

**ANNUAL REPORT
2018-2019**

HYTONE TEXTYLES LIMITED

CORPORATE INFORMATION
L17120MH1989PLC050330

Date: 30th September, 2019
Time: 10.00 a.m

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

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

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BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Riddhi Thakkar

AUDITORS

M/s. UKG & Associates
Chartered Accountant

BANKERS

Union Bank of India

SHARE TRANSFER AGENT

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

SHARES LISTED AT

Bombay Stock Exchange Limited
Mumbai - 400 001.
REGISTERED OFFICE
Plot No. A-70,
TTC (MIDC) Industrial Area,
Mahape Village,
Navi Mumbai - 400 709,
Maharashtra

WORKS

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

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the members of the Company will be held on Monday, the 30th day of September, 2019 at 10.00 a.m. at Plot No. 70, TTC (MIDC) Industrial Area, Textile Processing Zone, Mahape Village, Navi Mumbai – 400709 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the year ended March 31, 2019, 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, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint a Director in place of Mrs. Ranjan S. Gala (DIN: 01015712), who retires by rotation and being eligible, offers herself for re-appointment, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Ranjan S. 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.”

SPECIAL BUSINESS:

3. To alter the main objects clause of the Memorandum of Association of Company and if thought fit to pass with or without modification(s) the following resolution as an Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, consent of the Members of the Company be and is hereby accorded, subject to the approval of the Registrar of Companies, Mumbai, Maharashtra, to add sub clause 2 to the existing main objects clause and thus (III-A) of the Memorandum of Association of Company be read as under:

1. To carry on the business of manufacturers, spinners, weavers, twisters, doublers, texturizers, processors, sanforisers, mercerisers, knitters, dyers, colourers, printers, bleachers, water proofers, ginners, combers, winders, blenders, packers, balers, dealers, importers, exporters all types of cotton, wool, silk, art silk, nylon, polyester, rayon, flax, hemp, linen, jute, shoddy or any combination thereof or other natural or synthetic fibres, fabrics, garments, fibrous materials, textiles and textile goods.
2. To undertake and carry on the business of leasing, renting of immovable properties and/or furnitures, fixtures, which is owned or acquired on lease/rent of all kinds and description and right, title and interest therein required for commercial, industrial or business use or any other purpose and to carry on urban farming activities using hydroponics and planting, growing, cultivating, producing and raising plantations under controlled environment.

RESOLVED FURTHER THAT any Director of the Company be and is hereby severally authorized to take all necessary steps and to do all such acts, deeds, matters and things as may be required from time to time, to give effect to this resolution including making the necessary filings and applications with the Registrar of Companies, Mumbai, Maharashtra.”

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

Amrut T. Shah
Chairman & Managing Director
DIN: 00259420

Mumbai, May 30, 2019

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. Mrs. Ranjan S. Gala is interested in the Ordinary Resolution as set out in Item No. 2 of the notice with regard to her re-appointment. Save and except the above, none of other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business as set out under Item No. 1 and 2 of the Notice.
6. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 30, 2017.
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. All documents referred to in the accompanying notice and the explanatory statements are open for inspection at the Registered Office of the Company during office hours on all working days, except Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA. SEBI has also mandated that securities of listed Companies can be transferred only in dematerialized w.e.f. December 5, 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
10. 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.
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 Registrars & Transfer Agents, 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 your 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 24/09/2019 to 30/09/2019 (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 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by Central Securities Depository Limited (CSDL).
 - II. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Monday, September 23, 2019 (cut-off date) are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may also exercise their right to vote by electronic means.
 - III. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - IV. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - V. The remote e-voting period commences on 27th September, 2019 (9:00 am) and ends on 29th September, 2019 (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 23rd September, 2019, 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 voting period begins on 27th September, 2019 (9:00 am) and ends on 29th September, 2019 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Monday, September 23, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.

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

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- I. 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.
 - II. 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).
 - III. 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 23rd September, 2019.
 - IV. 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 23rd September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
 - V. 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.
 - VI. 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
 - VII. 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.
 - VIII. 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.

- IX. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.hytonetextiles.com and on the website of CSDL The results shall simultaneously be communicated to the Stock Exchange Limited (BSE), Mumbai.

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

Place : Mumbai
Date : May 30, 2019

Amrut T. Shah
Chairman & Managing Director
DIN: 00259420

ANNEXURE TO NOTICE**Explanatory Statement under Section 102 of the Companies Act, 2013:****ITEM NO. 1**

The Board of Directors of the Company had in its Meeting held on May 30, 2019 accorded their approval for amendment of the object clause of the Memorandum of Association of the Company in order to broad base the scope of business activities mainly to cover the activities as mentioned in the notice.

Pursuant to the provisions of Section 13 of the Companies Act, 2013 the approval of the Members through Special Resolution is required for such alteration of the object clause of the Memorandum.

Hence, the approval of the Members is being sought, pursuant to Section 13 of the Companies Act, 2013, for authorizing the Board of Directors of the Company to amend the object clause of the Memorandum by modifying the existing clause (III-A) as set out in the Notice.

The Board of Directors recommend the adoption of the said Special Resolution. All the material documents and corrected copies of the Memorandum of Association of the Company are available for inspection during the business hours till the date of the Meeting.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested financially or otherwise in the proposed resolution except as a Shareholder of the Company.

The Board commends the Special Resolution set out in the Notice for approval by the Members.

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

Amrut T. Shah
Chairman & Managing Director
DIN: 00259420

Mumbai, May 30, 2019

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

ANNEXURE – A

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

Name of Director	Mrs. Ranjan Gala
DIN	01015712
Date of birth and age	31/03/1964; 55 years
Date of appointment on the Board	20/03/2015
Qualifications	Graduate
Brief profile, experience and expertise	Mrs. Ranjan Gala has been on the Board of the Company, since 2015. Mrs. Ranjan Gala is responsible for the overall administration of the Hytone's operations. She has been looking after the affairs and operations of the Company under the expert supervision and control of the Board of Directors. She is involved in policy planning, vision and strategy and long term development activities of the Company.
Number of meetings of the Board attended during the year	4 out of 4
List of Directorship Membership/ Chairmanship of Committees of other Board	Directorships: 1. Abhishek Synthetics Private Limited
Shareholding in the Company	52,300 equity shares as on March 31, 2019
Relationship with other directors, manager and other Key Managerial Personnel of the Company	Not related to any Director / Key Managerial Personnel

Director's Report

Dear Members,

The Directors of the Company are pleased to present the 30th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2019.

1. Financial Summary:

The Company's performance during the financial year ended March 31, 2019 as compared to the previous financial year is summarized below:

Amount in

Particulars	2018-19	2017-18
Revenue from Operations	2,82,43,958	4,07,06,856
Other Income	27,78,696	15,59,923
Gross Income	3,10,22,654	4,22,66,779
Expenditure	1,64,28,335	3,54,49,621
Finance Charges	47,86,407	47,38,453
Depreciation	26,62,909	26,60,436
Total Expenditure	2,38,77,651	4,28,93,511
Net Profit before tax	71,45,003	(6,26,731)
Provision for tax	-	-
Net Profit after tax	71,45,003	(6,26,731)

2. State of Company's Affairs:

The Company's performance was satisfactory during the year. Your Directors are hopeful that the Company will perform better in the ensuing years. In the meantime Company has earned its income by way of rental income.

3. Dividend:

With a view to conserve the resources for current as well as future business requirements and expansion plans, your Board is of the view that the current year's profit be ploughed back into the operations and hence no dividend is recommended for the financial year ended March 31, 2019.

4. Transfer to reserves:

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

5. Nature of Business:

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

6. Material changes and commitments

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

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

As on March 31, 2019, the Company does not have any subsidiary/joint venture/associate companies. Accordingly, the requirements pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is not applicable.

8. Share Capital:

The paid up Equity Share Capital of the Company as at March 31 2019 stood at Rs. 5,30,00,000/- There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares, nor has it granted stock options. As on March 31, 2019, none of the directors of the Company hold instruments convertible into equity shares of the Company. During the financial year 2018-19, there is no change in the Share Capital of the Company.

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

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

10. Indian Accounting Standard (IND AS):

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('Ind AS') from 1st April, 2017 with a transition date of 1st April, 2016. The financial results for the year 2018-19 have been prepared in accordance with IND AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other recognized accounting practices and policies to the extent applicable. The Financial Results for all the periods of 2018-19 presented have been prepared in accordance with IND AS.

11. Secretarial Standards:

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

12. Business Responsibility Report:

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to your Company for the financial year ended March 31, 2019.

13. Management Discussion and Analysis Report:

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

14. Corporate Governance Report:

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

As per Regulation 34(3) read with Schedule V(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance, in accordance with Listing Regulations, along with a certificate from M/s UKG & Associates, Chartered Accountants, Statutory Auditors of the Company, are annexed hereto and forms part of the Report. The auditor's certificate for the year 2018-19 does not contain any qualification, reservation, adverse remark or disclaimer.

All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2018-19. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report.

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

15. Directors and Key Managerial Personnel:

The Board of Directors consists of four members, of which two are Independent Directors. The Board also comprises of one woman Director. As on March 31, 2019, the Key Managerial Personnel of the Company under Section 203 of the Companies Act, 2013 are Mr. Amrut T Shah, Chairman and Managing Director, Mr. Vijay Sagvekar, Chief Financial Officer and Ms. Riddhi Thakkar, Company Secretary and Compliance Officer.

As per the provisions of Section 152(6) of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Ranjan S. Gala (DIN: 01015712) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as a Director of the Company.

The following policies of the Company are attached herewith:

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

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

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

17. Directors Responsibility Statement:

The Board of Director of the Company confirms that:

- a) in the preparation of the annual accounts for the year ended March 31, 2019, 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, 2019 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

18. Number of Meeting of the Board

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

19. Independent Directors' Meeting

In compliance with the requirements of Schedule IV of the Companies Act, 2013, a meeting of the Independent Directors was held on 25th March, 2019, without the participation of the Executive Directors or Management personnel.

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

20. Declaration of Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there is no change in their status of independence. As required under Section 149(7) of the Companies Act, 2013, the said declaration was placed in the Board Meeting held on May 30, 2018.

