

ANNUAL REPORT 2015-2016



HYTONE TEXSTYLES LIMITED

CORPORATE INFORMATION**CIN : L17120MH1989PLC050330**

Date : 29th September, 2016
Time : 10.00 a.m

Venue : Plot No. 70, TTC (MIDC)
Industrial Area, Textile
Processing Zone,
Maphe Village,
Navi Mumbai - 400 709.

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

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BOARD OF DIRECTORS

Mr. Amrut T. Shah - Chairman & Managing Director
DIN: 00259420

Mr. Praful K. Dedhia - Executive Director
DIN: 01103424

Mr. Sanjay K. Gala - Director
DIN: 00260124

Mr. Dilip M. Khona - Director
DIN: 00260208

Mrs. Ranjan S. Gala - Director
DIN: 01015712

AUDITORS

M/s. Mulraj D. Gala
Chartered Accountant

BANKERS

Union Bank of India

SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078.

SHARES LISTED AT

Bombay Stock Exchange Limited
Mumbai - 400 001.

REGISTERED OFFICE

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

WORKS

Plot No. A-77,
TTC (MIDC) Industrial Area,
Mahape Village,
Navi Mumbai - 400 709, Maharashtra.

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Company will be held on Thursday day, 29th September, 2016 at 10.00 a.m. at the Registered office of the Company, Plot No. 70, TTC (MIDC) Industrial Area, Textile Processing Zone, Maphe Village, Navi Mumbai - 400 709 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt audited Balance Sheet as at 31st March, 2016, audited Profit and Loss Account for the year ended as on 31st March, 2016, Cash Flow statement and the Reports of the Directors and Auditors thereon.
2. To consider and if thought fit to pass with or without modification(s) the following resolutions as an ORDINARY RESOLUTION.

"RESOLVED THAT, pursuant to the provisions of section 139 and all other applicable provisions of Companies Act 2013 read with rules 3(7) of Companies (Audit and Auditors) Rules, 2014 the company hereby ratifies the appointment of **Mr. Mulraj Gala** Chartered accountant (Membership no. 41206) as the statutory auditor of the company to hold the office till the conclusion of next Annual General Meeting on such remuneration as may be determined by the Board of Directors"

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

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

**Place: Mumbai
Date : 02nd September, 2016**

NOTE:

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member a member of the company. The instrument appointing the proxy in order to be effective, must be deposited at the company's registered office, duly completed and signed, not less than forty eight (48) hours before the meeting.
2. A person can't act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as proxy for any other member.
3. Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the meeting.
4. 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.
5. Members are requested to notify immediately any change in their address (with Pin code) , if any, Quoting their Folio No. (s) to the Company. In case you're mailing address mentioned on this Annual Report is without Pin code, and then you are requested to kindly inform your Pin code immediately.

6. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
7. The common agency for the purpose of transfer of shares in both forms is M/s. Link Intime India Pvt. Ltd. C- 13 Pannalal Industrial Estate, Bhandup (W) Mumbai - 400 078.
8. The Company's share capital had been dematerialized under ISIN "INE 926D01012" with NSDL and CDSL shareholder who have not dematerialized their shares may opt the same accordingly.
9. The Register of members and the Share Transfer Books of the Company were closed from 28/09/2016 to 01/10/2016 (both days inclusive).
10. In case of joint shareholders attending the meeting, the member whose name appears as the first holder in order of names as per the register of members of the company will be entitled to vote.

By Order of the Board of Directors
For **HYTONE TEXTYLES LIMITED**

Amrut T. Shah
Chairman & Managing Director
DIN: 00259420

Place: Navi Mumbai
Date: 02nd September, 2016

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

Explanatory Statement

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

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

Item no. 2

This explanatory statement is provided though strictly not required as per section 102 of the Act.

Mr. Mulraj Gala a Chartered Accountant having ICAI membership no. 41206 Mumbai were appointed as the statutory auditors of the company for a period three (03) years at the Annual General Meeting of the company held on 22nd September, 2014.

As per the provisions of section 139(1) of the Act, their appointment for the above period is subject to ratification by members at every Annual General Meeting. Accordingly ratification of the members is being sought for the proposal contained in the resolution set out at item no. 2 of the notice.

The board commends the resolution at item no. 2 for approval by the members. None of the directors or key managerial personnel is concerned or interested in the resolution at item no. 2 of the accompanying notice.

Director's Report

To,
The Members,

Your Directors present their 26th Annual Report of the Company along with audited statements of accounts for the financial year ended as on 31st March, 2016. The summarised financial results are given below.

1. SUMMARISED FINANCIAL RESULTS:

(Rs. In Lakhs)

Sr. No	Particulars	For Period ended 31/03/2016	For Period ended 31/03/2015
1	Revenue from Operations	176.35	171.54
2	Other Income	24.31	16.29
3	Gross Income	200.67	187.83
4	Expenditure	150.98	119.59
5	Profit Before Interest & Depreciation	49.69	68.24
6	Finance Charges	1.01	1
7	Gross Profit before Depreciation	48.68	67.24
8	Depreciation	19.06	19.09
9	Net Profit Before tax	29.61	48.15
10	Provision for tax	4.40	0
11	Net Profit After Tax	25.21	48.15

2. Operations:

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

3. Dividend:

In view of inadequate profit, the Directors are unable to recommend any dividend.

4. Directors and Key Managerial Personnel:

Mr. Dilip M. Khona and Sanjay K. Gala who are the Independent Director of the Company has submitted their declaration

5. Directors Responsibility Statement:

The Board of Director of the Company confirms that:

- i. In preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards.
- ii. Appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are Reasonable and prudent so as to give true and fair view of the State of affair of the Company for the period ended **31st March, 2016**.

- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting record in accordance with the Provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and Other irregularities; and
- iv. The annual accounts have been prepared on a “going concern” basis.
- v. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate were operating effectively.
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. Number of Meeting of the Board

Seven meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report which also forms part of this report.

7. Board Evaluation:

The board of directors has carried out an annual evaluation of its own performance, Board committee and individuals directors pursuant to the provisions of the Act and the corporate governance requirement as prescribed by Securities and Exchanges Board of India (SEBI) under Listing Obligations and Disclosures Requirements (LODR) Regulations, 2015.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc.

The performance of the committees was evaluated by the after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings etc.

The Board and the Nomination and Remuneration committee reviewed the performance of the individual director on the basis of their contribution to the Board and committee meetings preparedness on the issue to be discussed in the meeting and the inputs of directors in overall meeting. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent directors, performance of non-independent directors, performance of the board as whole and performance of the chairman was evaluated, taking into account the views of executive and non-executive directors.

8. Audit Committee:

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

9. Auditors:

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules framed there under, Mr. Mulraj Gala Chartered Accountant was appointed as statutory auditor of the company for three (03) years from 24th Annual General Meeting of the company held on 22nd September, 2014 until the conclusion of 27th Annual General Meeting of company held in the year 2017, subject to ratification of their appointment at every Annual General Meeting.

