's report, Auditors' report, audited financial statements and other important information is circulated to members and others entitled thereto. The Annual Report is also available on website of the Company i.e. www.hytonetextiles.com.
- d) Website of the Stock Exchanges: Disclosures and filing with the BSE Limited (BSE) by the Company is posted on website of the stock exchanges.
- e) Disclosures: The Company also informs by way of intimation to the Stock Exchanges all price sensitive matters or such other matters which in its opinion are material and have relevance to the shareholders.

GENERAL SHAREHOLDER INFORMATION:

- a. AGM Day, Date, Time & Venue : Saturday, September 29, 2018 at 11.00 a.m. at Plot No. 70 TTC MIDC Area, Mahape, Navi Mumbai - 400709.
- b. Financial year : April 1, 2017 to March 31, 2018
- c. Tentative Financial Calendar of the Company: (2018-19)

Financial reporting for the First Quarter ending June 30, 2018.	July 2018
Financial reporting for the Second Quarter ending September 30, 2018.	October 2018
Financial reporting for the Third Quarter ending December 30, 2018	January 2019
Financial reporting for the Fourth Quarter ending March 31, 2019	April/May 2019

- c. Listing of Stock Exchange : BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
- d. Stock Exchange Code : 514258
- e. Payment of Annual Listing Fees : Paid up to Date
- f. Stock Market Data for the financial year ended on 31/03/2018:

Note: Stock Market Data is not available since Company is suspended from Bombay Stock Exchange for trading from 19th July, 2010 onwards & the Company applied for the revocation of suspension and will soon comply all formalities for revocation of suspension and will be ready to trade on the stock exchange.

- g. Registrar & Transfer Agent : Link Intime India Pvt. Ltd. (Common Agency)
C-101, 247 Park, L B S Marg,
Vikhroli West, Mumbai-400083.
Phone – 022-2596 3838; Fax – 022-2594 6969
Email-id – mt.helpdesk@linkintime.co.in

h. Share Transfer System : Share Transfer in physical form are registered by the registrar and returned to the respective transferees within a period ranging from 15 days to 1 month, provided the documents lodged with Registrar/Company are clear and correct in all respect.

i. Distribution of Shareholdings as on March 31, 2018

Range of shareholders			Shareholders Number	% of Total	Share Amount	% of Total
1	-	5000	7372	95.0613	10871160	20.5116
5001	-	10000	222	2.8627	1835960	3.4641
10001	-	20000	75	0.9671	1122760	2.1184
20001	-	30000	13	0.1676	334440	0.6310
30001	-	40000	14	0.1805	502780	0.9486
40001	-	50000	11	0.1418	526210	0.9928
50001	-	100000	23	0.2966	1765030	3.3302
100001	-	*****	25	0.3224	36041660	68.0031
TOTAL			7755	100.00	530,00,000	100.00

j. Shareholding Pattern as on March 31, 2018

Category	No. Of Equity Shares	% of Equity Shares
Clearing Member	450	0.0085
Other Bodies Corporate	971968	18.3390
Other Bodies (Promoter Co.)	1698500	32.0472
Hindu Undivided Family	78726	1.4854
Nationalised Bank	200	0.0038
Non Resident Indians	107197	2.0226
Non Resident (Non Repatriable)	3965	0.0748
Public	1576560	29.7464
Promoters	207025	3.9061
Relative of Directors	655409	12.3662
TOTAL	53,00,000	100%

- k. Registered Office : Plot No. 70 TTC MIDC Area, Mahape, Navi Mumbai - 400 709.
- l. Works : Plot No 77, Kopar Khairane, MIDC, Navi Mumbai 400709.
- m. Dematerialisation of Shares : 40,76,942 shares were dematerialized till March 31, 2018 which is 76.92% of the total paid up Equity Share Capital of the Company.
- n. Compliance: Certificate from the Company's Auditors, M/s. UKG & Associates, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

For and on behalf of the Board

Amrut T. Shah
Chairman & Managing Director
DIN: 00259420

Place : Navi Mumbai
Date : September 6, 2018

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Hytone Textyles Limited,

1. We have reviewed the implementation of conditions of Corporate Governance by Hytone Textyles Limited ("the Company") for the year ended March 31, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to our view of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
4. In our opinion and to the best of our information and according to our examination of the relevant records and 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 regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulation during the year ended on March 31, 2018 subject to the following:
 - The Company has not published its results in any of the press/news releases or any other way.
5. We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai
Date : September 6, 2018

For U K Gala
Chartered Accountants
Membership No.: 101769

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the company has adopted a Code of Conduct for its employees including the Managing Directors and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2018 received from the Senior Management Team of the Company and the Members of the Board a Declaration of Compliance with the Code of Conduct as applicable to them.

For and on behalf of the Board

Place : Navi Mumbai
Date : September 6, 2018

Amrut T.Shah
Chairman and Managing Director
DIN: 00259420

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) OF THE COMPANY

To,
The Board of Directors
Hytone Textyles Limited

We, the undersigned in our respective capacities as Managing Director and Chief Financial Officer of Hytone Textyles Limited ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed financial statement and the cash flow statement for the financial year ended as on March 31, 2018 and based on our knowledge and belief, we state that:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware, and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
- i. that there are no significant changes in internal control over financial reporting during the year;
 - ii. that there are changes in accounting policies during the year on account of Ind AS adoption and the same have been disclosed in the notes to the financial statement; and
 - iii. that there are no instances of significant fraud of which we have become aware.

For Hytone Textyles Limited

Place : Navi Mumbai
Date : September 6, 2018

Vijay Sagvekar
Chief Financial Officer

Amrut T. Shah
Chairman & Managing Director

Independent Auditor's Report**TO THE MEMBERS OF HYTONE TEXTYLES LIMITED****REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of Hytone Textyles Limited ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss including the statement of Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as Ind AS Financial Statements)

MANAGEMENT'S RESPONSIBILITY FOR THE Ind AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We have conducted the audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS standalone financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, I report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss including Statement of Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid Ind AS standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
 - (e) on the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund;

For UKG & Associates
Chartered Accountants

Place : Mumbai
Date : 30th May, 2018

Champak K Dedhia
Partner
Membership No: 101769

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31st March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) We were informed that these fixed assets are physically verified by the management at regular intervals which, in our opinion, is reasonable having regards to size of the Company and the nature of its assets. No material discrepancies between book records and physical assets were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by management during the current year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) According to the verification of books and records and the information and explanation given to me, the Company has not given any loan secured or unsecured, to Companies, firms, or other parties listed in the register maintained under section 189 of the Act. Hence clause (iii) of paragraph 3 of the said order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made. During the year under consideration the company has not directly or indirectly
- a) given any loan to any person or other body corporate other than usual advances envisaged in a contract of supply of materials if any,
- b) given any guarantee or provided security in connection with a loan to any other body corporate or person and
- c) acquired by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.
- (v) The Company has not accepted any deposits from the public. Hence clause (v) of paragraph 3 of the said order is not applicable.
- (vi) During the period under review, there is no manufacturing activity carried on by the Company, so no cost records as prescribed by the Central Government under sub-section (1) of section 148 of the Act are required to be maintained.
- (vii) (a) According to the information and explanations given to us and based on the records examined by us, the Company has been generally regular in depositing undisputed statutory dues including provident fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Value Added Tax, Custom Duty, Excise Duty, Cess and other material statutory dues as and wherever applicable to the Company, with appropriate authorities and no dues remain outstanding for a period of more than six months from the date they became payable except the following:-

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates
Navi Mumbai Municipal Corporation	Property Tax	1,59,19,702/-	From 2005 to 2012
M.I.D.C.	Water Tax	1,46,484/-	From 2005 to 2011

- (b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Value Added Tax, Custom Duty, Excise Duty and cess which have not been deposited on account of any dispute.

