

# **ANNUAL REPORT 2016-2017**



**HYTONE TEXTYLES LIMITED**

**CORPORATE INFORMATION**

CIN : L17120MH1989PLC050330

Date : 30th September, 2017  
Time : 11.00 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  
Mr. Praful K Dedhia – Executive Director  
DIN: 01103424  
Mr. Sanjay K Gala – Independent Director  
DIN: 00260124  
Mr. Dilip M Khona – Independent Director  
DIN: 00260208  
Mrs. Ranjan S. Gala – Director  
DIN: 01015712

**AUDITORS**

M/s. Mulraj D. Gala  
Chartered Accountant

**BANKERS**

Union Bank of India

**SHARE TRANSFER AGENT**

Link Intime India Pvt. Ltd.  
C-101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai - 400 083.

**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. A-77,  
TTC (MIDC) Industrial Area,  
Textile Processing Zone,  
Mahape Village,  
Navi Mumbai - 400 706.

**NOTICE**

NOTICE is hereby given that the 27<sup>th</sup> Annual General Meeting of the members of the Company will be held on Saturday, the 30<sup>th</sup> day of September, 2017 at 11.00 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, 2017, 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, 2017 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 Mrs. Ranjan Gala, who retires by rotation and being eligible, offers herself for re-appointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Ranjan Gala (DIN: 01015712), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

3. To appoint auditors and fix their remuneration and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** pursuant to the provisions of section 139, 142 and all other applicable provisions of Companies Act 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof, for the time being in force, M/s. UKG & Associates, Chartered Accountants (Registration No. 123393W) be and are hereby appointed as Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company.”

**SPECIAL BUSINESS:**

4. To alter the Articles of Association of the Company and in this regard, pass the following resolution as a **Special Resolution**.

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the new set of Articles of Association be and are hereby approved and adopted in substitution and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To appoint Mr. Hardik Gala as an Independent Director and in this regard, pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Hardik Gala (DIN: **02746305**), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company.”

6. To appoint Mr. Hemang Shah as an Independent Director and in this regard, pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Hemang Shah (DIN: **07898953**), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board of the Company.”

7. To re-appoint Mr. Amrut T Shah as a Managing Director and in this regard, pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Amrut T Shah (DIN: **00259420**) as a Managing Director, for a further period of 5 (five) years from the expiry of his present term of office, that is, with effect from April 1, 2017 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**Amrut T. Shah**  
Chairman & Managing Director  
DIN: 00259420

Mumbai, September 4, 2017

**Registered Office:**

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

**Notes:**

1. 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.

2. 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.
3. 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.
4. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
5. 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.
6. In terms of Section 152 of the Act, Mrs. Ranjan Gala, Director, retires by rotation at the Meeting and being eligible, has offered herself for re-appointment. The Human Resources, Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company commend her re-appointment.
7. 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.
8. 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.
9. 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.
10. 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, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
11. 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.

12. 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 Karvy, for consolidation into a single folio.
13. 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 you're mailing address mentioned on this Annual Report is without Pin code, and then you are requested to kindly inform your Pin code immediately.
14. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
15. 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.
16. 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.
17. The Register of members and the Share Transfer Books of the Company would be closed from Saturday 23/09/2017 to 30/09/2017 (both days inclusive).
18. 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.
19. 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 27<sup>th</sup> 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 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.
  - III. 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.
  - IV. The remote e-voting period commences on 27<sup>th</sup> September, 2016 (9:00 am) and ends on 29<sup>th</sup> September, 2016 (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 23<sup>rd</sup> September, 2016, 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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
	<p>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.</p> <ul style="list-style-type: none"> <li>• 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).</li> </ul>

- (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 the relevant <Company Name> on which you choose to vote.
- (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](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.

- V. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- VI. 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.
- VII. 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).
- VIII. 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 23<sup>rd</sup> September, 2016.

- IX. 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 23<sup>rd</sup> September, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.
- X. 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.
- XI. 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
- XII. 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.
- XIII. 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.
- XIV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.sncl.com](http://www.sncl.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 4, 2017

**Registered Office:**  
Plot No. 70, TTC (MIDC) Industrial Area,  
Textile Processing Zone, Mahape Village,  
New Mumbai - 400 709.

**Explanatory Statement**

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

As required by Section 102 of the companies Act, 2013 the following explanatory statement sets out all material facts relating to the business mentioned under item nos. 2 to 4 of the accompanying notice.

**Item no. 3:**

The present Statutory Auditors of the Company M/s. Mulraj D. Gala, Chartered Accountants were last re-appointed by the Members at their 24th Annual General Meeting held on September 22, 2014 to hold the Office from the conclusion of the 24th Annual General Meeting till the conclusion of the 27th Annual General Meeting. As per the provisions of Section 139(2) of the Companies Act, 2013 ("the Act") and Rules made thereunder, no listed company shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provided for additional transition period of three years from the commencement of the Act i.e. 1st April, 2014. M/s. Mulraj D. Gala have completed a period of ten years and will also be completing the additional transition period of three years at the conclusion of the forthcoming 27th Annual General Meeting.

Accordingly, the term of the present Auditors, M/s. Mulraj D. Gala shall expire at the conclusion of the forthcoming Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. Mulraj D. Gala during their association with the Company as its auditors. For the purpose of appointment of new Auditors, the Audit Committee along with the Management invited proposals from the reputed firms of Chartered Accountants and had detailed discussion with representatives of those firms. The Committee considered various parameters such as reputation of the firm, knowledge and experience of the partners, understanding of business of the Company, technical assessment of the Audit skills and the Audit fees and based on these detailed analysis, recommended to the Board M/s. UKG & Associates., Chartered Accountants, Firm Membership No. 123393W, Mumbai as the Company's new Statutory Auditors in place of M/s. Mulraj D. Gala. The Board of Directors based on the recommendation of the Audit Committee recommends the appointment of the M/s. UKG & Associates, Chartered Accountants, Mumbai as the Statutory Auditors of the Company to the Members for their approval.

If approved by the Members, the appointment of M/s. UKG & Associates, Chartered Accountants as a Statutory Auditor will be for a period of five years commencing from the conclusion of 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting to be held in the year 2022 (subject to ratification of the appointment by Members at every Annual General Meeting held after this Annual General Meeting). The first year of Audit by the aforesaid Auditors will be of the financial statement of the Company for the financial year ending March 31, 2018

M/s. UKG & Associates, Chartered Accountants have given their consent and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

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

The Board recommends the Ordinary Resolution set forth in Item No. 3 of the Notice for approval of the Members.

**Item no. 4:**

The existing Articles of Association of the Company is based on the provisions of the Companies Act, 1956. Several regulations in the existing Articles of Association contain references to specific sections of the Companies Act, 1956. With the enactment of the Companies Act, 2013, several clauses of the existing Articles of Association of the Company requires an alteration and/or deletion. It would be

expedient to replace the existing Articles of Association with an entirely new set of Articles of association to be in substitution for and to the exclusion thereof. The new Articles of association inter alia, incorporates various provisions of the Companies Act, 2013, which sets out the model Articles of Association for the Company limited by shares and also carries forward certain provisions from the existing Articles of Association suitably rephrased and which are not in conflict with the provisions of the Companies Act, 2013.

In compliance with the provisions of Section 14 of the Companies Act, 2013, a special resolution as set out in the accompanying notice at item No. 4 is now being placed before the Members for their approval.

The proposed Articles of Association is available for inspection at the registered office of the Company on all working days during normal business hours without payment of any fees by the members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution set forth in Item No. 4 of the Notice for approval of the Members.

**Item no. 5:**

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Human Resources, Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Hardik Gala (DIN: 02746305), be appointed as an Independent Director on the Board of the Company. The appointment of Mr. Hardik Gala, shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Hardik Gala for the office of Director of the Company. Mr. Hardik Gala is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Hardik Gala that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Hardik Gala fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Hardik Gala is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Mr. Hardik Gala are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letter of appointment of Mr. Hardik Gala setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

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

**Item no. 6:**

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Human Resources, Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Hemang Shah (DIN: 07898953), be appointed as an Independent Director on the Board of the Company. The appointment of Mr. Hemang Shah, shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Hemang Shah for the office of Director of the Company. Mr. Hemang Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Hemang Shah that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Hemang Shah fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Hemang Shah is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Mr. Hemang Shah are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letter of appointment of Mr. Hemang Shah setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

**Item no. 7:**

The Board of Directors of the Company ("the Board") at its meeting held on May 30, 2017 has, subject to approval of members, re-appointed Mr. Amrut T Shah (DIN: 00259420) as a Chairman and Managing Director, for a further period of 5 (five) years from the expiry of his present term, that is, April 1, 2017 on terms and conditions including remuneration as recommended by the Human Resources, Nomination and Remuneration Committee (the 'HRNR Committee') of the Board and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Amrut T Shah as a Chairman and Managing Director of the Company, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Amrut T Shah are as under:

**Salary** : Rs. 1,00,000 p.m.

**Perquisites**: The Chairman and Managing Director shall be entitled to all the perquisites listed below in addition to the salary mentioned above and the same is subject to limit of Rs. 50,000/- p.m

- a) **Housing :** The Company shall provide rent free furnished residential accommodation with free gas, electricity and water as per Company policy. In case no accommodation is provided by the Company, the Chairman and Managing Director shall be entitled to such house rent allowance as may be decided by the Board of Directors from time to time subject however to a limit of 50% of his salary. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.
- b) **Medical Reimbursement:** Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalization, surgical charges, nursing charges and domiciliary charges for self and for family.
- c) **Leave Travel Concession:** For self and family once in a year incurred in accordance with the rules specified by the Company.
- d) **Club Fees :** Fees of clubs subject to maximum of three clubs.
- e) **Personal Accident Insurance:** Premium not to exceed Rs. 20,000/- p.a.
- f) **Use of car with Driver:** The Company shall provide the chairman and Managing Director a car with Driver for business purpose of the Company.
- g) The Company shall pay or reimburse the Chairman and Managing Director all costs, charges, expenses, that may be incurred by them for the purpose of the business of the Company shall not be treated as perquisites.

