

H.P Cotton Textiles Mills Limited

34th Annual Report 2014-2015



'A Tribute'



**Founder and Managing Director
Late Shri Kashmiri Lal Agarwal
(1934 – 2015)**

Shri Kashmiri Lal Agarwal, founder of H.P. Cotton Textile Mills Limited, was born on 19th January, 1934 in a small village Satrod Khurd of District Hisar. In 1962, he started his industrial career along with his five brothers with small textile manufacturing unit by establishing & promoting the unit under the brand name DORA at Kolkata which requires no introduction. In 1981, he commissioned a large factory under the name M/s H.P. Cotton Textile Mills Limited. As a Promoter Director of the company, he gave new heights with valuable ideas. He was a good administrator, decision maker and advisor. He was also a good heart fellow and had feelings for every employee of the company. He breathed his last on 6th June, 2015. His sad demise is certainly a big loss for the company as well as for all persons who are associated with the company. We are proud and privileged to inherit this invaluable legacy.

REGISTERED / CORPORATE OFFICE AND WORKS

Regd. Office & Works	:	15 th 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 Website : www.hpthreads.com
New Delhi Office	:	1E/12, Jhandewalan Extension, Sewak Bhawan, New Delhi-110055 Ph. (011)-23524439/ 41, 23636663/ 64, 41540471 Fax No. (011) 23541076, (011) 23610076 E-mail : info@hpthreads.com
Kolkata Office	:	405, Manglam Building, 24 Hament Basu Sarani, Kolkata-700001 Ph. (033)-22316763,22135501 Fax No.(033)22135502, E-mail : hpctcal@vsnl.net
Ahmedabad Office	:	85, Hira Bhai Market, Ahmedabad-380022 Ph. (079) 25467482, Fax no. (079) 25467459
Mumbai Office	:	Shah & Nahar (Worli) Industrial Estate, Unit No. 506, 5 th Floor, Dr. E. Moses Road, Worli, Mumbai-400018. Ph. (022)- 24950532/ 38, Fax No.(022) 24946474, E-mail : hpexports@hotmail.com

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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
Smt. Nanita Agarwal	Additional Director (Resigned w.e.f.29.05.2015)
Smt. Ritu Bansal	Additional Director (Appointed w.e.f.29.05.2015)

CHIEF FINANCIAL OFFICER

Shri Ankur Goyal (Resigned w.e.f. 19.11.2014)
Shri Vishesh Kumar Chugh (Resigned w.e.f. 26.06.2015)

COMPANY SECRETARY

Ms. Priyanka Singal (Resigned w.e.f. 30.11.2014)
Shri Manish Singla (Resigned w.e.f. 27.06.2015)

BANKERS**State Bank of Patiala**

Railway Road, Hisar, Haryana 125001

Oriental Bank of Commerce

Railway Road, Hisar, Haryana 125001

AUDITORS

A.K. Associates,
Chartered Accountants
Shanti Niketan ,4/9 Asaf Ali Road, New Delhi

REGISTRAR & SHARE TRANSFER AGENT

M/S. Alankit Assignments Ltd.
1E/13, Alankit Heights, 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 Fourth Annual General Meeting of the Members of H.P.Cotton Textile Mills Limited will be held on **Thursday, the 24th day of September, 2015 at 2:30 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, 2015 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. Kailash Kumar Agarwal (DIN 00063470), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of sections 139 and 142 of the companies Act, 2013 the appointment of M/S A.K. Associates, Chartered Accountants (Registration No.000596N), as the auditor of the company from the conclusion of this Annual General Meeting till the conclusion of the 35th Annual General Meeting be and is hereby ratified at remuneration to be decided by the Board of Directors payable in one or more instalments plus Service tax as applicable and reimbursement of out- of- pocket expenses incurred, be and is hereby approved."

SPECIAL BUSINESS:

To appoint Smt. Ritu Bansal (DIN: 03619069) as an Independent Director and in this regard 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 section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. Ritu Bansal (DIN : 03619069), who was appointed as an Additional (women independent) Director by the Board with effect from 29th May, 2015, who is eligible for appointment as an Independent Director pursuant to the Companies Act, 2013 and the listing agreement in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a period of 5 consecutive years from the date of this Annual General Meeting to September 23, 2020."

