

# H.P. Cotton Textile Mills Limited

## 35th Annual Report 2015-16





**REGISTERED / CORPORATE / BRANCH OFFICES AND WORKS**

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## BOARD OF DIRECTORS

<b>Mr. Raj Kumar Agarwal</b> (DIN No. 02950710)	Whole Time Director
<b>Mr. Ashok Kumar Agarwal</b> (DIN No. 00046627)	Joint Managing Director
<b>Mr. Kailash Kumar Agarwal</b> (DIN No. 00063470)	Joint Managing Director
<b>Mr. Parshotam Das Agarwal</b> (DIN No. 00063017)	Independent Director
<b>Mr. Bibhuti Charan Talukdar</b> (DIN No. 00024015)	Independent Director
<b>Mr. Anil Agarwalla</b> (DIN No. 00046615)	Independent Director
<b>Mr. Mohan Lal Jain</b> (DIN No. 00063240)	Independent Director
<b>CA Ritu Bansal</b> (DIN No. 03619069)	Independent Director

## CHIEF FINANCIAL OFFICER

CA Ojaswi Singhal (Membership No. 510484)  
(Appointed w.e.f. 25.12.2015 & resigned w.e.f. 04.05.2016)

## COMPANY SECRETARY

Ms. Priyanka Singal (Membership No. 31594)  
(Appointed w.e.f. 25.12.2015)

## BANKERS

**State Bank of Patiala**  
Railway Road, Hisar, Haryana 125001  
**Oriental Bank of Commerce**  
Railway Road, Hisar, Haryana 125001

## STATUTORY AUDITORS

M/s A. K. Associates  
Chartered Accountants  
Firm Reg. No. 000596N  
308 Pearls Best Heights II, Plot No. C9  
Netaji Subhash Place, New Delhi-110034  
Tel. No. : (011)45651592, 65161592

## REGISTRAR & SHARE TRANSFER AGENT

M/s Alankit Assignments Ltd.  
2E/21, Alankit Heights, Jhandewalan Extension, New Delhi – 110 055  
Tel. No. : (011) 23541234-42541234  
Fax No. : (011) 23552001  
Email: info@alankit.com  
Website: www.alankit.com

**NOTICE OF 35TH ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of M/s H P Cotton Textile Mills Limited will be held on **Friday, the 23rd day of September, 2016 at 11:00 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 receive, consider and adopt Audited Financial Statement of the Company for the financial year ended 31.03.2016 including Balance Sheet, the Statement of Profit & Loss A/c as on that date along with the report of the Directors and Auditors thereon.
2. To declare dividend @ 10 % on Paid up Equity Share Capital of the Company for the Financial Year ended 31.03.2016.
3. To appoint a Director in place of Mr. Ashok Kumar Agarwal (DIN 00046627), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution, with or without modification(s), as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 139 ,142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under as amended from time to time the Company hereby ratifies the appointment of M/S A.K. Associates, Chartered Accountants (Firm Registration No. 000596N), as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 36th (Thirty Sixth) Annual General Meeting of the Company to be held in the year 2017, at such remuneration plus applicable service tax, out of pocket expenses etc. as may be mutually agreed between Board of Directors of the Company and the Statutory Auditors.”

**SPECIAL BUSINESS:**

5. To re-appoint Mr. Raj Kumar Agarwal (DIN: 02950710) as Whole Time 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 Section 196, 197 read with other applicable provisions and Schedule V of the Companies Act, 2013 and the provisions of Articles of Association of the Company and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Raj Kumar Agarwal (DIN: 02950710) as Whole Time Director of the Company for another term of 5 Years with effect from 1st day of July, 2016 till 30th day of June, 2021, on the terms and conditions as set out hereunder recommended by the Nomination and Remuneration Committee and approved by the Board.

Salary Basic	₹ 68100/- Per Month
HRA	25% of Basic Salary
Medical	Re-imbursment of medical expenses for self and family up to a limit of 5% of Basic Salary per annum
LTA	Re-imbursment of Leave Travel Concession expenses for self and family up to a limit of 5% of Basic Salary per annum
Bonus	As per Company Rule
Provident Fund & Gratuity	As per Employee Provident Fund and Payment of Gratuity Act and shall not be included in the computation of the ceiling of remuneration.
Minimum Remuneration	Where in any financial year during the currency of the tenure of Mr. Raj Kumar Agarwal(DIN: 02950710), the Company has no profits or its profits are inadequate, the Company may pay to Mr. Raj Kumar Agarwal (DIN: 02950710) the above remuneration as the minimum remuneration for a period not exceeding 3 years or till the tenure of appointment, whichever is earlier, by way of salaries, perquisites and other allowances and benefits as specified above subject to receipt of requisite approvals, if any.



RESOLVED FURTHER that Mr. Raj Kumar Agarwal (DIN: 02950710) in the capacity of Whole Time Director will be entrusted with the powers, authorities, functions, duties, responsibilities etc. by Board of Directors of the Company, from time to time and Board be and is hereby authorized to alter, vary or modify the remuneration of Mr. Raj Kumar Agarwal (DIN: 02950710) within the limit as specified under Schedule V of the Companies Act, 2013.

RESOLVED FURTHER that he is appointed as a whole time Director on Board liable to retire by rotation.”

6. To increase the Borrowing power of the Company 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 provisions of Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 including any statutory modification or re-enactments thereof and in supersession of all the earlier resolution passed in this regard, consent of the Company be and is hereby accorded to Board of Directors to borrow money from any Bank and/or Public Financial institution as defined under Section 2 (72) of the Companies Act, 2013, Qualified Institutional Buyer or from any other organization or Body Corporate and/ or eligible foreign lender and/or any entity/ entities and/ or authority/ authorities and/ or through credit suppliers, any other securities or instruments, such as floating rates notes, fixed rates, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc, and/ or through credit from official agencies and/ or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding ` 300 Crores (Rupees Three Hundred Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.”

“RESOLVED FURTHER that the Board of Directors be and are hereby, jointly or severally, authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required on behalf of the company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

7. To approve creation of charge on movable and immovable properties of the company, both present and future 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 provisions of Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactments and in supersession of all the earlier resolution passed in this regards, consent of the Company be and is hereby accorded to Board of Directors to create charge, pledge, hypothecation and/ or mortgage on all or any of the moveable and/ or immovable assets of the Company, both present and future and/ or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/ to be availed by way of loans ( in foreign currency and/ or in Indian currency), credit facility, working capital facility, Bank guarantee facility, letter of credit and securities (comprising of fully/ partly convertible debentures and/or secured premium notes and/ or floating rates notes/ bonds or other debt instruments) issued/ to be issued by the Company from time to time, in one or more branches, upto an aggregate limit of ` 300 Crores (Rupees Three Hundred Crores only) together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered/ to be entered into between the Company and the lenders/ agents/ investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.”

“RESOLVED FURTHER that the Board of Directors of the company be and are hereby, jointly or severally, authorized to finalize the terms and conditions for creating the aforesaid mortgage and/ or charge and to

execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.”

8. To amend/adopt the Article 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 resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions 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 Association of the Company by replacing all the existing regulations with the new regulations as are prescribed under Table F of Schedule 1 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, jointly or severally, be and are hereby authorized, 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, New Delhi.”

9. 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 resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to the provisions 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 or any amendment thereto under the Companies Act, 2013, consent of the Company be and is hereby accorded for altering the Memorandum of Association of the Company by replacing the existing format without any change in any of the existing clauses/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, jointly or severally, be and are hereby authorized, 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, New Delhi.”