Mr. Amrut T. Shah – Chairman and Managing Director shall be entitled to following perquisites which shall not be included in the computation of the ceiling on remuneration:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure.

Mr. Amrut T Shah satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Amrut T Shah under Section 190 of the Act.

Details of Mr. Amrut T Shah 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.

Mr. Amrut T Shah is interested in the resolution set out at Item No. 7 of the Notice.

The other relatives of Mr. Amrut T Shah may be deemed to be interested in the resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

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

## ANNEXURE – A

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

<b>Name of Director</b>	Mr. Amrut T Shah	Mrs. Ranjan Gala	Mr. Hardik Gala	Mr. Hemang Shah
<b>DIN</b>	00259420	01015712	02746305	07898953
<b>Date of birth and age</b>	17.09.1956	31.03.1964	09.01.1985	20.01.1981
<b>Date of appointment on the Board</b>	01.04.1992	20.03.2015	-	-
<b>Qualifications</b>	Diploma in Textile Engineering, Spinning Weaving	SSC	Masters in Business Administration from UK	MS Eye Surgeon
<b>Brief profile, experience and expertise</b>	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.	She has been looking after the affairs and operations of the Company under the expert supervision and control of the Board of Directors.	He has over 15 years of experience in the business administration. He is involved in policy planning, vision and strategy and long term developmental activities of various Companies.	He is a distinguished surgeon and scholar.
<b>Number of meetings of the Board attended during the year</b>	10 out of 10	10 out of 10	NA	NA

<b>List of Directorship Membership/ Chairmanship of Committees of other Board</b>	Directorships: 1. Anant Synthetics Private Limited 2. Magnifique Décor Private Limited 3. Hytone Holdings Private Limited 4. Kutch Corporate Forum	Directorships: Abhishek Synthetics Private Limited	Directorships: J. J. Thermoware Private Limited	Nil
<b>Shareholding in the Company</b>	153625 equity shares	51300 equity shares	Nil	Nil
<b>Relationship with other directors, manager and other Key Managerial Personnel of the Company</b>	Not related to any Director / Key Managerial Personnel As Chairman and Managing Director for a period of five years with effect from April 1,2017 on terms and conditions as provided in the Special	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel one
<b>Terms and Conditions of appointment or reappointment along with details of remuneration sought to be paid and remuneration last drawn by such person</b>	Resolution proposed at Item No.7.	Mrs. Ranjan Gala retires by rotation in accordance with applicable provision of the Articles of Association of the Company in compliance with the provisions of the Companies Act, 2013 applicable to retirement of directors by rotation. She being eligible has offered himself for reappointment.	As an Independent Director for a period of five years with effect from October 1, 2017.	As an Independent Director for a period of five years with effect from October 1, 2017.
<b>Justification for choosing the appointees for appointment as Independent Directors</b>	-	-	Vast experience in general laws, and corporate and securities laws	Distinguished surgeon and scholar having varied experience in corporate field.

## Director's Report

To,  
The Members,

The Directors of the Company are pleased to present the 27th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2017.

### 1. Financial Summary:

Particulars	2016-17	2015-16
Revenue from Operations	26145997	17635986
Other Income	2070306	2431395
Gross Income	28216303	20067381
Expenditure	178 11 596	150 97 901
Profit before interest and depreciation	1 04 04 707	49 69 480
Finance Charges	40418	101538
Gross Profit before depreciation	1 03 64 289	48 67 942
Depreciation	3859223	1906905
Net Profit before tax	6505066	29 61 037
Provision for tax	-	439871
Net Profit after tax	6505066	2521166

### 2. Operations:

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 and reserves:

In view of inadequate profit, the Board of Directors do not recommend any dividend on the Equity Shares of the Company for the financial year ended March 31, 2017.

The details of reserves and surplus are provided in note no. 4 of the notes to the financial statement.

### 4. Details of Subsidiary/Joint Ventures/Associate Companies:

As on March 31, 2017, the Company does not have any subsidiary/joint venture/associate companies.

### 5. Share Capital:

During the financial year 2016-17, there is no change in the Share Capital of the Company.

### 6. 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.

#### **7. Corporate Governance Report:**

The Company is strictly complying with the Corporate Governance practices as envisaged in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on corporate governance together with requisite certificate from M/s. Mulraj D Gala, Chartered Accountants, Mumbai confirming compliance with the conditions of corporate governance forms part of the Annual Report.

#### **8. Directors and Key Managerial Personnel:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Ranjan Gala, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

The present term of Mr. Amrut T Shah as Chairman and Managing Director of the Company has expired on March 31, 2017. The Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee, in its meeting held on May 30, 2017, subject to approval of the Members, has re-appointed Mr. Amrut T Shah as Chairman and Managing Director of the Company for a period of five years with effect from April 1, 2017. Accordingly the reappointment of Mr. Amrut T Shah, as Chairman and Managing Director is being placed before the members in the Annual General Meeting for approval of the members.

Mr. Praful K Dedhia has expressed his desire to resign from the Board of the Company with effect from October 1, 2017. The Board places on record its appreciation towards valuable contribution made by Mr. Praful K Dedhia during his tenure as a Director of the Company.

On the recommendation of Nomination and Remuneration Committee Mr. Hemang Shah and Mr. Hardik Gala are proposed to be appointed as Independent Directors for a period of five years with effect from October 1, 2017. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect his status as Independent Director.

As on March 31, 2017, the Key Managerial Personnel of the Company under Section 203 of the Companies Act, 2013 are Mr. Amrut T Shah, Chairman and Managing Director and Mr. Vijay Sagnekar, Chief Financial Officer.

The following policies of the Company are attached herewith:

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

#### **9. 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, 2017, 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, 2017 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.

#### **10. Number of Meeting of the Board**

Ten 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.

#### **11. 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.

#### **12. Internal Financial Controls:**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external consultants, including audit of internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by management and the relevant committees of the Board, including the Audit Committee, the Board of Directors of the Company is of the

opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

### **13. Risk Management Policy:**

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.

### **14. Audit Committee:**

The details pertaining to composition of audit committee are included in the corporate governance report, which forms the part of this report.

### **15. Audit Committee Recommendations:**

During the financial year 2016-17, there were no instances of non-acceptance of any recommendation of the Audit Committee by the Board of Directors.

### **16. 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 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 2016-17, the Company has not received any complaint through Vigil Mechanism. The Whistle Blower Policy is available on the Company's website.

### **17. 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 policy is available on the Company's website.

### **18. Auditors:**

As per the provisions of the Act, the period of office of M/s. Mulraj D Gala, Chartered Accountants, the Statutory Auditors of the Company, expires at the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint M/s. UKG & Associates, Chartered Accountants for a term of 5 (five) consecutive years. M/s. UKG & Associates, have confirmed their eligibility and qualification required under the Act for holding the office, 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.

#### 19. 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	1,01,56,767/-	From 2005 to 2012
M.I.D.C.	Water Tax	1,46,484/-	From 2005 to 2011

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

#### 20. Secretarial report:

The Board appointed Teena Dedhia & Associates, Practising Company Secretary, to conduct Secretarial Audit for the FY 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith marked as **Annexure I** 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. Non appointment of Company Secretary:

The Board would like to bring to your notice that the company has been trying to recruit a Company secretary on best efforts basis since a long time but the company has not been successful in doing so because of financial constraints.

##### 2. Publication of results audited and unaudited in news paper:

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.

##### 3. Delay in submission of unaudited results:

Because of some inadvertent circumstances company delayed in submission of quarterly audited or unaudited results to the stock exchange in some quarters.

##### 4. Non appointment of Internal Auditor:

Due to financial constraints the Board decided to appoint the internal auditor in next financial year keeping in mind revival of the company in near future.

**5. Demat of promoters shareholding:**

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

**6. E-voting facility at AGM:**

Due to financial constraints the Board decided provide e-voting facilities in the current AGM.

**21. Transaction with related Parties:**

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Your Directors draw attention of the members to Note 26 to the financial statement which sets out related party disclosures.

**22. Extract of Annual Return:**

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

**23. 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
Amrut T. Shah	Chairman & Managing Director	8.11:1
Praful K. Dedhia	Whole Time Director	8.11:1

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

Name	Designation	% increase
Amrut T. Shah	Chairman & Managing Director	0
Praful K. Dedhia	Whole Time Director	0
Vijay Sagvekar	Cheif Financial Officer	0

- C. The Percentage increase in the median remuneration of the employee:10%
- D. Total number of permanent employees : 9
- E. The explanation on the relationship between average increase in remuneration and company performance:

The net profit for the year under review decreased by 52.36% as compared to previous year, so the company does not increase remuneration.

- F. Comparison of remuneration of key managerial personnel against the performance of the company.

Name	Designation	CTC (As on 31st March, 2015)	% increase in CTC	PAT (Rs in lac)	% Decrease in PAT compared to previous year
Amrut T. Shah	MD	12,00,000	0	25.21	52.36
Vijay Sagvekar	CFO	4,07,000	0		

- G. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current *financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company:*

The variations in the market capitalisation of company can't calculate because the company is suspended from the stock exchange so it can't trade on daily basis in the market.

- H. 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 10% as on March 31, 2017. The remuneration paid to managing director and other key managerial personnel remain unchanged.

There are no other exceptional circumstances to increase in the remuneration of key managerial personnel and increase in the remuneration has in accordance with the company's policy.

- I. Key Parameters for any variable component of remuneration availed by the directors: N.A.
- J. The ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: N.A.
- K. The company affirms that the remuneration is as per the remuneration policy of the Company.

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

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

### (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

**(c) Foreign Exchange Earnings And Outgo:**

		<b>Current Year</b>	<b>Previous year</b>
a)	Foreign Exchange Outgo	Nil	Nil
b)	Foreign Exchange Earnings	Nil	Nil

**25. Particulars of Loans, Guarantees, or Investments:**

There were no loans, guarantees or investments made by the company under section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

**26. Deposits from public:**

The company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**27. 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. No fraud was reported by Auditors to the Board of Directors of the Company.
5. 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.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

**28. 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 no.: 00259420**

Place: Navi Mumbai  
Date: September 4, 2017

**Annexure-I****Form No. AOC-2**

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

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

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

M/s Hytone Textstyles Ltd has not entered in to any contract or arrangement or transaction with its related parties which is not at arm's length price during the financial year 2015-16.