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Municipal Corporation Act, 1949	Property Tax	2,09,06,332	From 2005 to 2012	Assessor and Collector, Navi Mumbai Municipal Corporation

- (viii) The Company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on the examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on the examination of the records of 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 financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For UKG & Associates
Chartered Accountants

Champak K Dedhia
Partner

Place : Mumbai
Date : 30th May, 2018

Membership No: 101769

Annexure - B to the Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Hytone Textyles Limited ("the Company") as of 31st March 2017 in conjunction with the audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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 the audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, 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 UKG & Associates
Chartered Accountants

Place : Mumbai
Date : 30th May, 2018

Champak K Dedhia
Partner
Membership No: 101769

STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
ASSETS				
Non - Current Assets				
Property, Plant & Equipment	3	4,18,66,194	4,48,69,016	4,67,18,448
Financial Assets				
Investments	4	2,02,00,000	1,27,00,000	-
Loans	5	-	-	45,00,000
Others	6	39,11,950	42,21,422	42,33,911
Non - Current Tax Assets	7	34,05,082	24,46,848	34,70,813
Total Non - Current Assets		6,93,83,226	6,42,37,286	5,89,23,172
Current Assets				
Financial Assets				
Investments	8	92,89,811	1,08,00,922	35,96,950
Trade Receivables	9	82,23,334	45,00,788	-
Cash & Cash Equivalents	10	26,89,655	37,44,074	13,13,825
Loans	11	70,43,759	58,55,785	1,47,30,707
Other Financial Assets	12	4,52,826	3,45,315	2,57,237
Other Current Assets	13	4,69,184	2,12,966	1,63,295
Total Current Assets		2,81,68,569	2,54,59,850	2,00,62,014
TOTAL ASSETS		9,75,51,795	8,96,97,135	7,89,85,185
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	14	5,30,00,000	5,30,00,000	5,30,00,000
Other Equity	14	(3,25,00,721)	(3,13,58,666)	(3,45,96,187)
Total Equity		2,04,99,279	2,16,41,334	1,84,03,813
Liabilities				
Non - Current Liabilities				
Financial Liabilities				
Borrowings	15	3,67,08,479	3,40,90,510	3,04,03,665
Other Financial Liabilities	16	1,87,48,599	1,60,05,304	1,53,65,380
Provisions	17	2,21,559	20,95,685	19,55,170
Total Non - Current Liabilities		5,56,78,637	5,21,91,499	4,77,24,215
Current Liabilities				
Financial Liabilities				
Trade Payables	18	1,62,03,265	1,34,56,263	1,05,80,659
Other Financial Liabilities	19	3,37,152	3,20,211	2,05,496
Other Current Liabilities	20	5,65,599	48,346	44,698
Provisions	21	42,67,863	20,39,483	20,26,305
Total Current Liabilities		2,13,73,879	1,58,64,303	1,28,57,158
Total Liabilities		7,70,52,516	6,80,55,802	6,05,81,372
TOTAL EQUITY AND LIABILITIES		9,75,51,795	8,96,97,135	7,89,85,185
CORPORATE INFORMATION	1			
SIGNIFICANT ACCOUNTING POLICIES	2			
NOTES ON ACCOUNTS	3-41			

As per our report attached of even date
For UKG & Associates
Chartered Accountants
Firm Reg. No. 123393W

(Champak K Dedhia)
Partner
Membership No. 101769

Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Director
Ranjan Gala
DIN : 01015712

Company Secretary
Riddhi Thakkar
PAN : AKTPT5488M

Mumbai, 30th May, 2018

Chairman and Managing Director
Amrut T. Shah
DIN : 00259420

Chief Financial Officer
Viajy Sagvekar
PAN : AZIPS4986L

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note. No.	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from Operations	22	4,07,06,856	2,71,19,847
Other Income	23	15,59,923	20,64,538
Total Income		4,22,66,779	2,91,84,385
Expenses			
Purchase of Stock In Trade	24	1,57,03,435	43,38,089
Employee Benefit Expenses	25	74,42,191	70,49,670
Finance Cost	26	47,83,453	43,67,135
Depreciation and Amortization	3	39,74,377	38,59,223
Other Expenses	27	1,23,03,995	73,54,723
Total Expenses		4,42,07,452	2,69,68,840
Profit Before Tax and Exceptional Item		(19,40,672)	22,15,545
Exceptional Item		-	-
Profit Before Tax		(19,40,672)	22,15,545
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
MAT Credit (Entitlement) / Utilization		-	-
(Excess) / Short Provision of Earlier Years		-	-
Profit After Tax		(19,40,672)	22,15,545
Other Comprehensive Income			
- Items not to be classified to profit or loss		7,98,617	10,21,976
- Income Tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the year		7,98,617	10,21,976
Total Comprehensive Income for the year		(11,42,055)	32,37,521
Earnings Per Share - Basic & Diluted (₹)		(0.37)	0.42

As per our report attached of even date
For UKG & Associates
Chartered Accountants
Firm Reg. No. 123393W

(Champak K Dedhia)
Partner
Membership No. 101769

Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Director
Ranjan Gala
DIN : 01015712

Company Secretary
Riddhi Thakkar
PAN : AKTPT5488M

Mumbai, 30th May, 2018

Chairman and Managing Director
Amrut T. Shah
DIN : 00259420

Chief Financial Officer
Viajy Sagvekar
PAN : AZIPS4986L

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹)

Particulars	As at 31 st March, 2018		As at 31 st March, 2017		As at 1 st April, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting period	53,00,000	5,30,00,000	53,00,000	5,30,00,000	53,00,000	5,30,00,000
Add: Changes in Equity Capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	53,00,000	5,30,00,000	53,00,000	5,30,00,000	53,00,000	5,30,00,000

B. Other Equity

Particulars	General Reserve	Securities Premium	Retained Earnings	Total
Balance as on April 01, 2016	12,73,24,576	1,29,00,600	(17,48,21,363)	(3,45,96,187)
Profit for the period	-	-	22,15,545	22,15,545
Other Comprehensive Income				
- Fair value loss on FVOCI financial asset	-	-	7,03,973.00	7,03,973
- Remeasurement gains / (loss) on defined benefit plans			3,18,003.00	3,18,003
As at March 31, 2017	12,73,24,576	1,29,00,600	(17,15,83,842)	(3,13,58,666)
Profit for the period	-	-	(19,40,672)	(19,40,672)
Other Comprehensive Income				
- Fair value loss on FVOCI financial asset	-	-	4,88,889	4,88,889
- Remeasurement gains / (loss) on defined benefit plans			3,09,728	3,09,728
As at March 31, 2018	12,73,24,576	1,29,00,600	(17,27,25,897)	(3,25,00,721)

Nature and Purpose of the Reserves**General Reserve**

The Company has transferred a portion of Net Profits of the Company before declaring Dividends to General Reserve pursuant to the earlier provision of The Companies Act, 1956. Mandatory transfer to General Reserve, is not required under the Companies Act, 2013

Securities Premium

Security premium account is created when shares are issue at premium. A company may utilise the security premium reserve account as per the requirements of Companies Act.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

	Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit / (Loss) Before Tax		(19,40,672)		22,15,545
	Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:				
	Depreciation & Amortization	39,74,377		38,59,223	
	Finance Cost	47,83,453		43,67,135	
	Interest Income	(15,59,923)	71,97,906	(15,95,528)	66,30,830
	Operating Profit Before Changes in Working Capital		52,57,234		88,46,375
	Adjustment for Changes in Working Capital				
	(Increase) / Decrease in Trade Receivables / Financial Asset	(52,74,249)		42,36,385	
	Increase / (Decrease) in Trade Payables / Financial Liabilities	39,45,178	(13,29,071)	34,65,664	77,02,049
	Cash Generated from Operations		39,28,163		1,65,48,424
	Less: Taxes Paid (Net of refund received)		9,58,234		(10,23,965)
	NET CASH FLOW FROM OPERATING ACTIVITY (A)		29,69,929		1,75,72,389
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property, Plant & Equipment & Intangible Assets	(11,66,647)		(24,04,660)	
	Sale of Property, Plant & Equipment & Intangible Assets	1,95,092		3,94,869	
	Non-Current Investments made during the year	(75,00,000)		(1,27,00,000)	
	Purchase of Mutual Funds	(35,00,000)		(65,00,000)	
	Redemption of Mutual Funds	55,00,000			
	Financial Assets - Loans (Made) /Repaid	-		45,00,000	
	Interest Received	15,59,923		15,95,528	
	NET CASH FLOW FROM INVESTING ACTIVITY (B)		(49,11,632)		(1,51,14,263)
C	CASH FLOW FROM FINANCING ACTIVITY				
	Receipt of Long Term Borrowings	-		36,86,845	
	Repayment of Long Term Borrowings	26,17,970		-	
	(Decrease) / Increase in Other Financial Liabilities	27,43,295		6,39,924	
	Increase / (Decrease) in Other Financial Assets	3,09,472		12,489	
	Finance Cost	(47,83,453)		(43,67,135)	
	NET CASH FLOW FROM FINANCING ACTIVITY (C)		8,87,284		(27,877)
	NET CASH FLOW FOR THE YEAR (A + B + C)		(10,54,419)		24,30,249
	Add: Opening Balance of Cash & Cash Equivalents		37,44,074		13,13,825
	CLOSING BALANCE OF CASH & CASH EQUIVALENTS		26,89,655		37,44,074

