

38TH ANNUAL REPORT 2018-2019



HP COTTON
TEXTILE MILLS LIMITED

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Managing Director

Mr. Kailash Kumar Agarwal

Executive Director, CEO & CFO

Mr. RaghavKumar Agarwal

Non-Executive Non-Independent Directors

Mr. Surendra Kumar Agarwal

Mr. Ravindra Agarwal

Non-Executive Independent Directors

Mr. Parshotam Dass Agarwal

Mr. Bibhuti Charan Talukdar

Mr. Mohan Lal Jain

Ms. Ritu Bansal

COMPANY SECRETARY

Mr. Shubham Jain

STATUTORY AUDITORS

Walker Chandiok & Co. LLP, Chartered
Accountants, L-41, Connaught Circus, Outer Circle,
New Delhi 110001

REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Ltd.

4E/ 2, Alankit House,

Jhandewalan Extension,

New Delhi – 110055

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

E-mail: info@hpthreads.com

BRANCH OFFICES

1. Sri Krishna Square, 2A Grant Lane, 4th Floor,
Kolkata-700012
2. D-1112, Titanium City Centre, 11th Floor, Near Sachin
Tower, 100 Ft. Road, Satellite, Ahmedabad-380015

BANKS

State Bank of India, SME Branch

JSL Complex Branch, Hisar, Haryana-125001

SECRETARIAL AUDITORS

Mr. Neelesh Jain, N.K.J Associates

Practicing Company Secretaries,

Pandav Nagar, New Delhi- 110092

REVISED SCHEDULE FOR THE 38TH AGM

DATE : Friday, 08th November, 2019

TIME : 12 Noon

VENUE : 15th K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar-125044 (Haryana)

NOTICE OF THE RECONVENED 38TH ANNUAL GENERAL MEETING (AGM) OF THE COMPANY

NOTICE is hereby given that due to certain unavoidable circumstances the 38th AGM of the Company earlier scheduled to be held on Monday, 30 September, 2019 has been cancelled and will now be held on Friday, 08th November, 2019 at 12 Noon at 15th K. M. Stone, Delhi Road, V.P.O. Mayar, Hisar-125044 (Haryana) to transact the business as mentioned in the notice dated October 05, 2019 appended hereto.

A detailed notice for the reconvened AGM along with the Proxy Form and Attendance slip is being sent herewith to the members. The same shall also be available on the website of the Company www.hpthreads.com.

We sincerely regret the inconvenience caused to the members due to the cancellation of the previously convened AGM.

**By Order of the Board of Directors
for H P Cotton Textile Mills Limited**

Place: **New Delhi**

Date: **October 05, 2019**

**Shubham Jain
Company Secretary and Compliance Officer**

Encl.: 1) Notice of 38th Annual General Meeting
2) Proxy Form and Attendance slip

NOTICE OF 38TH 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 Eighth Annual General Meeting of the Members of H.P. Cotton Textile Mills Limited will be held on **Friday, the 08th day of November, 2019 at 12 Noon** 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 businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2019 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, 2019, the Reports of the Board of Directors and the Auditors thereon, be and are hereby adopted and approved."

2. **To appoint a Director in place of Mr. Kailash Kumar Agarwal, who retires by rotation and being eligible, seeks re-appointment**

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Kailash Kumar Agarwal (DIN: 00063470) as Managing Director to the extent that he is required to retire by rotation."

SPECIAL BUSINESS:

3. **Appointment of Mr. Surendra Kumar Agarwal as a Director (Non-Executive) 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 Mr. Surendra Kumar Agarwal (DIN: 01309527), who was appointed by the Board of Directors as an Additional Director of the Company effective May 30, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and who qualifies for being appointed as a Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation."

4. **Appointment of Mr. Ravindra Kumar Agarwal as a Director (Non-Executive) 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 Mr. Ravindra Kumar Agarwal (DIN: 01309558), who was appointed by the Board of Directors as an Additional Director of the Company effective May 30, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and who qualifies for being appointed as a Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation."

5. **Appointment of Mr. Raghav Kumar Agarwal as 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 Mr. Raghav Kumar Agarwal (DIN: 02836610), who was appointed by the Board of Directors as an Additional Director of the Company effective May 30, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and who qualifies for being appointed as a Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the

office of Director of the Company, be and is hereby appointed a Director of the Company liable to retire by rotation."

6. Appointment of Mr. Raghav Kumar Agarwal as a Whole - Time Director (Executive Director) of the Company

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

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V to the Companies Act, 2013 and Articles of Association of the Company, and such other applicable provisions (including any statutory modification or re-enactment thereof), if any and pursuant to the recommendation of the Nomination and Remuneration Committee, approval of the Company be and is hereby accorded for appointment of Mr. Raghav Kumar Agarwal (DIN 02836610) as a Whole Time Director of the Company for a period of 5 years, w.e.f. 30th May, 2019 designated as Executive Director CEO and CFO ("ED CEO & CFO") on the same terms and conditions of remuneration as drawn by him in the capacity of CEO & CFO of the Company which is mentioned herein below:

A. REMUNERATION:

| Particulars | Amount (in Rs. per month) |
|---|---------------------------|
| Basic | 60,000 |
| House Rent Allowance (HRA) | 30,000 |
| Other/Special/Grade Allowance | 36,850 |
| Transport Allowance | 1,600 |
| Gross Compensation (A) | 1,28,450 |
| Leave Travel Allowance (LTA) | 3,800 |
| Medical Reimbursement | 3,050 |
| Reimbursements (B) | 6,850 |
| Provident Fund (Employer's Contribution) | 7,200 |
| Statutory Annual Bonus / Ex Gratia** | 7,500 |
| Other / Statutory Benefits (C) | 14,700 |
| Total Cost to Company (per month) – A+B+C | 1,50,000 |
| Total Cost to Company (per annum) | 18,00,000 |
| Gratuity | 2,885 |
| LWW (Leave with Wages) | 4,932 |
| Additional Benefits | 7,816 |
| * For claiming reimbursements, please refer to Company's reimbursement policy manual. | |
| Total Gross Salary | 1,28,450 |
| Less PF Deduction | 7,200 |
| Net Pay (Pre Tax) | 1,21,250 |
| Add Monthly Reimb. | 3,050 |
| Total Net Pay (Incl. Monthly Reimb.) | 1,24,300 |

Important Points

- 1) Net Pay calculations are excluding of TDS as may be applicable under the Income Tax Act.
- 2) LTA and Statutory Annual Bonus / Ex Gratia payments (being paid annually) are excluded from the Net Pay Calculations.
- 3) LWW is calculated on Basic Salary @ 20 days (if the Basic Salary is up to 10k p.m.) / 30 days (if the Basic Salary is more than 10k p.m.) of Earned Leave per calendar year.

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
- 2) If, at any time, Mr. RaghavKumar Agarwal ceases to be the director of the Company for any causes whatsoever, his office as Whole Time Director shall forthwith be terminated."

RESOLVED FURTHER THAT the remuneration payable to the ED CEO & CFO by way of salary, perquisites and other allowances and benefits shall not exceed the limits laid down in Section 197 read with Schedule V of the Act, including any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year during the tenure of the ED CEO & CFO, the Company has no profits or its profits are inadequate, the Company may pay to the ED CEO & CFO the above remuneration as the minimum remuneration for a period of 3 (three) years from the date of appointment or such other period as may be statutorily permitted by way of salary, perquisites, performance pay, other allowances and benefits as specified hereinabove subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, Mr. Kailash Kumar Agarwal, Managing Director, be authorised to do all such acts, deeds, matters and things as he may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to issue the letter of appointment including the terms of appointment to ED CEO & CFO and to execute all documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

7. Re-appointment of Mr. Parshotam Dass Agarwal as an Independent Director

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 recommendation of Nomination and Remuneration Committee and Board of Directors of the Company and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, approval of the members of the Company be and is hereby accorded for re- appointment of Mr. Parshotam Dass Agarwal (DIN: 00063017), who was appointed as an Independent Director of the Company at the 33rd Annual General Meeting of the Company to hold office of the Independent Director upto September 25, 2019 and who is eligible for being re-appointed as an Non-Executive Independent Director for a term of five consecutive years w.e.f. September 26, 2019 to September 25, 2024 and in respect of whom the Company has received a Notice in writing from a himself under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, as a Non-Executive Independent Director of the Company, not liable to retire by rotation as well as to continue to hold the position of Non- Executive Independent Director beyond 75 years of age.

RESOLVED FURTHER THAT pursuant to regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Mr. Parshotam Dass Agarwal on attaining the age of 75 years on October 9, 2021 during the above term of re- appointment, the continuation of such appointment as a Non- Executive Independent of the Company for 5 years on the same terms and conditions of such re-appointment even after attaining the age of 75 years will be considered as requisite approval as required in the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015."

8. Re-appointment of Mr. Mohan Lal Jain as an Independent Director

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 recommendation of Nomination and Remuneration Committee and Board of Directors of the Company and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, approval of the members of the Company, be and is hereby accorded for re- appointment of Mr. Mohan Lal Jain (DIN: 00063240), who was appointed as an Independent Director of the Company at the 33rd Annual General Meeting of the Company to hold office of the Independent Director upto September 25, 2019 and who is eligible for being re-appointed as an Non-Executive Independent Director for a term of five consecutive years w.e.f. September 26, 2019 to September 25, 2024 and in respect of whom the Company has received a Notice in writing from a himself under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, as a Non-Executive Independent Director of the Company, not liable to retire by rotation."

**By Order of the Board of Directors
for H P Cotton Textile Mills Limited**

Place: **New Delhi**
Date: **October 05, 2019**

Shubham Jain
Company Secretary and Compliance Officer

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.**

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.

2. 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.
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. Members/Proxies/Authorised Representatives are requested to bring duly filled attendance slips sent herewith to attend the AGM.
6. The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Special Businesses under item 3 to 8 as stated above are annexed hereto. The relevant details 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, is also annexed.
7. 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. 30.
8. 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.
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. 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 Holiday and National Holiday) during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

H. P. Cotton Textile Mills Limited

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 Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on 22nd September, 2018 (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.
15. Due dates for transfer of unclaimed/unpaid dividends for the financial year 2011-12 and thereafter to IEPF:

| FY ended | Declaration Date | Due Date |
|----------------|--------------------|------------------|
| March 31, 2013 | September 07, 2013 | October 6, 2020 |
| March 31, 2014 | September 26, 2014 | October 25, 2021 |
| March 31, 2015 | September 24, 2015 | October 23, 2022 |
| March 31, 2016 | September 23, 2016 | October 22, 2023 |
| March 31, 2018 | September 22, 2018 | October 21, 2025 |

16. 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

i) **FORMAT FOR REGISTERING EMAIL ID**

DP/ Client ID/ Folio No. :

Name of the sole/ first holder :

Postal Address :

Email Address : Signature

ii) **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 :

H. P. Cotton Textile Mills Limited

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

iii) **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

17. 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.
18. 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.
19. 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.
20. 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.
21. 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.
22. 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).
23. 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.
24. 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, 4E/2, Jhandewalan Extension, New Delhi-110055 to facilitate better servicing: -
 - a. Any change in their address / mandate / Bank details.