**2. Details of contracts or arrangements or transactions at arm's length basis:**

M/s Hytone Textstyles Ltd has not entered in to any contract or arrangement or transaction with its related parties which is at arm's length price during the financial year 2015-16.

For and on behalf of the Board

Place: Navi Mumbai.

Date : 02nd September, 2016

**Amrut T. Shah**

Chairman & Managing Director

DIN No.: 00259420

## Annexure I 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 31ST MARCH, 2017

## I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L17120MH1989PLC050330
ii)	Registration Date	11/01/1989
iii)	Name of the Company	HYTONE TEXSTYLES LTD.
iv)	Category/sub category of company	Company limited by shares/ Non government company
v)	Address of registered office and details contact	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
vi)	Whether listed company	Yes
vii)	Address of registered office and contact details	LINK INTIME INDIA PVT. LTD. C-101, 247 Park, L.B.S. Marg, Vikhorli (West), Mumbai-400083 Phone: 022 25963838 Fax : 022 25946969 Email : accounts@linktime.co.in

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SR. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	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
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 Share Holding

Category of Shareholders	No. of shares held at the beginning of the year i.e. 01/04/2016				No. of shares held at the end of the year i.e. 31/03/2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	745834	35600	781434	14.7440	789034	63200	852234	16.0799	1.3359
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	32.04	1698500	0	1698500	32.04	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
<b>Sub-Total (A)(1)</b>	<b>2444334</b>	<b>35600</b>	<b>2479934</b>	<b>46.7912</b>	<b>2487534</b>	<b>63200</b>	<b>2550734</b>	<b>48.1271</b>	<b>1.3359</b>
<b>2. Foreign</b>									<b>0</b>
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) Banks/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]	2444334	35600	2479934	46.7912	2487534	63200	2550734	48.1271	1.3359
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	200	0	200	0.003	200	0	200	0	0.003
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
<b>Sub-Total (B)(1)</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>0</b>

Category of Shareholders	No. of shares held at the beginning of the year i.e. 01/04/2016				No. of shares held at the end of the year i.e. 31/03/2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
a) Bodies corporate									
i Indian	854878	94700	949578	17.9166	864178	94700	958878	18.0920	0.1754
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	559902	975358	1535260	28.9672	551302	954858	1506160	28.4181	-0.5491
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	69600	75400	145000	2.7358	79800	14300	94100	1.7755	-0.9603
iii. Clearing member	450	0	450	0.0084	450	0	450	0	0.0084
iv. Non- Resident Indian (REPAT)	10597	97400	107997	2.0377	10597	97400	107997	2.0377	0.0000
v. Non-Resident Indian (NON REPAT)	3965	0	3965	0.0748	3865	0	3865	0.0729	-0.0019
HUF	77616	0	77616	1.46	77616	0	77616	1.46	0
<b>Sub-Total (B)(2)</b>	<b>1577008</b>	<b>1242858</b>	<b>2819866</b>	<b>53.2050</b>	<b>1587808</b>	<b>1161258</b>	<b>2749066</b>	<b>51.8692</b>	<b>-1.3358</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1577208</b>	<b>1242858</b>	<b>2820066</b>	<b>53.2088</b>	<b>1588008</b>	<b>1161258</b>	<b>2749266</b>	<b>51.8729</b>	<b>-1.3359</b>
<b>C. Shares held by Custodian for ADRs &amp; GDRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>4021542</b>	<b>1278458</b>	<b>5300000</b>	<b>100.00</b>	<b>4075542</b>	<b>1224458</b>	<b>5300000</b>	<b>100.00</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the Beginning of the year i.e.01/04/2016			Shareholding at the end of the year i.e.31/03/2017			% change In share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Anant Synthetics Pvt. Ltd.	1508500	28.46	0	1508500	28.46	0	0
2	Hytone Holdings Pvt. Ltd.	190000	3.58	0	190000	3.58	0	0
3	Satish Khimji Gala	178025	3.3590	0	178025	3.3590	0	0
4	Amrut Tilak Shah	153625	2.8986	0	153625	2.8986	0	0
5	Kaushik Morarji Chheda	127325	2.4024	0	127325	2.4024	0	0
6	Praful Keshavji Shah	106325	2.0061	0	106325	2.0061	0	0
7	Morarji Nanji Chheda	53400	1.0075	0	47800	0.9679	0	
8	Ranjan Satish Gala	51300	0.9679	0	51300	0.9019	0	0
9	Kalpna Praful Shah	42934	0.8101	0	42934	0.8101	0	0
10	Keshavji Tejpar Shah Alis Dedhia	34400	0.6491	0	34400	0.6491	0	0
11	Indira Amrut Shah	27600	0.5208	0	27600	0.5208	0	0
12	Ketan Keshavji Shah	23600	0.4453	0	23600	0.4453	0	0
13	Sakarben Keshavji Shah Alis Dedhia	18100	0.3415	0	18100	0.3415	0	0
14	Umesh Khimji Gala	10200	0.1925	0	0	0	0	(0.1925)
15	Neena Umesh Gala	0	0	0	10200	0.1925	0	0.1925
16	Heena Pankaj Shah	7700	0.1453	0	7700	0.1453	0	0
17	Kaushik M Chheda	7700	0.1453	0	7700	0.1453	0	0
18	Kaushik M Chheda	7700	0.1453	0	7700	0.1453	0	0
19	Bhanuben Chheda M	1700	0.0321	0	1700	0.1057	0	0
20	Bhanuben Chheda M	0	0	0	5600	0.0321	0	0.0321
21	Kaushik Chheda	1700	0.0321	0	1700	0.0321	0	0
22	Manish Chheda	1700	0.0321	0	1700	0.0321	0	0
23	Morarji Chheda N	1700	0.0321	0	1700	0.0321	0	0
24	Rita Chheda	1700	0.0321	0	1700	0.0321	0	0
25	Ranjan Gala	1000	0.0189	0	1000	0.0189	0	0
26	Amrut Tilak Shah	500	0.0094	0	500	0.0094	0	0
27	Indira Amrut Shah	500	0.0094	0	500	0.0094	0	0
28	Manish M Chheda	500	0.0094	0	500	0.0094	0	0
29	U K Gala	500	0.0094	0	500	0.0094	0	0
30	Geeta L Shah	200	0.0038	0	200	0.0038	0	0
31	Hemant T Shah	200	0.0038	0	200	0.0038	0	0
32	Laxmichand T Shah	200	0.0038	0	200	0.0038	0	0
33	Nayna H Shah	200	0.0038	0	200	0.0038	0	0
34	Tilak B Shah	200	0.0038	0	200	0.0038	0	0
		<b>2560934</b>	<b>48.12</b>	<b>0</b>	<b>2560934</b>	<b>48.12</b>	<b>0</b>	<b>0</b>

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

Sl. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	25,60,934	48.12	25,60,934	48.12
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
3	At the end of the year	25,60,934	48.12	25,60,934	48.12

**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 - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		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			431890	8.1489
	At the end of the year					431890	8.1489
2	Anmol Textile Industries Private Limited	378942	7.1498			378942	7.1498
	Transfer			22.04.16	2100	381042	7.1895
	Transfer			20.05.16	7700	388742	7.3348
	Transfer			30.06.16	1000	389742	7.3536
	Transfer			12.08.16	13900	403642	7.6159
	Transfer			1703.17	400	404042	7.6234
	At the end of the year					404042	7.6234
3	Narendra Ravilal Shah HUF	61000	1.1509			61000	1.1509
	At the end of the year					61000	1.1509
4	Monghiben Ramniklal Shah	53000	1.0000			53000	1.0000
	At the end of the year					53000	1.0000
5	Patheja Brothers Forgings & Stampings Ltd.	37400	0.7057			37400	0.7057
	At the end of the year					37400	0.7057
6	Sahjun Impex Trading Private Limited	32700	0.6170			32700	0.6170
	At the end of the year					32700	0.6170
7	Indira Amrut Shah	27600	0.5208			27600	0.5208
8	Patheja Forgings & Auto Parts Mfgs Ltd.	26900	0.5075			26900	0.5075
	At the end of the year					26900	0.5075

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		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
10	Anmol Textile Industries Private Limited	20000	0.3774			20000	0.3774
	At the end of the year					20000	0.3774
11	Mukesh C Agrawal	16600	0.3132			16600	0.3132
	At the end of the year					16600	0.3132

**(v) Shareholding of Directors & Key Managerial Personnel**

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>Directors</b>				
1	Praful K. Dedhia	106325	2.01	106325	2.01
2	Amrut T. Shah	65300	1.24	154125	2.92
	Key managerial personnel				
1	Vijay Sagvekar	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
<b>Indebtness at the beginning of the financial year</b>				
i. Principal Amount	0	218074	0	218074
ii. Interest due but not paid	0	0	0	0
iii. Interest due but not paid	0	0	0	0
<b>Total (i+ ii + iii)</b>	<b>0</b>	<b>218074</b>	<b>0</b>	<b>218074</b>
<b>Change in Indebtedness during the financial year</b>				
i. Addition	0	0	0	0
ii. Deduction	0	205496	0	205496
<b>Indebtedness at the end of the financial year</b>				
i Principal Amount	0	12578	0	12578
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
<b>Total (i+ ii + iii)</b>	<b>0</b>	<b>12578</b>	<b>0</b>	<b>12578</b>

**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 & MD	Mr. Praful K. Dedhia Whole Time Director	
1	Gross Salary	12,00,000	12,00,000	24,00,000
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	8,13,000	8,13,000	16,26,000
	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	0
3	Sweat Equity	0	0	0
4	Commission-as % of profit	0	0	0
5	Others Allowance	3,87,000	3,87,000	7,40,000
	Total (A)			
	Ceiling as per the Act (10% of profits calculated under Section 198 of the Companies Act, 2013 )			

**B. Remuneration to other director:**

The company does not pay any type of fees or remuneration to any other director.

