



HP COTTON
TEXTILE MILLS
LIMITED

36TH ANNUAL REPORT
2016-17

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Raj Kumar Agarwal: Whole-Time Director
Mr. Ashok Kumar Agarwal: Jt. Managing Director
Mr. Kailash Kumar Agarwal: Managing Director

Non-executive Independent Directors

Mr. Parshotam Das Agarwal
Mr. Bibhuti Charan Talukdar
Mr. Anil Agarwalla
Mr. Mohan Lal Jain
Ms. Ritu Bansal

CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER

Mr. RaghavKumar Agarwal

COMPANY SECRETARY

Mr. Shashi Ranjan Kumar

STATUTORY AUDITORS

A.K. Associates, Chartered Accountants
Firm Reg. No. 000596N
308, Pearls Best Heights II, Plot No. C9
Netaji Subhash Place, New Delhi - 110 034
Tel. No.: (011) 45651592, 65161592

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

SECRETARIAL AUDITORS

Mr. Neelesh Jain, N&J Associates
Practicing Company Secretaries,
Pandav Nagar,
New Delhi - 110092

REGISTERED OFFICE

15th K.M. Stone, Delhi Road,
V.P.O. Mayar, Hisar - 125 044 (Haryana)
E-mail: info@hpthreads.com
Website: www.hpthreads.com

CORPORATE OFFICE

F (0)- The Mira Corporate Suites, 1 & 2,
Old Ishwar Nagar, Mathura Road,
New Delhi - 110065
E-mail: info@hpthreads.com

BRANCH OFFICES

1. 405, Manglam Building, 24, Hament
Basu Sarani, Kolkata - 700001
E-mail: hpctcal@vsnl.net
2. 85, Hira Bhai Market,
Ahmedabad - 380022,
3. Shah & Nahar (Worli) Industrial
Estate, Unit No. 506, 5th Floor,
Dr. E. Moses Road, Worli, Mumbai - 400018,
E-mail: hpexports@hotmail.com

BANKS

State Bank of India
(Formerly known as State Bank of Patiala)
Railway Road, Hisar, Haryana - 125001
Oriental Bank of Commerce
Railway Road, Hisar,
Haryana 125001

NOTICE OF 36TH ANNUAL GENERAL MEETING

(CIN: L18101HR1981PLC012274)

Regd. Office: 15th K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar-125044

Website: www.hpthreads.com E-mail: info@hpthreads.com

Tel.: +91 11 41540471/72/73, Fax: +91 11 49073410

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the Members of M/s H P Cotton Textile Mills Limited will be held on **Monday, the 25th day of September, 2017 at 10 A.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 consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017 and Statement of Profit and Loss for the financial year ended on that date along with the reports of the Directors and Auditors thereon and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2017, the Reports of the Board of Directors and the Auditors thereon; be and are hereby adopted and approved."

2. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Mr. Raj Kumar Agarwal (DIN: 2950710), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby appointed as director liable to retire by rotation."

3. To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to provision of section 139 of the Companies Act 2013 (as amended or re-enacted from time to time) read with The Companies (Audit and Auditors) Rules 2014, the consent of the Shareholders of the Company be and is hereby accorded to appoint M/s Bhargava Associates, Chartered Accountants, 308, Pearls Best Heights-II, C-9, Netaji Subhash Place, Delhi 110034, as the Statutory Auditor of the Company for a term of five (5) years starting from the conclusion of the Thirty Sixth (36th) Annual General Meeting till the conclusion of Forty First (41st) Annual General Meeting of the Company at such remuneration and reimbursement of travelling and out-of-pocket expenses and other applicable tax as may be agreed between the Statutory Auditors and the Board of Directors of the Company.

RESOLVED FURTHER THAT pursuant to the first proviso of section 139(1) of the Companies Act, 2013, the appointment of the Statutory Auditors shall be subject to the ratification at every Annual General Meeting during the tenure of their appointment.

RESOLVED FURTHER THAT the necessary written consent letter and the certificate indicating that the appointment, if made, shall be in accordance with the provisions of section 141 of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules 2014 have been received from the Statutory Auditors.

