

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.