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

Place: Hisar

Date: 12th August, 2016

Priyanka Singal  
Company Secretary and Compliance Officer

**Regd. Office :** 15<sup>th</sup> 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](mailto:hisar@hpthreads.com)  
Website : [www.hpthreads.com](http://www.hpthreads.com)  
CIN: L18101HR1981PLC012274

**Corporate Office:**

1E/12, Jhandewalan Extension  
Sewak Bhawan, New Delhi-110055  
Ph. (011)-23524439/41  
Fax No.: (011) 23541076/23610076  
E-Mail: [info@hpthreads.com](mailto:info@hpthreads.com)

**NOTES:**

1. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 in respect of the special businesses under item no. 5, 6, 7, 8 and 9 as stated above is annexed hereto. The relevant detail as required under regulation 36(3) of SEBI (LODR) Regulations, 2015 of person seeking appointment / reappointment of Directors under Item No. 3 & 5 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 paid up Share Capital of the Company carrying voting rights. Provided that a member holding more than ten percent of the total paid up 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, Postal Ballot form and Proxy form is placed at the end of this Annual Report.
4. Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
5. Only bonafide Members of the Company whose names appears 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.
6. Members 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.
7. 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.
8. The Company has notified closure of Register of Members and Share Transfer Books from Thursday, **15th September, 2016 to Friday, 23rd September, 2016** (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares; if declared, at the Meeting.
9. The dividend in respect of equity shares; if declared at the meeting, will be paid to those Members whose name will appear on the Company's Register of Members on Record date i.e. **15th September, 2016** in respect of Shares held in Physical form and in respect of the shares held in dematerialized form, the dividend will be paid to Members whose names are furnished by National Security Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
10. 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.
11. 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.
12. Members desirous of making a nomination in respect of their shareholdings, as permitted by Section 72 of the Companies Act, 2013, are requested to write to the Share Transfer Agent of the Company in the prescribed form.
13. Members desirous of getting any information/documents in respect of the contents of this Annual Report is required to forward their queries/request to the Company at least ten days prior to the Meeting so that, if the Chairman of the Meeting so permits, the required information/documents can be made available at the meeting.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.
15. 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.
16. **Voting through electronic means:**  
In compliance with provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR), 2015, the Company is providing facility to exercise right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means to Members holding shares as on **15th September 2016** 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 e-voting process, through the e-voting platform provided by CDSL. The detailed procedure to be followed in this regard has been given in Annexure A to the notice. The Members are requested to go through the procedure carefully.
17. **Voting through Postal Ballot**  
Pursuant to the Companies (Management and Administration) Rules, 2014, a Company shall pass the resolution only through Postal Ballot for the Items as are specified under the list of Rule 22 (16) of the said rules and it is discretionary for the Company to pass any other resolution by way of Postal Ballot other than:
- Ordinary Business Items
  - Any business in respect of which Director or Auditors have a right to be heard at the meeting.
- Pursuant to the provisions of Section 110 of the Companies Act, 2013 and all other applicable provisions in this regard, read together with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) for the Item no. 5, 6, 7, 8 and 9 as are specified under the head of special business, Company has provided the facility of Voting through postal Ballot. The explanatory statement for the items as mentioned under the head of Special business and all other necessary information with regard to Postal ballot voting is prescribed in this notice.
- Members are requested to carefully read the instructions printed in Ballot form duly completed with the assent (for) and/or dissent (against) in the attached envelope so as to reach the scrutiniser on or before 5.00 P.M. of Thursday, 22nd September, 2016, being the last date for receipt of Postal Ballot Form by the Scrutinizer, providing sufficient time for postal transit.
18. A brief resume of the Directors, Mr. Ashok Kumar Agarwal (DIN- 00046627) who retires by rotation and being eligible has offered himself for re-appointment as Director and Mr. Raj Kumar Agarwal (DIN -02950710) – Director whose re-appointment is proposed as Whole Time Director, at the ensuing Annual General Meeting, is given below:





**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**  
(PURSUANT TO REGULATION 36(3) OF SEBI (LODR) AND SS-2)

1

<b>Name</b>	<b>Mr. Ashok Kumar Agarwal</b>
Directors Identification Number (DIN)	00046627
Date of Birth	04.10.1957
Qualification	B.com
Expertise in Specific Area	More than 35 years experience with this Company itself
Date of first appointment on the Board of the Company	03.08.1989
Directorship in other limited Companies	M/s Atishay Investments and Finance Private Limited M/s Radha Tanjore Arts Private Limited M/s Siram Appartments Pvt Ltd M/s Supermax Premoters Pvt Ltd M/s Shivani Consultants Pvt Ltd M/s Annapurna Farms Pvt Ltd
Membership/Chairmanship of Committee of Directors of the Company	Member in CSR Committee Member in Risk Management Committee Member in Share Transfer Committee Stakeholder Relationship Committee
Relationship with other Directors	Mr. Ashok Kumar Agarwal is Cousin of Mr. Kailash Kumar Agarwal (Joint Managing Director) and Mr. Raj Kumar Agarwal (Whole Time Director)
Membership/Chairmanship of Committee of Directors of other Companies	Nil
No. of Shares held as on 31-03-2016	75896

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<b>Name</b>	<b>Mr. Raj Kumar Agarwal</b>
Directors Identification Number (DIN)	02950710
Date of Birth	04.10.1952
Qualification	B.com
Expertise in Specific Area	More than 30 years' experience in Textile industries
Date of first appointment as Whole Time Director on the Board of the Company	01.07.2011
Directorship in other limited Companies	M/s Sailesh Textile Mfg Co Ltd M/s Kaushalpati Infra Equipments Private Limited
Membership/Chairmanship of Committee of Directors of the Company	Member in Risk management committee Member in Share Transfer Committee Stakeholder Relationship Committee
Relationship with other Directors	Mr. Raj Kumar Agarwal is cousin of Mr. Kailash Kumar Agarwal (Joint Managing Director) and Mr. Ashok Kumar Agarwal (Joint Managing Director)
Membership/Chairmanship of Committee of Directors of other Companies	Nil
No. of Shares held as on 31-03-2016	6786

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 5:**

Mr. Raj Kumar Agarwal (DIN: 2950710) has completed his 5 years as Whole Time Director of the Company on 30th June, 2016 and the Board of Directors after ascertaining his qualification, experience and contribution in the growth of the Company, re-appointed him as Whole time Director of the Company for the further term of 5 Years in Board meeting duly held on 28.5.2016 subject to the approval of Shareholders in the forthcoming Annual General meeting. Company has received a notice in writing from a member proposing the candidature of Mr. Raj Kumar Agarwal along with the deposit of ₹ 1 Lac for the office of Whole Time Director under the provision of section 160 of the Companies Act, 2013.

Mr. Raj Kumar Agarwal (DIN: 2950710) is not disqualified from being appointed as Whole time Director in terms of section 164 of the Companies Act, 2013 and other provisions of the act as applicable and has given his consent to act as Whole time Director of the Company.

The Company has also received declaration from Mr. Raj Kumar Agarwal (DIN: 2950710) under Sec-184 and Sec.164 that he is duly qualified for the above said post.

The Board considers that the appointment of Mr. Raj Kumar Agarwal (DIN: 2950710) as a member of the Board would be beneficial for the Company. It is proposed to re-appoint Mr. Raj Kumar Agarwal (DIN: 2950710) as Whole Time Director of the Company, liable to retire by rotation, for a further period of five consecutive years w.e.f. 1st July, 2016 to 30th June, 2021.

Save and Except Mr. Raj Kumar Agarwal (DIN : 2950710) himself Mr. Ashok Kumar Agarwal (DIN : 00046627) and Mr. Kailash Kumar Agarwal (DIN : 00063470) who are relatives of Mr. Raj Kumar Agarwal none of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in this resolution.

