



# 37TH ANNUAL **REPORT** 2017-18



HP COTTON  
TEXTILE MILLS LIMITED

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

#### **Executive Directors**

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

#### **Non-executive Independent Directors**

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

#### **CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER**

Mr. Raghav Kumar Agarwal

#### **COMPANY SECRETARY**

Mr. Shashi Ranjan Kumar

#### **STATUTORY AUDITORS**

Bhargava Associates, Chartered Accountants,  
308, Pearl Best Heights-II, C-9, Netaji Subhash  
Place, Delhi 110034

#### **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

### **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

### **BRANCH OFFICES**

1. 405, Manglam Building, 24, Hament  
Basu Sarani, Kolkata - 700001
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,

### **BANKS**

#### **State Bank of India**

JSL Complex Branch, Hisar, Haryana-125001

### **SECRETARIAL AUDITORS**

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

**NOTICE OF 37TH 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 Seventh Annual General Meeting of the Members of H. P. Cotton Textile Mills Limited will be held on **Saturday, the 22nd day of September, 2018 at 11:30 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, 2018 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, 2018, the Reports of the Board of Directors and the Auditors thereon, be and are hereby adopted and approved."

2. To declare dividend @ ₹1 per share on the fully paid up Share Capital of the Company for the financial year ended 2017-18 as an **Ordinary Resolution:**

**"RESOLVED THAT** dividend of ₹ 1 per share on the fully paid up Share Capital be and is hereby declared out of profits of the Company for the financial year 2017-18."

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

**"RESOLVED THAT** pursuant to the provisions of section 152 of the Companies Act, 2013, Mr. Ashok Kumar Agarwal (**DIN:00046627**), who retires by rotation at this meetings and being eligible offered himself for re-appointment, be and is hereby appointed as director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to provisions 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 Walker, Chandiook & Co LLP, Chartered Accountants, (Firm Registration No. 001076N/N500013) Delhi 110034, as the Statutory Auditor of the Company for a term of five (5) years starting from the conclusion of the Thirty Seventh (37th) Annual General Meeting till the conclusion of Forty Second (42nd) 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 Managing Director of the Company.

**RESOLVED FURTHER THAT** the necessary written consent letter and the certificate indicating that the appointment 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 and Mr. Shashi Ranjan Kumar, Company Secretary of the Company, be and are hereby severally authorised to file relevant form with the Registrar of Companies within the prescribed time."

**SPECIAL BUSINESS:**

5. To consider the continuance of appointment of Mr. B.C. Talukdar (**DIN: 00024015**) as non-executive Independent Director as per the newly inserted Regulation 17A in the SEBI (LODR) (Amendment) Regulations, 2018 effective from 1st April, 2019 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution: -**

**"RESOLVED THAT** pursuant to the newly inserted provision of Regulation 17A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2018 {SEBI (LODR) (Amendments) Regulations, 2018}, effective from 1st April, 2019, the continuance of appointment of

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Mr. B.C. Talukdar (DIN: 00024015), non-executive independent director of the Company, beyond the age of 75 years, be and is hereby approved.

**RESOLVED FURTHER THAT** Mr. Kailash Kumar Agarwal, Managing Director, Mr. Ashok Kumar Agarwal, Joint Managing Director and the Company Secretary of the Company be and are hereby severally authorised to take necessary steps and to do all such acts, deeds and things and to sign all documents and papers as may be necessary to give effect to the above resolution."

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

Place: **New Delhi**

Date: **23<sup>rd</sup> August, 2018**

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

**NOTES:**

1. **THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF THE ORDINARY/SPECIAL BUSINESSES UNDER ITEM 4 AND 5 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, 2015"} AND SECRETARIAL STANDARD ON GENERAL MEETINGS ("SS-2"), ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA OF PERSON SEEKING APPOINTMENT/RE-APPOINTMENT OF DIRECTOR UNDER POINTS 3 OF THE NOTICE IS 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. 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.
4. The attendance slip cum Proxy form is placed at the end of this Annual Report.
5. 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.
6. 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 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. 32.
7. In terms of Section 152 of the Companies Act, 2013, Mr. Ashok Kumar Agarwal Director, retire by rotation at the Meeting and being eligible, offer himself for re-appointment. The Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company recommend his re-appointment.
8. Mr. Ashok Kumar Agarwal is interested in the Ordinary Resolution set out at Item No. 3 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 4 of the Notice.
9. Only bonafide members of the Company whose names appear on 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.
10. 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.
11. Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days (i.e. except Sundays and Public Holidays) during business hours

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up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.

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. 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.
14. The dividend on equity shares, if declared at the Meeting, will be credited / despatched within a week from the conclusion of the Meeting to those members whose names appear on the Company's Register of Members on the Record Date fixed for the purpose; in respect of the shares held in dematerialised mode, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
15. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on September 25, 2017 (date of the previous Annual General Meeting) on the website of the Company and the same can be accessed through the link: <http://www.hpthreads.com/corporate-information.php>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).
16. Due dates for transfer of unclaimed/unpaid dividends for the financial year 2010-11 and thereafter to IEPF:

| FY ended       | Declaration Date   | Due Date          |
|----------------|--------------------|-------------------|
| March 31, 2013 | September 07, 2013 | October 12, 2020  |
| March 31, 2014 | September 26, 2014 | November 01, 2021 |
| March 31, 2015 | September 24, 2015 | October 30, 2022  |
| March 31, 2016 | September 23, 2016 | October 29, 2023  |

17. 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 :

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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

18. As per the provisions of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shareholder, who did not claim their unpaid/unclaimed dividend before the due dates as mentioned at point no. 15, are requested to claim the same otherwise, in addition to the dividend, their shares shall also be transferred to Investor Education and Protection Fund. However, the members are eligible to withdraw their dividend along with shares by following the provisions of the said Rules.
19. 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.
20. SEBI vide notification dated 8th June, 2018, has decided that securities of listed companies can be transferred only in dematerialised form after the expiry of 180 days from the date of notification. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
21. 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.
22. 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.
23. 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).
24. 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.
25. 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. Submit their Permanent Account Number (PAN) and Bank account, in case the same have not been furnished earlier



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- 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, and
  - d. To register / update their e-mail address with the Company / RTA for receiving all communications from the Company electronically.
26. 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.
27. 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.
28. 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.
29. 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.
30. 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.
31. The Register of Members and Share Transfer Books of the Company shall be closed from **14<sup>th</sup> day of September, 2018 to 22<sup>nd</sup> day of September, 2018** (Both Days Inclusive).
- 32. 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, 2015, 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 ("remote e-voting") holding equity shares as on **14<sup>th</sup> September, 2018**, 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 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 **19<sup>th</sup> September, 2018 at 9.00 A.M. and ends on 21<sup>st</sup> September 2018 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 **14<sup>th</sup> September, 2018**, 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](http://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](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:

|                       | <b>For Members holding shares in Demat Form and Physical Form</b>  |
|-----------------------|--|
| 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"> <li>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.</li> <li>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.</li> </ul> |
| DOB                   | 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   |
| 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> <p>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 cut-off date in the Dividend Bank details field.</p>  |

- 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 Remote 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.