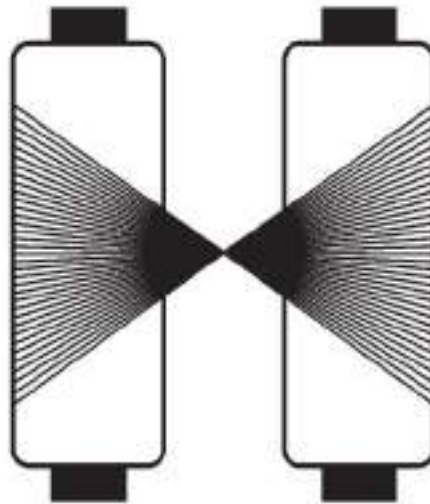


**26th**

**ANNUAL REPORT**

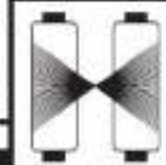
**2017-2018**



H S M L



**HISAR SPINNING MILLS LIMITED**





**BOARD OF DIRECTORS**

**Mr. Anurag Gupta**  
Managing Director  
DIN : 00192888

**Mr. Mithlesh Kumar Gupta**  
Independent Director  
DIN : 07692870

**Mr. Sandeep Suri**  
Independent Director  
DIN : 07693480

**Mr. Sudesh Kumar Garg**  
Independent Director  
DIN : 07692820

**Mr. Nikhil Goel**  
Non Executive Director  
DIN : 01741446

**Mrs. Sapna Kansal**  
Executive Director  
DIN : 06892410

**AUDIT COMMITTEE**

**Mr. Mithlesh Kumar Gupta**  
Chairman (Independent Director)

**Mr. Sudesh Kumar Garg**  
Independent Director

**Mr. Anurag Gupta**  
Managing Director

**NOMINATION & REMUNERATION COMMITTEE**

**Mr. Sudesh Kumar Garg**  
Chairman (Independent Director)

**Mr. Mithlesh Kumar Gupta**  
Independent Director

**Mr. Nikhil Goel**  
Non Executive Director

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**Mrs. Sapna Kansal**  
Member

**Mr. Anurag Gupta**  
Member

**Mr. Nikhil Goel**  
Chairman

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Verinder Kamal Sood (*Appointed w.e.f. 12.06.2018*)  
Ms. Manmeet Kaur Sihota (*Appointed w.e.f. 01.09.2017*)  
Ms. Tanu Sharma (*Resigned w.e.f. 10.07.2017*)

**CHIEF FINANCIAL OFFICER**

Mr. Sharad Goel

**AUDITORS**

M/s Romesh K. Aggarwal & Associates  
Chartered Accountant  
G T Road, Miller Ganj,  
Ludhiana - 141003

**BANKERS**

Punjab National Bank  
Main Branch, Hisar 125001

**REGD. OFFICE & WORKS**

9<sup>th</sup> KM Stone, Hisar Bhiwani Road, V.P.O Dabra ( Hisar), Haryana -125005

**TWENTY SIXTH ANNUAL GENERAL MEETING**

29<sup>th</sup> day of September, 2018 i.e. Saturday at 10.00 A.M. at the Registered Office of the Company at  
9<sup>th</sup> KM Stone, Hisar Bhiwani Road, V.P.O Dabra ( Hisar), Haryana -125005

**NOTICE**

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Shareholders of the company will be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 10:00 A.M. at the Registered Office of the Company at 9<sup>th</sup>, KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2018 and the Profit & Loss Account for the year ended on that date together with the Reports of Auditors' and Directors' thereon.
2. To appoint a director in place of Mrs. Sapna Kansal (DIN: 06892410), Director who retires by rotation and is eligible for re-appointment.

**SPECIAL BUSINESS**

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

“Resolved that in partial modification of Annual General Meeting resolution dated September 28, 2017 and pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V prescribed under the Act and Articles of Association of the Company and subject to the approval of such other authorities as may be required, Mr. Anurag Gupta, Managing Director (DIN No. 00192888), be paid a remuneration of Rs. 75000/- per month, for five years from the date of his appointment i.e. December 29, 2016, as per details given below:

Salary	: Rs. 45,000/- per month
Perquisites	Category-A
HRA	: Rs. 22,500/- per month.
Special Allowance	: Rs. 7,500/- per month
	Category-B
Gratuity	: Not exceeding half a month's salary for each completed year of service in accordance with the payment of Gratuity Act 1972.
	Category-C

Car - He shall be provided with the company's car with driver for performing his official duties. Use of Company's car for his private purpose shall be billed by company to his account.

