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H.P Cotton Textile Mills Limited

33rd Annual Report 2013-2014



REGISTERED / CORPORATE OFFICE AND WORKS

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BOARD OF DIRECTORS

Shri Raj Kumar Agarwal, Chairman

Shri Ashok Kumar Agarwal, Deputy Managing Director

Shri Kailash Kumar Agarwal, Deputy Managing Director

Shri Parshotam Das Agarwal, Director

Shri Bibhuti Charan Talukdar, Director

Shri Anil Agarwalla, Director

Shri Mohan Lal Jain, Director

BANKERS

State Bank of Patiala

Oriental Bank of Commerce

AUDITORS

A.K. Associates, New Delhi

REGISTRAR & SHARE TRANSFER AGENT

M/S. Alankit Assignments Ltd.

2E/ 21, Alankit House, Jhandewalan Extension,

New Delhi – 110 055

Tel. No. : (011) 23541234-42541234

Fax No. : (011) 23552001

Website: www.alankit.com

NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of H.P.Cotton Textile Mills Limited will be held on Friday, the 26th day of September, 2014 at 3:00 p.m. at the Registered Office of the Company at 15th K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar-125044 (Haryana) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet of the Company as at 31st March, 2014 and Statement of Profit and Loss for the financial year ended on that date along with the report of the Directors and Auditors thereon.
2. To Declare Dividend.
3. To appoint a Director in place of Sh. Raj Kumar Agarwal (DIN 02950710), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting to till the conclusion of the 36th Annual General Meeting and to fix their remuneration. The retiring Auditors, M/s A.K. Associates, Chartered Accountants, are eligible for re-appointment and have given a written certificate as per section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification(s) the following resolution as special resolution:-**

“Resolved that the Company hereby accords its consent and approval under section 196,197,198 and 188 read with Schedule V and other applicable provisions, if any, of the Companies' Act 2013, for re-appointment of Shri Ashok Kumar Agarwal (DIN 00046627), subject to retire by rotation, as Whole Time Director designated as Deputy Managing Director for a period of 5 (Five) years with effect from 02nd August 2014 on the following remuneration:

Salary Basic	: ₹ 75100-7000-103100 per month
HRA	: 25% of Basic Salary.
Provident Fund & Gratuity	: As per Employee Provident Fund Act and Payment of Gratuity Act and shall not be included in the computation of the ceiling of remuneration.
Medical	: Re-imbursement of medical expenses for self and family upto a limit of 5% of basic salary per annum.
Leave Travel Assistance	: Re-imbursement of Leave Travel expenses for self and family upto a limit of 5% of Basic Salary per annum.
Earned Leave	: Encashment of un-availed leave at the time of retirement/ cessation of service shall not be included in the computation of the ceiling on remuneration. Earned leave will be maximum 30 days per annum as per rules of the Company.

Minimum : Where in any financial year during the currency of the tenure of Shri
Remuneration Ashok Kumar Agarwal, the Company has no profits or its profits are inadequate, the Company may pay to Shri Ashok Kumar Agarwal the above remuneration as the minimum remuneration for a period not exceeding 3 years or till the tenure of appointment, whichever is earlier, by way of salaries, perquisites and other allowances and benefits as specified above subject to receipt of requisite approvals, if any.

"Further Resolved that the Board of Directors with the recommendation of Nomination & Remuneration Committee be and are hereby authorized to alter, vary or modify the terms and conditions of the said re-appointment including remuneration, subject to the limits laid down in sections 196, 197, 198 and 188 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and subject to approval of Central Government, if necessary, and subject to the requisite approvals, if any, being obtained and also to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution".

6. Appointment of Shri Bibhuti Charan Talukdar (DIN 00024015) as an Independent Director of the Company

To consider 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Bibhuti Charan Talukdar (DIN 00024015), Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from September 26, 2014 up to September 25, 2019."

7. Appointment of Shri Parshotam Das Agarwal (DIN 00063017) as an Independent Director of the Company

To consider 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Parshotam Das Agarwal (DIN 00063017), Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from September 26, 2014 up to September 25, 2019."

8. Appointment of Shri Anil Agarwalla (DIN 00046615) as an Independent Director of the Company

To consider 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Anil Agarwalla (DIN 00046615), Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from September 26, 2014 up to September 25, 2019."