10. Auditors report:

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

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates
Navi Mumbai Municipal Corporation	Property Tax	1,01,56,767/-	From 2005 to 2012
M.I.D.C.	Water Tax	1,46,484/-	From 2005 to 2011

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

11. Secretarial report:

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

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

1. Non appointment of Company Secretary:

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

2. Publication of results audited and unaudited in news paper

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

3. Delay in submission of unaudited results

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

4. Non appointment of Internal Auditor

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

Report of the secretarial audit is given as an Annexure III which forms part of this report.

12. Transaction with related Parties:

None of the transactions with related parties falls under the scope of section 188(1) of the companies Act, 2013. Information on transaction with related parties pursuant to section 134(3)(h) of the companies Act, 2013 read with rules 8(2) of the Companies(Accounts) Rules, 2014 are given in Annexure I in Form AOC-2 and the same forms part of this report.

13. Extract of Annual Return:

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

14. 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:

Name of director	Designation	Ratio
Amrut T. Shah	Chairman & Managing Director	8.11:1
Praful K. Dedhia	Whole Time Director	8.11:1

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

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

C. The Percentage increase in the median remuneration of the employee:10%**D. Total number of permanent employees : 09****E. The explanation on the relationship between average increase in remuneration and company performance:**

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

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

Name	Designation	CTC (As on 31st March, 2015)	% increase in CTC	PAT (Rs in lac)	% Decrease in PAT compared to previous year
Amrut T. Shah	MD	1200000	0	25.21	52.36
Vijay Sagvekar	CFO	407000	0		

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

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

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

Average increase in made in the salaries of employees other than the key managerial personnel during the year is 10% as on 31st March, 2016. The remuneration paid to managing director and other key managerial personnel remain unchanged.

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

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

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

16. Disclosure requirement:

Corporate Governance:

As per Regulation 27 of SEBI (LODR) Regulations 2015 agreement entered in to with the stock exchange, corporate governance report with auditor's certificate thereon and management discussion and analysis are attached which forms part of this report.

Vigil Mechanism:

The company has formulated a whistle blower policy to provide Vigil mechanism for employees including directors of company to report genuine concerns. The provisions of this policy are in line with the provisions of the section 177(9) of the companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations 2015 agreement with stock exchange.

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

Conservation of energy:

The Company has ceased to carry on any manufacturing activity. As such there is nothing further to report on Conservation of Energy and Technology Absorption.

Foreign Exchange:

The company has ceased to import-export of their product to foreign countries so there is no foreign exchange earnings and outgo of the company. As such there is nothing further to report on foreign exchange earnings and outgo.

18. Disclosure by Directors:

The Directors on the board have submitted notice of interest under section 184(1), intimation under section 164(2) of companies Act, 2013.

The Independent Directors of the Company had submitted their declaration in the First Board meetings of the directors that they meet the criteria of the Independence as provided in sub-section 6 of section 149 of companies Act 2013.

19. Particulars of Loans, Guarantees, or Investments:

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

20. Deposits from public:

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

21. Management Discussion and Analyses:

Pursuant to Regulation 34 of SEBI (LODR) Regulations 2015 Agreement with the Bombay Stock Exchange Limited, 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 report.

22. Risk Management policy:

The company does not have any risk management policy as the elements of risk threatening the company's existence are very minimal.

23. Acknowledgement:

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

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

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

For and on behalf of the Board

Amrut T. Shah
Chairman & Managing Director
DIN No. : 00259420

Place: Navi Mumbai.
Date : 02nd September, 2016

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

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

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

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

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

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

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

For and on behalf of the Board

Place: Navi Mumbai.
Date : 02nd September, 2016

Amrut T. Shah
Chairman & Managing Director
DIN No.: 00259420

ANNEXURE “A”**FORM NO. MGT 9**

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

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L17120MH1989PLC050330
ii)	Registration Date	11/01/1989
iii)	Name of the Company	HYTONE TEXTYLES LTD.
iv)	Category/sub category of company	Company limited by shares/Non government company
v)	Address of registered office and details contact	Plot no. 70, TTC. MIDC Industrial Area, Near Ramnath Solar Bus Stop, Mahape, Navi Mumbai-400709 Tel. : 022-27782144 Mob.+91- 9324002995 Email: hytone@hytonetextile.com
vi)	Whether listed company	Yes
vii)	Address of registered office and contact details	LINK INTIME INDIA PVT. LTD. C-13, Pannalal Silk Mills Compund, L.B.S. Marg, Bhandup (West), Mumbai - 400 078. Phone : 022 25963838 Fax : 022 25946969 Email : accounts@linktime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

SR. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%of shares held	Applicable Section
N.A.					

Note: The Company has no holding, subsidiary and associate company within the provisions of companies Act, 2013.

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as percentage of Total Equity)**i) Category-Wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	627334	235100	862434	16.27	745834	116600	862434	16.27	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate(s)	1698500	0	1698500	32.04	1698500	0	1698500	32.04	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1)	2325834	235100	2560934	48.31	2444334	116600	2560934	48.31	0
2. Foreign									
g) NRIs-Individual	0	0	0	0	0	0	0	0	0
h) Other Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corporate(s)	0	0	0	0	0	0	0	0	0
j) Banks/FI	0	0	0	0	0	0	0	0	0
k) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
Total of (A) [A1+A2]	2325834	235100	2560934	48.31	2444334	116600	2560934	48.31	0
B. Public Shareholding									
1. Institution									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	200	0	200	0	200	0	200	0	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Fund	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	200	0	200	0	200	0	200	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies corporate									
i. Indian	751620	75200	826820	15.6	854878	94700	949578	17.9	22.32
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	574218	990458	1564676	29.53	576502	969758	1546260	29.17	-0.26
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	234058	0	234058	4.42	53000	0	53000	1	-3.42
iii. Clearing member	450	0	450	0.01	450	0	450	0	0.01
iv. Non- Resident Indian (REPAT)	10297	98400	108697	2.05	10597	97400	107997	2.04	-0.01
v. Non-Resident Indian (NON REPAT)	4165	0	4165	0.08	3965	0	3965	0.07	-0.01
HUF	0	0	0	0	77616	0	77616	1.46	1.46
Sub-Total (B)(2)	1574808	1164058	2738866	51.69	1577008	1161858	2738866	51.69	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	1575008	1164058	2739066	51.69	1577208	1161858	2739066	51.69	0
C. Shares held by Custodian for ADRs & GDRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3900842	1399158	5300000	100	4021542	1278458	5300000	100	0