	Particulars	For the year ended		For the year ended	
		March 31, 2018		March 31, 2017	
	RECONCILIATION OF CASH AND CASH EQUIVALENT				
	TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET				
	CASH AND CASH EQUIVALENT COMPRISES AS UNDER:				
	Balance with banks in current accounts		24,55,513		35,40,898
	Cash on Hand		2,34,142		2,03,176
	CASH AND CASH EQUIVALENT AT THE END OF THE YEAR		26,89,655		37,44,074

As per our report attached of even date
 For UKG & Associates
 Chartered Accountants
 Firm Reg. No. 123393W

(Champak K Dedhia)
 Partner
 Membership No. 101769

Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Director
 Ranjan Gala
 DIN : 01015712

Company Secretary
 Riddhi Thakkar
 PAN : AKTPT5488M

Mumbai, 30th May, 2018

Chairman and Managing Director
 Amrut T. Shah
 DIN : 00259420

Chief Financial Officer
 Viajy Sagvekar
 PAN : AZIPS4986L

1 CORPORATE INFORMATION

Hytone Textyles Limited (the Company) is a public Limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. Its shares are listed on BSE Limited. Its registered office is situated at Navi Mumbai, India. The Company is engaged in the business as manufacturers, processors, and traders in all types of textiles, garments, made ups and all other allied products and the business of providing logistics and other related support services.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the Significant Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS FOR PREPARATION OF ACCOUNTS

a) Statement of Compliance with Ind AS

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

“These Financial Statements for the year ended 31st March, 2018 are the first financial statements of the Company under IND AS. The date of transition to Ind AS is 1st April, 2016. Accordingly, the Company has followed the provisions of Ind AS 101, ‘First Time Adoption of Indian Accounting Standards’, in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. 1 April 2016. Certain of the Company’s Ind AS accounting policies used in the Opening Balance sheet differed from its previous GAAP policies applied as at 31 March 2016, and accordingly adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1 April 2016.

Refer Note 28 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and Cash Flows.

b) Current versus Non-Current classification

All assets and liabilities have been classified as Current or Non Current as per the Company’s normal operation cycle i.e. twelve months and other criteria set out in the Schedule III of the Act.

c) Historical Cost Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- Certain financial assets and liabilities that are measured at fair value
- Defined benefit plans - plan assets measured at fair value

2.2 USE OF ESTIMATES

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, impairment of trade receivables, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.3 REVENUE RECOGNITION

a) Sale of Goods

Revenue from the sale of goods is recognised when property in the goods, or all significant risks and rewards of ownership of the goods have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods as well as its collection. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts and volume rebates. It includes excise duty and subsidy and excludes Value Added Tax / Sales Tax/ GST.

b) Rendering of services

Revenue of services are recognized when the services are rendered.

c) Dividend

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

d) Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

e) Export Incentives

Export incentives under various schemes are accounted in the year of Exports

2.4 FOREIGN CURRENCY TRANSACTIONS

a) Functional and Presentation Currency

The financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.

b) Initial Recognition

Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of the transactions. Exchange difference arising on foreign exchange transaction settled during the year are recognized in the Statement of profit and loss of the year.

c) Measurement of foreign currency items at the Balance sheet date

Monetary assets and liabilities denominated in foreign currencies are re-translated into functional currency at the exchange rate prevailing at the end of the reporting period. Non monetary assets and liabilities that are measured based on a historical cost in a foreign currency are not re-translated. Exchange differences arising out of these transaction are charged to the profit and loss.

2.5 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

a) Property, plant and equipment (PPE)

i) Recognition and measurement

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to the acquisition of the assets. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

ii) Subsequent expenditure

Expenditure incurred on substantial expansion upto the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

b) Capital Work-In-Progress And Pre-Operative Expenses During Construction Period

Capital work-in progress includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective Property, Plant and Equipment on their completion / commencement of commercial production.

c) Intangible assets

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment loss if any.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment, including intangible assets, recognised as at 1 April 2016, as per the previous GAAP and used that carrying value as its deemed cost of such property, plant and equipment and intangible assets

2.6 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.7 DEPRECIATION AND AMORTISATION

Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013. Lease hold land is amortised over the period of lease.

"The assets; residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation and amortization on property, plant and equipment added/dropped off during the year has been provided on pro-rata basis with reference to the date of addition/disposal."

"Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate"

2.8 FINANCIAL INSTRUMENTS

I. Financial Assets

a) Classification of financial assets

The Company classifies financial assets as subsequently measures at amortised cost, fair value through other comprehensive income or fair value through profit & loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

i) Debt instrument at amortised cost:

"A 'debt Instrument' is measured at the amortised cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flow and
- Contractual terms of the asset give rise on specified dates to cash flow 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 and fees or cost that are an integral part of the EIR. The EIR. Amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. The category generally applies to trade and other receivable.

ii) Debt instrument at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flow and selling the financial assets, where the assets' cash flow represents solely payments of principal and interest are measuring at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue or foreign exchange gains and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method. The company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

iii) Debt instrument measured at fair through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss

and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity investments:

Investment in associates are accounted using equity method.

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

For equity investments classified as FVOCI, all fair value changes on the instruments, excluding dividend, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of such investment

Equity investments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

b) Initial recognition and measurement

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction cost that are attributable to the acquisition of the financial assets.

Trade receivable are carried at original invoice price as the sales arrangements do not contain any significant financial component. Purchase or sales of financial assets that required 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 assets.

c) Derecognition of financial assets

“A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) primarily derecognised (i.e. removed from the company’s balance sheet) when :

- The rights to receive cash flows from the asset have expired, or
- The Company has neither transferred nor retained substantially all the risks and rewards all the assets, but has transferred control of the assets.”

When the company has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred asset to the extent of the company’s continuing involvement. In the case, the company recognises and associated liability. The transferred asset and the associated liability are measured on a basis that reflect 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 maximum amount of consideration that the company could be required to repay.

d) 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 following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loan, debt security, deposits, and bank balance.
- Trade Receivables”

The company follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application simplified approach does not require the company to track change in risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable. The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

II. Financial Liabilities and equity instruments

Debt and equity instruments issued by an entity are classified as either financial liability or as equity in accordance with substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

a) Equity instruments:

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

b) Financial liabilities :- Classification

Financial liabilities are classified as either’s at FVTPL’ or’ other financial liabilities consists of derivative financial instruments, wherein the gain/losses arising from remeasurement of these Instruments of recognized in the statements of profit and loss. Other financial liability (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

c) Initial recognition and measurement:

“All financial liability are recognised initially at fair value and for those instruments that are not Subsequently measured at FVTPL, plus/minus transaction cost that are attributable to issue of these instruments.”

d) Derecognition

A financial liability is derecognized 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 the new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

III. Fair Value

The Company determines the fair value of its financial instruments on the basis of the following hierarchy

- a) Level 1 : The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange traded commodity derivatives and other financial instruments in equity and debt securities which are listed in a recognised stock exchange
- b) Level 2 : The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques using observable market data. Such valuations techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate
- b) Level 3 : The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs)

IV. Accounting for day 1 differences

If the fair value of the financial asset or financial liability at initial recognition differs from the transaction price, this if it is not consideration for goods or services or a deemed capital contribution or deemed distribution, is accounted as follows :

- "i) If the fair value is evidence by a quoted price in an active market for an identical asset or liability (ie Level 1 input) or based on a valuation technique that uses data from observable market, the entire day 1 gain/loss is recorded immediately in the statement of profit and loss; or
- ii) in all other cases, the difference between the fair value at initial recognition and transaction price is deferred. After initial recognition, the deferred difference is recorded as gain or loss in the statement profit and loss only to the extent that is arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability."

In case difference represents :

- i) deemed capital contribution - it is recorded as investment in subsidiary
- ii) deemed distribution - It is recorded in equity
- iii) deemed consideration for goods and services - it is recorded as an asset or liability. This amount is amortised / accredited to the statement of profit and loss as per the substance of the arrangement (generally straight line basis over the duration of the arrangement)

2.9 INVENTORIES

Inventories are stated at the lower of cost and net realizable value.
Cost of Raw Material is determined on a First In First Out (FIFO) basis.