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel
		Vijay Sagvekar
1	Gross Salary	40,700
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	19,198
	b. Value of perquisites u/s 17(2) of the Income tax Act, 1961	0
	c. Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission-as % of profit	0
5	Others Allowance	0
	<b>Total (B)</b>	<b>2,15,020</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE:**

There were no penalties, punishment, or compounding of offence during the year ended March 31, 2017.

**Annexure II to Board's Report:**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

[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 Textstyles Limited**  
Plot No.70, TTC MIDC Indl. Area,  
Mahape Village, Navi Mumbai - 400709

I have conducted the secretarial audit of the compliance of Hytone Textstyles Limited applicable statutory provisions and the adherence to good corporate practices by Hytone Textstyles 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, 2017 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 Textstyles Limited ("the company") for the financial year for the ended March 31, 2017 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 the provisions of Section 203 every Listed company shall have the following wholetime key managerial personnel:
  - a. Managing Director, or Chief Executive Officer or Manager and in their absence, a Wholetime Director
  - b. Company Secretary
  - c. Chief Financial Officer.

However, the Company has not Appointed Company Secretary as Key Managerial Personnel and filed the requisite form with ROC.

2. Pursuant to Regulation 47 (4) of the SEBI (Listing Obligations and Disclosures) Regulations, 2015, the Company shall issue a publicnotice in at least in one English daily newspaper circulating in the whole or substantially thewhole of India and in one daily newspaper published in the language of the region, where theregistered office of the company is situated for following matters:

- a) Board meeting wherein quarterly unaudited / audited results are to be considered wherePrior 7 clears day's intimation needs to be published.
- b) Financial results within 48 hrs of the conclusion of Board or committee meeting at whichthey were approved.

However, the company has not complied with the requirements of the aforesaid regulation of the Listing Regulation.

3. Pursuant to Regulation 33(3)(a) of the SEBI (Listing Obligations and Disclosures) Regulations, 2015 every Listed Company has to submit unaudited financial results for the quarter within 45 days of end of each quarter. On review it was observed that the submission was delayed by few days in each quarter.

4. Pursuant to the provisions of Section 138 of the Companies Act, 2013, every listed company is required to appoint an Internal Auditor to conduct internal audit of the functions and activities of the Company.

On review it was observed that the Company has not appointed an Internal Auditor for the financial year 2016-17.

5. On review it was observed that Company has not paid Statutory dues of Property Tax of Rs.1,01,56,767/- 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.

6. Pursuant to Regulation 17(1) (a) of the SEBI (Listing Obligations and Disclosures) Regulations, 2015 the board of directors should have optimum combination of executive and non-executive director. On review it is observed that the company has not maintained the combination of director in the board of Company.

7. 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.

8. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration)

Rules, 2014, the Company shall provide to its members facility to exercise their right to vote on resolutions proposed to be considered at general meetings by electronic means. On review it is observed that e-voting facility was not provided in the Annual General meeting held on September 29, 2016.

For **Teena Dedhia & Associates**  
Company Secretaries

**Teena Dedhia**  
(Proprietor)  
C.P No. 9214  
ACS: 22630

Place: Mumbai  
Date: 04/09/2017

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, Indl. 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  
ACS: 22630

Place: Mumbai  
Date: 04/09/2017

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance for Hytone Textsyles Limited (hereinafter referred to as 'the Company') is creation, maintenance and enhancement of value for various stakeholders of the Company namely investors, customers, employees, business partners and other members of the community by following sound principles for conduct of business activities.

The Company is committed to ethical business practices, integrity and regulatory compliances. The Company continues to focus its resources, strengths and strategies towards these objectives as it believes that these are the only means of long term success and sustainability.

### 2. BOARD OF DIRECTORS:

#### a. Composition of the Board:

The Composition of the Board of Directors of the Company as on 31st March, 2017 is as under:

The company has 5 directors. Of 5 directors, 3 directors (60%) are Executive and 2 directors (40%) are non-executive independent directors which is a non-compliance as per section 149 of Companies Act 2013, but the company is in process to manage the composition of board as per Act and the company will manage to resolve it very soon.

#### (1) Composition and Category of Directors as of 31st March, 2017

Category	No. of Directors	Percentage
Executive Directors	3	60%
Non Executive, Independent Directors	2	40%

Name of the Director	Category
Mr. Amrut T. Shah	Chairman and Managing Director
Mr. Praful K. Dedhia	Executive Director
Mrs. Ranjan Gala	Executive Director
Mr. Sanjay Gala	Independent Non-Executive
Mr. Dilip M. Khona	Independent Non-Executive

#### (2) Particulars of Directorships of other companies

OTHER DIRECTORSHIPS		
Name of the Director	Name of the Company	Position
1. Amrut T. Shah	Anant Synthetics Private Limited	Director
	Abhishek Capitals Private Limited	Director
	Hytone Holdings Private Limited	Director
	Kutch Corporate Forum	Director
2. Praful K. Dedhia	Anant Synthetics Private Limited	Director
	Hytone Holdings Private Limited	Director
3. Sanjay Gala	Abhiyan Textiles Industries Private Limited	Director
4. Dilip M. Khona	No other Directorships	
5. Ranjan S. Gala	Abhishek Synthetics Private Limited	Director

**(3) No. of the Board Committee in which they are Members/Chairperson**

<b>Audit Committee</b>	<b>Nomination and Remuneration Committee</b>	<b>Stakeholder relationship Committee</b>
Sanjay Gala Chairperson	Sanjay Gala Chairperson	Dilip M. Khona Chairperson
Amrut T. Shah Member	Amrut T. Shah Member	Amrut T. Shah Member
Dilip M. Khona Member	Dilip M. Khona Member	Sanjay K. Gala Member

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:**

No. of the Board meetings held

The Board of Directors met 10 times during the financial year ended on 31st March, 2017 on the following dates:

May 19, 2016	May 26, 2016	May 30, 2016	August 10, 2016
August 12, 2016	September 3, 2016	November 10, 2016	December 17, 2016
February 13, 2017	March 3, 2017		

**(1) Attendance of Directors in meetings:**

<b>Name of the Director</b>	<b>Category</b>	<b>Attendance</b>		<b>Committee Positions</b>	
		<b>Board Meetings</b>	<b>Last AGM</b>	<b>Member</b>	<b>Chairman</b>
Mr. Amrut T. Shah	Promoter Executive	10	Yes	3	-
Mr. Praful K.Dedhia	Promoter Executive	10	Yes	No	-
Mr. Sanjay Gala	Independent Non-Executive	10	Yes	3	2
Mr. Dilip M. Khona	Independent Non-Executive	10	Yes	3	1
Mrs. Ranjan Gala	Executive Director	10	Yes	0	0

**3. COMMITTEES OF THE BOARD:****A) AUDIT COMMITTEE:**

The Board of Directors of the Company have constituted an Audit Committee. The Composition of the Audit Committee is as under:

Mr. Sanjay K. Gala	- Independent Non-Executive : Chairman
Mr. Dilip M. Khona	- Independent Non-Executive
Mr. Amrut T. Shah	- Executive Director

The terms of reference of the Audit Committee are in line with Regulation 18 of the SEBI (Listing Obligations and Disclosures) Regulations, 2015 and section 177 of Companies Act, 2013. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to financial information. The committee monitors any proposed changes in accounting policy, accounting implications of major transactions and also closely reviews the adequacy of internal audit controls, formulates procedures and monitors annual audit plan.

***The Company does not have any Company Secretary. As such compliance regarding Company Secretary acting as the Secretary to the committee' has not been complied.***

#### **Dates of Audit Committee Meetings:**

During the financial year four meetings were held i.e. on:

May 30, 2016	August 12, 2016
November 10, 2016	February 13, 2017

#### **Attendance in Audit Committee Meetings:**

Name of the Director	No of Meetings Held	No. of Meeting Attended
Mr. Amrut T. Shah	4	4
Mr. Sanjay K. Gala	4	4
Mr. Dilip M. Khona	4	4

The representatives of Statutory Auditors were present for the meeting. The Chairman & Managing / Whole time director also attended the meetings.

#### **B) STAKEHOLDER'S RELATIONSHIP COMMITTEE:**

The Board of the Company has constituted a Shareholders'/Investors' Grievances Committee of which the name of the same has been changed to Stakeholder's Relationship Committee. The Composition of Stakeholder's Relationship Committee is as under:

Mr. Dilip M. Khona	- Independent Non-Executive
Mr. Amrut T. Shah	- Executive Director
Mr. Sanjay K. Gala	- Independent Non-Executive

Mr. Dilip M. Khona acts as Chairman of Stakeholder's Relationship Committee. The Committee looks into redressing of Stakeholder's complaints like transfer of shares, Non-receipt of balance sheet etc. The Committee oversees the performance of the Share Transfer Agent and recommends measures for overall improvement in the quality of investor services.

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.

Shri Praful K. Dedhia – Executive Director has been designated as the Compliance Officer.

#### **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 constituted the 'Nomination and Remuneration Committee' which reviewed the overall compensation policy, service agreements and other employment conditions of Managing / Whole time Directors.

The Remuneration Committee consists of two Independent Directors and One Executive Directors (As Mr. Amrut T. Shah is Chairman of the company). This committee comprises of the following:

1. Mr. Sanjay K. Gala – Chairman
2. Mr. Amrut T. Shah - Member
3. Mr. Dilip M. Khona - Member

No meetings had been held of Nomination and Remuneration committee during the financial year.

#### 4. GENERAL BODY MEETINGS:

Details of Annual General Meeting held during last three years:

Year	Venue	Date	Time
2013-2014 October 2012 to March, 2014	Plot No. 70 TTC (MIDC), Indl. Area, Mahape Village, Navi Mumbai - 400 709	22 <sup>nd</sup> September, 2014	10.00 a.m.
2014-2015 April, 2014 to March, 2015	Plot No. 70 TTC (MIDC), Indl. Area, Mahape Village, Navi Mumbai - 400 709	30 <sup>th</sup> September, 2015	10.00 a.m.
2015-2016 April, 2015 to March, 2016	Plot No. 70 TTC (MIDC), Indl. Area, Mahape Village, Navi Mumbai - 400 709	29 <sup>th</sup> September, 2016	10.00 a.m.