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Anant Synthetics Pvt. Ltd.	1508500	28.46	0	1508500	28.46	0	0
2	Abhishek Capitals Pvt. Ltd.	243675	4.6	0	0	0	0	(-4.6)
3	Hytone Holdings Pvt. Ltd.	190000	3.58	0	190000	3.58	0	0
4	Satish Khimji Gala	96800	1.83	0	178025	3.36	0	1.53
5	Praful Keshavji Shah	106325	2.01	0	106325	2.01	0	0
6	Amrut Tilak Shah	65300	1.24	0	154125	2.92	0	1.68
7	Kaushik Morarji Chheda	39300	0.74	0	133925	2.53	0	1.79
8	Ranjan Satish Gala	51300	0.97	0	51300	0.97	0	0
9	Kalpana Praful Shah	8000	0.15	0	42934	0.81	0	0.66
10	Morarji N. Chheda	36000	0.68	0	36000	0.68	0	0
11	Keshavji Tejpar Shah	34400	0.65	0	34400	0.65	0	0
12	Ketan Keshavji Shah	23600	0.45	0	23600	0.45	0	0
13	Sakarben Keshavji Shah	18100	0.34	0	18100	0.34	0	0
14	Indira Amrut Shah	28100	0.53	0	28100	0.53	0	0
15	Morarji N. Chheda	11800	0.22	0	11800	0.22	0	0
16	Kaushik Morarji Chheda	10500	0.2	0	10500	0.2	0	0
17	Umesh Khimji Gala	10200	0.19	0	10200	0.19	0	0
18	Heena Pankaj Shah	7700	0.15	0	7700	0.15	0	0
19	Bhanuben M. Chheda	7300	0.14	0	7300	0.14	0	0
20	Manish Chheda	1700	0.03	0	1700	0.03	0	0
21	Morarji N. Chheda	1700	0.03	0	1700	0.03	0	0
22	Rita Chheda	7300	0.14	0	1700	0.03	0	(-0.11)
23	Ranjan Satish Gala	1000	0.02	0	1000	0.02	0	0
24	Manish Chheda	500	0.01	0	500	0.01	0	0
25	U. K. Gala	500	0.01	0	500	0.01	0	0
26	Geeta L. Shah	200	0	0	200	0	0	0
27	Hemant T. Shah	200	0	0	200	0	0	0
28	Laxmichand T. Shah	200	0	0	200	0	0	0
29	Nayna H. Shah	200	0	0	200	0	0	0
30	Tilak B. Shah	200	0	0	200	0	0	0
		2510600	47.37		2560934	48.32		0.95

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

Sl. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	2510600	47.37	2510600	47.37
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
3	At the end of the year	2560934	48.32	2560934	48.32

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

Sr. No.	Top 10 shareholders*	Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding at the end of the year 31/03/2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Anmol Textile Industries Pvt. Ltd.	690874	13.0354	274484	5.1789
2	Efficient Securities Pvt. Ltd.	0	0	431890	8.1489
3	Dipak Kanyalal Shah with Mita Dipak Shah	103458	1.9520	103458	1.9520
4	Narendra Ravilal Shah HUF	61000	1.1509	61000	1.1509
5	Monghiben Ramniklal Shah with Shailesh R. Shah	53000	1	53000	1
6	Patheja Brothers Forgings & Stampings Ltd.	37400	0.7057	37400	0.7057
7	Sahjun Impex Trading Pvt. Ltd.	32700	0.6170	32700	0.6170
8	Patheja Forgings & Auto Parts Mfgs Ltd.	26900	0.5075	26900	0.5075
9	Mukesh C. Agarwal with Urmila A. Agarwal	16600	0.3132	16600	0.3132
10	Mulchand Vasanji Shah	10000	0.1887	10000	0.1887
11	Nirmala C. Kothari	9900	0.1868	9900	0.1868

*The shares of the company is not traded on daily basis so, there is no change in the shareholding pattern of the top 10 shareholder. Hence, the date wise increase/decrease in shareholding is not indicated.

(v) Shareholding of Directors & Key Managerial Personnel

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1	Praful K. Dedhia	106325	2.01	106325	2.01
2	Amrut T. Shah	65300	1.24	154125	2.92
	Key managerial personnel				
1	Vijay Sagvekar	0	0	0	0

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i. Principal Amount	0	218074	0	218074
ii. Interest due but not paid	0	0	0	0
iii. Interest due but not paid	0	0	0	0
Total (i+ ii + iii)	0	218074	0	218074
Change in Indebtedness during the financial year				
i. Addition	0	0	0	0
ii. Deduction	0	205496	0	205496
Indebtedness at the end of the financial year				
i Principal Amount	0	12578	0	12578
ii. Interest due but not paid	0	0	0	0
iii. Interest accrued but not due	0	0	0	0
Total (i+ ii + iii)	0	12578	0	12578

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Amrut T. Shah Chairman & MD	Mr. Praful K.Dedhia Whole Time Director	
1	Gross Salary	1200000	1200000	2400000
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	813000	813000	1626000
	b. Value of perquisites u/s 17(2) of the Income tax Act, 1961			
	c. Profits in lieu of salary under section 17(3) of the Income tax Act, 1961			
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission-as % of profit	0	0	0
5	Others Allowance	387000	387000	740000
	Total (A)			
	Ceiling as per the Act (10% of profits calculated under Section 198 of the Companies Act, 2013)			

B. Remuneration to other director:

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

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel
		Vijay Sagvekar
1	Gross Salary	407000
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	191980
	b. Value of perquisites u/s 17(2) of the Income tax Act, 1961	
	c. Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	
2	Stock Option	0
3	Sweat Equity	0
4	Commission-as % of profit	0
5	Others Allowance	215020
	Total (B)	

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE:

There were no penalties, punishment, or compounding of offence during the year ended March 31, 2016.

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

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

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

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended March 31, 2016 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, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

Other Laws applicable to the Company;

1. Income Tax Act, 1961
2. The Bombay Shop & Establishment Act, 1948
3. Finance Act, 1994
4. Profession Tax Act, 1975
5. The Minimum Wages Act, 1948
6. Negotiable Instrument Act, 1881
7. The Contract Act, 1872
8. Central sales tax Act, 1956

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

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

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

I further report that; The Board of Directors of the Company is not constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Remarks:

I report that

1. Pursuant to the provisions of Sec 203 every Listed company shall have the following whole-time key managerial personnel:
 - a. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director
 - b. Company Secretary
 - c. Chief Financial Officer.

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

2. Pursuant to Regulation 47 I (B) of the Listing Regulations, 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 clears 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.
3. Pursuant to Regulation 33 of Listing Agreement every Listed Company has to submit unaudited financial results for the quarter within 45 days of end of each quarter. On review it was observed that the submission was delayed by few days in each quarter.
4. Pursuant to the provisions of Section 138 of the Companies Act, 2013, every listed company is required to appoint an Internal Auditor to conduct internal audit of the functions and activities of the Company.

On review it was observed that the Company has not appointed an Internal Auditor for the financial year 2015-16.
5. On review it was observed that Company has not paid Statutory dues of Property Tax of Rs. 1,01,56,767/- to Navi Mumbai Municipal Corporation from the Year 2005 to 2012 and Water Tax of Rs. 1,46,484/- to M.I.D.C. from the Year 2005 to 2011.
6. Pursuant to Regulation 17 of Listing Regulations the board of directors should have optimum combination of executive and non-executive director. On review it is observed that the company has not maintained the combination of director in the board of company.

For **Teena Dedhia & Associates**
Company Secretaries

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

Place: Mumbai
Date: 29/08/2016

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

‘ANNEXURE A’

To,
The Members,
Hytone Textstyles Limited
Plot No.70, Ttc Midc Indl. Area,
Mahape Village,
Navi Mumbai - 400 706.