21. Familiarisation Programme

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

22. Board Evaluation:

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

The Board of Directors has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

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

23. Internal Financial Controls:

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

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

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

24. Risk Management Policy:

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

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

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

25. Audit Committee:

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

26. Audit Committee Recommendations:

During the financial year 2018-19, there were no instances of non-acceptance of any recommendation of the Audit Committee by the Board of Directors.

27. Establishment Of Vigil Mechanism / Whistle Blower Policy:

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

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

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

During the financial year 2018-19 the Company has not received any complaint through Vigil Mechanism. The Whistle Blower Policy is available on the Company's website.

28. Nomination And Remuneration Policy:

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

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

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

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

29. Corporate Social Responsibility Committee

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

30. Statutory Auditors:

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

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

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Statutory Auditors' Report for the year 2018-19 does not contain any qualification, reservation, adverse remark or disclaimer made by Statutory Auditor. There is no incident of fraud requiring reporting by the auditors under Section 143(12) of the Companies Act, 2013.

31. Auditors Report:

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

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

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

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

32. Internal Auditors

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

33. Cost Auditors

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

34. Secretarial Auditor and Secretarial report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company have re-appointed, Teena Dedhia & Associates, Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the year 2018-19 issued by her in the prescribed form MR-3 is attached as Annexure III to this Report.

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

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

1. Publication of results audited and unaudited in newspaper:

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

2. Demat of promoters shareholding:

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

35. Reporting of Fraud

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Companies Act, 2013 details of which needs to be mentioned in this Report.

36. Transaction with related Parties:

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

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

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

37. Extract of Annual Return:

As provided under section 92(3) of companies Act, 2013 the extract of annual return is given in **Annexure IV** in the prescribed Form MGT-9, which forms part of this report. The weblink for the Annual Return placed on the Company's website is <http://www.hytonetextiles.com.aspx>.

38. Particulars of employee:

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

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

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

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

Name	Designation	% increase
Mr. Amrut T. Shah	Chairman & Managing Director	0.19
Mr. Vijay Sagvekar	Chief Financial Officer	7.69
Ms. Riddhi Thakkar*	Company Secretary	-

- C. The Percentage increase in the median remuneration of the employee: 1.39%
- D. Total number of permanent employees : 9
- E. Average percentile increase made in the salaries of employees other than key managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration:

Average increase in made in the salaries of employees other than the key managerial personnel during the year is 16.72%

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

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

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

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

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019 is given below:

(A) Conservation of Energy:

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

(B) Technology Absorption:

- (i) the efforts made towards technology absorption – NIL
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution – NIL
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not applicable
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development – NIL

(C) Foreign Exchange Earnings And Outgo:

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

40. Particulars of Loans, Guarantees, or Investments:

There were no loans, guarantees given by the company under section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable. The details of investment made are enumerated in the Notes to Accounts.

41. Deposits from public:

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

42. Prevention of Sexual Harassment of women at workplace

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and rules made there under, your Company has adopted a Sexual Harassment Policy for women to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment. The Board of Directors of the Company state that the Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

43. Green Initiative

Electronic copy of the Annual Report 2018-19 and the Notice of the 30th Annual General Meeting are sent to all members whose email addresses are registered with the Company / depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

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

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

44. General:

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

1. Issue of shares including sweat equity shares and ESOS to employees of the Company under any scheme including ESOS.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Reporting requirements under Rules 5,6 and 8(1) of the Companies (Accounts) Rules, 2014, since the Company did not have any subsidiary during the year.
4. The Company does not have any Employees' Stock Option Scheme.
5. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
6. No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.
7. There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

45. Acknowledgement:

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

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

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

For and on behalf of the Board

Amrut T. Shah
Chairman & Managing Director
DIN: 00259420

Place: Navi Mumbai
Date: May 30, 2019

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

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

SCOPE AND PURPOSE:

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

TERMS AND REFERENCES:

In this Policy, the following terms shall have the following meanings:

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

ACCOUNTABILITIES:

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

ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE ("NRC"):

The NRC is responsible for:

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

POLICY:**6.1 Qualifications and Criteria**

1. The Policy is aimed to engage directors (including non-executive directors and independent non-executive directors) who are highly skilled, competent and experienced persons within one or more fields of business, finance, accounting

law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the business of the Company and who shall be able to positively carry out their supervisory role over the policies of the management of the Company and the general affairs of the Company.

2. The NRC and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with experience that are relevant for the Company's operations.
3. In evaluating the suitability of individual Board members, the NRC shall take into account many factors, including the following:
 - a) General understanding of the Company's business dynamics, business and social perspective,
 - b) Educational and professional background;
 - c) Personal achievements;
 - d) Personal and professional ethics, integrity and values;
 - e) Every director should ensure that he can give sufficient time and attention to the Company's affairs and attend the Board meetings and other committee meetings in which he is a member regularly..
4. The proposed appointee shall also fulfill the following requirements:
 - a) Shall possess a Director Identification Number;
 - b) Shall not be disqualified under the Companies Act, 2013;
 - c) Shall give his written consent to act as a Director;
 - d) Shall endeavor to attend all Board meetings and wherever he is appointed as a Committee Member, the Committee meetings;
 - e) Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
 - f) Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - g) Shall abide by the provisions of Section 166 of the Companies Act, 2013 which lays down the duties of directors as under:
 - i. Subject to the provisions of Companies Act, 2013, a director of a company shall act in accordance with the articles of the company.
 - ii. A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
 - iii. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
 - iv. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
 - v. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
 - vi. A director of a company shall not assign his office and any assignment so made shall be void.
 - h) Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.
5. The NRC shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

6.2 Positive Attributes:

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

6.3 Criteria of Independence:

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

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

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

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

- f. shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age.
- i. The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

6.4 Other Directorships / Committee Memberships:

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

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

For and on behalf of the Board

Amrut T. Shah
Chairman & Managing Director
DIN: 00259420

Place: Navi Mumbai
Date: May 30, 2019

Annexure II to Board's Report:**Remuneration Policy for directors, key managerial personnel, senior management and other employees****1. Statement of Purpose:**

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

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

2. Scope of policy:

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

2.1 The expression "key managerial personnel" means:

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

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

3. Remuneration Philosophy:

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

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

4. Remuneration guidelines:

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

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

For and on behalf of the Board

Amrut T. Shah
Chairman & Managing Director
DIN: 00259420

Place: Navi Mumbai
Date: May 30, 2019

Annexure III to Board's Report:

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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 Industrial 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, 2019 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, 2019 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.

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

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

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

Remarks:

I report that

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

For **Teena Dedhia & Associates**
Company Secretaries

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

Place: Mumbai
Date: May 30, 2019

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

'ANNEXURE A'

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

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

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

For **Teena Dedhia & Associates**
Company Secretaries

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

Place: Mumbai
Date: May 30, 2019

Annexure IV to Boards Report

Form MGT-9

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

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2019

I. REGISTRATION AND OTHER DETAILS:

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

II. PRICIPAL BUSINESS ACTIVITES OF THE COMPANY:

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

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the company
1.	Renting and Leasing of Property	6810*	96.39

*As per NIC Code 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

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

i. Category wise shareholding:

Category of Shareholders	No. of shares held at the beginning of the year i.e. 01/04/2018				No. of shares held at the end of the year i.e. 31/03/2019				% Change during the year
	Demat	Physical	Total	% of total	Demat	Physical	Total	% of total	
A. Promoter									
1. Indian									
a) Individual/HUF	799234	63200	862434	16.27	819734	43500	863234	16.29	0.02
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	32.05	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1)	2497734	63200	2560934	48.32	2518234	43500	2561734	48.33	0.02
2. Foreign									0
g) NRIs-Individual	0	0	0	0	0	0	0	0	0
h) Other Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corporate(s)	0	0	0	0	0	0	0	0	0
j) Baanks/FI	0	0	0	0	0	0	0	0	0
k) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
Total of (A) [A1+A2]	2497734	63200	2560934	48.32	2518234	43500	2561734	48.33	0.02
B. Public Shareholding									
1. Institution									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	200	0	200	0.004	200	0	200	0.004	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	200	0	200	0.004	200	0	200	0.004	0
2. Non-Institution									
a) Bodies Corporates									
i. Indian	862968	109000	971968	18.33	900168	74700	974868	18.39	0.055
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	553502	953458	1506960	28.43	565167	938358	1503525	28.37	-0.0648
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	69600	0	69600	1.31	69600	0	69600	1.31	0
iii. Clearing member	450	0	450	0.008	350	0	350	0.006	-0.0019
iv. Non- Resident Indian (REPAT)	9797	97400	107197	2.02	9797	97000	106797	2.02	-0.008

Category of Shareholders	No. of shares held at the beginning of the year i.e. 01/04/2018				No. of shares held at the end of the year i.e. 31/03/2019				% Change during the year
	Demat	Physical	Total	% of total	Demat	Physical	Total	% of total	
v. Non-Resident Indian (NON REPAT)	3965	0	3965	0.07	4200	0	4200	0.08	0.004
HUF	78726	0	78726	1.48	78726	0	78726	1.48	0
Sub-Total (B)(2)	1579008	1159858	2738866	51.68	1628008	1110058	2738066	51.66	-0.015
Total Public Shareholding (B)=(B)(1)+(B)(2)	1579208	1159858	2739066	51.68	1628208	1110058	2738266	51.66	-0.015
C. Shares held by Custodian for ADRs & GDRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	4076942	1223058	5300000	100.00	4146442	1153558	5300000	100.00	0

ii. Shareholding of Promoters:

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

Sr. No.	Shareholders Name	Shareholding at the Beginning of the year i.e.01/04/2018			Shareholding at the end of the year i.e.31/03/2019			% change in share holding during the year
		No. of Shares	% of total share of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total share of the company	% of shares pledged/	
1.	Anant Synthetics Private Limited	1508500	28.46	0	1508500	28.46	0	0
2.	Hytone Holdings Private Limited	190000	3.58	0	190000	3.58	0	0
3.	Satish Khimji Gala	178025	3.36	0	178025	3.36	0	0
4.	Praful Keshavji Shah	106325	2.01	0	106325	2.01	0	0
5.	Amrut Tilak Shah	154125	2.91	0	154125	2.91	0	
6.	Kaushik Morarji Chheda	144425	2.73	0	146125	2.76	0	0.03
7.	Ranjan Satish Gala	52300	0.99	0	52300	0.99	0	0
8.	Kalpna Praful Shah	42934	0.81	0	42934	0.81	0	0
9.	Morarji N. Chheda	49500	0.93	0	49500	0.93	0	0
10.	Keshavji Tejpar Shah	34400	0.65	0	34400	0.65	0	0
11.	Ketan Keshavji Shah	23600	0.45	0	23600	0.45	0	0
12.	Sakarben Keshavji Shah	18100	0.34	0	18100	0.34	0	0
13.	Indira Amrut Shah	28100	0.53	0	28100	0.53	0	0
14.	Neena Umesh Gala	10200	0.19	0	10200	0.19	0	0
15.	Heena Pankaj Shah	7700	0.15	0	7700	0.15	0	0
16.	Bhanuben M. Chheda	7300	0.14	0	7300	0.14	0	0
17.	Manish Chheda	2200	0.04	0	2200	0.04	0	0
18.	Rita Chheda	1700	0.03	0	0	0	0	-0.03
19.	U. K. Gala	500	0.01	0	500	0.01	0	0
20.	Geeta L. Shah	200	0.003	0	0	0	0	-0.0038
21.	Hemant T. Shah	200	0.003	0	0	0	0	-0.0038
22.	Laxmichand T. Shah	200	0.003	0	0	0	0	-0.0038
23.	Nayna H. Shah	200	0.003	0	0	0	0	-0.0038
24.	Tilak B. Shah	200	0.003	0	0	0	0	-0.0038
25.	Suraj Shah	0	0	0	1800	0	0.03	0.03
		2560934	48.32	0	2561734	48.33	0	0.015

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

Sr. No.	Particulars	Shareholding at the beginning of the year 01/04/2018		Transactions during the year		Cumulative shareholding during at the end of the year 31/03/2019	
		No. of Shares	% of total shares of the company	Date of transaction	No. of shares	No. of Shares	% of total shares of the company
Rita Chheda							
1	At the Beginning of the year	1700	0.03				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 25.01.2019	(1700)		
3	At end of the year					0	0
Kaushik Morarji Chheda							
1	At the Beginning of the year	144425	2.72				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 01.02.2019	1700		
3	At end of the year					146125	2.76
Geeta Shah							
1	At the Beginning of the year	200	0.003				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 08.03.2019	(200)		
3	At end of the year					0	0
Nayna Shah							
1	At the Beginning of the year	200	0.003				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 08.03.2019	(200)		
3	At end of the year					0	0
Tilak Shah							
1	At the Beginning of the year	200	0.003				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 08.03.2019	(200)		
3	At end of the year					0	0
Hemant Shah							
1	At the Beginning of the year	200	0.003				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 08.03.2019	(200)		
3	At end of the year					0	0
Laxmichand Shah							
1	At the Beginning of the year	200	0.003				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 08.03.2019	(200)		
3	At end of the year					0	0
Suraj Shah							
1	At the Beginning of the year	0	0				
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)			Transfer 08.03.2019	1800		
3	At end of the year					1800	0.03

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 – 2018		Transactions during the year		Cumulative Shareholding at the end of the year – 2019	
		No. of Shares Held	% of Total Shares Of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	Efficient Securities Private Limited	431890	8.1489				
	At the end of the year					431890	8.1489
2	Anmol Textile Industries Private Limited	404942	7.64				
				Add: Transfer 13.04.2018 11.05.2018	3900 20,000		
	At the end of the year					428842	8.0914
3	Narendra Ravilal Shah HUF	61000	1.1509				
	At the end of the year					61000	1.1509
4	Monghiben Ramniklal Shah	53000	1.0000				
	At the end of the year					53000	1.0000
5	Patheja Brothers Forgings & Stampings Limited	37400	0.71				
	At the end of the year					37400	0.71
6	Sahjun Impex Trading Private Limited	32700	0.6170				
	At the end of the year					32700	0.6170
7	Patheja Forgings & Auto Parts Mfgs Ltd.	26900	0.51				
	At the end of the year					26900	0.51
8	Mukesh Agarwal	16600	0.31				
	At the end of the year					16600	0.31
9	Kanti Shah	10000	0.19				
	At the end of the year					10000	0.19
10	Mulchand VasANJI Shah	10000	0.19				
	At the end of the year					10000	0.19

v. Shareholding of Directors & Key Managerial Personnel

Sr. no.	Name of the Director & Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Directors				
1	Mr. Amrut T. Shah	1,54,125	2.91	1,54,125	2.91
2	Mrs. Ranjan Gala	52,300	0.99	52,300	0.99
	Key Managerial Personnel				
1	Mr. Vijay Sagvekar - CFO	0	0	0	0
2	Ms. Riddhi Thakkar - CS	0	0	0	0

V. INDEBTEDNESS:

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

	Secured loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	6,49,327	3,60,59,152	0	3,67,08,479
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
Total (i+ ii + iii)	6,49,327	3,60,59,152	0	3,67,08,479
Change in Indebtedness during the financial year				
i. Addition	0	32,18,919	0	32,18,919
ii. Deduction	3,69,063	0	0	(3,69,063)
Net Change	3,69,063	32,18,919	0	28,49,856
Indebtedness at the end of the financial year				
i. Principal Amount	2,80,264	3,92,78,071	0	3,95,58,335
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
Total (i+ ii + iii)	2,80,264	3,92,78,071	0	3,95,58,335

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole –time directors and/or manager**

Sr. no.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Amrut T. Shah Chairman & Managing Director		
1	Gross Salary			
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	13,02,500	0	13,02,500
	b. Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0
	c. Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission-as % of profit	0	0	0
5	Others Allowance	0	0	0
	Total (A)	13,02,500	0	13,02,500
	Ceiling as per the Act (10% of profits calculated under Section 198 of the Companies Act, 2013)			

B. Remuneration to other director:

Sl. No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Ranjan Gala	Hardik Gala	Hemang Shah	
	Executive Director	2,75,000	-	-	2,75,000
	Independent Directors · Fee for attending board committee meetings· Commission· Others, please specify	-	15,000	15,000	30,000
	Total (1)	-	-	-	-
	Other Non-Executive Directors · Fee for attending board committee meetings· Commission· Others, please specify - Remuneration	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	2,75,000	15,000	15,000	3,05,000
	Overall Ceiling as per the Act	-	-	-	-

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel	
		Vijay Sagvekar	Riddhi Thakkar
1	Gross Salary		
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	4,86,000	3,60,000
	b. Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0
	c. Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission-as % of profit	0	0
5	Others Allowance	0	0
	Total (B)	4,86,000	3,60,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE:

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

For and on behalf of the Board

Amrut T. Shah
Chairman & Managing Director
DIN: 00259420

Place: Navi Mumbai
Date: May 30, 2019

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS:

a. Composition of the Board:

As on March 31, 2019, the Board of the Company consisted of 4 Directors, of whom 2 were executives and 2 were non-executive independent (including 1 woman director). Accordingly, the composition of the Board is in conformity with Regulation 17 of the Listing Regulations.

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

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

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

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

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

Transactions with related parties are disclosed in Note No. 36 of 'Notes forming part of the financial statements' for the year ended March 31, 2019. There has been no material pecuniary transaction or relationship between the Company and its Non-executive and/or independent Directors during the year 2018-19.

The composition of the Board as on March 31, 2019 and details of Board and Annual General Meetings held, the attendance of the Directors, Committee Chairmanship / Directorship etc is as follows:

Name of the Director	Category	No. of Board meetings held/ attended	Attendance at the last AGM	No of Directorships in other Public Limited Companies	No of Committee positions held in other Public Limited Companies
Mr. Amrut T. Shah	Chairman and Managing Director	4/4	Yes	-	-
Mrs. Ranjan Gala	Executive Director	4/4	Yes	-	-
Mr. Hardik Gala	Independent Non-Executive	4/4	Yes	-	-
Mr. Hemang Shah	Independent Non-Executive	4/4	Yes	-	-

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

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

b. Board Meetings:

The Board of Directors met 4 times during the financial year ended on March 31, 2019 on the following dates:

Date of the Board Meeting	May 30, 2018	September 6, 2018	November 14, 2018	February 14, 2019
Board Strength	4	4	4	4
No of Directors present	4	4	4	4

c. Board Meeting Procedures

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

The information supplied by the Management to the Board of the Company is in compliance with regulation 17(7) read with Part A of Schedule II to the SEBI Listing Regulations, 2015. The independent directors of the Company at their meeting held on March 25, 2019 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

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

In terms of Section 152 read with Section 149(13) of the Companies Act, 2013 Mrs. Ranjan S Gala is liable to retire by rotation. The said Director has offered herself for re-appointment and resolution for her reappointment is incorporated in the Notice of the ensuing Annual General Meeting.

The brief profile and other information as required under Regulation 36(3) of SEBI Listing Regulations, 2015 relating to Directors being appointed / reappointed, forms part of the Notice of ensuing Annual General Meeting.

e. Separate Meeting of Independent Directors

As per stipulations in Section VII of the Code for Independent Director in Schedule IV of the Act and Regulation 25 of the SEBI Listing Regulation, 2015, a separate meeting of the Company's Independent Directors was held on March 25, 2019 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board. The independent Directors present elected Mr. Hemang Shah as Chairman of the Meeting. Mr. Hemang Shah presented the views of the Independent Directors on matter relating to Board processes and overall affairs of the Company to the full Board. All the Independent Directors attended the meeting.

f. Familiarization Programme for Independent Directors

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

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

3. COMMITTEES OF THE BOARD:

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

A) AUDIT COMMITTEE:

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

The Composition of the Audit Committee is as under:

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

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

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

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

The Chairman of the Audit Committee was present at the 29th Annual General Meeting of the Company held on September 29, 2018. The Minutes of the Audit Committee Meetings were noted at the Board Meetings.