By Order of the Board of directors
For H.P. Cotton Textile Mills Limited

Place: New Delhi
Date: 13th August, 2015
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
Website : www.hpthreads.com
CIN: L18101HR1981PLC012274

Ashok Kumar Agarwal
Deputy Managing Director
(DIN 00046627)

NOTES:

1. The Explanatory Statement pursuant to section 102(1) of Companies Act, 2013 in respect of the special business under item 5 as stated above is annexed hereto.
2. 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.
3. The attendance slip cum Proxy form is placed at the end of this Annual Report.
4. 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.
5. The Company has notified closure of Register of Members and Share Transfer Books from **Thursday, 17th September, 2015 to Thursday, 24th September, 2015** (both days inclusive) for determining the names of members eligible for dividend on Equity Shares; if declared, at the Meeting.
6. 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 **16th September, 2015**; 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.
7. 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:-
 - a. Any change in their address / mandate / bank details.
 - b. Particulars of their bank account, in case the same have not been furnished earlier, and
 - c. 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.
8. 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.
9. 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.
10. 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.
11. Shri Kailash Kumar Agarwal (DIN- 00063470) – Director who retire by rotation and Smt. Ritu Bansal (DIN -(03619069) – additional director, being eligible, offer themselves for re-appointment/ appointment as director at the ensuing Annual General Meeting. A brief resume of the said directors is given below.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE ANNUAL GENERAL MEETING

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

1

Name	Shri Kailash Kumar Agarwal
Directors Identification Number (DIN)	00063470
Date of Birth	17.07.1961
Qualification	B.com, L.L.B
Expertise in Specific Area	More than 30 years experience with this company itself
Date of first appointment on the Board of the company	03.09.1981
Directorship in other limited companies	M/s Achhar Investments Limited M/s Jainish Products Limited M/s Atishay Investments and Finance Private Limited M/s Tayal Vegcraft Private Limited M/s HP Infratech Private Limited M/s Sailesh Textile MFG Co. LTD.
Membership/Chairmanship of committee of directors of the company	Member in Share Transfer Committee Member in CSR Committee Member in Risk Management Committee
Membership/Chairmanship of committee of directors of other companies	Nil
No. of Share held	85320

2

Name	Smt Ritu Bansal (ICAI Membership No. 097135)
Directors Identification Number (DIN)	03619069
Date of Birth	09.05.1975
Qualification	B.com, FCA, CS
Expertise in Specific Area	More than 16 years experience in Accounting, Finance & Taxation
Date of first appointment on the Board of the company	29.05.2015
Directorship in other limited companies	Nil
Membership/Chairmanship of committee of directors of the company	Nil
Membership/Chairmanship of committee of directors of other companies	Nil
No. of Share held	Nil

11. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is providing facility to exercise right to vote on resolution proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means to members holding shares as on **17th September 2015** 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. The detailed procedure to be followed in this regard has been given in **Annexure –A** to the notice. The members are requested to go through them carefully.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5:

Smt Ritu Bansal is a Chartered Accountant. She is 40 years old and having experience over 16 years in Accounting, Finance & Taxation. Smt. Ritu Bansal was appointed as an additional director of the company with effect from 29.05.2015, pursuant to section 161 of the Companies Act, 2013 read with Article of Association of the company. Smt. Ritu Bansal holds office upto the date of this Annual General Meeting. The company has received a notice in writing from a member proposing the candidature of Smt. Ritu Bansal along with the deposit of ₹ 1Lac for the office of director under the provision of section 160 of the Companies Act, 2013.

Smt. Ritu Bansal is not disqualified from being appointed as director in terms of section 164 of the Companies Act, 2013 and other provisions of the act as applicable and has given her consent to act as a director of the company.

The company has also received declaration from Smt. Ritu Bansal that she meets the criteria of independence as prescribed under section 149(6) and clause 49 of the listing agreement.