RESOLVED FURTHER THAT Mr. Kailash Kumar Agarwal, Managing Director of the Company, Mr. Ashok Kumar Agarwal, Joint Managing Director of the Company, Mr. Raj Kumar Agarwal, Whole-time Director of the Company and Mr. Shashi Ranjan Kumar, Company Secretary of the Company, be and are hereby severally authorised to file relevant forms with the Registrar of Companies within the prescribed time."

SPECIAL BUSINESS:

4. To re-appoint Mr. Kailash Kumar Agarwal (DIN: 00063470) as Managing 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 196, 197, 203, Article 124(b) of the existing Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as "the Act"), read with Schedule-V to the Act, the re-appointment of Mr. Kailash Kumar Agarwal (DIN 00063470) as Managing Director of the Company, be and is hereby approved for a period of Three (3) years, not liable to retire by rotation, with effect from 6th August, 2017 on the following terms and conditions:

A. REMUNERATION:

Particulars	New Amount (₹ p.m.)
Basic	80,000
House Rent Allowance (HRA)	40,000 (50% of the Basic)
Other/Special/Grade Allowance	54,150
Gross Compensation (A)	1,74,150
Leave Travel Allowance (LTA)	5,000 (2.5% of total CTC, payable annually)
Medical Reimbursement	1,250
Reimbursements (B)	6,250
Provident Fund (Employer's Contribution)	9,600
Ex Gratia	10,000 (payable annually)
Other / Statutory Benefits (C)	19,600
Total Cost to Company (per month) – A+B+C	2,00,000
Total Cost to Company (per annum)	24,00,000

B. OTHER TERMS AND CONDITIONS:

1. The Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof and his office as director shall not be liable to retire by rotation.
2. The Director shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the Company without the prior approval of the Central Government.
3. Minimum Remuneration – In the event of loss or inadequacy of profits, the above remuneration by way of salary, perquisites and other allowances payable to the above said Managing Director, being within the limits prescribed in Section II of Part II of Schedule V to the Act, shall be payable as minimum remuneration.
4. Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Managing Director may be terminated by either party by giving three months' notice in writing, of such termination.
5. If, at any time, Mr. Kailash Kumar Agarwal ceases to be the director of the Company for any causes whatsoever, his office as Managing Director shall forthwith be terminated.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to review, revise, amend any of the terms and conditions of remuneration of Managing Director subject to the provisions of Schedule V of the Companies Act, 2013 during the tenure of his re-appointment.

RESOLVED FURTHER THAT Mr. Ashok Kumar Agarwal, Joint Managing Director, Mr. Raj Kumar Agarwal, Whole-time Director and Mr. Shashi Ranjan Kumar, Company Secretary of the Company, be and are hereby severally authorized to finalize and execute on behalf of the Company the necessary agreement with Mr. Kailash Kumar Agarwal, to file the necessary returns with the Registrar of Companies and to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the resolution."

5. To amend/adopt the Memorandum of Association of the Company according to Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

"RESOLVED THAT pursuant to the provision of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and rules made in this behalf, consent of the Company be and is hereby accorded for altering the Memorandum of Associations of the Company by replacing the existing format without any change in any of the existing clause/objects/regulation/part as incorporated in the existing MOA, with the format as is given under the "Table A" of Schedule 1 of Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution all the Directors of the Company and Company Secretary of the Company, jointly or severally, be and are hereby authorized, on behalf of the Company, to do all such acts, deeds, matters, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E- forms with the Registrar of Companies, NCT of Delhi and Haryana."

6. To amend/adopt the Articles of Association of the Company according to Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

"RESOLVED THAT pursuant to the provision of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), consent of the Company be and is hereby accorded for altering the Articles of Associations of the Company by replacing all the existing regulations with the new regulations as are prescribed under "Table F" of Schedule I of Companies Act, 2013, with any additions as the Board may think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution all the Directors of the Company and Company Secretary of the Company, jointly or severally, be and are hereby authorised, on behalf of the Company, to do all such acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E- forms with the Registrar of Companies, NCT of Delhi and Haryana."