**ITEM NO. 6 and 7:**

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits to ₹ 300 crores (Rupees Three Hundred Cores only).

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting by way of Special resolution.

Further in order to raise secured funds it would be necessary to create charge on the assets or whole of the undertaking of the Company, section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose off whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting by way of Special resolution.

The Board of the Company has already approved the said limits under Section 180 (1) (a) and 180 (1)(c), in their Board meeting duly held on 12-08-2016, subject to the approval of Shareholders.

For altering the said limit, Special Resolution is required to be passed in the Annual general Meeting and the Board recommends these resolutions for the approval of the members as Special Resolutions.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in these resolutions.

**Item No. 8**

Increase in the Power of the Board of the Company under Section 180(1)(a) and 180(1)(c) will result into alteration of the sub regulation (a) and (b) of regulation 59 under the head of 'Borrowing powers' of existing Article of Association



(AOA) of the Company because the existing limit is ` 100 Crore (Rupees One Hundred Crore Only) as specified under the above said regulations.

If the resolutions under the Item No. 6 and 7 of this notice are passed then the limit will be increased to ` 300 Crore (Rupees Three Hundred Crore only). In such a situation the company is required to alter its AOA.

Presently the Article of Association of Our Company is as per the Companies Act, 1956 and according to the Section 5(9) of the Companies Act, 2013 if any alteration in the existing Article of Association is made than it should be altered completely as per the format given under Companies Act, 2013.

To comply with the provisions of Sec 5(9) of the Companies Act, 2013 it is suggested to alter the existing AOA as per the provisions of Companies Act 2013.

For this purpose Special Resolution is required to be passed in the Annual general Meeting and the Board recommends this resolution for the approval of the members as Special Resolution.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in these resolutions.

#### **Item No. 9**

On the same lines as suggested in item no 8 it is further suggested to alter the existing Memorandum of Association (MOA) of the Company according to the provisions of Companies Act, 2013. Although Company does not desire to alter any of the clauses/regulation/objects of MOA as are mentioned under the different heads of existing Memorandum of Association (as per Companies Act, 1956), Company only desire to adopt the Format of MOA as is given under the Table A of Schedule 1 of Companies Act, 2013.

The copy of the altered AOA and MOA will be made available to the members if a request is made to the Company in this regard.

For this purpose Special Resolution is required to be passed in the Annual general Meeting and the Board recommends this resolution for the approval of the members as Special Resolution.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in these resolutions.

By Order of the Board of directors

Place: Hisar

**FOR H P Cotton Textile Mills Limited**

Date: 12.08.2016

Priyanka Singal  
Company Secretary/Compliance Officer

#### **FOR THE ATTENTION OF THE MEMBERS:**

##### **1. Intimate to Company**

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

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

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



format for registering your E-mail ID. Those holding shares in demat form are requested to register their E-mail IDs with their Depository Participants.

**3. Making payment of dividend through NECS/NEFT**

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

**4. Payment of unpaid dividend of previous year**

The Company had declared dividends @ 10% for the financial year 2014-15 i.e. ₹ 1/- per equity share of rupees 10/- each. Those shareholders who have not en-cashed their warrants so far are requested to send their claims for payment, by giving the detail in the attached format to the Company.

**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

**Annexure A to the Notice  
Instructions for the voting through electronic means**

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement), 2015, the Company is pleased to provide to Members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Central Depository Services Limited (CDSL).
2. The facility for voting through 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.
3. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The e-voting period begins on **20th September 2016 at 9.00 A.M. and ends on 22nd September 2016 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 **15th September 2016**, 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	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. 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.

- 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 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.
- x) Click EVSN of H P COTTON TEXTILE MILLS LIMITED on which you choose to vote.
- xi) 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.
- xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii) 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.
- xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Note for Institutional Shareholders:
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://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 they have to create a compliance user should be created who would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdeskevoting@cdslindia.com](mailto:helpdeskevoting@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.
- xviii) 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)

**B. In case of Members receiving the physical copy of Notice of 35th Annual General Meeting by post (for Members whose e-mail address are not registered with the Company/ Registrars)**

Please follow all the steps from S. No. (I) to S. No. (xvii) To cast vote as mentioned above.

5. Members can opt for only one mode of voting, i.e., either by physical poll or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical poll will be treated as invalid.
6. The Voting rights of Members shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on Cut-off Date of 15th September, 2016.

**General Instructions**

- i) The Board of Directors of the Company has appointed CA Ram Niwas Agarwal (Membership No. 089632) partner of M/s Ram Niwas Associates, Chartered Accountants (Firm Reg. No. 011352N) having office at- 692, Sector-14, Hisar (Haryana) as a Scrutiniser for conducting the e-voting process, voting by ballot paper for the items as are specified under head of special businesses and voting by Poll at the AGM in a fair and transparent manner.
- ii) The Chairman of the meeting shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Poll for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting.
- iii) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting, votes cast by ballot paper and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the meeting or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- iv) The voting results declared along with the report of the scrutinizer shall be placed on the Company's website and communicated to the Stock exchanges immediately after the declaration of result by the Chairman or a person authorised by him in writing.

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting to you, the Thirty Fifth Annual Report on the activities, Business and Operations of your Company together with the Audited Financial Statements for the financial year ended 31st March, 2016.

### 1. RESULTS OF OPERATION OF COMPANY

The financial results of the Company for the year under review are compared below with the previous year's results for your consideration.

Particulars	( ` In Lacs)	
	Year ended 31.03.16	Year ended 31.03.15
Sales and other Income	8903	9212
Profit before financial charges and depreciation	556	636
Financial charges	(139)	(189)
Profit before depreciation	417	447
Depreciation	(120)	(126)
Profit before tax	297	321
Prior year adjustment	--	-
Profit before Tax	297	321
Less: Provision for Tax		
- Current Tax	120	140
- Deferred Tax	(25)	(16)
Profit after Tax	202	197
Basic and Diluted Earnings Per Share ( ` )	5.3	5.16
Dividend Recommended ` /Share	1	1`
Dividend Recommended (%)	10	10

### OPERATIONAL PERFORMANCE:

The total sale of the Company for the Financial year 2015-16 was ` 8851 lacs as compared to the ` 9180 lacs in the preceding financial year. The exports of the Company decreased from ` 6915 lacs to ` 6509 lacs, showing a decrease of 5.87% over the preceding financial year. During the year under review, Company has earned profit before financial charges and depreciation of ` 556 lacs as against ` 636 lacs in the preceding financial year and profit after tax of ` 202 lacs as against ` 197 lacs in the preceding financial year.

### APPROPRIATIONS

#### Reserves

Out of the profits of the Company, a sum of ` 50 lacs has been transferred to the General Reserves during the year and total reserves and surplus of the Company are ` 1499 lacs (Including Share Premium) as on 31st March, 2016.

#### Dividend

Your Directors are pleased to recommend for your consideration and approval dividend @ 10% for the financial year 2015-16 i.e. ` 1/- per equity share of ` 10/- each. The dividend if approved at ensuing Annual General Meeting will absorb ` 45.85 lacs including corporate dividend tax amounting to ` 7.75 lacs. The dividend in respect of equity shares; if declared at the meeting, will be paid to those Members whose name will appear on the Company's Register of Members on 15th September, 2016; in respect of the shares held in dematerialized form, the dividend will be paid to Members whose names are furnished by National Security Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 15th September, 2016.