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

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

For **Teena Dedhia & Associates**
Company Secretaries

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

Place: Mumbai
Date: 29/08/2016

CORPORATE GOVERNANCE REPORT

In terms of compliance to Regulation 27 of the SEBI (LODR) Regulations on Corporate Governance, your company is complying with the guidelines. The report for current year is as follows:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that good Corporate Governance practices are a continuous process and are essential for long term Corporate Goals. The compositions of the Board of Directors are well balanced with a view to manage the affairs of the company efficiently and professionally. The Board of Directors of the Company strives to lay great emphasis on the broad principles of Corporate Governance.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015 (SEBI Listing Regulations) the company has executed fresh listing agreements with the Bombay Stock Exchange.

2. BOARD OF DIRECTORS:

a. Composition of the Board:

The Composition of the Board of Directors of the Company as on **31st March, 2016** the company has 5 directors. Of 5 directors 3 (60%) are Executive and 2 directors (40%) are non-executive independent directors which is a non-compliance as per section 149 of Companies Act 2013, but the company is in process to manage the composition of board as per Act and the company will manage to resolve it very soon.

(1) Composition and Category of Directors as of 31st March, 2016

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

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

(2) Particulars of Directorships of other companies

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.

OTHER DIRECTORSHIPS		
Name of the Director	Name of the Company	Position
1. Amrut T. Shah	Anant Synthetics Private Limited	Director
	Abhishek Capitals Private Limited	Director
	Hytone Holdings Private Limited	Director
	Kutch Corporate Forum	Director
2. Praful K. Dedhia	Anant Synthetics Private Limited	Director
	Hytone Holdings Private Limited	Director

3. Sanjay Gala	Abhiyan Textiles Industries Private Limited	Director
4. Dilip M. Khona	No other Directorships	
5. Ranjan S. Gala	Abhishek Synthetics Private Limited	Director

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

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

b. Board Meetings:**(1) No. of the Board meetings held**

The Board of Directors met 07 times during the financial year ended on 31st March, 2016 on the following dates:

28th May, 2015	13th August, 2015	16th September, 2015
10th November, 2015	20th December, 2015	30th January, 2016
15th February, 2016		

(2) Attendance of Directors in meetings:

Name of the Director	Category	Attendance		Committee Positions	
		Board Meetings	Last AGM	Member	Chairman
Mr. Amrut T. Shah	Promoter Executive	7	Yes	3	-
Mr. Praful K.Dedhia	Promoter Executive	7	Yes	No	-
Mr. Sanjay K. Gala	Independent Non-Executive	7	Yes	3	2
Mr. Dilip M. Khona	Independent Non-Executive	7	Yes	3	1
Mrs. Ranjan Gala	Additional Director	7	Yes	0	0

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

The Board of Directors of the Company had an Audit Committee. The Committee at present comprises two independent, Non-Executive Directors i.e. Mr. Sanjay K. Gala and Mr. Dilip M. Khona and one Executive Director i.e Mr. Amrut T. Shah. Mr. Sanjay K. Gala is the Chairman of the Committee. The terms of reference of the Audit Committee are in line with Regulation 18 of the SEBI (Listing Obligations and Disclosures) Regulations, 2015 and section 177 of Companies Act, 2013. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to financial information. The committee monitors any proposed changes in accounting policy, accounting implications of major transactions and also closely reviews the adequacy of internal audit controls, formulates procedures and monitors annual audit plan.

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

Dates of Audit Committee Meetings:

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

28 th May, 2015	13 th August, 2015
10 th November, 2015	15 th February, 2016

Attendance in Audit Committee Meetings:

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

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

B) STAKEHOLDER'S RELATIONSHIP COMMITTEE:

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

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

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

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

C) NOMINATION AND REMUNERATION COMMITTEE:

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

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

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

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

4. GENERAL BODY MEETINGS:

Details of Annual General Meeting held during last three years:

Year	Venue	Date	Time
2011-2012 October, 2011 to September 2012	Plot No. 70 TTC (MIDC), Indl. Area, Mahape Village, Navi Mumbai - 400 709	30 th March, 2013	10.00 a.m.
2013-2014 October 2012 to March, 2014	Plot No. 70 TTC (MIDC), Indl. Area, Mahape Village, Navi Mumbai - 400 709	22 nd September, 2014	10.00 a.m.
2014-2015 April, 2014 to March, 2015	Plot No. 70 TTC (MIDC), Indl. Area, Mahape Village, Navi Mumbai - 400 709	30 th September, 2015	10.00 a.m.

There was no Special Resolution, which was required to be passed in the previous three Annual General Meeting.

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

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

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

B) Related Party Transaction

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

C) Cases of Non Compliance/Penalties

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

D) VIGIL Mechanism

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

6. MEANS OF COMMUNICATION:

The unaudited quarterly results, the half-yearly results and the audited annual results have not been published in any newspaper.

7. GENERAL SHAREHOLDER INFORMATION:

- a. AGM Date, Time & Venue: 29th September, 2016 at 10.00 a.m. at
Plot No. 70 TTC MIDC Area, Mahape,
Navi Mumbai - 400 709.

b. Tentative Financial Calendar of the Company:

The Financial Year of the Company is year ended on 31st March, 2016.

Financial reporting for the First Quarter ending 30 th June, 2015.	On or before 15 th August, 2015
Financial reporting for the Second Quarter ending 30 th September, 2015.	On or before 15 th November, 2015
Financial reporting for the Third Quarter ending 31 st December, 2015	On or before 15 th February, 2016

The Audited Results of the Company for the financial year ended on 31st March, 2016 will be announced before 30th September, 2016.

- c. Listing of Stock Exchange : The Bombay Stock Exchange, Mumbai
d. Stock Exchange Code : 514258
e. Payment of Annual Listing Fees : Paid up to Date
f. Stock Market Data for the financial year ended on 31/03/2016:

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

- g. Registrar & Transfer Agent : Link Intime India Pvt. Ltd. (Common Agency)
C-13 Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W) Mumbai - 400 078.
Phone – 022-2596 3838; Fax – 022-2594 6969
Email-id – rnt.helpdesk@linkintime.co.in
h. Share Transfer System : Share Transfer in physical form are registered by the registrar and returned to the respective transferees within a period ranging from 15 days to 1 month, provided the documents lodged with Registrar/Company are clear and correct in all respect.

i. Distribution of Shareholdings as on 31st March, 2016

Range of From		Shareholder To	Shareholders Number	% of Total	Nos of Shares Held	% of Total
1	-	500	7383	94.9826	1088283	20.5336
501	-	1000	225	2.8946	186096	3.5112
1001	-	2000	75	0.9649	112909	2.1304
2001	-	3000	14	0.1801	35544	0.6706
3001	-	4000	15	0.1930	53478	1.0090
4001	-	5000	13	0.1672	62354	1.1765
5001	-	10000	24	0.3088	183170	3.4560
10001	-	Above	24	0.3088	3578166	67.5126

j. Shareholding Pattern as on 31st March, 2016

Category	No. of Equity Shares	% of Equity Shares
Clearing Member	450	0.0085%
Other Bodies Corporate	854878	17.9166%
Other Bodies (Promoter Co.)	1698500	32.0472%
Hindu Undivided Family	77616	1.4645%
Nationalised Bank	200	0.0038%
Non Resident Indians	10597	2.0377%
Non Resident (Non Repatriable)	3965	0.0748%
Public	629502	30.1747
Promoters	153625	2.8986
Relative of Directors	592209	13.3738
TOTAL	53,00,000	100%

- k. **Registered Office:** Plot No. 70 TTC MIDC Area, Mahape, Navi Mumbai - 400 709.
- l. **Works :** Plot no.77 TTC MIDC Area, Khairne Village, Navi Mumbai - 400 709.
- m. **Dematerialisation of Shares:** 40,21,542 shares were dematerialized till 31st March, 2016 which is 75.88% of the total paid up Equity Share Capital of the Company.
- n. **Compliance:** The certificate regarding compliance of conditions stipulated under clause 49 of the Listing Agreement from the Statutory Auditor is attached herewith.