#### 5. DISCLOSURE :

##### A) REMUNERATION OF THE DIRECTORS:

Details of remuneration of directors during the financial year ended on 31st March, 2016 are given below:

Name of Director	Sitting Fees	Salary/ Allowance	Total
Mr. Amrut T. Shah	NIL	1200000	1200000
Mr. Praful K. Dedhia	NIL	1200000	1200000
Mr. Sanjay K. Gala	NIL	NIL	NIL
Mr. Dilip M. Khona	NIL	NIL	NIL
Mrs. Ranjan Gala	NIL	NIL	NIL

##### B) Related Party Transaction

None of the transactions with any of the related party are in conflict with the interest of the Company. Transactions with the related parties have been disclosed in Note no.27 of the Accounts in the Annual Report.

##### 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.

**6. MEANS OF COMMUNICATION:**

Due to financial constraints, the unaudited quarterly results, the half-yearly results and the audited annual results have not been published in any newspaper.

**GENERAL SHAREHOLDER INFORMATION:**

- a. AGM Day, Date, Time & Venue: Saturday, September 30, 2017 at 11.00 a.m. at Plot No. 70 TTC MIDC Area, Mahape, Navi Mumbai - 400 709.
- b. Financial year: April 1 to March 31
- c. Tentative Financial Calendar of the Company:

Financial reporting for the First Quarter ending 30th June, 2017.	Third week of July 2017
Financial reporting for the Second Quarter ending 30th September, 2017.	Second week of July 2017
Financial reporting for the Third Quarter ending 31st December, 2017	Third week of January 2018
Financial reporting for the Fourth Quarter ending 31st March, 2018	Third week of April 2018

The Audited Results of the Company for the financial year ended on 31st March, 2018 will be announced before 30th September, 2018.

- 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 31/03/2017:

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-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai - 400 078.  
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 31st March, 2017**

Range of From		Shareholder To	Shareholders Number	% of Total	Nos of Shares Held	% of Total
1	-	500	7379	95.0657	1088383	20.5355
501	-	1000	223	2.8730	184596	3.4829
1001	-	2000	74	0.9534	110909	2.0926
2001	-	3000	13	0.1675	33444	0.6310
3001	-	4000	14	0.1804	50278	0.9486
4001	-	5000	11	0.1417	52621	0.9928
5001	-	10000	23	0.2963	176503	3.3302
10001	-	Above	25	0.3221	3603266	67.9862

**j. Shareholding Pattern as on 31st March, 2017**

Category	No. of Equity Shares	% of Equity Shares
Clearing Member	450	0.0085%
Other Bodies Corporate	9,58,878	18.0920%
Other Bodies (Promoter Co.)	16,98,500	32.0472%
Hindu Undivided Family	77,616	1.4645%
Nationalised Bank	200	0.0038%
Non Resident Indians	1,07,997	2.0377%
Non Resident (Non Repatriable)	3,865	0.0729%
Public	16,00,260	30.1936%
Promoters	2,07,025	3.9061%
Relative of Directors	6,45,209	12.1738%
<b>TOTAL</b>	<b>53,00,000</b>	<b>100%</b>

- k. **Registered Office:** Plot No. 70 TTC MIDC Area, Mahape, Navi Mumbai - 400 709.
- l. **Works :** Plot no.77 TTC MIDC Area, Khairne Village, Navi Mumbai - 400 709.
- m. **Dematerialisation of Shares:** 40,75,542 shares were dematerialized till 31st March, 2017 which is 76.89% of the total paid up Equity Share Capital of the Company
- n. **Compliance:** Certificate from the Company's Auditors, M/s. Mulraj D Gala, 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**

Place : Navi Mumbai  
Date : September 4, 2017

**Amrut T. Shah**  
Chairman and Managing Director  
DIN: 00259420

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of Hytone Textstyles Limited,

1. We have reviewed the implementation of conditions of Corporate Governance by **Hytone Textstyles Limited** ("the Company") for the year ended March 31, 2017, as stipulated in the regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D 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 and D of Schedule V of the Listing Regulation during the year ended on March 31, 2017 subject to the following:
  - The Company has not appointed a company secretary as required under section 203 of the Companies Act, 2013.
  - 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 4, 2017

**Mulraj D.Gala**  
**Chartered Accountants**  
**Membership No.: 41206**

**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, 2017 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.

**Place : Mumbai**  
**Date : September 4, 2017**

**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 Textstyles Limited**

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

- a) We have reviewed financial statements and the cash flow statement for the financial year ended as on 31st March, 2017 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 are responsible for establishing and maintaining internal controls for financial reporting and for evaluating 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 Textstyles Limited**

**Place: Navi Mumbai  
Date: September 4, 2017**

**Vijay Sagvekar  
Chief Financial Officer**

**Amrut T. Shah  
Chairman & Managing Director**

## Independent Auditor's Report

### TO THE MEMBERS OF HYTONE TEXTSTYLES LIMITED

### REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying standalone financial statements of Hytone Textstyles Limited ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March 2017, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the 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

My responsibility is to express an opinion on these financial statements based on the audit.

I 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.

I have conducted the audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 financial statements.

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

### Opinion

In my opinion and to the best of my information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2017 and its profit 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) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of our audit.
  - (b) in my 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 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 my 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 my opinion and to the best of my 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 27 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;
    - iv. The Company has provided requisite disclosure in the financial statements as to holdings and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management – Also, refer Note 41 to the Financial Statements.

**For Mulraj D. Gala**  
**Chartered Accountants**

**Mulraj D. Gala**  
Proprietor  
Membership No: 41206

Place: Navi Mumbai  
Date: 30th May, 2017

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2017, I report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) I was 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.
- (ii) During the period under review the company does not hold any inventories. Thus paragraph 3(ii) of the Order is not applicable to the company
- (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 my opinion and according to the information and explanations given to me, the Company has complied with the provisions of section 186 of the Act, with respect to 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 me and based on the records examined by me, 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:-
  - (b) According to the information and explanations given to me 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 the Dues	Amount (Rs.)	Period to which the amount relates
Navi Mumbai Municipal Corporation	Property Tax	1,01,56,767/-	From 2005 to 2012
M.I.D.C.	Water Tax	1,46,484/-	From 2005 to 2011

- (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 me, 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 me 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 my opinion and according to the information and explanations given to me, 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 me 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 me 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 me 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 **Mulraj D. Gala**  
Chartered Accountants

**Mulraj D. Gala**  
Proprietor  
Membership No: 41206

Place: Navi Mumbai  
Date: 30th May, 2017

**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")**

I have audited the internal financial controls over financial reporting of Hytone Textstyles Limited ("the Company") as of 31<sup>st</sup> March 2017 in conjunction with the audit of the 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**

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. I 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 I 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.

I believe that the audit evidence I 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 my 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 31<sup>st</sup> March 2017, 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 **Mulraj D. Gala**  
**Chartered Accountants**

**Mulraj D. Gala**  
Proprietor  
Membership No: 41206

Place:Navi Mumbai  
Date: 30th May, 2017

## BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
- Share capital	3	136500000	136500000
- Reserves and surplus	4	(74828764)	(81333830)
<b>Sub-Total (A)</b>		<b>61671236</b>	<b>55166170</b>
<b>NON-CURRENT LIABILITIES</b>			
- Long-term Borrowings	5	986479	12578
- Other Long Term Liabilities	6	12101000	12101000
- Long term Provisions	7	238120	706500
<b>Sub-Total (B)</b>		<b>13325599</b>	<b>12820078</b>
<b>CURRENT LIABILITIES</b>			
- Trade Payables	8	2495047	423892
- Other Current Liabilities	9	11329773	10406962
- Short-term Provisions	10	74558	71135
<b>Sub-Total (C)</b>		<b>13899378</b>	<b>10901989</b>
<b>Total</b>		<b>88896213</b>	<b>78888237</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
- Fixed Assets			
Tangible Assets	11	44869016	42063348
- Non-Current Investments	12	12700000	4655101
- Long-term Loans and Advances	13	6546612	12092077
<b>Sub-Total (D)</b>		<b>64115628</b>	<b>58810526</b>
<b>CURRENT ASSETS</b>			
- Current Investments	14	10000000	3500000
- Short-term Loans and Advances	15	6068751	14894002
- Trade Receivables	16	4500788	-
- Cash and Cash Equivalents	17	3865731	1426473
- Other Current Assets	18	345315	257237
<b>Sub-Total (E)</b>		<b>24780585</b>	<b>20077712</b>
<b>Total</b>		<b>88896213</b>	<b>78888237</b>

Summary of Significant Accounting Policies

1&amp;2

The Accompanying Notes are an integral part of Financial Statements.