**2. MEETINGS OF THE BOARD**

Six Meetings of the Board of Directors were held during the financial year. The respective dates of the Board Meetings during the financial Year are as follows:

Number of Board Meeting for the Financial year 2015-16	Date of Board Meeting
First Board Meeting	29th May, 2015
Second Board Meeting	13th August, 2015
Third Board Meeting	24th September, 2015
Fourth Board Meeting	7th November, 2015
Fifth Board Meeting	25th December, 2015
Sixth Board Meeting	12th February, 2016

**3. COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee comprises Non- executive Independent Directors namely Mr. Parshotam Das Agarwal (Chairman) (DIN No. 00063017), Mr. Bibhuti Charan Talukdar (DIN No. 00024015), Mr. Anil Agarwalla (DIN No. 00046615), Mr. Mohan Lal Jain (DIN No. 00063240) and CA Ritu Bansal (DIN No. 03619069) as other Members. There has been no instance where Board has not accepted the recommendations of Audit Committee.

**4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**a) Industry Structure & Competitive Position:**

The Textile industry plays a vital role in the economy of the Country by contributing to GDP, generating Employment and earning Foreign Exchange. During the year under review our Company was able to reflect an improved performance through dedicated efforts aimed at improving operational efficiency, quality enhancement, focus on optimal product mix and effective cost saving practices.

We experience intense competition in traditional Textile Industries and see a rapidly changing Marketplace with new competitors arising with new technologies and innovation. We typically compete with other industries in response to request for proposals. Clients often cite our Industry expertise, comprehensive end to end solutions, ability to scale, Global Delivery Model, superior quality and process execution, Experienced Management team, Talented Professionals and track records as reason for awarding us contracts/orders.

**b) Outlook, Risks and Concerns:**

This section lists forward looking statements that involve risks and uncertainties. Our actual result could differ materially from those anticipated in these statements as a result of certain factors. Our outlook, risks and concerns are as follows;

- The economic environment, pricing pressures and decreased employee utilization rates could negatively impact our revenues and operating results.
- Our revenues are highly dependent on clients primarily located in Foreign Countries, as well as on clients concentrated in certain industries. An economic slowdown or other factors that affect the economic health of these foreign countries may affect our business too.
- Currency fluctuations and declining interest rates may affect the result of our operation.
- Wage pressure in India and the hiring of employee in other countries may prevent us from sustaining some of our competitive advantage and may reduce our profit margins.
- Intense competition in market could affect our pricing, which may leads to reduce our revenue.
- In the event that Govt. of India or the Govt. of foreign countries (Clients) may changes its Tax policy in a manner that is adverse to us, our tax expenses may materially increase, reducing our profitability.
- Our international expansion plans subject us to risks inherent in doing business internationally.
- Goodwill that we carry on our Balance Sheet could give rise to significant impairment charges in future.

- Our business will suffer if we fail to anticipate and develop new products and enhance existing product in order to keep pace with rapid changes in technology and in the Industries in which we exists.

**c) Opportunities and Threats:**

We believe our strength give us the competitive advantage to position ourselves as the global Textile Industry. We have long standing relationship with our clients and our track records in delivering high quality product across the entire Textile industry help us solidify these relationship and gain increased business from existing clients.

The Union Cabinet under the Chairmanship of Hon'ble Prime Minister Shri Narendra Modi has given approval for a special package for employment generation and promotion of exports in Textile and Apparel sector. The package includes a slew of measures which are labour friendly and would promote employment generation, economies of scale and boost exports. The steps will lead to a cumulative increase of US\$ 30 bn. in exports and investment of ₹ 74,000 crores over next 3 years. The majority of new jobs are likely to go to women since the garment industry employs nearly 70% women workforce. Thus, the package would help in social transformation through women empowerment. The new textile policy announced by the government is expected to give a major fillip to the debt-ridden textile industry which has been reeling under rising cost and falling exports.

The textile segment is divided into nine broad categories at present for the purpose of taxation. Examples are cotton, woollen and silk textiles etc. The current structure of input scan be broadly classified as textile inputs and non-textile goods and service inputs. In most of the categories the former varies from 40-50% and the latter is the balance. The tax compliance is likely to improve for the inputs and also result in tax credit to the textile Company under the GST. Thus, the textile industry has high hopes from the GST. A number of issues are likely to get addressed automatically with the roll out of GST.

**d) Material development in Human Resources/Industrial relation, including No. of people employed:**

Our culture and reputation as Leader in Textile industries enable us to attract and retain some of the best talent in India. Our Professionals/Employees/Workers are our most important assets. We are committed to remaining among the industries leading's Employers.

As at 31st March, 2016, our Company employed 1,110 employees. In the Financial year 2015-16, we added 330 new hires. Our culture and reputation in the Textile Industry enable us to recruit and retain some of the best available talent in India. The key elements that define our culture include recruitment, training and development, and compensation. Company takes adequate steps for maintaining safety and healthy environment for the workers. During the year under review, Industrial relations continued to be cordial and satisfactory. Company has enjoyed cordial relationship with workers and employees at all levels.

**e) Segment wise or Product wise Performance**

The Company operate in one segment i.e. manufacturing of Thread.

The Company has produced two types of threads i.e. sewing threads and Hosiery Yarn. As compared to previous year, the production of Hosiery Yarn has been increased and that of sewing Threads has been decreased. Total production during the year 2015-16 is 103 % of last year's production.

Detail of product wise performance in the year 2015-16 is as follows:

Type	2015-16		Sales Realisations (₹)
	Production (Kg)	(%)	
Hosiery yarn	515050 Kg	28.57%	79918650
Sewing Thread	1297966 Kg	71.43%	780336229
<b>Total</b>	<b>1813016 Kg</b>	<b>100.00</b>	<b>860254879</b>

**f) Internal Control System and their adequacy**

The Company has adequate Internal Control systems in all areas of operations commensurate with the size of the operation. Your Company has an adequate and effective internal control system to ensure that assets and interests of the Company are safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances. The scope and authority of internal audit function is defined in the internal audit manual.

The Internal Control system is improved and modified continuously to meet the changes in business Conditions, statutory and accounting requirements. The Audit Committee of the Board of Directors, Statutory Auditors and the business heads are periodically appraised of the internal audit findings and the corrective actions taken. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal controls systems and suggests improvements for strengthening them.

**CAUTIONARY STATEMENT:**

*Statements in the Management Discussion and Analysis describing the projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations includes, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.*

**5. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS U/S 149(7)**

All the Independent Directors has given the declaration u/s 149 (7) of Companies Act, 2013, about the requirement of their Independency and the Board has taken note of the same at Board Meeting duly held on 29th May, 2015 and after ascertaining the declaration, Board satisfied that all the Independent Directors has complied with all the requirements with regards to their Independency as are defined under Section 149(6) of the Companies Act, 2013.

**6. COMPANY'S POLICY UNDER SECTION 178(3)**

Pursuant to sec 178(3) Nomination and Remuneration Committee of the Company has formulated a policy on Directors appointment and Remuneration including criteria for determining Qualifications, Positive attributes and all other matters as provided under section 178 and all appointment/re-appointments of Directors/KMPs during the financial year has been done according to this policy.

**7. PARTICULARS OF LOAN, GUARANTEE OR INVESTMENTS**

The Company has not given any loans or guarantees covered under the provision of section 186 of Companies Act, 2013. The Company has not made any investment during the Financial year 2015-16.

**8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES AND RELATED PARTY DISCLOSURE**

As per the requirement of schedule V of SEBI (LODR) Regulations, 2015 on disclosure in compliance with the accounting standard, "Related Party Disclosure" is disclosed in Note no. 29 of "Notes to Financial Statements for the year ended 31st March, 2016."