For and on behalf of the Board

Place : Navi Mumbai
Date : 02nd September, 2016

Amrut T. Shah
Chairman and Managing Director
DIN: 00259420

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Hytone Textstyles Limited,

1. We have examined the compliance of conditions of Corporate Governance by Hytone Textstyles Limited ("the company") for the year ended **31st March, 2016** as stipulated in:
 - Clause 49 of the Listing Agreement of the said Company with the Stock Exchange for the period 01st April, 2015 to 30th September, 2015.
 - Regulations of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 for the period 01st October, 2015 to 31st March, 2016.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations 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 examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
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 Clause 49 of the Listing Agreement and Regulation 17 to 27 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 for the respective periods of applicability as specified under paragraph 1 above during the year ended on 31st March, 2016 subject to the following:
 - **The Company has not appointed a company secretary as required under section 203 of the Companies Act, 2013.**
 - **The Company has not published its results in any of the press/news releases or any other way.**
5. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai
Date : 02nd September, 2016

Mulraj D.Gala
Chartered Accountants
Membership No.: 41206

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

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

I confirm that the Company has in respect of the year ended March 31, 2016 received from the Senior Management Team of the Company and the Members of the Board a Declaration of Compliance with the Code of Conduct as applicable to them.

Place : Mumbai
Date : 02nd September, 2016

Amrut T.Shah
Chairman and Managing Director
DIN: 00259420

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

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

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

- a) We have reviewed financial statements and the cash flow statement for the financial year ended as on 31st March, 2016 and based on our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

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

- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware, and the step 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) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statement; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Hytone Textstyles Limited

**Place: Navi Mumbai
Date: 2nd September, 2016**

**Vijay Sagvekar
Chief Financial Officer**

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

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

TO THE MEMBERS OF HYTONE TEXTSTYLES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying standalone financial statements of Hytone Textstyles Limited ('the Company'), which comprise the balance sheet as at 31st March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In my opinion and to the best of my information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, I give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, I report that:
 - (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of our audit.
 - (b) in my opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to us:
 - i The Company has pending litigations but the same would not impact its financial position
 - ii. The Company did not have any material foreseeable losses on its long term contract including derivative contracts
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For **Mulraj D. Gala**
Chartered Accountants

Mulraj D. Gala
Proprietor
Membership No: 41206

Place: Navi Mumbai
Date: 30 May, 2016

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2016, I report that:

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

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates
Navi Mumbai Municipal Corporation	Property Tax	1,01,56,767/-	From 2005 to 2012
M.I.D.C.	Water Tax	1,46,484/-	From 2005 to 2011

- (b) According to the information and explanations given to me and based on the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Value Added Tax, Custom Duty, Excise Duty and cess which have not been deposited on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to me, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to me and based on the examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In my opinion and according to the information and explanations given to me, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to me and based on the examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to me and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to me and based on the examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Mulraj D. Gala
Chartered Accountants

Mulraj D. Gala
 Proprietor
 Membership No: 41206

Place: Navi Mumbai
 Date: 30th May, 2016

Annexure - B to the Auditors' Report

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

I have audited the internal financial controls over financial reporting of Hytone Textstyles Limited ("the Company") as of 31st March 2016 in conjunction with the audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mulraj D. Gala**
Chartered Accountants

Mulraj D. Gala
Proprietor
Membership No: 41206

Place:Navi Mumbai
Date: 30th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
- Share capital	3	136500000	136500000
- Reserves and surplus	4	(81333830)	(83854996)
Sub-Total (A)		55166170	52645005
NON-CURRENT LIABILITIES			
- Long-term Borrowings	5	12578	218074
- Other Long Term Liabilities	6	12101000	9101000
- Long term Provisions	7	706500	706500
Sub-Total (B)		12820078	10025574
CURRENT LIABILITIES			
- Trade Payables	8	423892	404587
- Other Current Liabilities	9	10406962	10437618
- Short-term Provisions	10	71135	64359
Sub-Total (C)		10901989	10906564
Total		78888237	73577143
ASSETS			
NON-CURRENT ASSETS			
- Fixed Assets			
Tangible Assets	11	42063348	43901752
Non-Current Investments(Land and Building)	12	4655101	4655101
- Long-term Loans and Advances	13	12349314	9295832
Sub-Total (D)		59067763	57852685
CURRENT ASSETS			
- Current Investments	14	3500000	-
- Short-term Loans and Advances	15	14894002	13242420
- Cash and Cash Equivalents	16	1426474	2457401
- Other Current Assets	17	-	24637
Sub-Total (E)		19820476	15724458
Total		78888238	73577143
Summary of Significant Accounting Policies	1&2		
The Accompanying Notes are an integral part of Financial Statements.			

As per our report of even date

For **Mulraj Gala**

Chartered Accountants

For **Hytone Textyles Limited****Mulraj Gala**

(Proprietor)

Membership No: 41206

Mumbai, 30th May, 2016

(Amrut Shah)

Chairman & Managing Director

DIN NO.: 00259420

(Praful Dedhia)

Director

DIN: 01103424

Mumbai, 30th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	For the Year ended 31st March, 2016	For the period ended 31st March, 2015
Revenue from Operations			
- Sale of goods and Services	18	17635986	17154065
Other income	19	2431395	1628974
Total Revenue		20067381	18783039
Expenses			
- Employee benefit expenses	20	6150741	6060946
- Finance Cost	21	101538	100298
- Depreciation and amortisation expense	11	1906905	1909386
- Other Expenses	22	8947160	5897571
Total Expenses		17106344	13968201
Profit before Tax		2961037	4814838
- Tax Expense			
Current Tax		439871	-
Deferred Tax		-	-
Total Tax		439871	-
Profit after tax		2521166	4814838
Equity Share of par value Rs. 10 each			
Basic & Diluted		0.32	0.75
Summary of Significant Accounting Policies	1&2		
The Accompanying Notes are an integral part of Financial Statements.			

As per our report of even date

For **Mulraj Gala**

Chartered Accountants

Mulraj Gala

(Proprietor)

Membership No: 41206

Mumbai, 30th May, 2016

For **Hytone Textstyles Limited**

(Amrut Shah)

Chairman & Managing Director

DIN NO.: 00259420

(Praful Dedhia)

Director

DIN: 01103424

Mumbai, 30th May, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs.)