Dates of Audit Committee Meetings:

During the financial year four meetings were held on May 30, 2018; September 6, 2018, November 14, 2018, February 14, 2019. The gap between two Audit Committee meetings did not exceed four months i.e. on:

Attendance in Audit Committee Meetings:

Name of the Director	No of Meetings Held	No. of Meeting Attended
Mr. Amrut T. Shah	4	4
Mr. Hardik Gala	4	4
Mr. Hemang Shah	4	4

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

B) STAKEHOLDER'S RELATIONSHIP COMMITTEE:

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

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

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

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

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

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

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

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

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

C) NOMINATION AND REMUNERATION COMMITTEE:

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

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

This committee comprises of the following:

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

The Committee met once during the year on May 30, 2018.

Nomination and Remuneration Policy

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

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

4. GENERAL BODY MEETINGS:

Details of Annual General Meeting held during last three years:

Year	Venue	Date	Time
2015-2016	Plot No. 70 TTC (MIDC), Indl. Area, Mahape Village, Navi Mumbai - 400 709	29 th September, 2016	10.00 a.m.
2016-2017		30 th September, 2017	10.00 a.m.
2017-2018		29 th September, 2018	10.00 a.m.

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

Date of AGM	Summary of Special Resolution passed
29 th September, 2016	-
30 th September, 2017	Alteration of the Articles of Association of the Company Appointment of Mr. Hardik Gala as an Independent Director Appointment of Mr. Hemang Shah as an Independent Director Re-appointment of Mr. Amrut T Shah as a Managing Director
29 th September, 2018	To sell full or part of land or consider redevelopment of joint development of the property

5. MD/CEO/CFO CERTIFICATION

As required under Regulation 17(8) of SEBI Listing Regulations, 2015, the CEO and CFO certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended was placed before Board of Directors at its Meeting held on May 30, 2019.

6. COMPLIANCE OFFICER

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

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

Details of remuneration of directors during the financial year ended on March 31, 2019 are given below:

Name of Director	Sitting Fees	Salary/ Allowance	Total
Mr. Amrut T. Shah	NIL	13,02,500/-	13,02,500/-
Mrs. Ranjan Gala	NIL	2,75,000/-	2,75,000/-

B) Related Party Transaction

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

Particulars of transactions between the Company and related parties as per Accounting Standard (AS) 18 – 'Related Party Disclosures' notified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Audit and Accounts) Rules, 2014 are given under Note No. 36 of the annual accounts for the financial year 2018-19. None of the transactions with any of the related party are in conflict with the interest of the Company.

C) Cases of Non Compliance/Penalties

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

D) VIGIL Mechanism

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

E) Disclosure of Accounting Treatments

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

F) Subsidiary Company

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

G) Risk Management

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

H) Code of Business Conduct & Ethics

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

I) Preventing Conflict of Interests

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

J) Insider Trading Code

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

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

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

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

K) Reconciliation of Share Capital Audit

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

8. MEANS OF COMMUNICATION:

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

GENERAL SHAREHOLDER INFORMATION:

- a. **AGM Day, Date, Time & Venue:** Monday, September 30, 2019 at 10.00 a.m. at Plot No. 70 TTC MIDC Area, Mahape, Navi Mumbai - 400709.
- b. **Financial year:** April 1, 2018 to March 31, 2019
- c. **Tentative Financial Calendar of the Company: (2019-20)**

Financial reporting for the First Quarter ending June 30, 2019.	July 2019
Financial reporting for the Second Quarter ending September 30, 2019.	October 2019
Financial reporting for the Third Quarter ending December 30, 2019	January 2020
Financial reporting for the Fourth Quarter ending March 31, 2020	April/May 2020

- d. Listing of Stock Exchange : BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001
- e. Stock Exchange Code : 514258
- f. Payment of Annual Listing Fees : Paid up to Date
- g. Stock Market Data for the financial year ended on 31/03/2019 :

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.

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

j. Distribution of Shareholdings as on March 31, 2019

Range of shareholders		Shareholders Number	% of Total	Share Amount	% of Total
1	500	7340	95.0900	1,08,25,660	20.4258
501	1000	226	2.9278	18,63,460	3.5160
1001	2000	72	0.9328	10,71,760	2.0222
2001	3000	13	0.1684	3,34,440	0.6310
3001	4000	13	0.1684	4,63,780	0.8751
4001	5000	11	0.1425	5,26,210	0.9928
5001	10000	21	0.2721	16,46,030	3.1057
10001	5300000	23	0.2980	3,62,68,660	68.4314
TOTAL		7719	100.00	5,30,00,000	100.00

k. Shareholding Pattern as on March 31, 2019

Category	No. Of Equity Shares	% of Equity Shares
Clearing Member	350	0.0066
Other Bodies Corporate	974868	18.3937
Other Bodies (Promoter Co.)	1698500	32.0472
Hindu Undivided Family	78726	1.4854
Nationalised Bank	200	0.0038
Non Resident Indians	106797	2.0150
Non Resident (Non Repatriable)	4200	0.0792
Public	1573125	29.6816
Promoters	210425	3.9703
Relative of Directors	652809	12.3172
TOTAL	53,00,000	100%

- l. Registered Office:** Plot No. 70 TTC MIDC Area, Mahape, Navi Mumbai - 400 709.
- m. Works :** Plot no.77 TTC MIDC Area, Khairne Village, Navi Mumbai - 400 709.
- n. Dematerialisation of Shares:** 41,46,442 shares were dematerialized till March 31, 2019 which is 78.23% of the total paid up Equity Share Capital of the Company.
- o. Compliance:** Certificate from the Company's Auditors, M/s. UKG & Associates, confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

For and on behalf of the Board

Place : Navi Mumbai
Date : May 30, 2019

Amrut T.Shah
Chairman and Managing Director
DIN: 00249520

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Hytone Textyles Limited,

1. We have reviewed the implementation of conditions of Corporate Governance by Hytone Textyles Limited (“the Company”) for the year ended March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to our view of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulation during the year ended on March 31, 2018 subject to the following:
 - **The Company has not published its results in any of the press/news releases or any other way.**
5. We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai
Date : May 30, 2019

For U K Gala
Chartered Accountants
Membership No.: 101769

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

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

I confirm that the Company has in respect of the year ended March 31, 2019 received from the Senior Management Team of the Company and the Members of the Board a Declaration of Compliance with the Code of Conduct as applicable to them.

For and on behalf of the Board

Place : Navi Mumbai
Date : May 30, 2019

Amrut T.Shah
Chairman and Managing Director
DIN: 00259420

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

**To,
The Board of Directors
Hytone Textyles Limited**

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

- a) We have reviewed financial statement and the cash flow statement for the financial year ended as on **March 31, 2019** and based on our knowledge and belief, we state that:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

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

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

For Hytone Textyles Limited

Place: Navi Mumbai
Date: May 30, 2019

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 Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Hytone Textstyles Limited** ('the Company'), which comprises the Balance Sheet as at 31st March 2019, the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 on the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit
<p>Contingent Liabilities The company is subject to legal, regulatory and tax cases</p> <p>The level of judgment required to establish the level of provisioning, increases the risk that provisions and contingent liabilities may not be appropriately provided against or adequately disclosed.</p> <p>Accordingly this matter is considered to be a key audit matter</p> <p>Management's disclosure with regards to contingent liabilities are presented in note 29 to the financial statements.</p>	<p>Our audit procedures included :</p> <ul style="list-style-type: none"> • We evaluated the design and tested the operating effectiveness of the relevant controls and assessed how the company monitors legal, tax and regulatory developments and their assessment of the potential impact on the company • We read the summary of the litigation matters provided by the company's legal / tax counsel team and discussed each of the material cases noted in the report to determine the company's assessment of the likelihood and magnitude of any liability that may arise. • We read, where applicable, external legal or regulatory advise sought by the company and reviewed related correspondence and minutes of executive meetings • In light of above, we reviewed the level of provisions record and assessed the adequacy contingent liability disclosures in the financial statements

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

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

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

Management's Responsibility for the Financial Statements

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. 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, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the order.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed 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 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations (if any) as at 31st March, 2019 on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.

For **UKG & Associates**
Chartered Accountants
Firm Regn No : 123393W

Champak K. Dedhia
Partner
Membership No: 101769

Place: Mumbai
Date: 30th May, 2019

Annexure - A to the Independent 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 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by management during the current year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not material
- (iii) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and section 186 of the Act, with respect to loans granted, guarantee or security given, investments made, wherever applicable.
- (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) As informed to us, the Central Government has not prescribed maintenance of cost records under sub section (1) of Section 148 of the Act, for any of the activities carried on by the Company
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues as and wherever applicable to the Company, with appropriate authorities and no dues remain outstanding for a period of more than six months from the date they became payable except the following:-

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

- (b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute except the following:-

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

- (viii) The Company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no material 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 give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our 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 Indian Accounting Standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our 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. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **UKG & Associates**
Chartered Accountants
Firm Regn No : 123393W

Champak K. Dedhia
Partner
Membership No: 101769

Place: Mumbai
Date: 30th May, 2019

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")****Opinion**

We have audited the internal financial controls over financial reporting of Hytone Textyles Limited ("the Company") as of 31st March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, 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.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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.