Form AOC-2 has been attached with this Board Report as **Annexure B** that defines the Related Party transactions by the Company during the financial year ended 31.03.2016.

**9. EXTRACT OF THE ANNUAL RETURN**

The extract of the annual return in Form MGT-9 is annexed herewith as "Annexure C to Board's Report".

**10. QUALITY MANAGEMENT SYSTEM**

The Company continues to lay emphasis on excellence in quality and services and is committed to total customer satisfaction. The high quality of the Company products is reflected in the Company ability to export its product in quality conscious world markets. The Company continues to be on a mission to provide customer with products that can match with international standards and will surpass their expectations.

**11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS, IF ANY**

There are no significant material orders passed by the regulators/ courts which would impact the going concern status of your Company and its future operations.

**12. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Pursuant to provision of section 135 of Companies Act, 2013:

"Every Company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one Director shall be an independent Director. "

Also, The Board of every Company referred above, shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

As the Net Worth, Turnover and Net profit of the Company is lower than the threshold limit specified u/s 135 of the Companies Act, 2013, CSR provisions are not applicable on the Company.

**13. BUSINESS RISK MANAGEMENT**

Pursuant to Section 134 (3) (n) of Companies Act 2013, the Company has constituted a Business Risk Management committee.

At present the Company has not identified any element of risk which may threaten the existence of Company.

**14. DIRECTOR'S RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Companies Act, 2013, the Directors state that:

1. That in the preparation of Annual Accounts, applicable accounting standards had been followed along with proper explanations relating to material departures, if any;
2. That the Directors had selected appropriate accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. That the Directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any,
4. That the Directors had prepared the annual accounts for the financial year ended 31st March, 2016 on a going concern basis.
5. That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
6. That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**15. PARTICULARS OF EMPLOYEES**

- (a) Information as per Rule 5(1) of chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The information required pursuant to sec-197 read with rule 5(1) of Companies (Appointment and remuneration of Managerial personnel) Rules, 2014, in respect of employee of the Company, will be provided upon request. In terms of sec-136 of the Companies Act, 2013 the report and the accounts are being sent to members and others entitled thereto, excluding the information on employees particular which is available for inspection by the Members at the registered office of the Company

during the business hours on working days of the Company upto the date of ensuing Annual General meeting. If any member is interested in inspecting the same, such members may write to the Company Secretary in advance.

**(b) Information as per Rule 5(2) of chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

No employee was in receipt of remuneration equal to or exceeding ` 1.02 Crore per annum or exceeding ` 8.5 lakhs per month, during the financial year ended 31.03.2016.

As per Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rule 2016, the details of top ten employees with regards to their salary in the Financial Year 2015-16 is as follow:

Serial No.	Name	Designation	Gross Salary Plus Perks (2015-16)
1	Mr. Ravindra Kumar Agarwal	President (Export)	` 2243866/-
2	Mr. Kailash Kumar Agarwal (DIN No. 00063470)	Joint Managing Director	` 1791547/-
3	Mr. Ashok Kumar Agarwal (DIN No. 00046627)	Joint Managing Director	` 1755730/-
4	Mr. D. S. Bhati	President Administration	` 1543546/-
5	Mr. Raj Kumar Agarwal (DIN No. 02950710)	Whole Time Director	` 1394348/-
6	Mr. Surender Kumar Agarwal	President (Commercial)	` 1262520/-
7	Mr. Shashikant Saha	GM Quality Control	` 852575/-
8	Mr. Devender Singh	GM Spinning	` 836266/-
9	Mr. Girish Kumar Agarwal	Sr. Manager Maintenance	` 696709/-
10	Mr. Prabhakar Rai	Manager Electronics	` 593393/-

**16. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY**

There are no material changes and commitment affecting financial position of the Company which have occurred between the end of the financial year of the Company i.e. 31st March, 2016 and the date of the Director's Report.

**17. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUT-GO**

The information required under Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is provided as follows and forms part of this report.

**A) Conservation Of Energy:**

- a) Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b) No specific investment has been made in reduction in energy consumption.
- c) As the impact of measures taken for conservation and optimum utilization of energy are not quantitative, its impact on cost cannot be stated accurately.

**B) Technology Absorption:**

Company's products are manufactured by using in-house Technology and no outside technology is being used for manufacturing activities. Therefore no technology absorption is required. The Company constantly strives for maintenance and improvement in quality of its products and Research & Development activities are directed to achieve the aforesaid goal.

**C) Foreign Exchange Earning and Out-Go ( ` In lacs) :**

Foreign Exchange earned	6509.28	Previous Year	6915.05
Foreign Exchange Used	109.04	Previous year	190.17

**18. ENVIRONMENT AND POLLUTION CONTROL**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy is to conduct of all operations in a manner to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

The Company has decided to implement project, Zero Liquid Discharge, for effluent water management as per the guidelines issued by Haryana state Pollution Control Board. The project is expected to be commissioned soon.

**19. SUBSIDIARY/ ASSOCIATES/ JOINT VENTURES COMPANIES**

The Company does not have any subsidiary/Associate/ joint venture Company for the year ended 31st March, 2016.

**20. CHANGES IN BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****Board of Directors:**

Mr. Kailash Kumar Agarwal (DIN- 00063470) was liable to retire by rotation and being eligible, had offered himself for re-appointment and was duly re-appointed by the Company in the last Annual General Meeting held on 24th day of September, 2015.

The Company, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges and Pursuant to the provisions of section 149 of the Companies Act 2013, had appointed CA Ritu Bansal (DIN-03619069), as Independent Director, in the last Annual General Meeting held on 24th September 2015, to hold office for 5 (five) consecutive years.

Pursuant to the provisions of Section 149 and section 161 of the Companies act, 2013 Company had appointed Ms. Nanita Agarwal (Din-01441837) as additional Director on 31.03.2015 who submitted her resignation on 29.05.2015 which was accepted by the Board.

**Key Managerial Personnel:****Managing Director/Whole Time Director**

Mr. Ashok Kumar Agarwal (DIN No. 00046627) and Mr. Kailash Kumar Agarwal (DIN No. 00046627), Deputy Managing Directors of the Company have been re-designated as Joint Managing Directors of the Company w.e.f. 12th day of February, 2016.

**CFO**

CA Vishesh Kumar Chugh (Chief Financial Officer) (Mem. No. 091914) submitted his resignation on 27.05.2015 which was accepted by the Board and the Board relieved him from his duty w.e.f. 26.06.2015. CA Ojaswi Singhal (Mem. No. 510484) was appointed as Chief financial Officer w.e.f. 25th day of December, 2015, who also resigned w.e.f. 4th day of may, 2016.

**Company Secretary**

CS Manish Singla (Company Secretary) (Mem. No. 39041) submitted his resignation on 28.05.2015, which was considered by the Board in their meeting held on 29.05.2015 and decided to relieve him from his duties with effect from 27.06.2015. CS Priyanka Singal (Mem. No. 31594) was appointed as Company secretary of the Company w.e.f. 25th day of December, 2015.

**21. ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

The Companies Act, 2013 states that a Formal Annual evaluation needs to be made by the Board of its own performance and Individual Directors. The Schedule IV of the Companies Act, 2013 states that the

performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

#### **Evaluation of Independent Director**

In compliance with the provision of Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the entire Board excluding the independent Directors in their meeting held on February 12, 2016, had formally evaluated the performance of Mr. P. D. Agarwal, Mr. B.C. Talukdar, Mr. Anil Agarwalla, Mr. Mohan Lal Jain and CA Ritu Bansal, Independent Directors of the Company and has determined to continue with the term of appointment of the Independent Directors. The evaluation was based on the following terms:

- Key attributes of the Independent Director
- Level and quality of participation in the Board and Committee Meetings
- Inputs provided by the Independent Director based on his knowledge, skills and experience
- Independence in Judgment
- Knowledge of Company's Business.