As per our report of even date

For Hytone Textyles Limited

For **Mulraj Gala**

Chartered Accountants

(Amrut Shah)

Chairman &amp; Managing Director

DIN NO.: 00259420

(Praful Dedhia)

Director

DIN: 01103424

**Mulraj Gala**

(Proprietor)

Membership No. 41206

Mumbai, 30th May, 2017

Mumbai, 30th May, 2017

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	For the Year ended 31st March, 2017	For the period ended 31st March, 2016
<b>Revenue from Operations</b>			
- Sale of goods and Services	19	26145997	17635986
Other income	20	2070306	2431395
<b>Total Revenue</b>		<b>28216303</b>	<b>20067381</b>
<b>Expenses</b>			
- Cost of Sale of Goods	21	4338089	-
- Employee benefit expenses	22	6113016	6150741
- Finance Cost	23	40418	101538
- Depreciation and amortisation expense	11	3859223	1906905
- Other Expenses	24	7360491	8947160
<b>Total Expenses</b>		<b>21711237</b>	<b>17106344</b>
<b>Profit before Tax</b>		<b>6505066</b>	<b>2961037</b>
- Tax Expense			
Current Tax		-	439871
Deferred Tax		-	-
Total Tax		-	439871
<b>Profit after tax</b>		<b>6505066</b>	<b>2521166</b>
Equity Share of par value Rs. 10 each			
Basic & Diluted		1.07	0.32
<b>Summary of Significant Accounting Policies</b>	<b>1&amp;2</b>		
<b>The Accompanying Notes are an integral part of Financial Statements.</b>			

As per our report of even date

For **Mulraj Gala**

Chartered Accountants

**Mulraj Gala**

(Proprietor)

Membership No: 41206

Mumbai, 30th May, 2017

For **Hytone Textstyles Limited**(Amrut Shah)  
Chairman & Managing Director  
DIN NO.: 00259420(Praful Dedhia)  
Director  
DIN: 01103424

Mumbai, 30th May, 2017

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

Particulars	Year Ended 31st March, 2017		Year Ended 31st March, 2016	
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net profit before Tax as per Profit and Loss Statement		6505066		2961037
Adjustment for :				
Depreciation	3859223		1906905	
Provision for Gratuity Written Back	(468380)		-	
Interest Paid	40418	3431261	101538	2008443
Operating Profit before working capital changes		9936327		4969480
Adjustment for :				
(Increase)/Decrease in Trade Receivables	(4500788)		-	
(Increase)/Decrease in short term loans and advances	8825251		(1651582)	
Increase/(Decrease) in trade payables	2071155		19305	
(Increase)/Decrease in Other Current Assets	(88078)		24637	
Increase/(Decrease) in short term provisions	3423		6776	
Increase/(Decrease) in other current liabilities	808096		(92024)	
Increase/(Decrease) in other long term Liability	-		3000000	
(Increase)/Decrease in other long term assets	4521500		(2476550)	
		11640559		(1169438)
<b>Cash generated from operations</b>		21576886		3800042
Income Taxes (Paid) / Refund		1023965		(1016803)
<b>Cash Flow from operation</b>		<b>22600851</b>		<b>2783239</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Current Investments	(6500000)		(3500000)	
Purchase of Non Current Investment	(12700000)		-	
Purchase of Fixed Assets	(2009791)		(68500)	
Net Cash (used in) Investing Activities		(21209791)		(3568500)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds / (Repayment) of Short Term Borrowings	114715		61368	
Proceeds / (Repayment) from Long Term Borrowings	973901		(205496)	
Interest Paid	(40418)		(101538)	
Net Cash (used in) Financing Activities		1048198		(245666)
Net increase/(Decrease) in Cash and Cash equivalents		<b>2439258</b>		<b>(1030927)</b>
Cash and Cash Equivalents as at beginning		1426473		2457401
<b>Cash and Cash Equivalents as at end</b>		<b>3865731</b>		<b>1426473</b>
Components of cash and cash equivalents				
Cash on hand		2,03,176		1,80,662
Cheques/drafts on hand				
With banks- on current A/c		35,40,898		11,33,165
on deposit account		1,21,658		1,12,647
<b>Total Cash and cash equivalents</b>		<b>38,65,731</b>		<b>14,26,473</b>

**Notes :**

- 1 Cash flow statement has been prepared following the indirect method except in case of interest paid/received, dividend paid/received, purchase / sale of investment, purchase / sale of Fixed Assets and taxes paid which has been considered on the basis of actual movements of cash, with necessary adjustments in the corresponding assets and liabilities.
- 2 Repayments of borrowings are shown net of receipts.
- 3 Previous year's figures are rearranged to confirm to current year's presentation.

As per our report of even date

For **Mulraj Gala**

Chartered Accountants

**Mulraj Gala**

(Proprietor)

Membership No: 41206

Mumbai, 30th May, 2017

For **Hytone Textstyles Limited**

(Amrut Shah)

Chairman & Managing Director

DIN NO.: 00259420

Mumbai, 30th May, 2017

(Praful Dedhia)

Director

DIN: 01103424

**NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31 MARCH, 2017****1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:-**

- a These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the company are consistent with those used in previous year.
- b The accounting policies applied by the Company are consistent with those used in the previous year.

**2 SIGNIFICANT ACCOUNTING POLICIES:-****a. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the report amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the accounting period in which the results are known / materialized.

**b. Fixed Assets:**

- i Fixed assets are stated at historical cost less accumulated depreciation, which includes effect of impairment. Historical cost comprises of the acquisition price and all direct and indirect costs that are attributable in bringing the assets to their working condition for intended use.
- ii All expenses during construction are allocated to the respective asset proportionately.
- iii Adjustments arising from exchange rate variations relating to borrowings/ liabilities for the fixed assets are capitalised.
- iv The carrying amounts of assets are reviewed at each balance sheet date on value in use basis to assess whether they are recorded in excess of their estimated recoverable amount. If the carrying value exceeds the estimated recoverable amount, assets are written down to their estimated recoverable amount. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**(Also refer to policy on Leases and Borrowing Costs (refer point no. k & l of this note).**

**c. Depreciation:**

- I Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

- ii No amortisation is made in respect of leasehold land.
- iii Assets acquired under finance leases are depreciated as stated in (I)above.

**d. Employment Retirement Benefits:**

- i Provision for encashable leave salary is made on the assumption that such benefits are payable to all employees at the end of the accounting period.
- ii Contributions to defined contribution schemes such as Employees Provident Fund and Family Pension Fund are charged to the profit & loss account as and when incurred.

**e. Inventories:**

- i Raw Materials, Stores, Spares and Consumables are valued at cost or net realisable value whichever is lower.
- ii Stock-in-process is valued at cost including related production overheads or net realisable value whichever is lower
- iii Finished goods are valued at cost or net realisable value whichever is lower

Cost includes cost of production and expenses incurred, as allocated by the Management, in putting the inventories in their present condition. Net realisable value in case of goods meant for exports includes the export incentives receivable as estimated by the Management.

**f. Accounting of CENVAT Benefits:**

CENVAT Credit availed under the relevant scheme in respect of Raw material, Packing Material, Fuel, Stores and spares, capital goods etc. is reduced from the cost of purchase.

**g. Export Incentives:**

- i Export incentives in the form of advance licenses to the extent utilised in the period of exports are not accounted separately.
- ii Export incentives receivable at the period -end are accounted at value subsequently realised or in absence thereof as estimated by the Management.

**h. Foreign Currency Transactions:**

- i Transactions denominated in Foreign Currencies are recorded at the exchange rate prevailing on the date of the transaction.
- ii Monetary items denominated in Foreign Currencies at the end of the period are translated at the period-end rates.
- iii Any income or expense on account of exchange difference either on settlement or translation is recognised in the Profit and Loss Account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

**i. Research and Development:**

Recurring expenditure on research and development are charged to the profit and loss account under the respective head of expenditure.

Capital expenditure is stated as depreciable fixed asset.

**j. Leases:**

Assets acquired under leases where substantially all the risks and reward of ownership are transferred to the company are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. The Lease rental paid is allocated between the liability and the finance cost.

**k. Borrowing Costs:**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of cost of such assets till such time as the assets are ready for its intended use or sale.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

**l. Investments:**

Long Term Investments are stated at cost. Permanent diminution in value thereof is provided for.

**m. Taxation:**

- i Provision for current tax is made on the basis of estimated taxable income computed in accordance with the provisions of Income Tax Act 1961.
  - ii Deferred tax is recognised on timing differences between the accounting income and the taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date.
  - iii Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- n. As per Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation 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 when a reliable estimate of the amount of the obligation can be made.

**No Provision is recognized for: -**

Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

Any present obligation that arises from past events but is not recognized because :

- (1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (2) A reliable estimate of the amount of obligation cannot be made. Such obligations are recorded as Contingent Liabilities. These are assessed periodically and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

## NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2017

## 3 - Share Capital

SN.	Particulars	31-Mar-17	31-Mar-16
<b>A</b>	<b><u>Authorized</u></b>		
<b>a</b>	<b>EQUITY SHARE CAPITAL</b> 5300000 (5300000) Equity Shares of Rs. 10/- each	53000000	53000000
<b>b</b>	<b>PREFERENCE SHARE CAPITAL</b> 150000 (150000) 1% Cum.Red. Preference Shares of Rs.100/- each. (Series - I)	15000000	15000000
	720000 (720000) 1% Cum. Red. Preference Shares of Rs.100/- each. (Series - II)	72000000	72000000
		<b>140000000</b>	<b>140000000</b>
<b>B</b>	<b><u>Issued, Subscribed and fully Paid-up :</u></b>		
<b>a</b>	<b>EQUITY SHARE CAPITAL</b> 5300000 (5300000) Equity Shares of Rs.10/- each fully paid	53000000	53000000
<b>b</b>	<b>PREFERENCE SHARE CAPITAL</b> 150000/ (150000) 1% Cum. Red. Preference Shares (Series I) of Rs.100/- each fully paid	15000000	15000000
	685000/ (685000) 1% Cum. Red. Preference Shares (Series II) of Rs.100/- each fully paid	68500000	68500000
		<b>136500000</b>	<b>136500000</b>

## I Details of Shareholding as at 31st March, 2017

## Shareholders holding more than 5% of Equity Shares:

Name of Shareholder	31-Mar-17		31-Mar-16	
	Number	%	Number	%
Anant Synthetics Private Limited	1508500	28.46%	1508500	28.46%
Efficient Securities Private Limited	431890	8.15%	431890	8.15%
Anmol Textile Industries Private Limited	274484	5.18%	274484	5.18%

**Shareholders holding more than 5 % of Preference Shares of Series I:**

Name of Shareholder	31-Mar-17		31-Mar-16	
	Number	%	Number	%
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%

**Shareholders holding more than 5 % of Preference Shares of Series II:**

Name of Shareholder	31-Mar-17		31-Mar-16	
	Number	%	Number	Number
Sarjan Mercantile Pvt. Ltd.	560000	81.75%	560000	81.75%
Efficient Securities Pvt.Ltd.	125000	18.25%	125000	18.25%

II Reconciliation of the number of Equity Shares outstanding	31-Mar-17		31-Mar-16	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the period	5300000	53000000	5300000	5300000
Add: Shares issued	-	-	-	-
Less: Shares forfeited	-	-	-	-
Outstanding at the end of the period	5300000	53000000	5300000	5300000

Reconciliation of the number of 1% Cum. Red. Preference Shares (Series I) outstanding	31-Mar-17		31-Mar-16	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning of the period	150000	150000	150000	150000
Less: Shares forfeited	-	-	-	-
Number of shares at the end of period	150000	150000	150000	150000

Reconciliation of the number of 1% Cum. Red. Preference Shares (Series II) outstanding	31-Mar-17		31-Mar-16	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning of the period	685000	685000	685000	685000
Less: Shares forfeited	-	-	-	-
Number of shares at the end of the period	685000	685000	685000	685000

III Cumulative redeemable preference shares (Series I ) & (Series II) having par value of Rs 100 per share is entitled to one vote per share only on resolution placed before the Company, which directly affects the right attached to it. In the event of liquidation of the Company, the holders of cumulative redeemable preference shares (Series I ) & (Series II) will have priority over equity shares in the payment of dividend and repayment of capital.