Packing maaterials are valued at cost.

Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition. Cost is arrived on weighted average cost basis.

Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition.

2.10 BORROWING COSTS

Borrowing Costs that are interest and other costs that the company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs

include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing cost is suspended and charged to statement when active development is interrupted

Capitalisation of borrowing costs commences when all the following conditions are satisfied:

- i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;
- ii. Borrowing costs are being incurred; and
- iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

2.11 EMPLOYEE BENEFITS

a) Short term employee benefit obligations

Liabilities for wages, salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are to be settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Other long term employee benefit obligations

i) Compensated absences

The liabilities for earned leave is not expected to be settled wholly within 12 months after the end of the period in which employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yield at the end of reporting period that have terms approximating to the terms of related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income.

c) Post-employment obligations

The Company operates the following post-employment schemes:

- A. Defined benefit plans such as Gratuity
- B. Defined contribution plan such as Provident Fund

Defined Benefit Plans

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in present value of the defined benefit obligation resulting from plan amendment or curtailments are recognised immediately in profit or loss as past service cost.

Defined Contribution Plans

The Company pays provident fund contributions to publicly administered funds as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

2.12 ACCOUNTING FOR TAXES ON INCOME

a) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

"Current tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."

b) Deferred Taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only if it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit including MAT credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset

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 offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.”

2.13 PROVISIONS AND CONTINGENT LIABILITIES

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingent Liability

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent Liability is disclosed in the case of:

- i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

2.14 EARNING PER SHARE

a) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

b) Diluted Earnings Per Share

Diluted Earnings Per Share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

2.15 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash and deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities 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.

2.16 STATEMENT OF CASH FLOWS

Cash Flows are reported using the indirect method, whereby 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 flows from operating, investing and financing activities of the Company are segregated.

Amendment to Ind AS 7:

"The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated."

2.17 DIVIDEND

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.18 ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees, unless otherwise stated.

2.19 EVENTS OCCURRING AFTER THE REPORTING DATE

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

2.20 EXCEPTIONAL ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.21 OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act

2.22 SEGMENT REPORTING

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

2.23 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company plans to adopt the new standard on the required effective date using the partial retrospective method.

NOTE 3: PROPERTY, PLANT & EQUIPMENT

(Amount in ₹)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At April 01, 2017	Additions / Transfers	Deductions	As At March 31, 2018	As At April 01, 2017	For The Year	On Deductions	As At March 31, 2018	As At March 31, 2017
(A) TANGIBLE ASSETS									
Land - Leashold	2,82,95,176	-	-	2,82,95,176	-	-	-	2,82,95,176	2,82,95,176
Factory Buildings	1,68,11,561	-	-	1,68,11,561	33,60,099	33,57,634	67,17,733	1,00,93,828	1,34,51,462
Plant & Machinery	1,80,357	-	-	1,80,357	50,197	59,968	1,10,165	70,192	1,30,160
Vehicles	34,41,145	11,66,647	1,95,092	44,12,700	4,48,927	5,56,775	10,05,702	34,06,998	29,92,218
Total	4,87,28,239	11,66,647	1,95,092	4,96,99,794	38,59,223	39,74,377	78,33,600	4,18,66,194	4,48,69,016
Previous Year's Total	4,67,18,448	24,04,660	3,94,869	4,87,28,239	-	38,59,223	-	4,48,69,016	4,67,18,448

NOTE 3: PROPERTY, PLANT & EQUIPMENT

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At April 01, 2017	Additions / Transfers	Deductions	As At March 31, 2018	As At April 01, 2017	For The Year	On Deductions	As At March 31, 2018	As At March 31, 2017
(A) TANGIBLE ASSETS									
Land - Leashold	2,82,95,176	-	-	2,82,95,176	-	-	-	2,82,95,176	2,82,95,176
Factory Buildings	1,68,11,561	-	-	1,68,11,561	-	33,60,099	33,60,099	1,34,51,462	1,68,11,561
Plant & Machinery	68,944	1,11,413	-	1,80,357	50,197	50,197	50,197	1,30,160	68,944
Vehicles	15,42,767	22,93,247	3,94,869	34,41,145	4,48,927	4,48,927	4,48,927	29,92,218	15,42,767
Total	4,67,18,448	24,04,660	3,94,869	4,87,28,239	-	38,59,223	-	4,48,69,016	4,67,18,448

Notes:

- 1) On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment, including intangible assets, recognised as at 1 April 2016, as per the previous GAAP and used that carrying value as its deemed cost of such property, plant and equipment and intangible assets

NOTE 4 : FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

(Amount in ₹)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares / Units	Amount	No. of Shares / Units	Amount	No. of Shares / Units	Amount
Investment in Equity Instruments (Unquoted At Fair Value)						
Capital with Anant SAB Realtors LLP	NA	2,02,00,000	NA	1,27,00,000	NA	-
TOTAL		2,02,00,000		1,27,00,000		-
Aggregate Amount of Quoted Investment & Market Value thereof		-		-		-
Aggregate amount of Unquoted Investments		2,02,00,000		1,27,00,000		-
Aggregate amount of impairment in value of Investments		-		-		-

NOTE 5: FINANCIAL ASSETS - LOANS (NON-CURRENT)

(Amount in ₹)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Unsecured Considered Good			
Loans to Related Parties (Refer Note No 43)	-	-	45,00,000
TOTAL	-	-	45,00,000

NOTE 6: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Security and Other Deposits	37,81,527	40,99,764	41,21,264
Fixed Deposits maturing after 12 months	1,30,423	1,21,658	1,12,647
TOTAL	39,11,950	42,21,422	42,33,911

NOTE 7: NON - CURRENT TAX ASSETS

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Non Current Tax Asset / (Liabilities) [Net]	34,05,082	24,46,848	34,70,813
	34,05,082	24,46,848	34,70,813

NOTE 8: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

(Amount in ₹)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of units	Amount	No. of units	Amount	No. of units	Amount
Investment in Mutual Funds (Unquoted At Fair Value)						
HDFC Cash Management Fund	2,53,912	92,89,811	3,14,354	1,08,00,922	1,13,293	35,96,950
TOTAL	2,53,912	92,89,811	3,14,354	1,08,00,922	1,13,293	35,96,950
Aggregate Amount of Quoted Investment & Market Value thereof		-		-		-

Aggregate amount of Unquoted Investments		92,89,811		1,08,00,922		35,96,950
Aggregate amount of impairment in value of Investments		-		-		-

NOTE 9: FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Trade Receivables						
Unsecured - Considered Good	82,23,334	82,23,334	45,00,788	45,00,788	-	-
TOTAL		82,23,334		45,00,788		-

Notes -

- The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Receivables are subject to confirmation
- There are no outstanding dues from directors or other officers of the Company
- Refer Note - 34 for information about Credit Risk and Market Risk of Trade Receivables.

NOTE 10: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Amount in ₹)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Balances with Banks in Current Accounts	24,55,513	35,40,898	11,33,165
Cash on Hand	2,34,142	2,03,176	1,80,660
TOTAL	26,89,655	37,44,074	13,13,825

NOTE 11: FINANCIAL ASSETS - LOANS (CURRENT ASSETS)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Unsecured Considered Good Loans to Others	70,43,759	58,55,785	1,47,30,707
TOTAL	70,43,759	58,55,785	1,47,30,707

NOTE 12: FINANCIAL ASSETS - OTHERS (CURRENT)

(Amount in ₹)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Interest Receivable	4,52,826	3,45,315	2,57,237
TOTAL	4,52,826	3,45,315	2,57,237

NOTE 13: OTHER CURRENT ASSETS

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Advances Other than capital advances			
Advance to Employees	4,000	57,000	24,000
Advances to Suppliers / Expenses	3,01,728	-	-

Others			
Prepaid Expenses	1,63,456	1,55,966	1,39,295
TOTAL	4,69,184	2,12,966	1,63,295

NOTE 14: EQUITY SHARE CAPITAL

(Amount in ₹)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Authorised EQUITY SHARE CAPITAL			
5300000 (5300000) Equity Shares of Rs. 10/- each	5,30,00,000	5,30,00,000	5,30,00,000
TOTAL AUTHORIZED SHARE CAPITAL	5,30,00,000	5,30,00,000	5,30,00,000
Issued, Subscribed & Paid Up			
EQUITY SHARE CAPITAL			
5300000 (5300000) Equity Shares of Rs.10/- each fully paid	5,30,00,000	5,30,00,000	5,30,00,000
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	5,30,00,000	5,30,00,000	5,30,00,000

a) Reconciliation of the number of shares outstanding :