For **UKG & Associates**
Chartered Accountants
Firm Regn No : 123393W

Place: Mumbai
Date: 30th May, 2019

Champak K. Dedhia
Partner
Membership No: 101769

STANDALONE BALANCE SHEET

(Amount in ₹)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	3	4,21,90,829	4,46,36,698
Financial Assets			
Investments	4	2,37,00,000	2,02,00,000
Loans		-	-
Others	5	39,21,209	39,11,950
Non - Current Tax Assets	6	55,87,725	34,05,082
Total Non - Current Assets		7,53,99,763	7,21,53,729
Current Assets			
Financial Assets			
Investments	7	2,23,08,844	92,89,811
Trade Receivables	8	6,000	82,23,334
Cash & Cash Equivalents	9	14,42,665	26,89,655
Bank Balance Other than above	10	52,01,024	-
Loans	11	78,97,249	70,43,759
Other Financial Assets	12	4,61,718	4,52,826
Other Current Assets	13	2,27,710	4,69,184
Total Current Assets		3,75,45,210	2,81,68,569
TOTAL ASSETS		11,29,44,973	10,03,22,299
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	5,30,00,000	5,30,00,000
Other Equity	14	(2,17,78,627)	(2,97,30,218)
Total Equity		3,12,21,373	2,32,69,782
Liabilities			
Non - Current Liabilities			
Financial Liabilities			
Borrowings	15	3,95,58,335	3,67,08,479
Other Financial Liabilities	16	2,05,66,253	1,87,48,599
Provisions	17	2,37,535	2,21,559
Total Non - Current Liabilities		6,03,62,123	5,56,78,637
Current Liabilities			
Financial Liabilities			
Trade Payables	18	1,66,17,789	1,62,03,265
Other Financial Liabilities	19	3,69,063	3,37,152
Other Current Liabilities	20	3,97,196	5,65,599
Provisions	21	39,77,429	42,67,863
Total Current Liabilities		2,13,61,477	2,13,73,879
Total Liabilities		8,17,23,600	7,70,52,516
TOTAL EQUITY AND LIABILITIES		11,29,44,972	10,03,22,298

CORPORATE INFORMATION

1

SIGNIFICANT ACCOUNTING POLICIES

2

NOTES ON ACCOUNTS

3-40

As per our report attached of even date

For and on behalf of the Board of Directors

For UKG & Associates
Chartered Accountants
(Firm Reg. No. 123393W)

Director
Ranjan Gala
DIN - 01015712

Chairman and Managing Director
Amrut T. Shah
DIN - 00259420

Champak K Dedhia
Partner
Membership No. 101769

Company Secretary
Riddhi Thakkar

Chief Financial Officer
Vijay Sagvekar

Mumbai, 30th May, 2019

Mumbai, 30th May, 2019

STANDALONE STATEMENT OF PROFIT AND LOSS

(Amount in ₹)

Particulars	Note. No.	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from Operations	22	2,82,43,958	4,07,06,856
Other Income	23	27,78,696	15,59,923
Total Income		3,10,22,654	4,22,66,779
Expenses			
Purchase of Stock In Trade	24	9,80,368	1,57,03,435
Employee Benefit Expenses	25	75,24,216	74,42,191
Finance Cost	26	47,86,407	47,83,453
Depreciation and Amortization	3	26,62,909	26,60,436
Other Expenses	27	79,23,751	1,23,03,995
Total Expenses		2,38,77,651	4,28,93,511
Profit Before Tax and Exceptional Item		71,45,003	(6,26,731)
Exceptional Item		-	-
Profit Before Tax		71,45,003	(6,26,731)
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
MAT Credit (Entitlement) / Utilization		-	-
(Excess) / Short Provision of Earlier Years		-	-
Profit After Tax		71,45,003	(6,26,731)
Other Comprehensive Income			
- Items not to be classified to profit or loss (net of tax)		8,06,588	7,98,617
Total Other Comprehensive Income for the year		8,06,588	7,98,617
Total Comprehensive Income for the year		79,51,591	1,71,886
Earnings Per Share - Basic & Diluted (₹)		1.35	(0.12)

CORPORATE INFORMATION	1
SIGNIFICANT ACCOUNTING POLICIES	2
NOTES ON ACCOUNTS	3-40

As per our report attached of even date For and on behalf of the Board of Directors

For UKG & Associates
Chartered Accountants
(Firm Reg. No. 123393W)

Director
Ranjan Gala
DIN - 01015712

Chairman and Managing Director
Amrut T. Shah
DIN - 00259420

Champak K Dedhia
Partner
Membership No. 101769

Company Secretary
Riddhi Thakkar

Chief Financial Officer
Vijay Sagvekar

Mumbai, 30th May, 2019

Mumbai, 30th May, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital

(Amount in ₹)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting period	53,00,000	5,30,00,000	53,00,000	5,30,00,000
Add: Changes in Equity Capital during the year	-	-	-	-
Balance at the end of the reporting period	53,00,000	5,30,00,000	53,00,000	5,30,00,000

B. Other Equity

Particulars	General Reserve	Securities Premium	Revaluation Reserve	Retained Earnings	Total
Balance as on April 01, 2017	12,73,24,576	1,29,00,600	2,19,72,117	(19,20,99,397)	(2,99,02,104)
Profit for the period	-	-	-	(6,26,731)	(6,26,731)
Other Comprehensive Income					
- Remeasurement gains / (loss) on defined benefit plans	-	-	-	7,98,617	7,98,617
As at March 31, 2018	12,73,24,576	1,29,00,600	2,19,72,117	(19,19,27,511)	(2,97,30,218)
Profit for the period	-	-	-	71,45,003	71,45,003
Other Comprehensive Income					
- Remeasurement gains / (loss) on defined benefit plans	-	-	-	8,06,588	8,06,588
As at March 31, 2019	12,73,24,576	1,29,00,600	2,19,72,117	(18,39,75,920)	(2,17,78,627)

Nature and Purpose of the Reserves

General Reserve

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

Securities Premium

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

STATEMENT OF CASH FLOW

(Amount in ₹)

Particulars		For the year ended March 31, 2019		For the year ended March 31, 2018	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit / (Loss) Before Tax		79,51,591		(6,26,731)
	Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:				
	Depreciation & Amortization	26,62,909		26,60,436	
	Finance Cost	47,86,407		47,83,453	
	Interest Income	(17,59,662)	56,89,654	(15,59,923)	58,83,965
	Operating Profit Before Changes in Working Capital		1,36,41,245		52,57,234
	Adjustment for Changes in Working Capital				
	(Increase) / Decrease in Trade Receivables / Financial Asset	75,96,426		(52,74,249)	
	Increase / (Decrease) in Trade Payables / Financial Liabilities	3,574	76,00,000	39,45,178	(13,29,071)
	(Increase) / Decrease in Trade Receivables	82,17,334		(37,22,546)	
	(Increase) / Decrease in Other Current Financial Assets	(8,892)		(1,07,511)	
	(Increase) / Decrease in Other Current Assets	2,41,474		(2,56,218)	
	(Increase) / Decrease in Loans	(8,53,490)		(11,87,974)	
	Increase / (Decrease) in Trade Payables	4,14,524		27,47,002	
	Increase / (Decrease) in Other Financial Liabilities	31,911		16,941	
	Increase / (Decrease) in Other Current Liabilities	(1,68,403)		5,17,253	
	Increase / (Decrease) in Other Non Current Liabilities	-		-	
	Increase / (Decrease) in Provisions	(2,74,458)		6,63,982	
	Cash Generated from Operations		2,12,41,245		39,28,163
	Less: Taxes Paid (Net of refund received)		21,82,643		9,58,234
	NET CASH FLOW FROM OPERATING ACTIVITY (A)		1,90,58,602		29,69,929
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Property, Plant & Equipment & Intangible Assets	(2,17,041)		(11,66,647)	
	Sale of Property, Plant & Equipment & Intangible Assets	-		1,95,092	
	Non-Current Investments made during the year	(35,00,000)		(75,00,000)	
	Investment in Fixed Deposit	(52,01,024)			
	Purchase of Mutual Funds	(1,30,19,033)		(35,00,000)	

(Amount in ₹)

Particulars		For the year ended March 31, 2019		For the year ended March 31, 2018	
	Redemption of Mutual Funds	-		55,00,000	
	Interest Received	17,59,662		15,59,923	
	NET CASH FLOW FROM INVESTING ACTIVITY (B)		(2,01,77,436)		(49,11,632)
C	CASH FLOW FROM FINANCING ACTIVITY				
	Repayment of Long Term Borrowings	28,49,856		26,17,970	
	(Decrease) / Increase in Other Financial Liabilities	18,17,654		27,43,295	
	Increase / (Decrease) in Other Financial Assets	(9,259)		3,09,472	
	Finance Cost	(47,86,407)		(47,83,453)	
	NET CASH FLOW FROM FINANCING ACTIVITY (C)		(1,28,156)		8,87,284
	NET CASH FLOW FOR THE YEAR (A + B + C)		(12,46,990)		(10,54,419)
	Add: Opening Balance of Cash & Cash Equivalents		26,89,655		37,44,074
	CLOSING BALANCE OF CASH & CASH EQUIVALENTS		14,42,665		26,89,655
	RECONCILIATION OF CASH AND CASH EQUIVALENT				
	TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET				
	CASH AND CASH EQUIVALENT COMPRISES AS UNDER:				
	Balance with banks in current accounts		11,78,995		24,55,513
	Cash on Hand		2,63,670		2,34,143
	CASH AND CASH EQUIVALENT AT THE END OF THE YEAR		14,42,665		26,89,655

Note:

i. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow Statement

As per our report attached of even date**For and on behalf of the Board of Directors**

For UKG & Associates
Chartered Accountants
(Firm Reg. No. 123393W)

Director
Ranjan Gala
DIN - 01015712

Chairman and Managing Director
Amrut T. Shah
DIN - 00259420

Champak K Dedhia
Partner
Membership No. 101769

Company Secretary
Riddhi Thakkar

Chief Financial Officer
Vijay Sagvekar

Mumbai, 30th May, 2019**Mumbai, 30th May, 2019**

1 CORPORATE INFORMATION

Hytone Textyles Limited (the Company) is a public Limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. Its Equity shares are listed on Bombay Stock Exchange Limited. Its registered office is situated at Plot No. 70 TTC, MIDC Industrial Area, Mahape, Navi Mumbai - 400710, India. The Company is engaged in engaged in the business as manufacturers, processors, and traders in all types of textiles, garments, made ups and all other allied products and the business of providing logistics and other related support services.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS FOR PREPARATION OF ACCOUNTS

a) Statement of Compliance with Ind AS

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

b) Application of New Accounting Pronouncements

"The company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The effect is described below:

- i. The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018 and it is detailed in note 2.3
- ii. The Company has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at 1st April 2018 on the contracts that are not completed contract as at that date. There was no impact of above on the opening balance sheet as at 1st April 2018 and on the Statement of Profit and Loss for the year ended 31st March, 2019."

c) Current versus Non-Current classification

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

d) Historical Cost Convention

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

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

2.2 USE OF ESTIMATES

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

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

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

2.3 REVENUE RECOGNITION

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

a) Sale of Goods

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

b) Rendering of services

Revenue of services are recognized when the services are rendered.

c) Dividend

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

d) Interest Income

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

2.4 FOREIGN CURRENCY TRANSACTIONS

a) Functional and Presentation Currency

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

b) Initial Recognition

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

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

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

2.5 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

a) Property, plant and equipment (PPE)

i) Recognition and measurement

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

ii) Subsequent expenditure

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

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

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

c) Intangible assets

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

2.6 IMPAIRMENT OF NON- FINANCIAL ASSETS

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

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

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

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

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

2.7 DEPRECIATION AND AMORTISATION

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

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

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

2.8 FINANCIAL INSTRUMENTS**I. Financial Assets****a) Classification of financial assets**

The Company classifies financial assets as subsequently measures at amortised cost, fair value through other

comprehensive income or fair value through profit & loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

i) Debt instrument at amortised cost:

“A ‘debt Instrument’ is measured at the amortised cost if both the following conditions are met:
- The asset is held within a business model whose objectives is to hold assets for collecting contractual cash flow and
- Contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.”