#### **Evaluation of Non-Independent Director**

According to Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013, a meeting of the Independent Directors without the attendance of Non-Independent Directors and Members of Management, should be held to review the performance of the Non-Independent Directors and the Board as a whole. Accordingly, a meeting of Independent Directors was held on January 18, 2016, wherein the performance of the Non-Independent Directors and the Board as a whole was evaluated and no adverse remarks pointed out by the Independent Directors for the other Members of the Board.

## **22. CODE OF CONDUCT**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "Code of Business Conduct.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

The Code also lays down that Board Members and Senior Managers of the Company shall ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 as also other regulation as may be applicable to them from time to time.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code for the Financial Year ended 31st march, 2016. All Management Staff were given appropriate training in this regard.

## **23. COMMITTEES OF THE BOARD**

The Company has constituted all the required committees of the Board as per the Companies Act, 2013 and Listing Agreements. All Committees of the Board has held the requisite meetings as and when required, during the financial Year 2015-16.

## **24. AUDITORS AND AUDIT REPORT**

Pursuant to the provisions of Section 139 of Company act, 2013 M/s A.K. Associates (Firm Reg. No. 000596N), Chartered Accountants, were appointed as Statutory Auditors in the Annual General Meeting (AGM) of the Company held on 26th September 2014 to hold such office till the conclusion of the 36th Annual General Meeting of the Company, subject to be ratified in every subsequent Annual General Meeting.

The Board in terms of section 139 of the Companies Act, 2013 and on the recommendations of Audit Committee, has recommended for the ratification by the Members for the appointment of M/s A.K. Associates (Firm Reg. No. 000596N) from the conclusion of ensuing AGM till the conclusion of 36th AGM.

The Board in terms of section 142 of the Act, on the recommendation of audit committee, has also recommended for the approval of Members for the remuneration of M/s A.K. Associates (Firm Reg. No. 000596N) for the financial year 2016-17.

Appropriate resolution for this purpose is appearing in the notice convening the 35th AGM of the Company. The Company has received a certificate from the auditor to the effect that their re- appointment if made, would be in accordance with the provisions of section 141 of Companies Act, 2013.

The observations, if any, of the auditors in their audit report are self explanatory.

#### **25. SECRETARIAL AUDIT AND REPORT ON IT**

Pursuant to the provisions of section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Anju Jain (COP No. 2728), Company Secretary in practice to undertake the Secretarial Audit of the Company for the financial year 2015-16.

As required U/s 204(1) of Companies Act 2013 the Company has obtained the Secretarial Audit Report dated 30.06.2016. The Secretarial Audit report for the Financial Year ended March 31st, 2016, is annexed herewith marked as "Annexure A to Board's Report", which is self-explanatory and needs no comments. The Secretarial Audit Report does not contain any qualification, reservation or adverse remarks.

#### **26. COST AUDIT AND REPORT ON IT**

Ministry of Corporate Affairs has issued a notification dated 31.12. 2014 to make amendment in the Companies (Cost record and audit) Rules, 2014 that:

"Textile company shall get its cost record audited in accordance with these rules if the overall annual turnover of the company from all its products and services during the immediately preceding financial year is ` 100 Crore or more and the aggregate turnover of the individual product or products or services for which cost record required to be maintained under Rule 3 is ` 35 Crore or More".

As the company's Annual turnover from all its products in the preceding financial year is less than ` 100 Crore, so company is not required to get its cost record audited.

#### **27. CORPORATE GOVERNANCE**

As per clause (2) of Regulation 15 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

"The compliance with the Corporate Governance provision as specified in regulations 17 to 27 and Clause (b) to (i) of Sub regulation (2) of Regulation 46 and Para C, D, E OF SCHEDULE V shall not apply, in respect of:

The listed entity having paid up Equity Share Capital not exceeding rupees ten crore and Net Worth not exceeding rupees twenty five crore, as on the last day of the previous financial year."

As both the paid up Equity Share Capital as well as the Net Worth of the Company do not exceed the above mentioned limits, the provisions of Corporate Governance are not applicable on the Company. Hence Corporate Governance report does not form part of this Annual Report.

#### **28. INVESTOR SERVICES**

The Company has appointed M/s Alankit Assignments Limited, New Delhi as Registrar and Share Transfer Agent (RTA). No complaint/ query from any of the shareholders are pending to be resolved by the Company or the RTA.

#### **29. LISTING OF SHARES**

Company's shares are listed on Bombay Stock Exchange and Delhi Stock Exchange.



**30. DEPOSITS**

The Company has not accepted / renewed any Deposits from the public / Members during the year under review.

**31. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established vigil mechanism as Whistle Blower Policy to deal with instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected Companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. Protected disclosure can be made by a whistle blower through an e-mail or a letter in writing to the vigilance and ethics officer or to the Chairman of the audit committee.

**32. PUBLICATION OF FINANCIAL RESULTS**

In conformity with the provisions of Clause 41 of the Listing Agreement the Company has published unaudited financial results for the quarter ended 30th June 2015; 30th Sept. 2015; 31st December 2015 and audited financial result for the quarter/ year ended on 31st March 2016. The summarized results are published in Business Standard (English), Delhi & Aaj Samaj (Hindi), Hisar.

**33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment policy in line with the requirements of THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, AND REDRESSAL) ACT, 2013. All the employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, there were no cases filed pursuant to this act.

**34. WEBSITE OF THE COMPANY**

The Company maintain a Website [www.hpthreads.com](http://www.hpthreads.com) where detailed information of the Company & its products is provided.

**ACKNOWLEDGEMENTS**

The Directors place on record their thanks and appreciation to all workers, staff Members, executives and business associates for their co-operation and contribution to the operations of the Company. The Directors are thankful to the Bankers, Financial Institutions for their continued support to the Company. The Directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the Management of the Company.

For and on behalf of the Board of Directors

**Mr. Kailash Kumar Agarwal**

Joint Managing Director

(DIN:00063470)

**Mr. Ashok Kumar Agarwal**

Joint Managing Director

(DIN:00046627)

**Mr. Raj Kumar Agarwal**

Whole Time Director

(DIN No. 02950710)

Place: New Delhi

Dated: 12.08.2016



**'ANNEXURE A' TO BOARD'S REPORT**

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED: 31.03.2016

To

The Members

M/s H P Cotton Textile Mills Ltd.

15 K.M. Stone, Delhi Road

VPO Mayar, Hisar (Haryana)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good Corporate Practices by M/s H P Cotton Textile Mills Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives du

ring the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2016 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowing.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
  1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  3. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015;
  4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
  8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



6. Other applicable Acts:
1. Income Tax Act, 1961
  2. Research and Development Cess Act, 1991
  3. Factories Act, 1948
  4. Payment of Wages Act, 1936 and rules made there under
  5. Payment of Bonus Act, 1965 and rules made there under
  6. Workmen Compensation Act, 1923
  7. Employee State Insurance Act, 1948
  8. Employee PF and Misc. Provisions Act, 1954
  9. Payment of Gratuity Act, 1972 and rules made thereunder
  10. The Environment (Protection) Act, 1986
  11. Foreign Trade (Development and Regulation) act, 1992
  12. Indian Contract Act, 1872
  13. Sales of Goods Act, 1930
  14. Information Technology Act, 2000 and rules made there under
  15. Minimum Wages Act, 1948 and rules made there under

**We have also examined compliance with the applicable clauses of the following:**

- (a) the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Central Govt.;
- (b) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited and Delhi Stock Exchange

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Meetings duly recorded and signed by the Chairman, Majority Decision is carried through while the dissenting Members views are captured and recorded as part of the Minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Anju Jain**  
Practicing Company Secretary  
COP No. 2728

Place: Hisar

Date: 30.06.2016

**Note:** This report is to be read with our letter of even date which is annexed as 'Annexure A to Secretarial Audit Report' and forms an integral part of this report.