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Reconciliation of the number of Equity Shares outstanding						
Shares at the beginning	53,00,000	5,30,00,000	53,00,000	5,30,00,000	53,00,000	5,30,00,000
Add: Fresh Issue of Equity Share made during the year	-	-	-	-	-	-
Shares at the end	53,00,000	5,30,00,000	53,00,000	5,30,00,000	53,00,000	5,30,00,000

b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a par value Re 1/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding

c) Shareholders holding more than 5% Equity shares each :

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Anant Synthetics Private Limited	1508500	28.46%	1508500	28.46%	1508500	28.46%
Efficient Securities Private Limited	431890	8.15%	431890	8.15%	431890	8.15%
Anmol Textile Industries Private Limited	274484	5.18%	274484	5.18%	274484	5.18%

NOTE 15: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

(Amount in ₹)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
SECURED			
Term Loan			

From Banks	6,49,327	9,86,479	12,578
UNSECURED :			
Preference Shares	3,60,59,152	3,31,04,030	3,03,91,087
TOTAL	3,67,08,479	3,40,90,510	3,04,03,665

A Rupee Term Loans :

- Vehicle Loan from Bank and Non-Banking Financial Companies is secured by way of exclusive first charge created by hypothecation on vehicle of Company.
- of the above, Vehicle Loan from HDFC Bank Ltd is taken @ 9.58% on 48 Monthly installment of Rs. 22,230/- and out of the same in all 31 Monthly installments are pending at the year end.
- of the above, Vehicle Loan from HDFC Bank Ltd is taken @ 8.50% on 48 Monthly installment of Rs. 12,237/- and out of the same in all 35 Monthly installments are pending at the year end.

B Preference Shares :**a) Details of Preference Shares**

Particulars	31.03.2018		31.03.2017	
	No of Shares	Amount	No of Shares	Amount
(a) Authorised				
1% Cum. Red. Preference Shares of Rs.100/- each. (Series - I)	1,50,000	1,50,00,000	1,50,000	1,50,00,000
1% Cum. Red. Preference Shares of Rs.100/- each. (Series - II)	7,20,000	7,20,00,000	7,20,000	7,20,00,000
(b) Issued, Subscribed and fully paid up				
1% Cum. Red. Preference Shares (Series I) of Rs.100/- each fully paid	1,50,000	1,50,00,000	1,50,000	1,50,00,000
1% Cum. Red. Preference Shares (Series II) of Rs.100/- each fully paid	6,85,000	6,85,00,000	6,85,000	6,85,00,000
TOTAL	8,35,000	8,35,00,000	8,35,000	8,35,00,000

b) Terms of Issue of Preference Shares

- 1% Cum. Red. Preference Shares (Series I) of Rs.100/- can be redeemed any time during the year subject to availability of reserves but within 20 years from the date of allotment. Last year being FY 2020
- 1% Cum. Red. Preference Shares (Series II) of Rs.100/- can be redeemed any time during the year subject to availability of reserves but within 20 years from the date of allotment. Last year being FY 2030

c) Effective interest rate for the above preference shares is in the range of 8-9%**d) Details of preference shareholder holding more than 5% shares (Series I):**

Class of shares / Name of shareholder	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Preference shares without voting rights				
Abhiyan Textile Industries Private Limited	40000	26.67%	40000	26.67%
Anant Synthetics Private Limited	40000	26.67%	40000	26.67%

Efficient Securities Pvt.Ltd.	30000	20.00%	30000	20.00%
Hytone Holdings Private Limited	30000	20.00%	30000	20.00%
Abhyudaya Silk Mills Private Limited	10000	6.67%	10000	6.67%
TOTAL		100.00%		100.00%

e) Details of preference shareholder holding more than 5% shares (Series II):

Class of shares / Name of shareholder	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Preference shares without voting rights				
Sarjan Mercantile Pvt. Ltd.	560000	81.75%	560000	81.75%
Efficient Securities Pvt.Ltd.	125000	18.25%	125000	18.25%
TOTAL		100.00%		100.00%

NOTE 16: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Security Deposit Received from Customers	1,39,81,629	1,20,27,430	1,20,79,283
Interest accrued but not due on borrowings	47,66,970	39,77,874	32,86,097
TOTAL	1,87,48,599	1,60,05,304	1,53,65,380

NOTE 17: PROVISIONS (NON-CURRENT)

(Amount in ₹)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Provision for Employee Benefits	2,21,559	20,95,685	19,55,170
TOTAL	2,21,559	20,95,685	19,55,170

NOTE 18: FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
At Amortized Cost			
Micro, Small and Medium Enterprises	-	-	-
Others (Refer Notes Below)	1,62,03,265	1,34,56,263	1,05,80,659
TOTAL	1,62,03,265	1,34,56,263	1,05,80,659

- i. Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 (“the Act”). Accordingly, no amount of dues outstanding as at 31st March 2018 have been identified as relating to Micro and Small Enterprises referred to in the said Act.
- ii. The Company has called for balance confirmation of Trade Payables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company’s account. The other balances of Trade Payables are subject to confirmation
- iii. Trade Payables includes amount due to Related Parties NIL as at 31st March 2018 (Previous Year as at 31st March 2017 NIL and as 1st April 2016 NIL)

NOTE 19: FINANCIAL LIABILITIES - OTHERS (CURRENT)

(Amount in ₹)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Current Maturities of Long Term Debts	3,37,152	3,20,211	2,05,496
TOTAL	3,37,152	3,20,211	2,05,496

NOTE 20: OTHER CURRENT LIABILITIES

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Advance Received from Customer	1,35,342	-	-
Statutory Payments	4,30,257	48,346	44,698
TOTAL	5,65,599	48,346	44,698

NOTE 21: PROVISIONS (CURRENT)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Provision for Employee Benefits			
- Gratuity	40,20,778	19,64,925	19,55,170
- Other	2,38,938	74,558	71,135
Provision for Expense	8,147	-	-
TOTAL	42,67,863	20,39,483	20,26,305

NOTE 22: REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Leave and License Fee	2,44,26,845		2,26,19,059	
Sale of Fabrics	1,62,80,011	4,07,06,856	45,00,788	2,71,19,847
TOTAL		4,07,06,856		2,71,19,847

NOTE 23: OTHER INCOME

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income	15,59,923	15,95,528
Sundry Balance Written Back	-	4,68,380
Others	-	630
TOTAL	15,59,923	20,64,538

NOTE 24: PURCHASE OF STOCK IN TRADE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Stock in Trade	1,57,03,435	43,38,089
TOTAL	1,57,03,435	43,38,089

NOTE 25: EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus	48,35,590	36,42,443
Directors Remuneration	20,55,000	24,05,000
Gratuity	4,91,455	9,36,654
Staff Welfare Expenses	60,146	65,573
TOTAL	74,42,191	70,49,670

NOTE 26: FINANCE COST

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expenses	47,82,382	43,65,583
Other Financial Charges	1,071	1,552
TOTAL	47,83,453	43,67,135

NOTE 27: OTHER EXPENSES

(Amount in ₹)

Particulars	Year ended March 31, 2018	Year ended March 31, 2018
Power, Fuel and Utilities	4,51,401	6,12,201
Lease Rent / Hire Charges	2,41,487	2,18,396
Repairs & Maintenance on :		
Repairs to Building	8,72,787	12,51,915
Other Repairs	1,14,304	2,03,768
Insurance	1,80,905	1,79,251
Rates and Taxes	73,82,033	16,16,198
Legal and Professional Fees	10,72,428	17,32,297
General Office Expenses	14,27,365	10,85,986
Loading and Unloading Charges	3,87,888	3,71,728
Travelling and Conveyance	33,535	63,751
Payment to Auditors		
- Audit Fees	30,000	25,000
Loss on Sale of Fixed Assets (Net)	67,013	-
Bad Debts	42,849	(5,768)
TOTAL	1,23,03,995	73,54,723

NOTE 28(i): FIRST TIME ADOPTION OF INDIAN ACCOUNTING

“These are the Company's first financial statements prepared in accordance with Ind AS

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31 March, 2017 and in the preparation of an opening Ind AS Balance Sheet at 1 April, 2016 (the Company's date of transition). For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

"The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS"

In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and Cash Flows is set out in the following tables and notes"

Exemptions applied

Ind AS 101 "First-time adoption of Indian Accounting Standards" allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in transition from previous GAAP to Ind AS::

Optional Exemptions

- 1 "Deemed cost for property, plant and equipment and intangible assets As per Ind AS 101, a first-time adopter has an option, inter alia, to use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS, if there has been no change in its functional currency on the date of transition. The Company has accordingly elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets."