Particulars	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit before taxation		2961037		4814838
Adjustment for :				
Depreciation	1906905		1909386	
Interest Paid	101538	<u>2008443</u>	100298	<u>2009684</u>
Operating Profit before working capital changes		4969480		6824522
Adjustment for :				
(Increase)/Decrease in Trade Receivables			5881	
(Increase)/Decrease in Current Investments	(3500000)		-	
(Increase)/Decrease in short term loans and advances	(1651582)		(3903963)	
Increase/(Decrease) in trade payables	19305		(591055)	
(Increase)/Decrease in Other Current Assets	24637		235189	
Increase/(Decrease) in short term provisions	6776		14369	
Increase/(Decrease) in other current liabilities	(30656)		(412564)	
Increase/(Decrease) in short-term Borrowings	-		(50000)	
Increase/(Decrease) in other Long Term Borrowings	(205496)		-	
Increase/(Decrease) in other long term Liability	3000000		-	
(Increase)/Decrease in other long term assets	(2476550)		(381863)	
		(4813566)		(5084006)
Cash generated from operations		155914		1740516
Income Taxes (Paid) / Refund		<u>(1016803)</u>		<u>(438194)</u>
Cash Flow from operation		(860889)		1302322
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchases of fixed assets	(68500)		(12600)	
Net Cash used in Investing Activities		(68500)		(12600)
C CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of Secured Loans	-		(267314)	
Interest Paid	(101538)		(100299)	
		<u>(101538)</u>		<u>(367612)</u>
Net increase/(Decrease) in Cash and Cash equivalents		(1030927)		922110
Cash and Cash Equivalents as at beginning		<u>2457401</u>		<u>1535291</u>
Cash and Cash Equivalents as at end		1426473		2457401

Notes :

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

As per our report of even date

For **Mulraj Gala**

Chartered Accountants

For **Hytone Textstyles Limited****Mulraj Gala**

(Proprietor)

Membership No: 41206

Mumbai, 30th May, 2016

(Amrut Shah)

Chairman & Managing Director

DIN NO.: 00259420

(Praful Dedhia)

Director

DIN: 01103424

Mumbai, 30th May, 2016

NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31 MARCH, 2016

1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:-

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

2 SIGNIFICANT ACCOUNTING POLICIES:-

a. Use of Estimates:

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

b. Fixed Assets:

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

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

c. Depreciation:

- i Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.
- ii No amortisation is made in respect of leasehold land.
- iii Assets acquired under finance leases are depreciated as stated in (i) above.

d. Employment Retirement Benefits:

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

e. Inventories:

- i Raw Materials, Stores, Spares and Consumables are valued at cost or net realisable value whichever is lower.
 - ii Stock-in-process is valued at cost including related production overheads or net realisable value whichever is lower
 - iii Finished goods are valued at cost or net realisable value whichever is lower
- Cost includes cost of production and expenses incurred, as allocated by the Management, in putting the inventories in their present condition. Net realisable value in case of goods meant for exports includes the export incentives receivable as estimated by the Management.

f. Accounting of CENVAT Benefits:

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

g. Export Incentives:

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

h. Foreign Currency Transactions:

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

i. Research and Development:

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

Capital expenditure is stated as depreciable fixed asset.

j. Leases:

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

k. Borrowing Costs:

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

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

l. Investments:

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

m. Taxation:

i Provision for current tax is made on the basis of estimated taxable income computed in accordance with the provisions of Income Tax Act 1961.

ii Deferred tax is recognised on timing differences between the accounting income and the taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted as at the Balance Sheet date.

iii Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

n. As per Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets', the Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No Provision is recognized for: -

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

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

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

NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2016

3 - Share Capital

SN.	Particulars	31-Mar-16	31-Mar-15
A	<u>Authorized</u>		
a	EQUITY SHARE CAPITAL 5300000 (5300000) Equity Shares of Rs. 10/- each	53000000	53000000
b	PREFERENCE SHARE CAPITAL 150000 (150000) 1% Cum.Red. Preference Shares of Rs.100/- each. (Series - I)	15000000	15000000
	720000 (720000) 1% Cum. Red. Preference Shares of Rs.100/- each. (Series - II)	72000000	72000000
		140000000	140000000
B	<u>Issued, Subscribed and fully Paid-up :</u>		
a	EQUITY SHARE CAPITAL 5300000 (5300000) Equity Shares of Rs.10/- each fully paid	53000000	53000000
b	PREFERENCE SHARE CAPITAL 150000/ (150000) 1% Cum. Red. Preference Shares (Series I) of Rs.100/- each fully paid	15000000	15000000
	685000/ (685000) 1% Cum. Red. Preference Shares (Series II) of Rs.100/- each fully paid	68500000	68500000
		136500000	136500000

I Details of Shareholding as at 31st March, 2016

Shareholders holding more than 5 % of Equity Shares:

Name of Shareholder	31-Mar-16		30-Mar-15	
	Number	%	Number	%
Anant Synthetics Private Limited	1508500	28.46%	1508500	28.46%
Efficient Securities Private Limited	431890	8.15%	431890	8.15%
Anmol Textile Industries Private Limited	274484	5.18%	274484	5.18%

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

Name of Shareholder	31-Mar-16		31-Mar-15	
	Number	%	Number	%
Abhiyan Textile Industries Private Limited	40000	26.67%	40000	26.67%
Anant Synthetics Private Limited	40000	26.67%	40000	26.67%
Efficient Securities Pvt.Ltd.	30000	20.00%	30000	20.00%
Hytone Holdings Private Limited	30000	20.00%	30000	20.00%
Abhyudaya Silk Mills Private Limited	10000	6.67%	10000	6.67%

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

Name of Shareholder	31-Mar-16		31-Mar-15	
	Number	%	Number	Number
Sarjan Mercantile Pvt. Ltd.	560000	81.75%	560000	81.75%
Efficient Securities Pvt.Ltd.	125000	18.25%	125000	18.25%

II Reconciliation of the number of Equity Shares outstanding	31-Mar-16		31-Mar-15	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding at the beginning of the period	5300000	53000000	5300000	5300000
Add: Shares issued	-	-	-	-
Less: Shares forfeited	-	-	-	-
Outstanding at the end of the period	5300000	53000000	5300000	5300000

Reconciliation of the number of 1% Cum. Red. Preference Shares (Series I) outstanding	31-Mar-16		31-Mar-15	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning of the period	150000	150000	150000	150000
Less: Shares forfeited	-	-	-	-
Number of shares at the end of period	150000	150000	150000	150000

Reconciliation of the number of 1% Cum. Red. Preference Shares (Series II) outstanding	31-Mar-16		31-Mar-15	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning of the period	685000	685000	685000	685000
Less: Shares forfeited	-	-	-	-
Number of shares at the end of the period	685000	685000	685000	685000

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

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

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

4 - Reserves and Surplus

SN	Particulars	31-Mar-16	31-Mar-15
a	<u>Securities Premium Reserve</u>		
	Balance at the beginning and end of the period	12900600	12900600
b	<u>Revaluation Reserve</u>		
	Balance at the beginning and end of the period	21972117	21972117
	Closing Balance	21972117	21972117
c	<u>Other Reserve</u>		
	Debt Reconstruction Reserve		
	Balance at the beginning and end of the period	127324576	127324576
d	<u>Surplus as per Profit and Loss Account</u>		
	Balance at the beginning of the period	(246052289)	(250854665)
	Additions	2521166	4814837
	Depreciation on the Fixed Assets	-	12,462
	Deletions	-	-
	Closing Balance	(243531123)	(246052289)
	Total	(81333830)	(83854996)

5- Long Term Borrowings

Particulars	31-Mar-16	31-Mar-15
Secured Borrowings:		
- Vehicle Loans from Banks	12578	218074
Total	12578	218074

Additional information to Long Term Borrowings:**Secured Long Term Borrowings****Vehicle Loan from Banks**

Vehicle Loan from Bank is secured by way of exclusive first charge created by hypothecation on vehicle of Company.