**'ANNEXURE A' TO SECRETARIAL AUDIT REPORT**

To,

The Members,

M/s H.P. COTTON TEXTILE MILLS LTD.

15 K.M. Stone, Delhi Road

VPO Mayar, Hisar (Haryana)

My report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I Followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Anju Jain**

Place: Hisar

Practicing Company Secretary

Date: 30.06.2016

COP No: - 2728

## Annexure B to Board's Report

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies*

(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no transactions, contracts and arrangements entered into during the year ended March 31, 2016, which were not at Arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Name of Related Party	Nature of Relationship	Nature of Contracts	Duration of Contracts	Salient terms	Date of Approval By Board	Amount Paid as advances, if any
Sanjay Mercantile Pvt. Ltd.	Associates	Leasing of Immovable Property	3 years	Yearly Rent ` 15000 per Acre	29.05.2015	` 1,50,000/-
Kashmiri Lal Agarwal HUF	Associates	Leasing of Immovable Property	3 years	Yearly Rent ` 15000 per Acre	29.05.2015	` 60,000/-
Jai Narain Agarwal HUF	Associates	Leasing of Immovable Property	3 years	Yearly Rent ` 15000 per Acre	29.05.2015	` 15,000/-
Raghav Kumar Agarwal	Relative of Director	Any office or place of profit in the Company	N.A.	N.A.	12.02.2016	Nil
Ravindra Kumar Agarwal	Relative of Director	Any office or place of profit in the Company	N.A.	N.A.	28.05.2016	Nil
Surender Kumar Agarwal HUF	Associates	Leasing of Immovable Property	N.A.	Yearly Rent ` 108000/-		Nil
Raj Kumar Agarwal HUF	Associates	Leasing of Immovable Property	N.A.	Yearly Rent ` 108000/-		Nil
Jawala Prasad Ram Pat	Associates	Leasing of Immovable Property	N.A.	Yearly Rent ` 108000/-		Nil
Supermax Promoters Pvt. Ltd.	Associates	Leasing of Immovable Property	N.A.	Yearly Rent ` 36000		Nil
Siram Apartments Pvt. Ltd.	Associates	Leasing of Immovable Property	N.A.	Yearly Rent ` 36000		Nil

**For and on behalf of the Board**

**Mr. Ashok Kumar Agarwal**  
Joint Managing Director  
(DIN:00046627)

**Mr. Kailash Kumar Agarwal**  
Joint Managing Director  
(DIN:00063470)

**Mr. Raj Kumar Agarwal**  
Whole Time Director  
(DIN No. 02950710)

Place: Delhi  
Date: 12.08.2016

**ANNEXURE C TO BOARDS REPORT**
**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on 31.03.2015**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014]

**I REGISTRATION & OTHER DETAILS:**

I	CIN	L18101HR1981PLC012274
ii	Registration Date	03/09/1981
iii	Name of the Company	H P COTTON TEXTILE MILLS LIMITED
iv	Category/Sub-category of the Company	Company Limited By Shares
V	Address of the Registered office & contact details	15th K.M. STONE, Delhi Road, V.P.O. Mayar, Hisar-125044(Haryana) Ph. 01662 -261425-26-27
Vi	Whether listed Company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Alankit Assignments Ltd. 2E/21, Alankit House, Jhandewalan Extension, New Delhi-110055, Tel No. 011-23541234- 42541234

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated as follows:

	Name & Description of main products/services	NIC Code of the Product /service*	% to total turnover of the company
1	Manufacturing of Thread	139 - Manufacturing of other textiles	100

\*As per National Industrial Classification- Ministry of Statistics and Programme Implementation.

**III PARTICULAR OF HOLDING, SUBCIDIARY & ASSOCIATES COMPANY**

Our Company has no Holding, Subsidiary &amp; Associates Company.

**(iv) (i) SHAREHOLDING PATTERN (Equity Share capital break-up as % to total Equity**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/HUF	1473770	Nil	1473770	38.68	1473770	Nil	1473770	38.68	Nil	
b) Central Govt. or State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

c) Body Corporates	905920	Nil	905920	23.78	905920	Nil	905920	23.78	Nil
d) Bank/Fl	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>SUB TOTAL:(A) (1)</b>	<b>2379690</b>	<b>Nil</b>	<b>2379690</b>	<b>62.46</b>	<b>2379690</b>	<b>Nil</b>	<b>2379690</b>	<b>62.46</b>	<b>Nil</b>
<b>(2) Foreign</b>									
a) NRI-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Body Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks/Fl	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>SUB TOTAL (A) (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A) (2)</b>	<b>2379690</b>	<b>Nil</b>	<b>2379690</b>	<b>62.46</b>	<b>2379690</b>	<b>Nil</b>	<b>2379690</b>	<b>62.46</b>	<b>Nil</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	Nil	600	600	0.02	Nil	600	600	0.02	Nil
b) Banks/Fl	Nil	2150	2150	0.05	Nil	2150	2150	0.05	Nil
c) Central govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIS	Nil	50	50	0.001	Nil	50	50	0.001	Nil
h) Foreign Venture	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>SUB TOTAL (B)(1):</b>	<b>Nil</b>	<b>2800</b>	<b>2800</b>	<b>0.07</b>	<b>Nil</b>	<b>2800</b>	<b>2800</b>	<b>0.07</b>	<b>Nil</b>
<b>(2) Non Institutions</b>									
<b>a) Body corporate (Including NBFC)</b>									
i) Indian	178281	750	179031	4.7	157446	750	158196	4.152	-0.548
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ` 1 Lakhs	432950	206060	639010	16.77	480007	203510	683517	17.94	1.17
ii) Individuals shareholders holding nominal share capital in excess of ` 1 lakhs	609199	Nil	609199	15.99	584884	Nil	584884	15.351	-0.64



c) Others (specify) NRI	270	Nil	270	0.01	913	Nil	913	0.024	0.01
<b>SUB TOTAL (B)(2):</b>	<b>1220700</b>	<b>206810</b>	<b>1427510</b>	<b>37.47</b>	<b>1223250</b>	<b>204260</b>	<b>1427510</b>	<b>37.47</b>	<b>Nil</b>
<b>Total Public Shareholding</b>	<b>1216150</b>	<b>214160</b>	<b>1430310</b>	<b>37.54</b>	<b>1220700</b>	<b>209610</b>	<b>1430310</b>	<b>37.54</b>	<b>Nil</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Grand Total (A+B+C)</b>	<b>3600390</b>	<b>209610</b>	<b>3810000</b>	<b>100.00</b>	<b>3602940</b>	<b>207060</b>	<b>3810000</b>	<b>100.00</b>	<b>Nil</b>