Mandatory Exemptions

1 Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

2 Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

NOTE 28(ii): RECONCILIATION OF EQUITY AS AT APRIL 01,

(Amount in ₹)

Particulars	Note. No.	As at March 31, 2017			As at April 01, 2016		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
ASSETS							
Non - Current Assets							
Property, Plant & Equipment		4,48,69,016		4,48,69,016	4,67,18,448	-	4,67,18,448
Financial Assets							
Investments		1,27,00,000	-	1,27,00,000	-		-
Loans		-	-	-	45,00,000	-	45,00,000
Others		42,21,422	-	42,21,422	42,33,911	-	42,33,911
Non - Current Tax Assets		24,46,848	-	24,46,848	34,70,813	-	34,70,813
Total Non - Current Assets		6,42,37,286	-	6,42,37,286	5,89,23,172	-	5,89,23,172
Current Assets							

Particulars	Note. No.	As at March 31, 2017			As at April 01, 2016		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
Financial Assets							
Investments	1	1,00,00,000	8,00,922	1,08,00,922	35,00,000	96,950	35,96,950
Trade Receivables		45,00,788	-	45,00,788	-	-	-
Cash & Cash Equivalents		37,44,074	-	37,44,074	13,13,825	-	13,13,825
Loans		58,55,785	-	58,55,785	1,47,30,707	-	1,47,30,707
Others		3,45,315	-	3,45,315	2,57,237	-	2,57,237
Other Current Assets		2,12,966	-	2,12,966	1,63,295	-	1,63,295
Total Current Assets		2,46,58,928	8,00,922	2,54,59,850	1,99,65,064	96,950	2,00,62,014
TOTAL ASSETS		8,88,96,214	8,00,922	8,96,97,135	7,88,88,235	96,950	7,89,85,185
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital		13,65,00,000	(8,35,00,000)	5,30,00,000	13,65,00,000	(8,35,00,000)	5,30,00,000
Other Equity	8	(7,48,28,764)	4,34,70,098	(3,13,58,666)	(8,13,33,830)	4,67,37,643	(3,45,96,187)
Total Equity		6,16,71,236	(4,00,29,902)	2,16,41,334	5,51,66,170	(3,67,62,357)	1,84,03,813
Liabilities							
Non - Current Liabilities							
Financial Liabilities							
Borrowings	3, 4	9,86,479	3,31,04,031	3,40,90,510	12,578	3,03,91,087	3,04,03,665
Other Financial Liabilities	4, 5	1,21,01,000	39,04,304	1,60,05,304	1,21,01,000	32,64,380	1,53,65,380
Provisions	2	2,38,120	18,57,565	20,95,685	7,06,500	12,48,670	19,55,170
Other Non - Current Liabilities		-	-	-	-	-	-
Total Non - Current Liabilities		1,33,25,599	3,88,65,900	5,21,91,499	1,28,20,078	3,49,04,137	4,77,24,215
Current Liabilities							
Financial Liabilities							
(ii) Trade Payables		1,34,56,263	-	1,34,56,263	1,05,80,659	-	1,05,80,659
(iii) Other Financial Liabilities		3,20,211	-	3,20,211	2,05,496	-	2,05,496
Other Current Liabilities		48,346	-	48,346	44,698	-	44,698
Provisions	2	74,558	19,64,925	20,39,483	71,135	19,55,170	20,26,305
Total Current Liabilities		1,38,99,378	19,64,925	1,58,64,303	1,09,01,988	19,55,170	1,28,57,158
Liabilities associated with groups of assets held							
Total Liabilities		2,72,24,977	4,08,30,825	6,80,55,802	2,37,22,066	3,68,59,306	6,05,81,372
TOTAL EQUITY AND LIABILITIES		8,88,96,213	8,00,922	8,96,97,135	7,88,88,236	96,949	7,89,85,185

NOTE 28(iii): RECONCILIATION OF STATEMENT OF PROFIT AND LOSS

(Amount in ₹)

Particulars	Note. No.	For the year ended March 31, 2017		
		Indian GAAP	Adjustment	Ind AS
Income				
Revenue from Operations	5	2,61,45,997	9,73,850	2,71,19,847
Other Income		20,70,306	-	20,70,306
Total Income		2,82,16,303	9,73,850	2,91,90,153
Expenses				
Purchase of Stock In Trade		43,38,089	-	43,38,089
Employee Benefit Expenses	2	61,13,016	9,36,654	70,49,670
Finance Cost	3, 4, 5	40,418	43,26,717	43,67,135
Depreciation and Amortization		38,59,223	-	38,59,223
Other Expenses		73,60,491	(5,768)	73,54,723
Total Expenses		2,17,11,237	52,57,603	2,69,68,840
Profit Before Tax and Exceptional Item		65,05,066	(42,83,753)	22,21,313

Particulars	Note. No.	For the year ended March 31, 2017		
		Indian GAAP	Adjustment	Ind AS
Exceptional Item		-	-	-
Profit Before Tax		65,05,066	(42,83,753)	22,21,313
Tax Expenses				
Current Tax		-	-	-
Deferred Tax		-	-	-
Deferred Tax - MAT Credit Entitlement (Excess) / Short Provision of Earlier Years		-	-	-
Profit After Tax		65,05,066	(42,83,753)	22,21,313
Other Comprehensive Income not to be reclassified to Profit & Loss in subsequent years				
Re-measurement of Gains / (Losses) on Defined Benefit Plans	2	-	3,18,003	3,18,003
Net Gain (Loss) on FVTOCI Equity Securities		-	(3,18,003)	(3,18,003)
Total Other Comprehensive Income for the year		-	-	-
Total Comprehensive Income for the year		65,05,066	(42,83,753)	22,21,313

NOTE 28(iv): NOTES TO RECONCILIATION OF EQUITY AS AT 31st March, 2017**1 Fair valuation of investments**

“Under the Indian GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realizability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these Investments are measured at Fair Value Through Profit or Loss (FVTPL) or through Other Comprehensive Income (FVOCI) as permissible. Fair Value is determined by the Company in accordance with the Principles of Ind AS 109 “Financial Instruments”.

Accordingly, the Company has designated Investments in units of HDFC Cash Management Fund as FVOCI. Other Investments, excluding Investments in Subsidiaries and Joint Ventures are designated as FVTPL. “

2 Remeasurement of Defined Benefit Employee Plans

“Under previous GAAP company measured the defined benefit obligations internally. On adoption of Ind AS the company has obtained actuarial valuation for its defined benefit obligation. The difference defined benefit obligation as per actuarial valuation under Ind AS 19 and as measured under previous GAAP is recognised under retained earnings on transition to Ind AS. Consequently, provisions for employee benefit has been reduced with a corresponding increase in retained earnings on the date of transition and there has been further reduction in provision in the year ended 31 March, 2017 Further under previous GAAP the company actuarial gains and losses in the statement of profit and loss in the period in which they occur. Under Ind AS, the company recognised all measurement gains and losses arising from defined benefit plans in Other Comprehensive Income in the period in which they occur”

3 Cumulative Redeemable Preference Shares

Under previous GAAP, preference shares were shown as part of equity and carried at cost. Redeemable preference shares contain a contractual obligation to deliver cash to the holders. Accordingly, under Ind AS the same is classified as financial liability and measured in accordance with the principles provided in significant accounting policy.

4 Cumulative Dividend Payable

Under previous GAAP cumulative dividend on preference shares not declared by the company was reflected as contingent liability. The company has a contractual obligation to deliver the cash to the preference shares holder. Accordingly, under Ind AS same is recognised as financial expense and financial liability (classified at amortised cost) using effective interest method.

5 Security Deposits

Under previous GAAP, the group accounted for deposits at transaction value. Under Ind AS, the deposits with inherent significant financing element are initially recorded at fair value with difference between transaction value and fair value being treated as prepaid expenses. The deposits are subsequently measured at amortised cost and deferred rent is amortised over contract period on a straight line basis. This has resulted to an decrease in equity on the transition date. The profit before tax for the year ended March 31, 2017 has increased.