The Board considers that the appointment of Smt. Ritu Bansal as a member of the board would be beneficial for the company. It is proposed to appoint Smt. Ritu Bansal as an independent director under section 149 of the act and clause 49 of the listing agreement, not liable to retire by rotation, for a period of five consecutive years from the date of this Annual General Meeting to September 23, 2020.

Information pursuant to clause 49 of Listing agreement is provided in the notes to Notice of Annual General Meeting.

By Order of the Board of directors

Place: New Delhi

For H.P. Cotton Textile Mills Limited

Date: 13.08.2015

Ashok Kumar Agarwal
Deputy Managing director
(DIN 00046627)

FOR THE ATTENTION OF THE MEMBERS:

1. Members are requested to send intimations of any changes in their addresses, applications for demat of shares, applications for transfer of shares and any related correspondence to the Company's share transfer agents M/s Alankit Assignments Ltd., 2E/21, Alankit House, Jhandewalan Extension, New Delhi-110055 Tel: (011)-23541234-42541234, Email: alankit@alankit.com

2. Sending Notices and documents to shareholders through E-mail:

As a part of "Green Initiative" in Corporate Governance, the Ministry of Corporate Affairs has allowed sending communication to the shareholders through electronic mode. Accordingly, we propose to send documents like notices convening general meetings, Annual Report, etc to the email addresses of the shareholders. For this purpose, shareholders holding shares in physical form are requested to register their email addresses and any changes therein from time to time with the Share transfer Agents of the Company M/s Alankit Assignments Ltd, at their Postal/ E-mail address given above. Please give the details in the attached format for registering your E-mail ID. Those holding shares in demat form are requested to register their E-mail IDs with their Depository Participants.

3. Making payment of dividend through NECS/NEFT:

In order to enable payment of dividend by direct credit to the bank accounts of the shareholders through National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT), those holding shares in physical form are requested to furnish their mandates for the same in the attached format along with the specified details/ document to M/s Alankit Assignments Ltd. Those holding shares in demat form are requested to update their records with DPs in this respect.

4. Payment of unpaid dividend of previous year:

The Company had declared dividends @ 10% for the financial year 2013-14 i.e. ₹ 1/- per equity share of rupees 10/- each. Those shareholders who have not en-cashed their warrants so far are requested to send their claims for payment, by giving the detail in the attached format to the Company. List of shareholders to whom dividends remain unpaid are available on the website of the Ministry of corporate Affairs. Please note that as per Section 124(6) of the new Companies Act, 2013 the shares held in respect of the unpaid dividend has also to be transferred to demat account maintained under Investor Education and Protection Fund account.

1) FORMAT FOR REGISTERING EMAIL ID

DP/ Client ID/ Folio No. :
Name of the sole/ first holder :
Postal Address :
Email Address :

Signature

2) FORMAT OF MANDATE FOR PAYMENT OF DIVIDEND BY NECS/ NEFT

Folio No :
Name of the sole/ first holder :
Postal Address :
Email Address :

I hereby authorized M/s Alankit Assignments Ltd. to make payment of dividend by direct credit to my bank account the details of which are furnished below:

Bank Name :
Branch Name :
Branch Address :
MICR Code :
IFSC Code :
Account Type :
Account No :

I enclosed herewith the following documents in proof of the above details:

Photocopy of Bank Pass Book/ Bank Statement

Photocopy of a blank cheque leaf of the account

Signature

3) FORMAT FOR CLAIMING UNPAID DIVIDENDS OF PREVIOUS YEARS

DP/ Client ID/ Folio No :
Name of the sole/ first holder :
Postal Address :
Years for which dividend not received :

Signature

Annexure A to the Notice
Instruction for the voting through electronic means

1. 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 Clause 35B of the Listing Agreement, the Company is pleased to provide member facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting 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 Depository Services Limited (CDSL).
2. 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.
3. 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.
4. The voting period begins on **21st September 2015 at 9.00 a.m. and ends on 23rd September 2015 at 5.00 p.m.** During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **17th September 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The instructions for shareholders voting electronically are as under:

- A. In case of members receiving E-Mail (for members whose e-mail address are registered with the company/ Registrars)**
- i. Log on to the e-voting website www.evotingindia.com during the voting period.
 - ii. Click on "Shareholders" tab.
 - 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 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
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.