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

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

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

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

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity investments:

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

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

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

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

b) Initial recognition and measurement

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

Trade receivable are carried at original invoice price as the sales arrangements do not contain any significant financial component. Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

c) Derecognition of financial assets

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

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

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

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

d) Impairment of financial assets

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

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

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

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

II. Financial Liabilities and equity instrument

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

a) Equity instruments:

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

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

b) Financial liabilities :- Classification

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

c) Initial recognition and measurement:

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

d) Derecognition

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

III. Fair Value

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

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

IV. Accounting for day 1 differences

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

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

In case difference represents :

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

2.9 INVENTORIES

Raw Materials, work-in-progress, finished goods, packing material and stock-in-trade are carried at lower of cost and net realizable value.

- Cost of Raw Material is determined on a First In First Out (FIFO) basis.
- Stores and Consumables are valued at cost or net realizable value whichever is lower.
- Work in Progress and Finished goods are valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads, depreciation and those overheads that have been incurred in bringing the inventories to their present location

2.10 BORROWING COSTS

Borrowing Costs that are interest and other costs that the company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

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

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

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

2.11 EMPLOYEE BENEFITS

a) Short term employee benefit obligations

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

b) Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined Benefit Plans

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

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

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

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

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

Defined Contribution Plans

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

2.12 ACCOUNTING FOR TAXES ON INCOME

a) Income Taxes

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

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

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

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

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

b) Deferred Taxes

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

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

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

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

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

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

“Deferred tax assets and liabilities are offset only if, the Company :

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

2.13 PROVISIONS AND CONTINGENT LIABILITIES

a) Provisions

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

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

b) Contingent Liability

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

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

2.14 LEASES

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

a) Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

b) Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

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

2.15 EARNING PER SHARE

a) Basic Earnings Per Share

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

b) Diluted Earnings Per Share

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

2.16 CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments net of bank overdrafts which are repayable on demand as these form an integral part of the Company's cash management.

2.17 DIVIDEND

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

2.18 ROUNDING OFF

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

2.19 EVENTS OCCURRING AFTER THE REPORTING DATE

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

2.20 EXCEPTIONAL ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income

or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.21 OPERATING CYCLE

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

2.22 SEGMENT REPORTING

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

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

2.23 STANDARDS ISSUED BUT NOT YET EFFECTIVE

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from 1st April, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

a) Ind AS 116, Leases:

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019.

The Company has elected to adopt Ind AS 116 retrospectively to each prior reporting period presented. This will result in change in the Balance Sheet, Statement of Profit and Loss and Cash flow statement. The Company intends to use low value exemptions and short term exemption in accordance with Ind AS 116. The Company is assessing the disclosure requirements of the amendment and the effect on its financial statements.

b) Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on 1st April 2019.

c) Amendment to Ind AS 12, Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

"The Company will apply these amendments for annual reporting periods beginning on or after 1st April 2019. The impact on the Financial Statements is being evaluated."

NOTE 3: PROPERTY, PLANT & EQUIPMENT

(Amount in ₹)

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At April 01, 2018	Additions / Transfers	Deductions	As At March 31, 2019	As At April 01, 2018	For The Year	On Deductions	As At March 31, 2019	As At March 31, 2018
(A) TANGIBLE ASSETS									
Land - Leashold	2,82,95,176	-	-	2,82,95,176	-	-	-	2,82,95,176	2,82,95,176
Factory Buildings	1,82,68,123	-	-	1,82,68,123	54,03,791	20,43,692	-	1,08,20,640	1,28,64,332
Plant & Machinery	1,80,357	34,547	-	2,14,904	1,10,165	60,235	-	44,504	70,192
Vehicles	44,12,700	-	-	44,12,700	10,05,703	5,40,732	-	28,66,265	34,06,997
Furniture & Fixture	-	1,82,494	-	1,82,494	18,250	18,250	-	1,64,244	-
Total	5,11,56,356	2,17,041	-	5,13,73,397	65,19,659	26,62,909	-	4,21,90,829	4,46,36,697
Previous Year's Total	5,01,84,801	11,66,647	1,95,092	5,11,56,356	38,59,223	26,60,436	-	4,46,36,698	4,63,25,578

NOTE 3: PROPERTY, PLANT & EQUIPMENT

DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTIZATION			NET BLOCK		
	As At April 01, 2017	Additions / Transfers	Deductions	As At March 31, 2018	As At April 01, 2017	For The Year	On Deductions	As At March 31, 2018	As At March 31, 2017
(A) TANGIBLE ASSETS									
Land - Leashold	2,82,95,176	-	-	2,82,95,176	-	-	-	2,82,95,176	2,82,95,176
Factory Buildings	1,82,68,123	-	-	1,82,68,123	33,60,099	20,43,692	-	1,28,64,332	1,49,08,024
Plant & Machinery	1,80,357	-	-	1,80,357	50,197	59,968	-	70,192	1,30,160
Furniture & Fixture	-	-	-	-	4,48,927	5,56,776	-	34,06,997	-
Vehicles	34,41,145	11,66,647	1,95,092	44,12,700	4,48,927	5,56,776	-	34,06,997	29,92,218
Furniture & Fixture	-	-	-	-	-	-	-	-	-
Total	5,01,84,801	11,66,647	1,95,092	5,11,56,356	38,59,223	26,60,436	-	4,46,36,698	4,63,25,578

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

(Amount in ₹)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares /Units	Amount	No. of Shares /Units	Amount
Investment in Equity Instruments (Unquoted At Fair Value)				
Capital with Anant Sab Realtors LLP	NA	2,37,00,000	NA	2,02,00,000
TOTAL		2,37,00,000		2,02,00,000
Aggregate Amount of Quoted Investment & Market Value thereof		-		-
Aggregate amount of Unquoted Investments		2,37,00,000		2,02,00,000
Aggregate amount of impairment in value of Investments		-		-

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

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Security and Other Deposits	37,81,527	37,81,527
Investment in term deposits (with remaining maturity of more than 12 months)	1,39,682	1,30,423
TOTAL	39,21,209	39,11,950

NOTE 6: NON - CURRENT TAX ASSETS

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Tax Asset / (Liabilities) [Net]	55,87,725	34,05,082
	55,87,725	34,05,082

NOTE 7: FINANCIAL ASSETS - INVESTMENTS (CURRENT)

(Amount in ₹)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of units	Amount	No. of units	Amount
Investment in Mutual Funds (UnQuoted At Fair Value)	8,05,431	2,23,08,844	2,53,912	92,89,811
TOTAL	8,05,431	2,23,08,844	2,53,912	92,89,811
Aggregate Amount of Quoted Investment & Market Value thereof		-		-
Aggregate amount of Unquoted Investments		2,23,08,844		92,89,811
Aggregate amount of impairment in value of Investments		-		-

NOTE 8: FINANCIAL ASSETS - TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables		
Secured - Considered Good	-	-
Unsecured - Considered Good	6,000	82,23,334
Credit Impaired	-	-
TOTAL	6,000	82,23,334

Notes -

- i. The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Receivables are subject to confirmation
- ii. There are no outstanding dues from directors or other officers of the Company.
- iii. Refer Note - 32 for information about Credit Risk and Market Risk of Trade Receivables.

NOTE 9: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks in Current Accounts	11,78,995	24,55,513
Cash on Hand	2,63,670	2,34,143
TOTAL	14,42,665	26,89,655

NOTE 10: FINANCIAL ASSETS - BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposit having maturity of more than 3 months but less than 12 months	52,01,024	-
TOTAL	52,01,024	-

NOTE 11: FINANCIAL ASSETS - LOANS (CURRENT ASSETS)

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured Considered Good		
Loans to Others	78,97,249	70,43,759
TOTAL	78,97,249	70,43,759

NOTE 12: FINANCIAL ASSETS - OTHERS (CURRENT)

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Receivable	4,61,718	4,52,826
TOTAL	4,61,718	4,52,826

NOTE 13: OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances Other than capital advances		
Advance to Employees	36,000	4,000
Advances to Suppliers / Expenses	-	3,01,728
Others		
Prepaid Expenses	1,91,710	1,63,456
TOTAL	2,27,710	4,69,184

NOTE 14: EQUITY SHARE CAPITAL

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised EQUITY SHARE CAPITAL		
5300000 (5300000) Equity Shares of Rs. 10/- each	5,30,00,000	5,30,00,000
TOTAL AUTHORIZED SHARE CAPITAL	5,30,00,000	5,30,00,000
Issued, Subscribed & Paid Up EQUITY SHARE CAPITAL		
5300000 (5300000) Equity Shares of Rs.10/- each fully paid	5,30,00,000	5,30,00,000
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	5,30,00,000	5,30,00,000

a) Reconciliation of the number of shares outstanding :

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Reconciliation of the number of Equity Shares outstanding				
Shares at the beginning	53,00,000	5,30,00,000	53,00,000	5,30,00,000
Add: Fresh Issue of Equity Share made during the year	-	-	-	-
Shares at the end	53,00,000	5,30,00,000	53,00,000	5,30,00,000

b) Rights, Preferences and restrictions attached to shares

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

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

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Anant Synthetics Private Limited	15,08,500	28.46%	15,08,500	28.46%
Efficient Securities Private Limited	4,31,890	8.15%	4,31,890	8.15%
Anmol Textile Industries Private Limited	4,28,842	8.09%	4,04,942	7.64%

NOTE 15: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
SECURED		
Term Loan		
From Banks	2,80,264	6,49,327
UNSECURED :		
Preference Shares	3,92,78,071	3,60,59,152
TOTAL	3,95,58,335	3,67,08,479

A Rupee Term Loans :

- Vehicle Loan from Bank and Non-Banking Financial Companies is secured by way of exclusive first charge created by hypothecation on vehicle of Company.
- of the above, Vehicle Loan from HDFC Bank Ltd is taken @ 9.58% on 48 Monthly installment of Rs. 22,230/- and out of the same in all 19 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 23 Monthly installments are pending at the year end.