IV Each equity share is entitled to one voting right only.

V Preference Shares (Series I ) & Preference Shares (Series II ) can be redeemed any time during the year subject to availability of reserves but within 20 years from the date of allotment (i.e. 31st October, 2000 in case of series I and 26th June, 2010 in case of series II).

**4 - Reserves and Surplus**

SN	Particulars	31-Mar-17	31-Mar-16
<b>a</b>	<b><u>Securities Premium Reserve</u></b> Balance at the beginning and end of the year	12900600	12900600
<b>b</b>	<b><u>Revaluation Reserve</u></b> Balance at the beginning and end of the year	21972117	21972117
<b>c</b>	<b><u>Other Reserve</u></b> Debt Reconstruction Reserve Balance at the beginning and end of the year	127324576	127324576
<b>d</b>	<b><u>Surplus as per Profit and Loss Account</u></b> Balance at the beginning of the year	(243531123)	(246052289)
	Additions	6505066	2521166
	Deletions	-	-
	Closing Balance	(237026057)	(243531123)
	<b>Total</b>	<b>(74828764)</b>	<b>(81333830)</b>

**5- Long Term Borrowings**

Particulars	31-Mar-17	31-Mar-16
<b>Secured Borrowings:</b>		
- Vehicle Loans from Banks	986479	-
- Vehicle Loans from Non-Banking Financial Companies	-	12578
<b>Total</b>	<b>986479</b>	<b>12578</b>

**Additional information to Long Term Borrowings:**

Secured Long Term Borrowings

Vehicle Loan from Banks & Non-Banking Financial Companies

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 43 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 47 Monthly installments are pending at the year end.

- of the above, Vehicle Loan from Tata Capital Financial Services is taken is taken @ 11.25% on 48 Monthly installment of Rs. 12,690/- and out of the same in all 1 Monthly installment is pending at the year end.

**6 - Other Long Term Liabilities**

Particulars	31-Mar-17	31-Mar-16
- Security Deposit	12101000	12101000
<b>Total</b>	<b>12101000</b>	<b>12101000</b>

**7- Long Term Provisions**

Particulars	31-Mar-17	31-Mar-16
- Provision for Gratuity	238120	706500
<b>Total</b>	<b>238120</b>	<b>706500</b>

**8 - Trade Payables**

Particulars	31-Mar-17	31-Mar-16
<b>Dues To Micro and Small Enterprises</b>		
a. Principal and interest amount remaining unpaid	-	-
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
<b>Dues To Others</b>	2495047	423892
<b>Total</b>	<b>2495047</b>	<b>423892</b>

**10 - Other Current Liabilities**

Particulars	31-Mar-17	31-Mar-16
Maturities of Long term Debts	320211	205496
Statutory Dues	11009562	10201466
<b>Total</b>	<b>11329773</b>	<b>10406962</b>

**11- Short Term Provisions**

Particulars	31-Mar-17	31-Mar-16
<b>Provision for Employee Benefits</b>		
- Provision for Leave Encashment	36656	33244
- Provision for Bonus	37902	37891
<b>Total</b>	<b>74558</b>	<b>71135</b>

## NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2017

## 11- Fixed Assets

(Amount in Rupees)

PARTICULARS	Gross Block			Depreciation/Amortisation			Net Block		
	Opening as at April 01, 2016	Addition for the Period	Disposals/ Other Adjustments	Closing as at March 31, 2017	Opening as at April 01, 2016	For the period	Deduction/ Adjustments	Closing as at March 31, 2017	Closing as at March 31, 2016
<b>Tangible Assets</b>									
a. Leasehold Land	27003843	1291333	-	28295176	-	-	-	28295176	27003843
b. Buildings	57489656	11266131	-	68755787	44041863	3360099	-79,02,363	13451462	13447793
c. Plant and Machinery	199051	111413	-	310464	130107	50197	-	130160	68944
d. Furniture and Fixtures	3037391	-	-	3037391	3037391	-	-	-	-
e. Vehicles	2707510	2293247	836740	4164017	1164743	448927	441871	2992218	1542767
Total	90437451	14962124	836740	104562835	48374104	3859223	-7460492	44869016	42063348
(Previous year's / Period Figures)	90368951	68500	-	90437451	46467199	1906905	-	48374104	43901753

## Notes:

- 1 The Leasehold Land includes Rs. 2,19,72,117/- being amount added on revaluation of Leasehold Land as on 29.03.2000.
- 2 The addition in Building and depreciation of the year includes regrouping of investment to Fixed Assets amounting to Rs. 1,12,66,131/- and depreciation of Rs. 79,02,363.

**12 - Non-Current Investments**

Particulars	31-Mar-17	31-Mar-16
<b>Investment in Property</b>		
- Land and Building	-	4655101
<b>Investment in LLP</b>		
- Capital Account With Anantsab Realtors LLP	12700000	-
<b>Total</b>	<b>12700000</b>	<b>4655101</b>

**13 - Long Term Loans and Advances**

Particulars	31-Mar-17	31-Mar-16
<b>Unsecured, Considered good</b>		
Securities Deposits	4099764	8621264
Balance with Revenue Authorities	2446848	3470813
<b>Total</b>	<b>6546612</b>	<b>12092077</b>

**14 - Current Investments**

Particulars	31-Mar-17	31-Mar-16
<b>Investment in Mutual Funds</b>		
<b>Unquoted</b>		
314354.031 (113293.287) units of HDFC Cash Management Fund - Growth	1,00,00,000	35,00,000
<b>Total</b>	<b>1,00,00,000</b>	<b>35,00,000</b>
<b>Notes:</b>		
Aggregate amount of :		
- Quoted Investments	-	-
- Unquoted Investments	1,00,00,000	35,00,000
Market value of Quoted Investments	-	-

**15 - Short Term Loans and Advances**

Particulars	31-Mar-17	31-Mar-16
<b>Unsecured, Considered good</b>		
Advances recoverable in Cash or Kind	5912785	14754707
Prepaid expenses	155966	139295
<b>Total</b>	<b>6068751</b>	<b>14894002</b>

**16 - Cash and Cash Equivalents**

Particulars	31-Mar-16	31-Mar-15
<b>Unsecured, Considered good</b>		
- Outstanding for a period exceeding six months from its due date	-	-
- Others	4500788	-
<b>Total</b>	<b>4500788</b>	<b>-</b>

**17- Cash and Cash Equivalents**

Particulars	31-Mar-17	31-Mar-16
Cash and Cash Equivalents		
- Balance with Bank in Current Account	3540898	1133165
- Fixed Deposits with maturity of less than 3 months	121658	112647
- Cash on Hand	203176	180662
<b>Total</b>	<b>3865731</b>	<b>1426473</b>

**18- Other Current Assets**

Particulars	31-Mar-17	31-Mar-16
Export Incentives Receivable	1361392	1361392
Less : Provision for Doubtful Receivables	(1361392)	(1361392)
	-	-
Interest Receivable	345315	257237
<b>Total</b>	<b>345315</b>	<b>257237</b>

**19 - Revenue from Operations**

Particulars	For Period Ended 31.03.2017	For Period Ended 31.03.2016
<b>Revenue from Sale of Services</b>		
Income from Renting of Immovable Property	21645209	17635986
Sale of Fabrics	4500788	-
<b>Total</b>	<b>26145997</b>	<b>17635986</b>

**20 - Other Income**

Particulars	For Period Ended 31.03.2017	For Period Ended 31.03.2016
Interest Income	1595528	1563984
Excise Duty Refund	-	557213
Miscellaneous Income	6398	310198
Excess Provision for Gratuity written back	468380	-
<b>Total</b>	<b>2070306</b>	<b>2431395</b>

**21 - Cost of Sale of Goods**

Particulars	For Period Ended 31.03.2017	For Year Ended 31.03.2016
Purchase of Fabrics	4338089	-
<b>Total</b>	<b>4338089</b>	<b>-</b>

**22 - Employee Benefit Expenses**

Particulars	For Period Ended 31.03.2014	For Year Ended 31.03.2016
Salaries	3642443	3708455
Directors Remuneration	2405000	2400000
Staff Welfare Expenses	65573	42286
<b>Total</b>	<b>6113016</b>	<b>6150741</b>

**23 - Finance Cost**

Particulars	For Period Ended 31.03.2017	For Year Ended 31.03.2016
Interest on Loan	38866	40463
Interest on Delayed Payments	-	58030
Bank Charges	1552	3045
<b>Total</b>	<b>40418</b>	<b>101538</b>

**24 - Other Expenses**

Particulars	For Period Ended 31.03.2017	For Period Ended 31.03.2016
Repairs and Maintenance		
- Building	1251915	2889687
- Vehicles	101039	108022
- Furniture and Others	102729	189051
Rates and Taxes	1616198	1654598
Payment to Auditors		
- As Auditor	25000	25000
Consultancy Charges	1532297	745994
Labour charges	371728	435910
Power and fuel	612201	856249
Insurance	179251	130270
Telephone Expenses	111224	118006
Security Charges	218396	-
Conveyance Expenses	63751	72068
Miscellaneous Expenses	1174762	1722305
<b>Total</b>	<b>7360491</b>	<b>8947160</b>

25 As the number of employees during the period is less than 50, provision of the liability for gratuity is made accordance with the Provision of the Payment of Gratuity Act, 1972 and no Actuarial Valuation report is taken from the Actuary valuer as provided in AS -15 Employees Benefits and so no details are required to be given as per AS -15.