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

Place: **New Delhi**

Date: **12th August, 2017**

**Shashi Ranjan Kumar
Company Secretary and Compliance Officer**

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

NOTES:

1. **THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESSES UNDER ITEM 4, 5 AND 6 AS STATED ABOVE ARE ANNEXED HERETO. THE RELEVANT DETAIL AS REQUIRED UNDER REGULATION 36(3) OF SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 {"SEBI (LODR) REGULATIONS"} AND SECRETARIAL STANDARD ON GENERAL MEETINGS ("SS-2"), ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA OF PERSONS SEEKING APPOINTMENT / RE-APPOINTMENT OF DIRECTORS UNDER POINTS 2 & 4 OF THE NOTICE ARE ALSO ANNEXED.**
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.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that 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.
3. The attendance slip cum Proxy form is placed at the end of this Annual Report.
4. Corporate members intending to send their authorised 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.
5. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting. Information and instructions including details of user id and password relating to e-voting are provided in the Notice under Note No. 27.
6. In terms of Section 152 of the Act, Mr. Raj Kumar Agarwal Director, retire by rotation at the Meeting and being eligible, offer himself for reappointment. The Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company commend his re-appointment.
7. Mr. Raj Kumar Agarwal is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his re-appointment. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 3 of the Notice.
8. Only bonafide members of the Company whose names appear in the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
9. Members/proxies/authorised representatives are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, Members are requested to please bring their Folio number/ Demat Account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
11. The Company's Registrars & Transfer Agents for its share registry (both, physical as well as electronic) is Alankit Assignments Limited having its office at Alankit House, 4E/2, Jhandewalan Extension, New Delhi, Delhi 110055.

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12. Queries proposed to be raised at the Annual General Meeting may please be sent to the Company at its Registered/Corporate Office, at least 7 days prior to the date of Annual General Meeting to enable the Company to compile the information and answer them in the meeting.
13. In all correspondence with the Company and/or the RTA, members are requested to quote their folio number and in case their shares are held in the dematerialised form, they must quote their DP ID and Client ID number for easy reference and speedy disposal thereof.
14. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their requests in Form No. SH-13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 (which can be obtained from the Company's RTA.
15. Members holding shares in electronic form are requested to furnish the new 10-digit Bank Account Number allotted to them by their bank, (after implementation of CBS), along with photocopy of a cheque pertaining to the concerned account, to their Depository Participant (DP). Please send these details to the Company/ Registrars, if the shares are held in physical form, immediately.
16. Members holding shares in the certificate/Physical 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.
17. Those members who have not yet got their Equity Shares dematerialised are requested to contact any of the Depository Participants in their vicinity for getting their shares dematerialised. In case any clarification is needed in that regard, the undersigned may be contacted in person or by communication addressed at the Corporate Office of the Company.
18. Non-Resident Indian Members are requested to inform the Company's Registrar & Transfer Agent (RTA) immediately:
 - a) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
 - b) Any change in their residential status on return to India for permanent settlement.
19. 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.
20. 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 mode are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to the Company/RTA. All prospective members acquiring shares in physical form are also requested to provide a copy of their PAN card along with their request for registration of transfer/transmission/transposition of shares of the Company
21. The Route map of the Venue of the Annual General Meeting forms part of this Notice and is given on the last page of this Annual Report.
22. Since the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the Annual General Meeting. The members who will be physically present at the Annual General Meeting shall be provided with polling papers to cast their votes at the meeting.
23. The members can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered and treated as INVALID.

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24. 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 Agent 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.
25. The Register of Members and Share Transfer Books of the Company shall be closed from **Monday, 18th September, 2017 to Monday, 25th September, 2017** (Both Days Inclusive).
26. Those shareholders who have not encashed their dividend warrants for previous year(s) so far are requested to send their claims for payment, by giving the detail in the attached format to the Company.

FORMATS

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 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

27. Information and instructions relating to e-voting are as under:

The members are requested to follow the detailed procedure/instructions carefully as given herein below:

- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with 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 SEBI (LODR) Regulations, the Company is pleased to provide to its members the facility to exercise their right to vote on resolutions proposed to be passed at the ensuing AGM by electronic means ("e-voting") holding equity shares as on 18th September, 2017, being the **Cut-off Date** (Record date for the purpose of rule 20(3)(vii) of the said Rules), fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through e-voting platform provided by CDSL.
- ii. The facility for voting through Poll shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e voting/Postal Ballot shall be eligible to exercise their right at the meeting through Poll.
- 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 e-voting period begins on **22nd September, 2017 at 9.00 A.M. and ends on 24th September 2017 at 5.00 P.M.** During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of **18th September, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The instructions for shareholders for E-Voting are as under:

A. In case of Members receiving Notice of this Meeting via 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.