B Preference Shares :

a) Details of Preference Shares

(Amount in ₹)

Particulars	31.03.2019		31.03.2018	
	No of Shares	Amount	No of Shares	Amount
(a) Authorised				
1% Cum. Red. Preference Shares of Rs.100/- each. (Series - I)	1,50,000	1,50,00,000	1,50,000	1,50,00,000
1% Cum. Red. Preference Shares of Rs.100/- each. (Series - II)	7,20,000	7,20,00,000	7,20,000	7,20,00,000
(b) Issued, Subscribed and fully paid up				
1% Cum. Red. Preference Shares (Series I) of Rs.100/- each fully paid	1,50,000	1,50,00,000	1,50,000	1,50,00,000
1% Cum. Red. Preference Shares (Series II) of Rs.100/- each fully paid	6,85,000	6,85,00,000	6,85,000	6,85,00,000
TOTAL	8,35,000	8,35,00,000	8,35,000	8,35,00,000

b) Terms of Issue of Preference Shares

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

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

Class of shares / Name of shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Preference shares without voting rights				
Abhiyan Textile Industries Private Limited	40,000	26.67%	40,000	26.67%
Anant Synthetics Private Limited	40,000	26.67%	40,000	26.67%
Efficient Securities Pvt.Ltd.	30,000	20.00%	30,000	20.00%
Hytone Holdings Private Limited	30,000	20.00%	30,000	20.00%
Abhyudaya Silk Mills Private Limited	10,000	6.67%	10,000	6.67%
TOTAL	1,50,000	100.00%	1,50,000	100.00%

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

Class of shares / Name of shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Preference shares without voting rights				
Sarjan Mercantile Pvt. Ltd.	560000	81.75%	560000	81.75%
Efficient Securities Pvt.Ltd.	125000	18.25%	125000	18.25%
TOTAL	6,85,000	100.00%	6,85,000	100.00%

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

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposit Received from Customers	1,49,01,002	1,39,81,629
Interest accrued but not due on borrowings	56,65,251	47,66,970
TOTAL	2,05,66,253	1,87,48,599

NOTE 17: PROVISIONS (NON-CURRENT)

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits	2,37,535	2,21,559
TOTAL	2,37,535	2,21,559

NOTE 18: FINANCIAL LIABILITIES - TRADE PAYABLES

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
At Amortized Cost		
Micro, Small and Medium Enterprises	-	-
Others (Refer Notes Below)	1,66,17,789	1,62,03,265
TOTAL	1,66,17,789	1,62,03,265

- i. Based on the information in possession with the Company, no supplier has been identified as being covered under Micro, Small and Medium Enterprise Development Act, 2006 ("the Act"). Accordingly, no amount of dues outstanding as at 31st March 2019 have been identified as relating to Micro and Small Enterprises referred to in the said Act.
- ii. The Company has called for balance confirmation of Trade Payables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Payables are subject to confirmation.
- iii. Trade Payables includes amount due to Related Parties NIL as at 31st March 2019 (Previous Year as at 31st March 2018 NIL).

NOTE 19: FINANCIAL LIABILITIES - OTHERS (CURRENT)

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Maturities of Long Term Debts	3,69,063	3,37,152
TOTAL	3,69,063	3,37,152

NOTE 20: OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Received from Customer	-	1,35,342
Statutory Payments	3,97,196	4,30,257
TOTAL	3,97,196	5,65,599

NOTE 21: PROVISIONS (CURRENT)

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
- Gratuity	37,09,717	40,20,778
- Other	2,67,712	2,38,938
Provision for Expense	-	8,147
TOTAL	39,77,429	42,67,863

NOTE 22: REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Leave and License Fee	2,72,24,617		2,44,26,845	
Sale of Fabrics	10,19,341	2,82,43,958	1,62,80,011	4,07,06,856
TOTAL		2,82,43,958		4,07,06,856

NOTE 23: OTHER INCOME

(Amount in ₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income	17,59,662	15,59,923
Others	10,19,033	-
TOTAL	27,78,696	15,59,923

NOTE 24: PURCHASE OF STOCK IN TRADE

(Amount in ₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of Stock in Trade	9,80,368	1,57,03,435
TOTAL	9,80,368	1,57,03,435

NOTE 25: EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Bonus	53,59,933	48,35,590
Directors Remuneration	16,07,500	20,55,000
Gratuity	5,11,503	4,91,455
Staff Welfare Expenses	45,280	60,146
TOTAL	75,24,216	74,42,191

NOTE 26: FINANCE COST

(Amount in ₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expenses	47,84,485	47,82,382
Other Financial Charges	1,922	1,071
TOTAL	47,86,407	47,83,453

NOTE 27: OTHER EXPENSES

(Amount in ₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power, Fuel and Utilities	4,71,625	4,51,401
Repairs & Maintenance on :		
Repairs to Building	6,70,851	8,72,787
Other Repairs	1,93,283	1,14,304
Insurance	1,73,855	1,80,905
Rates and Taxes	16,11,398	73,82,033
Security Charges	2,62,898	2,41,487
Legal and Professional Fees	14,86,292	10,72,428
Brokerage & Commission	9,75,000	-
General Office Expenses	16,09,081	18,15,253
Travelling and Conveyance	41,968	33,535
<u>Payment to Auditors</u>		
Audit Fees	2,10,000	30,000
Tax Audit Fees	1,05,000	-
Taxation Matters	1,12,500	-
Loss on Sale of Fixed Assets (Net)	-	67,013
Bad Debts	-	42,849
TOTAL	79,23,751	1,23,03,995

NOTE 28: DISCLOSURE OF RETROSPECTIVE IMPACT GIVEN FOR PRIOR PERIOD ERRORS

(Amount in ₹)

Particulars	For the Year ended, March 2018	For the Year ended, March 2017
Total Comprehensive Income reported earlier	(11,42,055)	32,37,521
Adjustment for Prior Period Items:		
Depreciation/Amortisation/Impairment expenses	13,13,940	14,56,563
Net increase/(decrease) in Total Comprehensive Income	13,13,940	14,56,563
Total Comprehensive Income attributable to the owners of the company now restated	1,71,885	46,94,084
EPS (basic and diluted) now restated	(0.12)	0.69
EPS (basic and diluted) reported earlier	(0.37)	0.42

Reconciliation of Other Equity as at 31.03.2018 and 31.03.2017

(Amount in ₹)

Particulars	For the Year ended, March 2018	For the Year ended, March 2017
Other Equity reported earlier (Audited)	(3,25,00,721)	(3,13,58,666)
Adjustment for prior period items:		
Depreciation /Amortisation / Impairment Expense	27,70,503	14,56,563
Other equity now restated	(2,97,30,218)	(2,99,02,103)

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

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the company/disputed liabilities but not acknowledged as debts	2,09,06,332	15,01,330
Total	2,09,06,332.00	15,01,330.00

NOTE 30: EARNINGS PER SHARE

(Amount in ₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year as per Statement of Profit & Loss	71,45,003	(6,26,731)
Weighted Average No. of Equity Shares for of Face Value Rs. 10 each	53,00,000	53,00,000
Earnings Per Share - Basic & Diluted	1.35	-0.12

NOTE 31: CAPITAL MANAGEMENT

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Company. The Company determines the capital requirement based on annual operating plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the Company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

(Amount in ₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total interest bearing financial liabilities	3,99,27,398.36	3,70,45,631.21
Less : Cash and Cash Equivalents	14,42,664.98	26,89,655.16
Adjusted Net Debt	3,84,84,733.38	3,43,55,976.05
Total Equity	3,12,21,372.52	2,32,69,781.55
Adjusted Equity	3,12,21,372.52	2,32,69,781.55
Adjusted Net Debt to adjusted Equity Ratio	1.23	1.48

NOTE 32: FINANCIAL RISK MANAGEMENT AND POLICIES

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

(a) Market Risk:-

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

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

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

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

Exposure to interest rate risk

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed-rate instruments		
Financial Liabilities - Borrowings	3,99,27,398	3,70,45,631
	3,99,27,398	3,70,45,631
Total	3,99,27,398	3,70,45,631

Sensitivity analysis to interest rate risk

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

(a) (ii) Market Risk - Price Risk

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

Exposure to Currency risk

The Company is mainly exposed to the price risk due to its investment in debt based mutual funds. At 31st March 2019, the investments in mutual fund (at market value) amounts to Rs 2,23,08,844/- (31st March, 2018 : Rs 92,89,811/-). These are exposed to price risk.

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

Sensitivity analysis to price risk

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

(Amount in ₹)

Particulars	As at March 31, 2019		As at March 31, 2018	
	3% increase	3% Decrease	3% increase	3% Decrease
Investment in Mutual Funds	6,69,265	-6,69,265	2,78,694	-2,78,694
Total	6,69,265	-6,69,265	2,78,694	-2,78,694

(a) (iii) Market Risk - Currency Risk

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

(b) Credit Risk

“Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers. The carrying amount of Financial Assets represents the maximum credit exposure”

Trade Receivables

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

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

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof. Accordingly based on the provision matrix there is no expected credit loss to the company and accordingly there is no provision for doubtful debts

Other Financial Assets

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

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no

provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet

The Company's maximum exposure to credit risk as at 31st March, 2019 and 2018 is the carrying value of each class of financial assets.

