

# **ANNUAL REPORT 2016-2017**



**HYTONE TEXSTYLES LIMITED**

**CORPORATE INFORMATION****CIN : L17120MH1989PLC050330**

Date : 30th September, 2017  
Time : 11.00 a.m

Venue : Plot No.70, TTC (MIDC)  
Industrial Area,  
Textile Processing Zone,  
Mahape Village,  
Navi Mumbai - 400706.

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

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**BOARD OF DIRECTORS**

Mr. Amrut T. Shah – Chairman & Managing Director  
DIN: 00259420  
Mr. Praful K Dedhia – Executive Director  
DIN: 01103424  
Mr. Sanjay K Gala – Independent Director  
DIN: 00260124  
Mr. Dilip M Khona – Independent Director  
DIN: 00260208  
Mrs. Ranjan S. Gala – Director  
DIN: 01015712

**AUDITORS**

M/s. Mulraj D. Gala  
Chartered Accountant

**BANKERS**

Union Bank of India

**SHARE TRANSFER AGENT**

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

**SHARES LISTED AT**

Bombay Stock Exchange Limited  
Mumbai - 400 001.

**REGISTERED OFFICE**

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

**WORKS**

Plot No. A-77,  
TTC (MIDC) Industrial Area,  
Textile Processing Zone,  
Mahape Village,  
Navi Mumbai - 400 706.

## NOTICE

NOTICE is hereby given that the 27<sup>th</sup> Annual General Meeting of the members of the Company will be held on Saturday, the 30<sup>th</sup> day of September, 2017 at 11.00 a.m. at Plot No. 70, TTC (MIDC) Industrial Area, Textile Processing Zone, Mahape Village, Navi Mumbai - 400709 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the year ended March 31, 2017, and the reports of the Board of Directors and Auditors thereon and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint Mrs. Ranjan Gala, who retires by rotation and being eligible, offers herself for re-appointment as a Director and in this regard, pass the following resolution as an Ordinary Resolution:

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

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

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

### SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

Mumbai, September 4, 2017

**Registered Office:**

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

**Notes:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member of the Company. The instrument appointing the proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board resolution to attend and vote on their behalf at the Meeting.
3. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
4. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. In terms of Section 152 of the Act, Mrs. Ranjan Gala, Director, retires by rotation at the Meeting and being eligible, has offered herself for re-appointment. The Human Resources, Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company commend her re-appointment.
7. Details of Directors retiring by rotation / seeking appointment / re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / RTA.
9. Members who hold shares in dematerialized form are requested to submit their PAN to their respective DPs with whom they are maintaining their demat accounts, as mandated by SEBI for every participant in securities market and are advised to contact their respective DPs for availing the nomination facility.
10. All documents referred to in the accompanying notice and the explanatory statements are open for inspection at the Registered Office of the Company during office hours on all working days, except Sundays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
11. Members desirous of getting any information about the accounts of the Company are requested to send their queries so as to reach at least ten days before the meeting at the company's Registered office at Plot No.70, TTC (MIDC) Industrial Area, Textile Processing Zone, Mahape Village, Navi Mumbai – 400 709.

12. Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.
13. Members are requested to notify immediately any change in their address (with Pin code), if any, Quoting their Folio No. (s) to the Company. In case you're mailing address mentioned on this Annual Report is without Pin code, and then you are requested to kindly inform your Pin code immediately.
14. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
15. The Company's Registrars & Transfer Agents for its share registry (both, physical as well as electronic) is Link Intime India Private Limited having its office at C-101, 247 Park, L B S Marg, Vikhroli (West) Mumbai - 400083.
16. The Company's share capital had been dematerialized under ISIN "INE926D01012" with CDSL shareholder who have not dematerialized their shares may opt the same accordingly.
17. The Register of members and the Share Transfer Books of the Company would be closed from Saturday 23/09/2017 to 30/09/2017 (both days inclusive).
18. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual reports, Notices, Circulars, etc. from the Company electronically.
19. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 27<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Securities Depository Limited (CSDL).
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on 27<sup>th</sup> September, 2016 (9:00 am) and ends on 29<sup>th</sup> September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

- (i) the shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

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

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

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xviii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- V. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- VI. If you are already registered with CDSL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> September, 2016.



- IX. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e 23<sup>rd</sup> September, 2016, may obtain the login ID and password by sanding a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.
- X. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XI. Ms. Teena Dedhia, Partner of M/s. Teena Dedhia & Co., Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner
- XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.sncl.com](http://www.sncl.com) and on the website of CSDL The results shall simultaneously be communicated to the Stock Exchange Limited (BSE), Mumbai.

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

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

Place : Mumbai

Date : September 4, 2017

**Registered Office:**

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

**Explanatory Statement**

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

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

**Item no. 3:**

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

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

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

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

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

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

**Item no. 4:**

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