Telephone - He shall be provided with Company's telephone at his residence and that all long distance personal calls shall be billed by company to his account.”

4. 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 provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V prescribed under the Act and Articles of Association of the Company and also subject to the approval of such other authorities as may be required, Mr. Anurag Gupta, Managing Director (DIN No. 00192888), be paid a remuneration of Rs. 1,25,000/- per month, w.e.f. December 14, 2017 to the remainder of his term i.e. up to December 28, 2021, as per details given below:

Salary	: Rs. 75,000/- per month
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## HISAR SPINNING MILLS LIMITED

### Perquisites

#### Category-A

HRA	: Rs. 37,500/- per month.
Special Allowance	: Rs. 12,500/- per month

Further, "Resolved that the other terms and conditions of his appointment shall remain the same."

5. 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 provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V prescribed under the Act and Articles of Association of the Company and also subject to the approval of such other authorities as may be required, Mrs. Sapna Kansal (DIN No. 06892410) be and is hereby appointed as the Whole Time Director of the company for a tenure of 5 years commencing December 14, 2017 at a remuneration of Rs. 1,25,000/- per month, as detailed below:

Salary	: Rs. 75,000/- per month
Perquisites	

#### Category-A

HRA	: Rs. 37,500/- per month.
Special Allowance	: Rs. 12,500/- per month.

#### Category-B

Gratuity	: Not exceeding half a month's salary for each completed year of service in accordance with the payment of Gratuity Act 1972.
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#### Category-C

**Car** - She shall be provided with the company's car with driver for performing her official duties. Use of Company's car for his private purpose shall be billed by company to her account.

**Telephone** - She shall be provided with Company's telephone at her residence and that all long distance personal calls shall be billed by company to her account."

For and on behalf of the Board

Place: Chandigarh  
Date: 05.09.2018  
Regd. Office:  
8<sup>th</sup>, KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar

Sd/-  
(Anurag Gupta )  
Managing Director

### NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 with respect to Special Businesses set out in the Notice is annexed.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company.
3. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the register of Members and Share Transfer Books of the Company shall remain closed from 25<sup>th</sup> day of September, 2018 to 29<sup>th</sup> day of September, 2018 (both days inclusive).



4. The instrument of proxy, in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of Limited Companies or societies etc. must be supported by appropriate resolutions/authority, as applicable.

5. In case of joint holders attending the Meeting, the joint holder who is higher in order of names under a given Folio/DPID-Client (in respect of dematerialized shares) will be entitled to vote.

6. Members/Proxies are requested to bring their copy of this Notice along with duly filled admission slip for attending the meeting.

7. Members holding shares in physical form are requested to notify their e-mail id & change in address, if any, to the Company at its Registered Office or to the Registrar & Transfer Agents-M/s Indus Portfolio Private Limited, G-65, Bali Nagar, New Delhi-110015.

8. Members holding shares in electronic form are requested to notify change in their e-mail id & address, if any, to their Depository Participant.

9. Pursuant to provisions of the Companies Act, 2013 read with the Rules framed there under, the company may send notice of general meeting and other documents through electronic mode. Further, pursuant to the first proviso to the Rule 18 of the Companies (Management and Administration) Rule, 2014, the Company shall provide an advance opportunity at least once in a financial year to the members to register their e-mail address and changes therein. In view of the same, members are requested to kindly update their e-mail address with depository participants in case of holding shares in demat form. If holding shares in physical form, Members are requested to inform their e-mail ID to the company.

10. Electronic copy of the Notice of general meeting of the company is being sent to all the members whose email ids are registered with the company/Depository Participant(s) for communication purposes. For members who have not registered their email address, physical copies are being sent by the permitted mode.

11. Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the provisions of Listing Agreement with Stock Exchanges, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening Annual General Meeting to be held on Saturday, the 29<sup>th</sup> day of September, 2018 at 10:00 A.M. at the registered office of the company at 9<sup>th</sup>, KM Stone, Hisar Bhiwani Road, VPO Dabra, Hisar. The Company has engaged the services of CDSL to provide the e-voting facility.

12. The instructions for members for E-Voting are as under:

(i) The voting period begins on Wednesday, the 26<sup>th</sup> day of September, 2018 at 9.00 A.M. and ends on Friday, the 28<sup>th</sup> day of September, 2018 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, the 21<sup>st</sup> day of September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(iii) Click on Shareholders.