- of the above, Vehicle Loan from HDFC is taken @ 11.25% on 48 Monthly installment of Rs. 12,925/- and out of the same all 5 Monthly installment is pending from the end of the period.

- of the above, Vehicle Loan from Tata Capital Financial Services is taken is taken @ 11.25% on 48 Monthly installment of Rs. 12,690/- and out of the same all 13 Monthly installment is pending from the end of the period.

6 - Other Long Term Liabilities

Particulars	31-Mar-16	31-Mar-15
- Security Deposit	12101000	9101000
Total	12101000	9101000

7- Long Term Provisions

Particulars	31-Mar-16	31-Mar-15
- Provision for Gratuity	706500	706500
Total	706500	706500

8 - Trade Payables

Particulars	31-Mar-16	31-Mar-15
Other than Micro and Small Enterprises	423892	404587
Total	423892	404587

10 - Other Current Liabilities

Particulars	31-Mar-16	31-Mar-15
Maturities of Long term Debts	205496	267314
Statutory Dues		
- Payable to NMMC (Property Tax)	10156767	10156767
- TDS Payable	40999	9637
- Profession Tax Payable	3700	3900
Total	10406962	10437618

11- Short Term Provisions

Particulars	31-Mar-16	31-Mar-15
Provision for Employee Benefits		
- Provision for Leave Encashment	33244	34539
- Bonus Payable	37891	29820
Total	71135	64359

NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2016

11- Fixed Assets

(Amount in Rupees)

PARTICULARS	Gross Block			Depreciation/Amortisation			Net Block		
	Opening as at April 01, 2015	Addition for the Period	Disposals/ Other Adjustments	Closing as at March 31, 2016	Opening as at April 01, 2015	For the period	Deduction/ Adjustments	Closing as at March 31, 2016	Closing as at March 31, 2015
Tangible Assets									
a. Leasehold Land	27003843	-	-	27003843	-	-	-	27003843	27003843
b. Buildings	57489656	-	-	57489656	42558799	1483064	-	13447793	14930857
c. Plant and Machinery	130551	68500	-	199051	91902	38205	-	68944	38649
d. Furniture and Fixtures	3037391	-	-	3037391	3037391	-	-	-	-
e. Vehicles	2707510	-	-	2707510	779107	385636	-	1542767	1928403
Total	90368951	68500	-	90437451	46467199	1906905	-	42063348	43901753
(Previous year's / Period Figures)	90356351	12600	-	90368951	44545350	1909386	-12463	43901752	45811002

Notes:

- 1 The Leasehold Land includes Rs. 2,19,72,117/- being amount added on revaluation of Leasehold Land as on 29.03.2000.

12 - Non-Current Investments

Particulars	31-Mar-16	31-Mar-15
Investment in Property		
- Land and Building	4655101	4655101
Total	4655101	4655101

13 - Long Term Loans and Advances

Particulars	31-Mar-16	31-Mar-15
Unsecured, Considered good		
Securities Deposits	8878501	6401951
Balance with Revenue Authorities	3470813	2893881
Total	12349314	9295832

14 - Short Term Loans and Advances

Particulars	31-Mar-16	31-Mar-15
(Unsecured, Considered good)		
- Advances recoverable in Cash or Kind	14754707	13125359
- Prepaid expenses	139295	117061
Total	14894002	13242420

15 - Current Investments

Particulars	31-Mar-16	31-Mar-15
Investment in Mutual Funds		
Unquoted		
HDFC Cash Management Fund	35,00,000	-
Total	35,00,000	-
Notes:		
Aggregate value of unquoted investments in mutual funds	35,00,000	-

16 - Cash and Cash Equivalents

Particulars	31-Mar-16	31-Mar-15
Cash and Cash Equivalents		
- Balance with Bank in Current Account	1133165	2183845
- Fixed Deposits with maturity of less than 3 months	112647	103936
- Cash on Hand	180663	169620
Total	1426474	2457401

17 - Other Current Assets

Particulars	31-Mar-16	31-Mar-15
Export Incentives Receivable	1361392	1361392
Less : Provision for Doubtful Receivables	(1361392)	(1361392)
	-	-
Receivable from Bank	-	24,299
Service Tax Receivables	-	338
Total	-	24637

18 - Revenue from Operations

Particulars	For Period Ended 31.03.2016	For Period Ended 31.03.2015
Revenue from Sale of Services		
Income from Renting of Immovable Property	17635986	13670250
Income from Packing / re-packing	-	3483815
Total	17635986	17154065

19 - Other Income

Particulars	For Period Ended 31.03.2016	For Period Ended 31.03.2015
Interest Income	1563984	1441977
Profit on Sale of Investments	-	69187
Excise Duty Refund	557213	-
Miscellaneous Income	310198	117810
Total	2431395	1628974

20 - Employee Benefit Expenses

Particulars	For Period Ended 31.03.2016	For Year Ended 30.03.2015
Salaries	6108455	6030904
Staff Welfare Expenses	42286	30042
Total	6150741	6060946

21 - Finance Cost

Particulars	For Period Ended 31.03.2016	For Year Ended 30.03.2015
Interest on Loans	40463	79759
Interest on Delayed Payments	58030	19426
Bank Charges	3045	1113
Total	101538	100298

22 - Other Expenses

Particulars	For Period Ended 31.03.2016	For Period Ended 31.03.2015
Repairs and Maintenance		
- Building	2889687	1098238
- Vehicles	108022	285631
- Furniture and Others	189051	233840
Rates and Taxes	1654598	1613098
<u>Payment to Auditors</u>		
- As Auditor	25000	28090
Consultancy Charges	745994	561371
Labour charges	435910	363648
Power and fuel	856249	512753
Insurance	130270	127908
Telephone Expenses	118006	136055
Security Charges	-	181785
Conveyance Expenses	72068	79436
Sundry Balance Written off	-	70590
Miscellaneous Expenses	1722305	605128
Total	8947160	5897571

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

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

I) Following are the Individuals having significant influence or are key management personnel or their relatives:

1. Amrut T. Shah

2. Praful K. Dedhia

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

SN	Transactions	Key Management Personnel
1	Managerial Remuneration (including allowances and sitting fees)	2400000 (2400000)
2	Loan Given	— (—)
3	Loan Taken	— (—)
4	Re-imbursment of Expense	— —
6	Outstanding items pertaining to related parties as on Balance Sheet date Opening Balance as on 01.04.2015 Add: Credited / Received Less: Paid Closing Balance as on 31.03.2016	- 2400000 2400000 -

25 Contingent Liabilities:

All contingent liabilities are adequately disclosed in the Notes on Accounts

SN	Contingent Liabilities	As at 31.03.2016	As at 30.03.2015
a)	Bank Guarantees	NIL	NIL
b)	Claims against the Company not acknowledged as debts/disputed	NIL	NIL
c)	Arrears of Dividend on 1% Redeemable Cumulative Preference Shares(Series I) (Dividend are in arrears since 2001)	2237466	2087466
d)	Arrears of Dividend on 1% Redeemable Cumulative Preference Shares(Series II) (Dividend are in arrears since 30th June 2010)	3718750	2998750

- 26 Balances of Debtors, Creditors and Loans & Advances are subject to confirmation, reconciliation and adjustments if any.
- 27 In the opinion of the Board, the value on realisation of loans and advances and Current Assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance sheet.

