

**23rd
Annual Report
2011 - 2012**

HI-FASHION

SUITINGS

HYTONE TEXTYLES LIMITED

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held on Saturday, the 30th March, 2013 at 10.00 a.m. at the Registered office of the Company at 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 30th September, 2012, Profit and Loss Account for the period 1st October, 2011 to 30th September, 2012 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Deepak C. Shah, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dilip M. Khona, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

By Order of the Board

For HYTONE TEXTYLES LIMITED

Amrut T. Shah

Chairman & Managing Director

Place: Navi Mumbai

Date : 1st March, 2013.

Registered Office :

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

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members who hold shares in dematerialised form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the meeting.
3. 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.

4. Members are requested to notify immediately any change in their address (with Pincode), if any, quoting their Folio No.(s) to the Company. In case your mailing address mentioned on this Annual Report is without Pincode, then you are requested to kindly inform your Pincode immediately.
5. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
6. The Members/Proxies should bring the attendance slip duly filled in for attending the 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 dematerialised under ISIN "INE 926D01012" with NSDL and CDSL. Shareholder who have not dematerialised their shares may opt the same accordingly.
9. The Register of members and the Share Transfer Books of the Company were closed from 26/03/2013 to 30/03/2013 (both days inclusive).
10. Information required pursuant to the Clause 49(VI) of the Listing Agreement is annexed herewith and forming part of the Notice.

By Order of the Board

For HYTONE TEXTYLES LIMITED

Amrut T. Shah

Chairman & Managing Director

Place : Navi Mumbai

Date : 1st March, 2013.

Registered Office :

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

DIRECTORS' REPORT

TO THE MEMBERS

The Directors present their 23rd Annual Report of the Company along with audited statements of Accounts for the Period 1st October, 2011 to 30th September, 2012. The summarised financial results are given below.

SUMMARISED FINANCIAL RESULTS:

FINANCIAL HIGHLIGHTS

	For the year 1.10.2011 to 30.9.2012 (Rs. in Lacs)	Year ended 30.09.2011 (Rs. in lacs)
Revenue from Operations	196.88	135.44
Other Income	1.63	1.00
Total Revenue	198.51	136.45
Less : Expenditure	97.90	93.02
Provision for Depreciation	20.91	22.15
Profit before Taxation	7.97	3.09
Less : Tax Expenses	--	--
Current Tax		
Short/(Excess) Provision for Tax of earlier year(s)	(0.51)	0.59
Profit after Tax	80.20	30.37

DIVIDEND

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

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.

Fixed Deposits:

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956, and the rules made there under.

Corporate Governance:

A separate report on Corporate Governance is furnished along with this report and a certificate from Auditors of the Company regarding compliance of conditions of corporate governance as stipulated under clause 49 of the listing agreement is attached to this report.

Directors:

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Deepak C. Shah and Mr. Dilip M. Khona shall retire by rotation at the ensuing Annual General Meeting and, being eligible, offered themselves for reappointment.

Auditors:

Mr. Mulraj D Gala, Chartered Accountant, retire at the ensuing Annual General Meeting of the Company and being eligible, have offered himself for re-appointment. The Audit Committee and Board of Directors recommend the re-appointment of Mr. Mulraj D Gala, Chartered Accountant as Statutory Auditors of the Company.

Auditor's Report:

The Auditor's Report to the Shareholders is self explanatory.

Directors Responsibility Statement

The Board of Director of the Company confirms that:

- in preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards.
- 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 year ended 1st October, 2011 to 30th September, 2012.

HYTONE TEXTYLES LIMITED

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting record in accordance with the Provisions of Companies Act, 1956, 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 Particulars of Employees:

Particulars of Employees:

There were no employees drawing salary in excess of limits specified under section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975.

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

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.

Total Foreign Exchange used : **Rs. NIL**
(Rs. NIL)

Earned : **Rs. NIL**
(Rs. NIL)

Management Discussion and Analyses:

Pursuant to clause-49 of the Listing 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.

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

Place : Navi Mumbai
Date : 1st March, 2013

Amrut T. Shah
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that good Corporate Governance practices are a continuous process and are essential for long term Corporate Goals. The Board of Directors of the Company strives to lay great emphasis on the broad principles of Corporate Governance.

2. BOARD OF DIRECTORS :

a) Composition of the Board

The Composition of the Board of Directors of the Company as on 30th September, 2012 consist of 2 Promoter, Executive Directors and 3 Independent, Non Executive Directors are as under:

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

The Composition of the Board of Directors of the Company is in conformity with clause 49 of the listing agreement entered into with the stock exchanges.

b) Board Meetings:

The Board of Directors met 8 times during the period from 1st October, 2011 to 30th September, 2012 on the following dates:

30th October, 2011	14th December, 2011	31st January, 2012	1st March, 2012
30th April, 2012	15th June, 2012	26th July, 2012	31st July, 2012

c) Attendance of Directors

Name of the Directors	Category	Board Meeting Attended	Last AGM	Other Director-ship	Committee Membership	Committee Chairmanship
Mr. Amrut T. Shah	Promoter Executive	8	Yes	-	Yes	-
Mr. Praful K. Dedhia	Promoter Executive	8	Yes	-	No	-
Mr. Sanjay K. Gala	Independent Non-Executive	8	Yes	-	3	1
Mr. Deepak C. Shah	Independent Non-Executive	8	Yes	-	No	--
Mr. Dilip M. Khona	Independent Non-Executive	8	Yes	-	3	2

The Board of Directors of the Company has optimum combination of executive and independent directors with more than half of the number of directors being non-executive independent directors.