(iv) 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.

(v) Next enter the Image Verification as displayed and Click on Login

(vi) 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:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department





	(Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated 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	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Company, i.e. Hisar Spinning Mills Limited on which you choose to vote. (EVSN 180831044).

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



## **HISAR SPINNING MILLS LIMITED**

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(xx) Since, the Company is required to provide the members facility to exercise their vote by electronic means, shareholders of the company, holding shares either in physical form or dematerialized form as on the cut off date i.e. Friday, the 21<sup>st</sup> day of September, 2018 and not casting their vote electronically, may also cast their vote at the Annual General Meeting.

(xxi) The members who have cast their vote by e-voting prior to the Annual General meeting, may also attend the meeting but shall not be entitled to cast their vote again.

(xii) Mr. Sanjiv Kumar Goel, Company Secretary in practice, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair & transparent manner.

(xiii) The Scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter, unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in employment of the Company and make, not later than 3 days from the conclusion of the meeting, a Consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman, who shall countersign the same.





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

**Item No. 2**

**A brief profile of Mrs. Sapna Kansal, Director:**

Mrs. Sapna Kansal (Din: 06892410) who retires by rotation and is eligible for re-appointment.

Age: 45 years as on 31.03.2018.

Qualification: Graduate

Experience: Around 15 years experience in family business

Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid: Appointed as Whole Time director for five years w.e.f. December 14, 2017 on the terms & conditions provided in the notice above.

Remuneration last drawn by such person: Nil

Date of first appointment on the Board: 20.06.2014

Shareholding in the company: 63,100 shares as on 31.03.2018

Relationship with other Directors, Manager and other Key Managerial Personnel of the company: No relationship with other directors. However, spouse of Mr. Naveen Kansal, Chief Executive Officer.

Number of Meetings of the Board attended during the year: 5

Other Directorships: Nil

Membership/ Chairmanship of Committees of other Boards: 1

Nature of interest of Directors: None of the Directors except Mrs. Sapna Kansal herself, is interested in the proposed resolution.

**Item No. 3**

**Modification of Resolution passed in the Annual General Meeting dated September 28, 2017**

In partial modification of the Ordinary Resolution passed at the Twenty fifth Annual General Meeting dated September 28, 2017, the Board recommends passing the aforesaid resolution as Special Resolution pursuant to the Articles of Association of the Company.

Nature of interest of Directors: None of the Directors except Mr. Anurag Gupta himself, is interested in the proposed resolution.

**Item No. 4**

**Increase in Remuneration of Managing Director:**

Mr. Anurag Gupta was appointed as Managing Director of the Company pursuant to the provisions of Section 197 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereto from time to time or any re-enactment thereof for the time being in force) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



Schedule V prescribed under the Act and Articles of Association of the Company and also subject to the approval of such other authorities as may be required, for a period of five years w.e.f. December 29, 2016. The Board recommends enhancement of his remuneration w.e.f. December 14, 2017, as per details given in the notice above.

Age: 48 years as on 31.03.2018

Qualification: Bachelor of Engineering.

Experience: Has been associated as director of the company. He has wide experience of manufacture of yarn & financing activities.

Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid: Appointed as Managing Director, for five years w.e.f. December 29, 2016 at a remuneration of Rs. 75,000/- per month enhanced to Rs. 1,25,000/- per month w.e.f. December 14, 2017.

Remuneration last drawn by such person: Rs. 30,000/- per month till December 28, 2016.

Date of first appointment on the Board: 28.02.2000.

Shareholding in the company: 184250 Equity Shares.

Relationship with other Directors, Manager and other Key Managerial Personnel of the company: No relationship.

Number of Meetings of the Board attended during the year: 5

Other Directorships: Nil

Membership/ Chairmanship of Committees of other Boards: Nil

Nature of interest of Directors: None of the Directors except Mr. Anurag Gupta himself, is interested in the proposed resolution.

#### **Item No. 5**

#### **A brief profile of Mrs. Sapna Kansal, Executive Director:**

Mrs. Sapna Kansal (Din: 06892410) appointed as Whole Time Director on the Board.

Age: 45 years as on 31.03.2018

Qualification: Graduate

Experience: Around 15 years experience in family business

Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid: Appointed as Whole Time director for five years w.e.f. December 14, 2017 on the terms & conditions provided in the notice above.

Remuneration last drawn by such person: Nil

Date of first appointment on the Board: 20.06.2014

Shareholding in the company: 63,100 shares as on 31.03.2018