28 Payments to Auditors

a) Statutory Auditors

Particulars	For Period Ended 31.03.2016	For Period Ended 31.03.2015
As Auditors	25000	25000
Service Tax	-	3090
Total	25000	28090

29	CIF Value of Import	NIL	NIL
30	Expenditure in Foreign Exchange	NIL	NIL
31	Earnings in Foreign Exchange	NIL	NIL
32	Directors Remuneration:		

Particulars	For Period Ended 31.03.2016	For Period Ended 31.03.2015
a) Salary	1611600	1626000
b) Allowances	788400	774000
c) Sitting Fees	-	-
	2400000	2400000

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

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

Particulars	As at 31.03.2016	As at 31.03.2015
Outstanding shares (Nos.)	5300000	5300000
Net Profit after tax	2521166	4814838
Less: Unpaid dividend in respect of cumulative preference shares	835000	835000
Net Profit available for Equity Shares	1686166	3979838
Basis / Diluted Earnings per Share	0.32	0.75

39 “Trade Payables” in Note ‘8’ to the Accounts include:

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

40 Figures in brackets relate to the previous period.

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

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

Particulars	Amount (Rs.)	Remarks
Loans Given		
Abhiyan Textiles Ind Pvt Ltd	14730707	Loans given are within the permissible limits and interest @ 9.5% p.a. has been charged on the said loans. The loans are utilised by the recipient for general purpose.

As per our report of even date

For **Mulraj Gala**

Chartered Accountants

Mulraj Gala

(Proprietor)

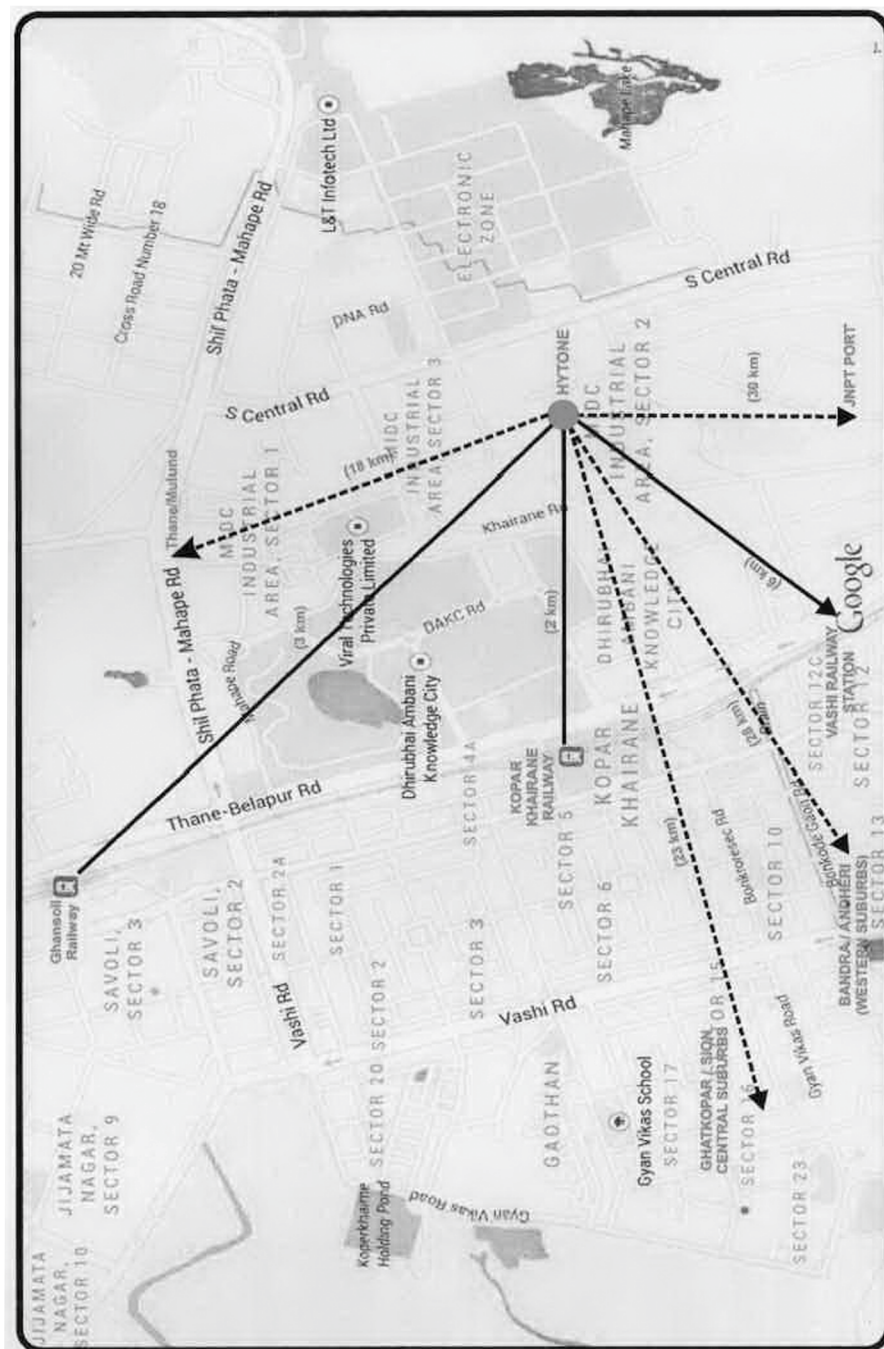
Mumbai, 30th May, 2016

For **Hytone Textstyles Limited**

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

(Praful Dedhia)
Director
DIN: 01103424

Mumbai, 30th May, 2016



Hytone Textstyle Limited
CIN : L17120MH1989PLC050330

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

ATTENDANCE SLIP

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 26th Annual General Meeting of the Company at Regd. Office of the company on Thursday the 29th September, 2016 at 10.00 am.

Name of the Shareholder

Signature

Folio No. _____

 (Full name of Proxy)

Note: No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

Hytone Textstyle Limited
CIN : L17120MH1989PLC050330

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

PROXY FORM

I/We.....of.....in the district of being a member/members of the above named Company hereby appoint of in the district of..... or failing him of In the district of as my / our proxy to vote for me/us on my our behalf at the 26th ANNUAL GENERAL MEETING of the Company to be held at Regd. Office of the company, on Thursday the 29th September, 2016 and at any adjournment thereof.

Signed this..... day of, 2016.

Reg. Folio No..... No. of Shares

Revenue
Stamp

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

BOOK-POST

If undelivered, Please return to :

Hytone Texstyle Limited

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