6 Other Comprehensive income

Under Indian GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, it has reconciled Indian GAAP Profit or Loss to Ind AS Profit or Loss. Further, Indian GAAP Profit and Loss account is reconciled to total Comprehensive Income as per Ind AS.

7 Other adjustments

Assets and Liabilities as well as items of Income and Expenses have been regrouped / re-classified wherever necessary to align with the provisions of Ind AS.

8 Reconciliation of Equity

Particulars	31-03-2017
Indian GAAP Equity	6,16,71,236
Fair Valuation of security deposits as per Ind AS 109	73,570
Adjustment for dividend on cumulative preference shares (including corporate dividend tax)	-39,77,874
Remeasurement of defined benefit obligation	-41,40,493
Fair Value measurement of Preference Shares	-3,31,04,030
Net Impact on Retained Earnings	-4,11,48,827
Other Comprehensive Income	11,18,925
Ind AS Equity	2,16,41,334

NOTE 29: CONTINGENT LIABILITIES AND COMMITMENTS**1 Claims against the company not acknowledged as debts**

(Amount in ₹)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Claims against the company/disputed liabilities but not acknowledged as debts	2,09,06,332	15,01,330	15,01,330
Total	2,09,06,332.00	15,01,330.00	15,01,330.00

NOTE 30: EARNINGS PER SHARE

Amount in ₹

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year as per Statement of Profit & Loss	(19,40,672)	22,15,545
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	53,00,000	53,00,000
Earnings Per Share - Basic & Diluted	-0.37	0.42

NOTE 31: CAPITAL MANAGEMENT

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the 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 operating plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through a 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 ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total interest bearing financial liabilities	3,67,08,479.36	3,40,90,509.59
Less : Cash and Cash Equivalents	26,89,654.82	37,44,073.93
Adjusted Net Debt	3,40,18,824.54	3,03,46,435.66
Total Equity	2,04,99,278.55	2,16,41,333.88
Adjusted Equity	2,04,99,278.55	2,16,41,333.88
Adjusted Net Debt to adjusted Equity Ratio	1.66	1.40

NOTE 32: FINANCIAL RISK MANAGEMENT AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board. The details of different types of risk and management policy to address these risks are listed below:

(a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs

(a) (i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings, both short term and long term obligations with floating interest rates.

The company is also exposed to interest rate risk on its financial assets that include fixed deposits (which are part of cash and cash equivalents) since all these are generally for short durations, there is no significant interest rate risks pertaining to these deposits

Exposure to interest rate risk

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “
Fixed-rate instruments		
Financial Liabilities - Borrowings	3,67,08,479	3,40,90,510
	3,67,08,479	3,40,90,510
Total	3,67,08,479	3,40,90,510

Sensitivity analysis to interest rate risk

The company doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(a) (ii) Market Risk - Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price.

Exposure to Currency risk

The Company is mainly exposed to the price risk due to its investment in debt based mutual funds. At 31st March 2018, the investments in mutual fund (at market value) amounts to Rs 92,89,811/- (31st March, 2017 : Rs 1,08,00,922/- and 01st April, 2016 Rs. 35,96,950/-). These are exposed to price risk.

The Company does make deposit with the banks as margin money against the borrowing facility provided by the banks. Deposit is made in fixed rate instrument. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

Sensitivity analysis to price risk

A 1% movement in prices would have led to the following pre-tax impact in the statement of profit and loss.

Particulars	“ As at March 31, 2018 “		“ As at March 31, 2017 “	
	3% increase	3% Decrease	3% increase	3% Decrease
Investment in Mutual Funds	2,78,694	-2,78,694	3,24,028	-3,24,028
Total	2,78,694	-2,78,694	3,24,028	-3,24,028

(a) (iii) Market Risk - Currency Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The company currently does not have any currency risk, since it does not deal in cross border transactions.

(b) Credit Risk

“Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers.

The carrying amount of Financial Assets represents the maximum credit exposure”

Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company’s review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured ,except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers’ financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience

and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof. Accordingly based on the provision matrix there is no expected credit loss to the company and accordingly there is no provision for doubtful debts

Other Financial Assets

The company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Company's maximum exposure to credit risk as at 31st March, 2018, 2017 and 1st April, 2016 is the carrying value of each class of financial assets.

(c) Liquidity Risk

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

Exposure to Liquidity Risk

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	3,37,152	3,67,08,479	3,20,211	3,40,90,510	2,05,496	3,04,03,665
Trade Payables	1,62,03,265	-	1,34,56,263	-	1,05,80,659	-
Other Financial Liabilities	-	1,87,48,599.00	-	1,60,05,304.00	-	1,53,65,380.00
	1,65,40,416.85	5,54,57,078.36	1,37,76,474.00	5,00,95,813.59	1,07,86,155.02	4,57,69,045.21
	-	-	-	-	-	-

NOTE 33: FINANCIAL INSTRUMENTS - CLASSIFICATION AND MEASUREMENT

(a) Financial Assets and Liabilities

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

(Amount in ₹)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Financial Assets			
Fair Value through Other Comprehensive Income Investments (Other than in Subsidiary)	92,89,811	1,08,00,922	35,96,950
Amortised Cost			

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Investments	2,02,00,000	1,27,00,000	-
Loans	70,43,759	58,55,785	1,92,30,707
Trade Receivables	82,23,334	45,00,788	-
Cash & Cash Equivalents	26,89,655	37,44,074	13,13,825
Other Financial Assets	43,64,776	45,66,737	44,91,148
Total	5,18,11,335	4,21,68,305	2,86,32,630
Financial Liabilities			
Amortised Cost			
Borrowings	3,70,45,631	3,44,10,721	3,06,09,161
Trade Payable	1,62,03,265	1,34,56,263	1,05,80,659
Other Financial Liabilities	1,93,14,198	1,60,50,002	1,53,65,380
Total	7,25,63,094	6,39,16,986	5,65,55,200

Carrying amounts of Loans, Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Borrowings, Trade Payables and Other Financial Liabilities as at March 31, 2018, March 31, 2017 and April 01, 2016 approximate the fair value because of the short term nature.

(b) 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 or liabilities.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 - Inputs are not based on observable market data (unobservable inputs).

The Financial Instruments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market.

The financial instruments included in Level 3 of Fair Value Hierarchy have been valued using whole or in part using a valuation model based on assumptions as described below:

Fair Value of Investment in Unquoted Equity Shares is determined using the Net Asset Value of the Investee Company as on the Balance Sheet Date.

Fair Value of the Financial Guarantee Obligation is determined through a Discounted Cash Flow Model using weighted average borrowing rate as the discount rate.

For Assets and Liabilities which are measured at Fair Values as at the Balance Sheet date, the classification of fair value calculations by category is summarized below:

(Amount in ₹)

Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “	“ As at April 01, 2016 “
Financial Assets			
Level 1			
Mutual Fund Units	92,89,811	1,08,00,922	35,96,950
Total	92,89,811	1,08,00,922	35,96,950
Financial Liabilities			
Level 2			
Borrowings	3,60,59,152	3,31,04,030	3,03,91,087
Other Financial Liabilities	1,87,48,599	1,60,05,304	1,53,65,380
Total	5,48,07,751	4,91,09,334	4,57,56,467

Measurement of Fair Values:

The fair value of the financial assets and liabilities is 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:

- The fair values of loans taken from banks and other parties, and preference shares is estimated by discounting cash flows using rates currently available for debt/instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value

- The fair values of loans given to employees and other parties, and security deposit given is estimated by discounting cash flows using rates currently available for instruments with similar terms, credit risks and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value

Financial Instruments measured at fair value

Type	Valuation Technique
Preference Shares	Discounted Cash Flows :The valuation model considers the present value pf expected receipt /payment discounted using appropriate discounting rates
Loans & Security Deposits Taken	

NOTE 34: EMPLOYEE BENEFITS**(a) Retirement Benefits**

As per Ind AS 19 the Company has recognized "Employees Benefits" ,in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2018

(A) Defined benefit plans**I Components of Employer Expenses**

Particulars	31 st March 2018	31 st March 2017
Current Service Cost	1,78,788	1,78,909
Interest Cost	3,12,667	2,89,365
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss	(3,09,728)	(3,18,003)
Total Expenses/(Gain) recognized in the Profit & Loss Account	1,81,727	1,50,271