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3. COMMITTEE 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 clause 49 II (C) & (D) of the Stock Exchange Listing Agreement and Section 292A of the Companies Act, 1956. 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 company does not have any Company Secretary, as such compliance regarding 'Company Secretary acting as the Secretary to the committee' has not been complied.

Dates of Audit Committee Meetings :

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

30th October, 2011	31st January, 2012	30th April, 2012	31st July, 2012
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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/Wholetime director also attended the meetings.

b. REMUNERATION COMMITTEE:

The remuneration committee review the overall compensation policy, service agreements and other employment conditions of Managing/Whole time Directors.

The remuneration committee consists of two Independent Directors. This committee comprises of the following:

1. Shri Amrut T. Shah
2. Shri Sanjay K. Gala
3. Shri Dilip M. Khona

No meeting of the Remuneration Committee was held during the year under review.

4. REMUNERATION OF THE DIRECTORS

Details of payments made to directors during the period from 1st October, 2010 to 30th September, 2011 are given belows :-

Director	Sitting Fees (Rs.)	Salary and Perquisites (Rs.)	Total (Rs.)
Mr. Amrut T. Shah*	Nil	5,71,800	5,71,800
Mr. Praful K. Dedhia*	Nil	5,71,800	5,71,800
Mr. Sanjay K. Gala	Nil	Nil	Nil
Mr. Dilip M. Khona	Nil	Nil	Nil
Mr. Deepak C. Shah	Nil	Nil	Nil

*The remuneration paid to the wholetime Directors are subject to the approval of the Department of Company Affairs, New Delhi . In terms of schedules for the No Objection certificate from the Financial Institution is required and the same is expected on restructuring of debts as per debts restructuring policy announced by the Government, for which the Company's application is under process. The Company has obtained an undertaking from the directors that in case the remuneration is not approved, the excess amount, if any, will be refunded back to the Company.

5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE:

a) The Board of the Company has constituted a Shareholders'/Investors' Grievances Committee. The Composition of shareholders'/Investors' Grievances Committee is as under:

- | | |
|---------------------|------------------------------|
| Mr. Deepak C. Shah | - Independent, Non-Executive |
| Mr. Dilip M.Khona | - Independent Non-Executive |
| Mr. Praful K.Dedhia | - Executive Director |

Mr. Dilip M.Khona acts as Chairman of Shareholders'/Investors' Grievances Committee. The Committee looks into redressing of Shareholders' 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 Prful K. Dedhia - Executive Director has been designated as the Compliance Officer.

b) Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting fixed on 30th March, 2012 are given hereunder:

1. Mr. Deepak C. Shah aged 47 years is a Businessmen having good business experience in Accounts and Finance.
2. Mr. Dilip M. Khona aged 48 years is a Businessmen having a good business experience.

6. General Body Meeting

Details of Annual General meeting held during last three years:

Year	Venue	Date	Time
2008-2009 April 2008 to March, 2009	Plot no. 70, TTC (MIDC) Indl. Area Mahape Village, Navi Mumbai - 400 709	30th September, 2009	10.00 a.m.
2009-2010 April 2009 to Sept, 2010	Plot no. 70, TTC (MIDC) Indl. Area Mahape Village, Navi Mumbai - 400 709	31st March, 2011	10.00 a.m.
2010-2011 Oct. 2010 to Sept, 2011	Plot no. 70, TTC (MIDC) Indl. Area Mahape Village, Navi Mumbai - 400 709	31st March, 2012	10.00 a.m.

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

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7. DISCLOSURE

- 1) Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

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.18 of Schedule 20 to the Accounts in the Annual Report.

- 2) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or other authority on any matter related to capital markets, during last three years:

8. MEANS OF COMMUNICATION:

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

9. GENERAL SHAREHOLDER INFORMATION :

- a. AGM Date, Time & Venue : 30th March, 2013 at 10.00 a.m. at
Plot No. 70, TTC (MIDC) Indl. Area,
Mahape Village, Navi Mumbai - 400 709
- b. Tentative Financial Calender of the Company :
- Financial Year of the Company is October, 2011 to September 2012

Financial reporting for the 1st quarter ending 31st December, 2011	on/before 31st January, 2012
Financial reporting for the 2nd quarter ending 31st March, 2012	on/before 30th April, 2012
Financial reporting for the 3rd quarter ending 30th June, 2012	on/before 31st July, 2012
Financial reporting for the 4th quarter ending 30th September, 2012	on/before 31st October, 2012

The Audited Results of the Company for the period October, 2011 to September, 2012 will be announced before 31st March, 2013.

-Annual General Meeting for the period ending

30th September, 2012 : End of 31st March, 2013

- c. Listing of Stocks : The Stock Exchange, Mumbai
- d. Stock Exchange Code : 514258
- e. Payment of Annual Listing Fees : Paid upto F.Y. 2010-011
- f. Stock Market Data for the period of 1/10/2011 to 30/9/2012
Note: Company is suspended from Bombay Stock Exchange for Trading on 19th July, 2010
- g. Registrar & Transfer Agent : Link Intime India (Pvt) Ltd. C-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078.
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