(c) Liquidity Risk

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

Exposure to Liquidity Risk

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

(Amount in ₹)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Long Term Borrowings	3,69,063	3,95,58,335	3,37,152	3,67,08,479
Trade Payables	1,66,17,789	-	1,62,03,265	-
Other Financial Liabilities	-	2,05,66,253	-	1,87,48,599
	1,69,86,852	6,01,24,588	1,65,40,417	5,54,57,078

NOTE 33: FINANCIAL INSTRUMENTS - CLASSIFICATION AND MEASUREMENT

(a) Financial Assets and Liabilities

The carrying value of financial instruments by categories as at March 31, 2019 is as follows:

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
<u>Fair Value through Profit & Loss</u>		
Investments (Other than in Subsidiary)	2,23,08,844	92,89,811
<u>Amortised Cost</u>		
Investments	2,37,00,000	2,02,00,000
Loans	78,97,249	70,43,759
Trade Receivables	6,000	82,23,334
Cash & Cash Equivalents	14,42,665	26,89,655
Bank balance other than above	52,01,024	
Other Financial Assets	43,82,927	43,64,776
Total	6,49,38,710	5,18,11,335

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Liabilities		
<u>Amortised Cost</u>		
Borrowings	3,99,27,398	3,70,45,631
Trade Payable	1,66,17,789	1,62,03,265
Other Financial Liabilities	2,05,66,253	1,87,48,599
Total	7,71,11,440	7,19,97,495

Carrying amounts of Loans, Trade Receivables, Cash and Cash Equivalents, Other Bank Balances, Other Financial Assets, Borrowings, Trade Payables and Other Financial Liabilities as at March 31, 2019, March 31, 2018 approximate the fair value because of the short term nature.

(b) Fair Value Hierarchy

The Fair Value Hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

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

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

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

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

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

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
<u>Level 1</u>		
Mutual Fund Units	2,23,08,844	92,89,811
Total	2,23,08,844	92,89,811
Financial Liabilities		
<u>Level 2</u>		
Borrowings	3,95,58,335	3,67,08,479
Other Financial Liabilities	2,05,66,253	1,87,48,599
Total	6,01,24,588	5,54,57,078

Measurement of Fair Values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

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

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

Financial Instruments measured at fair value

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

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

As per Ind AS 19 the Company has recognized "Employees Benefits", in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March 2019

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

Particulars	31st March 2019	31st March 2018
Current Service Cost	1,84,843	1,78,788
Interest Cost	3,26,660	3,12,667
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss	(8,06,588)	(3,09,728)
Total Expenses/(Gain) recognized in the Profit & Loss Account	(2,95,085)	1,81,727

II Net Asset/ (Liability) recognized in Balance Sheet

Particulars	31st March 2019	31st March 2018
Present value of Funded Obligation	39,47,252	42,42,337
Fair Value of Plan Assets	-	-
Assets/(Liability) recognized in the Balance Sheet	39,47,252	42,42,337

III Change in Defined Benefit Obligations (DBO)

Particulars	31st March 2019	31st March 2018
Opening Balance of Present Value of Obligation	42,42,337	40,60,610
Current Service Cost	1,84,843	1,78,788
Interest Cost	3,26,660	3,12,667
Actuarial (Gain)/Loss	(8,06,588)	(3,09,728)
Benefit Paid	-	-
Closing Balance of Present Value of Obligation	39,47,252	42,42,337

IV Changes in the Fair Value of Plan Assets

Particulars	31st March 2019	31st March 2018
Opening Balance of Present Value of Obligation	-	-
Expected Return on Plan Assets	-	-
Actuarial Gain/(Loss)	-	-
Contribution by Employer	-	-
Benefit Paid	-	-
Fair Value of Plan Assets as at 31st March	-	-

V Acturaial Assumption

Particulars	31st March 2019	31st March 2018
Discount Rate (Per Annum)	7.70%	7.70%
Expected Rate of Return on Assets Per Annum	-	-
Annual Increase in Salary Costs Per Annum	7.00%	7.00%
Attrition Rate	5% to 1%	5% to 1%

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

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

Particulars	31st March 2019	31st March 2018
Government of India Securities	0%	0%
High Quality Corporate Bonds	0%	0%
Equity Shares of listed companies	0%	0%
Property	0%	0%
Insurance Company	0%	0%

VII Movement in net liability recognized in Balance Sheet

Particulars	31st March 2019	31st March 2018
Net Opening Liability	42,42,337	40,60,610
P & L Charges	(2,95,085)	1,81,727
Contribution paid	-	-
Closing Net Liability	39,47,252	42,42,337

VIII Gratuity - Sensitivity Analysis

Particulars	(Amount in Rs.)			
	31st March 2019		31st March 2018	
	Increase	Decrease	Increase	Decrease
Salary Growth Rate (1% movement)	39,65,096	39,31,019	42,79,061	42,07,241
Discount Rate (1% movement)	39,31,261	39,65,149	42,07,778	42,79,167
Withdrawal Rate (1% movement)	39,47,460	39,47,038	42,42,546	42,42,121

NOTE 35: LEASES

The Company has entered into Operating Leases on Immovable Properties.

Assets Given on Lease

(Amount in ₹)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognized in Statement of Profit and Loss.	2,59,36,575	2,31,18,399
(b)	Future minimum lease payments under operating leases		
	For a period not later than one year	2,78,60,322	1,91,05,292
	For the period later than one year and not later than five years	3,68,55,270	5,11,55,600

NOTE 36: RELATED PARTY**List of related parties****A Directors / Key Managerial Personnel :**

- a. Executive Directors :**
Amrut Tilak Shah
- b. Company Secretary**
Riddhi Kamlesh Thakkar
- c. Director**
Ranjan Satish Gala
- d. Chief Financial Officer**
Vijay Ganesh Sagvekar
- e. Independent Directors**
Hardik Jethalal Gala
Hemang Chottalal Shah

B Relatives of Key Managerial Personnel :

Satish Gala

C Associate Company

Anant Synthetics Private Limited

(Amount in ₹)

Particulars	Subsidiary Companies, Associates and Joint Venture		Key Management Personnel / person exercising significant influence and their relatives		Relatives of Key Management Personnel / person exercising significant influence		OUTSTANDING BALANCES	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Directors Remuneration								
Amrut Shah	-	-	13,02,500	13,37,100	-	-	-	-
Ranjan Gala	-	-	2,75,000	-	-	-	-	-
Hardik Jethalal Gala	-	-	15,000	-	-	-	-	-
Hemang Chottalal Shah	-	-	15,000	-	-	-	-	-
Praful Dedhia	-	-	-	7,17,900	-	-	-	-
Salary								
Vijay Sagvekar	-	-	-	-	4,86,000	4,48,623	-	-
Riddhi Thakkar	-	-	-	-	3,60,000	37,500	-	-
Satish Gala	-	-	-	-	10,50,000	13,00,000	-	-

Note:

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

* Provision for contribution to gratuity fund which are made based on actuarial valuation on overall company basis are not included in remuneration to Key Management Personnel

37 SEGMENT REPORTING

(Amount in ₹)

Particulars	Financial Year 2018-19	Financial Year 2017-18
Primary Segment		
Segment Revenue		
a. Renting of immovable properties	2,72,24,617	2,44,26,845
b. Sale of fabric	10,19,341	1,62,80,011
Income from Operations	2,82,43,958	4,07,06,856
Segment Expenses		
a. Renting of immovable properties	52,18,192	1,01,91,047
b. Sale of fabric	9,80,368	1,57,03,435
Expenses for Operations	61,98,560	2,58,94,482
Segment Results		
Profit /(Loss) before tax and interest from each segment		
a. Renting of immovable properties	2,20,06,425	1,42,35,798
b. Sale of fabric	38,973	5,76,575
	2,20,45,398	1,48,12,373

(Amount in ₹)

Particulars	Financial Year 2018-19	Financial Year 2017-18
Less:		
Other Net unallocable expenditure/(income)	1,49,00,395	1,54,39,105
Total Profit / (Loss) before Tax	71,45,003	-6,26,731
Segment Assets		
a. Renting of immovable properties	4,28,21,699	4,48,65,385
b. Sale of fabric	6,000	82,23,334
Unallocable Assets	7,01,17,274	4,72,33,579
Total Segment Assets	11,29,44,973	10,03,22,299
4. Segment Liabilities		
a. Renting of immovable properties	3,12,58,454	3,03,83,145
b. Sale of fabric	-	-
Unallocable Liabilities	5,04,65,146	4,66,69,371
Total Segment Liabilities	8,17,23,600	7,70,52,516

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

Party	Amount at year end	Remarks
Abhiyan Textile Industries Private Limited	78,97,249	Loan Given
Anant SAB Realtors LLP	2,37,00,000	Investment in Partnership firm

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

40 Figures in brackets indicate previous year's figures.

As per our report attached of even date

For and on behalf of the Board of Directors

For UKG & Associates
Chartered Accountants
(Firm Reg. No. 123393W)

Director
Ranjan Gala
DIN - 01015712

Chairman and Managing Director
Amrut T. Shah
DIN - 00259420

Champak K Dedhia
Partner
Membership No. 101769

Company Secretary
Riddhi Thakkar

Chief Financial Officer
Vijay Sagvekar

Mumbai, 30th May, 2019

Mumbai, 30th May, 2019

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

(To be presented at the entrance)

30th ANNUAL GENERAL MEETING ON MONDAY, SEPTEMBER 30, 2019, AT 10.00 A.M.

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

DP ID No. : _____ Folio No. : _____

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

Name of the Member : _____ Signature : _____

Name of the Proxyholder : _____ Signature : _____

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

HYTONE TEXTYLES LIMITED**PROXY FORM**

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

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

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

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

1. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him

2. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of Hytone Textyles Limited, to be held on Monday, the 30th day of September, 2019 at 10.00 a.m. at Plot No. A-70, TTC (MIDC) Industrial Area, Mahape Village, Navi Mumbai - 400709 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1	Adoption of Audited Standalone Financial Statements for the Financial Year ended March 31, 2019 and the Reports of the Board of Directors and Auditors thereon.
2	To appoint a Director in place of Mrs. Ranjan S Gala (DIN: 01015712), who retires by rotation and being eligible, offers herself for re-appointment.
Special Business	
3	Alteration to the main objects clause in the memorandum of Association

Signed this..... day of..... 2019

Signature of shareholder.....

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

Affix Revenue Stamp

Notes:

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

If undelivered, Please return to :

Hytone Texstyle Limited

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