9. Appointment of Shri Mohan Lal Jain (DIN 00063240) as an Independent Director of the Company

To consider 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Mohan Lal Jain (DIN 00063240), Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from September 26, 2014 up to September 25, 2019."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Authority to Board of Directors to borrow

"RESOLVED THAT subject to the provisions of Section 180(1)(c), 180(2) and other applicable provisions and Rules, if any, of the Companies Act, 2013, any amendments/enactments/re-enactments thereof, consent of the Company be hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" and which term shall be deemed to include any duly authorised committee(s) thereof, for the time being exercising the powers conferred by the Board by this resolution) for borrowing from time to time and in any manner, any sum or sums of money up on such terms and conditions and with or without security as the Board may in its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of its paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers/Lenders in the ordinary course of business, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed ₹50,00,00,000/- (Rupees Fifty Crore only)."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Authority to Board of Directors for creation of charges/mortgages in respect of borrowings

"RESOLVED THAT subject to the provisions of Section 180(1)(a) and other applicable provisions and Rules, if any, of the Companies Act, 2013, (including any amendment thereto or enactment/re-enactment thereof), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) thereof) to sell, lease or otherwise dispose of whole or substantially the whole or any undertaking of the Company or create such charges, mortgages, hypothecations and pledges in addition to the existing charges, mortgages, hypothecations and pledges created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, in favour of the Banks/Financial Institutions/NBFCs/Lenders and other investing agencies for the amount borrowed and any other form of loan/borrowing of whatever nature or by whatever name (hereinafter collectively referred to as "Loans") provided that the total principal amount of Loans shall not, at any time exceed the limit of ₹ 50,00,00,000/- (Rupees Fifty Crore only)."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

Place: New Delhi

Date: 13th August, 2014

By Order of the Board of Directors

Ashok Kumar Agarwal

Deputy Managing Director

(DIN 00046627)

Regd. Office : 15th K.M. Stone, Delhi Road, V.P.O. Mayar,

Hisar – 125 044 (Haryana).

Ph. (01662)261425-26-27, 261483

Fax No.(01662)261417,

E-mail : hisar@hpthreads.com

CIN: L18101HR1981PLC012274

NOTES:

1. Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his behalf pursuant to Section 105 of the Companies Act 2013. A proxy need not be a member of the company. The instrument appointing a Proxy, in order to be effective, must be duly filled, stamped and signed and must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting.
2. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
3. The Company has notified closure of Register of Members and Share Transfer Books from Friday, 19th September, 2014 to Friday, 26th September, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares; if declared, at the Meeting.
4. The dividend in respect of equity shares; if declared at the meeting, will be paid to those members whose name will appear on the Company's Register of Members on 18th September, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Security Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
5. Members holding shares in the certificate form are requested to notify / send the following to the Company's Registrars and Share Transfer Agents, Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055 to facilitate better servicing:-
 - i. Any change in their address / mandate / bank details.
 - ii. Particulars of their bank account, in case the same have not been furnished earlier, and
 - iii. Share certificates held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single account.
6. Additional particulars of Directors retiring by rotation and eligible for appointment/re-appointment pursuant to Clause 49 of Listing Agreement are mentioned in the Annexure 'A' to the Notice.
7. Members desirous of making a nomination in respect of their shareholders, as permitted by section 72 of the Companies Act, 2013, are requested to write to the Share Transfer Agent of the Company for the prescribed form.
8. Members desirous of getting any information in respect of the contents of the Annual Reports is required to forward their queries to the Company at least ten days prior to the Meeting so that, if the Chairman so permits, the required information can be made available at the meeting.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.
10. **Voting through electronic means:**
 In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and Clause 35B of the Listing Agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 22nd August 2014 (End of Day) being the Cut-off date (Record date for the purpose of Rule 20 (3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by CDSL.

- A. The instructions for shareholders voting electronically are as under:
 The voting period begins on 20th September 2014 at 9.00 a.m. and ends on 22nd September 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Log on to the e-voting website www.evotingindia.com during the voting period.
 - Click on "Shareholders" tab.
 - Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<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"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cutoff date in the Dividend Bank details field.

- After entering these details appropriately, click on "SUBMIT" tab.
- 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 EVSN of H.P. COTTON TEXTILE MILL LIMITED 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If 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. Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a compliance user should be created who would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdeskevoting@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.
- xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

A. General Instructions

- i. The Company has appointed CA Ram Niwas Agarwal (Membership No. 089632) partner of M/s Ramniwas Associates, Chartered Accountants, having address- 692, Sector-14, Hisar (Haryana) as a Scrutiniser for conducting the e-voting process in a fair and transparent manner.
- ii. The Scrutiniser shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- iii. In the event of a poll, please note that the members who have exercised their right to vote by electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an Event, Votes cast under poll taken together with the votes cast through E-voting form shall be counted for the purpose of passing of resolution(s).