26 Related party disclosures under Accounting Standard 18 (AS 18) (as identified by the Management) :-

- I) Following are the Individuals having significant influence or are key management personnel or their relatives:
1. Amrut T. Shah
  2. Praful K. Dedhia
  3. Vijay G. Sagvekar

iii) The following transactions were carried out during the period with related parties in the ordinary course of business:

SN	Transactions	Key Management Personnel
1	Managerial Remuneration (including allowances and sitting fees)	2839784 (2839784)
2	Loan Given	— (—)
3	Loan Taken	— (—)
4	Re-imbursment of Expense	— —
6	Outstanding items pertaining to related parties as on Balance Sheet date	
	Opening Balance as on 01.04.2016	-
	Add: Credited / Received	2839784
	Less: Paid	2839784
	Closing Balance as on 31.03.2017	-

#### 27 Contingent Liabilities:

All contingent liabilities are adequately disclosed in the Notes on Accounts

SN	Contingent Liabilities	As at 31.03.2017	As at 31.03.2016
a)	Bank Guarantees	NIL	NIL
b)	Claims against the Company not acknowledged as debts/disputed	NIL	NIL
c)	Arrears of Dividend on 1% Redeemable Cumulative Preference Shares(Series I) (Dividend are in arrears since 2001)	2387466	2237466
d)	Arrears of Dividend on 1% Redeemable Cumulative Preference Shares(Series II) (Dividend are in arrears since 30th June 2010)	4403750	3718750

28 Balances of Debtors, Creditors and Loans & Advances are subject to confirmation, reconciliation and adjustments if any.

29 In the opinion of the Board, the value on realisation of loans and advances and Current Assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance sheet.

#### 30 Payments to Auditors

Particulars	For Period Ended 31.03.2017	For Period Ended 31.03.2016
As Auditors	25000	25000
As Tax Auditors	-	-
<b>Total</b>	<b>25000</b>	<b>25000</b>

31	CIF Value of Import	NIL	NIL
32	Expenditure in Foreign Exchange	NIL	NIL
33	Earnings in Foreign Exchange	NIL	NIL
34	Directors Remuneration:		

Particulars	For Period Ended 31.03.2017	For Period Ended 31.03.2016
a) Salary	1611600	1611600
b) Allowances	788400	788400
c) Profession Tax	5000	-
	<b>2405000</b>	<b>2400000</b>

33 In the opinion of the Board, provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

**34 Earnings per Share:**

(As per Accounting Standard 20 – “Earnings per Share”)

Particulars	As at 31.03.2017	As at 31.03.2016
Outstanding shares (Nos.)	5300000	5300000
Net Profit after tax	6505066	2521166
Less: Unpaid dividend in respect of cumulative preference shares	835000	835000
Net Profit available for Equity Shares	5670066	1686166
Basis / Diluted Earnings per Share	1.07	0.32

37 “Trade Payables” in Note ‘8’ to the Accounts include.

- There are no Micro and Small Enterprises to whom amount is payable and which is outstanding for more than 45 days as at the close of the accounting period.
- This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006.

38 Figures in brackets relate to the previous period.

39 Details of Loans, Investment, Guarantees given u/s. 186 of Companies Act, 2013

Particulars	Amount (Rs.)	Remarks
Loans Given		
Abhiyan Textiles Ind Pvt Ltd	5855785	Loans given are within the permissible limits and interest @ 9.5% p.a. has been charged on the said loans. The loans are utilised by the recipient for general purpose.

**40 SEGMENT INFORMATION**

The Company has identified two reportable segments viz. Renting of Immovable property and Trading in Fabrics. Segments have been identified and reported taking into account the nature of product and services, the different risk and returns and internal business reporting system. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. The segment report has been given by way of an annexure.

- a) Revenue and expenses have been identified to a segment on the basis of the relationship to operating activities of the segment. Revenue and expense which relate to the Company as a whole and are not allocable to any segment on reasonable basis have been disclosed as "Unallocable".
- b) Segment assets and liabilities represents assets and liabilities in respective segments. Investment and tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocable".
- c) Inter segment transfer are recorded at Cost to Cost basis.

41 Details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016.

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:-

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	1,60,000	40,363	2,00,363
(+) Permitted receipts*		3,20,000	3,20,000
(-) Permitted payments		1,39,727	1,39,727
(-) Amount deposited in Banks	1,60,000	30,000	1,90,000
Closing cash in hand as on 30.12.2016	-	1,90,636	1,90,636

For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O. 3407 (E), dated the 8th November, 2016.

\* Permitted receipts includes cash withdrawn from bank.

42 Previous Periods figures have been reworked, re-grouped, re-arranged and reclassified wherever necessary.

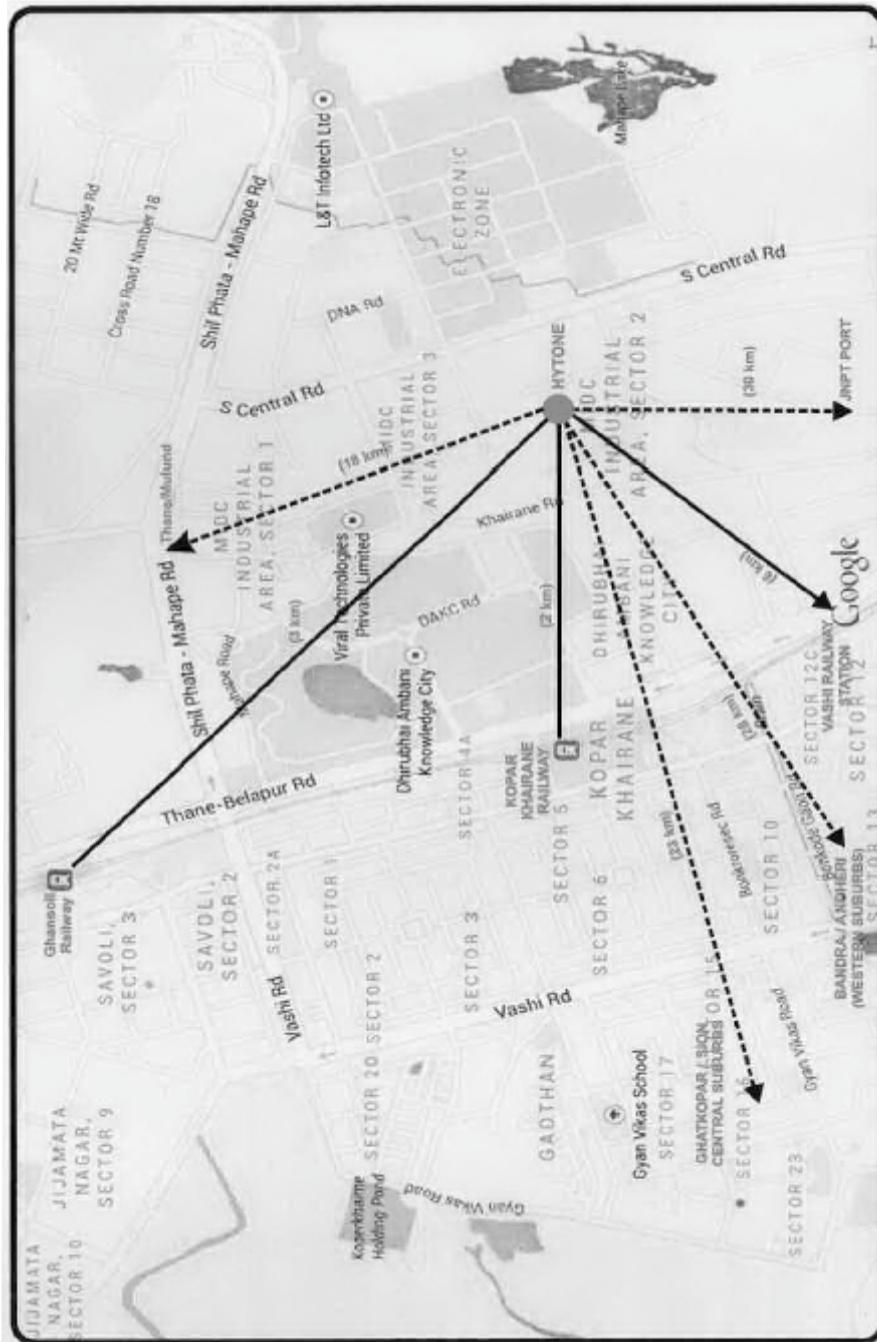
As per our report of even date  
For **Mulraj Gala**  
Chartered Accountants

**Mulraj Gala**  
(Proprietor)  
Membership No: 41206  
Mumbai, 30th May, 2017

For **Hytone Textstyles Limited**

(Amrut Shah) (Praful Dedhia)  
Chairman & Managing Director Director  
DIN NO.: 00259420 DIN: 01103424

Mumbai, 30th May, 2017



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**Hytone Texstyle Limited  
CIN : L17120MH1989PLC050330**

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

**ATTENDANCE SLIP**

(To be presented at the entrance)

27TH ANNUAL GENERAL MEETING ON SATURDAY, SEPTEMBER 30, 2017, AT 11.00 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 TEXSTYLES 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 Texstyles 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 Texstyles 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 27th Annual General Meeting of Hytone Textyles Limited, to be held on Saturday, the 30th day of September, 2017 at 11.00 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
<b>Ordinary Business</b>	
1	Adoption of Audited Standalone Financial Statements for the Financial Year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon.
2	Re-appointment of Mrs. Ranjan Gala who retires by rotation.
3	Appointment of M/s UKG & Associates as Auditors and fixing their remuneration.
<b>Special Business</b>	
4	Alteration of Articles of Association of the Company.5Appointment of Mr. Hardik Gala as an Independent Director of the Company.
6	Appointment of Mr. Hemang Shah as an Independent Director of the Company.
7	Re-appointment of Mr. Amrut T Shah as a Managing Director of the Company.

Signed this..... day of..... 2017

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.



# BOOK-POST

*If undelivered, Please return to :*

**Hytone Textstyle Limited**

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