II Net Asset/ (Liability) recognized in Balance Sheet

Particulars	31 st March 2018	31 st March 2017
Present value of Funded Obligation	40,60,610	39,10,339
Fair Value of Plan Assets	1,81,727	1,50,271
Assets/(Liability) recognized in the Balance Sheet	42,42,337	40,60,610

III Change in Defined Benefit Obligations (DBO)

Particulars	31 st March 2018	31 st March 2017
Opening Balance of Present Value of Obligation	40,60,610	39,10,339
Current Service Cost	1,78,788	1,78,909
Interest Cost	3,12,667	2,89,365
Actuarial (Gain)/Loss	(3,09,728)	(3,18,003)
Benefit Paid	-	-
Closing Balance of Present Value of Obligation	42,42,337	40,60,610

IV Changes in the Fair Value of Plan Assets

Particulars	31 st March 2018	31 st March 2017
Opening Balance of Present Value of Obligation	40,60,610	39,10,339
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	(3,09,728)	(3,18,003)
Contribution by Employer	4,91,455	4,68,274
Benefit Paid	-	-
Fair Value of Plan Assets as at 31st March	42,42,337	40,60,610

V Acturaial Assumption

Particulars	31 st March 2018	31 st March 2017
Discount Rate (Per Annum)	7.70%	7.40%
Expected Rate of Return on Assets Per Annum	-	-
Annual Increase in Salary Costs Per Annum	7.00%	7.00%
Attrition Rate	5% to 1%	5% to 1%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

VI Major Categories of plan assets as a percentage of total plan assets

Particulars	31 st March 2018	31 st March 2017
Government of India Securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of listed companies	0%	0%
Property	0%	0%
Insurance Company	0%	0%

VII Movement in net liability recognized in Balance Sheet

Particulars	31 st March 2018	31 st March 2017
Net Opening Liability	40,60,610	39,10,339
P & L Charges	(3,09,728)	(3,18,003)
Contribution paid	4,91,455	4,68,274
Closing Net Liability	42,42,337	40,60,610

VIII Gratuity - Sensitivity Analysis

Particulars	(Amount in Rs.)			
	31 st March 2018		31 st March 2017	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	42,79,061	42,07,241	41,23,169	40,00,083
Discount Rate (1% movement)	42,07,778	42,79,167	40,00,853	41,23,528
Withdrawal Rate (1.0% movement)	42,42,546	42,42,121	40,60,743	40,60,473

NOTE 35: LEASES

The Company has entered into Operating Leases on Immovable Properties.

Assets Given on Lease

Amount in ₹

Sr. No.	Particulars	“ As at March 31, 2018 “	“ As at March 31, 2017 “
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognized in Statement of Profit and Loss.	2,31,18,399	2,16,45,209
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	1,91,05,292	2,31,18,399
	For the period later than one year and not later than five years	5,11,55,600	7,53,36,317

NOTE 36: RELATED PARTY**List of related parties****A Directors / KMP :**

Amrut T Shah
 Praful Dedhia (Resigned on 01.10.2017)
 Ranjan Satish Gala
 Vijay Ganesh Sagvekar
 Riddhi Thakkar (Appointed on 14th Feb, 2018)
 Hardik Jethalal Gala
 Hemang Chottalal Shah

B Relatives of Key Managerial Personnel :

Satish Gala

C Associate Company

Anant Synthetics Private Limited

(Amount in ₹)

Particulars	“ Subsidiary Companies, Associates and Joint Venture “		Key Management Personnel / person exercising significant influence and their relatives		Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested		OUTSTANDING BALANCES	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
Directors Remuneration / Salary								
Amrut Shah	-	-	13,00,000	12,00,000	-	-		
Praful Dedhia			7,00,000	12,00,000				
Vijay Sagvekar			4,48,623	4,34,784				
Riddhi Thakkar			37,500	-				
Satish Gala			13,00,000	12,00,000				

Note: Related parties are identified by the Management and relied upon by the Auditors.

37 SEGMENT REPORTING

(Amount in ₹)

Particulars	Financial Year 2017-18	Financial Year 2016-17
Primary Segment		
Segment Revenue		
a. Renting of immovable properties	2,59,86,768	2,46,83,597
b. Sale of fabric	1,62,80,011	45,00,788
Income from Operations	4,22,66,779	2,91,84,385

Particulars	Financial Year 2017-18	Financial Year 2016-17
Segment Expenses		
a. Renting of immovable properties	41,33,155	42,82,096
b. Sale of fabric	1,57,03,435	43,38,089
Unallocable Expenses	2,43,70,862	1,83,48,655
Expenses for Operations	4,42,07,452	2,69,68,840
Segment Results		
Profit/(Loss) before tax and interest from each segment		
a. Renting of immovable properties	2,18,53,613	2,04,01,501
b. Sale of fabric	5,76,575	1,62,699
	2,24,30,189	2,05,64,200
Less:		
Unallocable Finance Cost	40,07,931	34,45,138
Other Net unallocable expenditure/(income)	2,03,62,930	1,49,03,517
Total Profit / (Loss) before Tax	-19,40,672	22,15,545
Segment Assets		
a. Renting of immovable properties	3,83,89,005	4,17,46,638
b. Sale of fabric	82,23,334	45,00,788
Unallocable Assets	5,01,29,464	4,34,49,710
Total Segment Assets	9,67,41,803	8,96,97,135
4. Segment Liabilities		
a. Renting of immovable properties	3,03,83,145	2,31,77,144
b. Sale of fabric	-	21,63,928
Unallocable Liabilities	2,67,99,849	4,27,14,730
Total Segment Liabilities	5,71,82,994	6,80,55,802

38 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed as under :

Party	Amount at year end	Remarks
Abhiyan Textile Industries Private Limited	70,43,759	Loan Given
Anant SAB Realtors LLP	2,02,00,000	Investment in Partnership firm

39 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation

40 Figures in brackets indicate previous year's figures.

As per our report attached of even date
For UKG & Associates
Chartered Accountants
Firm Reg. No. 123393W

(Champak K Dedhia)
Partner
Membership No. 101769

Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Director
Ranjan Gala
DIN : 01015712

Company Secretary
Riddhi Thakkar
PAN : AKTPT5488M

Mumbai, 30th May, 2018

Chairman and Managing Director
Amrut T. Shah
DIN : 00259420

Chief Financial Officer
Viajy Sagvekar
PAN : AZIPS4986L

HYTONE TEXTYLES LIMITED

Registered Office: Plot No. A-70, TTC (MIDC) Industrial Area, Mahape Village, Navi Mumbai - 400 709
CIN: L17120MH1989PLC050330

ATTENDANCE SLIP

(To be presented at the entrance)

29th ANNUAL GENERAL MEETING ON SATURDAY, SEPTEMBER 29, 2018, AT 10.00 A.M.
At Plot No. A-70, TTC (MIDC) Industrial Area, Mahape Village, Navi Mumbai - 400 709

DP ID No.: _____ Folio No. : _____

Client ID No. : _____ No. of Shares: _____

Name of the Member: _____ Signature: _____

Name of the Proxyholder: _____ Signature: _____

1. Only Member/Proxyholder can attend the meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

**HYTONE TEXTYLES LIMITED
PROXY FORM**

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

CIN : L17120MH1989PLC050330
Name of the Company : Hytone Textyles Limited
Registered office : Plot No. A-70, TTC (MIDC) Industrial Area, Mahape Village, Navi Mumbai - 400 709.

Name of the Member(s):			
Registered Address:			
Email-Id:			
Folio No./Client ID:		DP ID:	

I/We, being the member (s) of _____ shares of the Hytone Textyles Limited, hereby appoint

1. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him

2. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him

3. Name: _____
 Address: _____
 E-mail Id: _____
 Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of Hytone Texstyles Limited, to be held on Saturday, the 29th day of September, 2018 at 10.00 a.m. at Plot No. A-70, TTC (MIDC) Industrial Area, Mahape Village, Navi Mumbai - 400709 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1	Adoption of Audited Standalone Financial Statements for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
2	To appoint a Director in place of Mr. Amrut Shah (DIN: 00259420), who retires by rotation and being eligible, offers himself for re-appointment.
Special Business	
3	To sell part of land as an Undertaking of the Company.

Signed this..... day of..... 2018

Signature of shareholder..... Signature of Proxy
 holder(s).....

Affix Revenue Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details including details of member(s) in above box before submission.

If undelivered, Please return to :

Hytone Texstyle Limited

Regd. Office : Plot No. A-70,
TTC (MIDC) Industrial Area,
Mahape Village, Navi Mumbai - 400709.