**II) SHAREHOLDING OF PROMOTERS:**

SI No.	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Anuradha Agarwal	18954	0.497	Nil	18954	0.497	Nil	Nil
2	Arjun Das Agarwal HUF Karta Arjun Das Agarwal	90250	2.369	Nil	Nil	Nil	Nil	-2.369
3	Arjun Das Ravindra Kumar HUF Karta Ravindra Agarwal	16800	0.441	Nil	16800	0.441	Nil	Nil
4	Arjun Das Surendra Kumar HUF Karta Surendra Kumar Agarwal	13950	0.366	Nil	Nil	Nil	Nil	-0.366
5	Arjun Das Kashmiri Lal HUF Karta Kashmiri Lal Agarwal	13850	0.364	Nil	13850	0.364	Nil	Nil
6	Savitri Devi Agarwal	12196	0.320	Nil	Nil	Nil	Nil	-0.320
7	Arjun Das Kailash Kumar HUF Karta Kailash Kumar Agarwal	12150	0.319	Nil	Nil	Nil	Nil	-0.319
8	Surendra Kumar Ravindra Kumar HUF Karta Surendra Kumar Agarwal	6850	0.180	Nil	Nil	Nil	Nil	-0.180
9	Ashok Kumar Vijay Kumar HUF Karta Ashok Kumar Agarwal	21000	0.551	Nil	21000	0.551	Nil	Nil
10	Ashok Kumar Raghbir Kumar HUF Karta Ashok Kumar Agarwal	18500	0.486	Nil	18500	0.486	Nil	Nil



11	Jainarain Agarwal HUF Karta Ashok Kumar Agarwal.	85000	2.231	Nil	85000	2.231	Nil	Nil
12	Ashok kumar Agarwal	75896	1.992	Nil	75896	1.992	Nil	Nil
13	Atma Devi Agarwal	10000	0.262	Nil	10000	0.262	Nil	Nil
14	Ghanshyam Das Agarwal HUF Karta Ghanshyam Das Agarwal	108736	2.854	Nil	108736	2.854	Nil	Nil
15	S. Ghanshyam Das HUF Karta Ghanshyam Das Agarwal	14000	0.367	Nil	14000	0.367	Nil	Nil
16	Surendra Kumar Kailash Kumar HUF KrataKailash Kumar Agarwal	12150	0.319	Nil	Nil	Nil	Nil	-0.319
17	Kailash Kumar Surendra Kumar HUF KrataKailash Kumar Agarwal	6850	0.180	Nil	Nil	Nil	Nil	-0.180
18	Kailash Kumar Ravindra Kumar HUF Krata Kailash Kumar Agarwal	6850	0.180	Nil	Nil	Nil	Nil	-0.180
19	Ravindra Kumar Kailash Kumar HUF Krata Kailash Kumar Agarwal	6850	0.180	Nil	Nil	Nil	Nil	-0.180
20	Kailash Kumar Agarwal	85320	2.239	Nil	89385	2.346	Nil	0.107
21	Kashmiri LalAgarwal HUF karta Kashmiri Lal Agarwal	114804	3.013	Nil	114804	3.013	Nil	Nil
22	Kashmiri Lal Ghanshyam Dass HUF Karta Kashmiri Lal Agarwal	22500	0.591	Nil	22500	0.591	Nil	Nil
23	Raj Kumar Kashmiri Lal Huf Karta Kashmiri Lal Agarwal	14000	0.367	Nil	14000	0.367	Nil	Nil
24	Kashmiri Lal Raj Kumar Huf Karta Kashmiri Lal Agarwal	13950	0.366	Nil	13950	0.366	Nil	Nil
25	Kashmiri LalAgarwal	12010	0.315	Nil	12010	0.315	Nil	Nil
26	K. Ghanshyam Das HUF Karta Kashmiri Lal Agarwal	11500	0.302	Nil	11500	0.302	Nil	Nil
27	K.K. Agarwal HUF Karta Kashmiri Lal Agarwal	11450	0.301	Nil	11450	0.301	Nil	Nil

28	Mridula Agarwal	7300	0.192	Nil	7300	0.192	Nil	Nil
29	Prem Lata Agarwal	20000	0.525	Nil	20000	0.525	Nil	Nil
30	Rachit Agarwal	5600	0.147	Nil	5600	0.147	Nil	Nil
31	Raghav Agarwal	10054	0.264	Nil	10054	0.264	Nil	Nil
32	Raghubir Prasad Agarwal	93750	2.461	Nil	93750	2.461	Nil	Nil
33	Jainarain Raghubir Kumar HUF Karta Raghubir Prasad Agarwal.	21000	0.551	Nil	21000	0.551	Nil	Nil
34	Raj Kumar Ghanshyam Das HUF Karta Raj Kumar Agarwal	14000	0.367	Nil	14000	0.367	Nil	Nil
35	Raj Kumar Agarwal HUF Karta RAJ Kumar Agarwal	115614	3.034	Nil	115614	3.034	Nil	Nil
36	k. Raj Kumar HUF Karta Raj Kumar Agarwal	11550	0.303	Nil	11550	0.303	Nil	Nil
37	Raj Kumar Agarwal	6786	0.178	Nil	6786	0.178	Nil	Nil
38	Ravindra Kumar Agarwal	102000	2.677	Nil	106066	2.783	Nil	0.106
39	Renu Agarwal;	7400	0.194	Nil	7400	0.194	Nil	Nil
40	Ruchi Agarwal	35500	0.932	Nil	35500	0.932	Nil	Nil
41	Surendra Kumar Agarwal	94200	2.472	Nil	98265	2.6	Nil	0.128
42	Ravindra Kumar Surendra Kumar HUF Karta Surendra Kumar Agarwal	6850	0.180	Nil	27650	0.725	Nil	0.545
43	Jainarain Vijay Kumar HUF Karta Vijay Kumar Agarwal	28000	0.735	Nil	28000	0.735	Nil	Nil
44	Vijay Kumar Agarwal	57800	1.517	Nil	57800	1.517	Nil	Nil
45	Kailash Kr Agarwal HUF	Nil	Nil	Nil	90250	2.368	Nil	2.368
46	K K Agarwal HUF	Nil	Nil	Nil	31150	0.817	Nil	0.817
47	Ravindra Kr Agarwal HUF	Nil	Nil	Nil	13700	0.359	Nil	0.359
	<b>Sub Total</b>	<b>1473770</b>	<b>38.682</b>	<b>Nil</b>	<b>1473770</b>	<b>38.682</b>	<b>Nil</b>	
<b>Body Corporate</b>								
1	Achhar Investment Ltd.	212300	5.572	Nil	212300	5.572	Nil	Nil
2	Atishay Investment & Finance Pvt. Ltd.	49800	1.307	Nil	49800	1.307	Nil	Nil
3	Jainish Products Ltd.	227750	5.978	Nil	227750	5.978	Nil	Nil

4	Sacred Trading & Investment co. ltd.	209070	5.487	Nil	209070	5.487	Nil	Nil
5	Sailesh Textile Manufacturing Co. Ltd.	207000	5.433	Nil	207000	5.433	Nil	Nil
	<b>Sub Total</b>	<b>905920</b>	<b>23.777</b>	<b>Nil</b>	<b>905920</b>	<b>23.777</b>	<b>Nil</b>	
	<b>Total</b>	<b>2379690</b>	<b>62.459</b>	<b>Nil</b>	<b>2379690</b>	<b>62.459</b>	<b>Nil</b>	

### III) Change in Promoters Shareholding

There is no change in the Promoter's Shareholding (as to total No. of Equity Shares held by all Promoters) during the reporting period.

### IV) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and holders of ADRs & GDRs)

	Name	No. of shares at the beginning / end of the year	% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	No of shares	% of total shares of the company
1	Kulvinder Singh	219780	5.76	01-Apr-2015				
				10-Apr-2015	-6000	Sale	213780	5.61
				17-Apr-2015	-2580	Sale	211200	5.54
				15-May-2015	-1500	Sale	209700	5.50
				22-May-2015	-3000	Sale	206700	5.42
				17-Jul-2015	-600	Sale	206100	5.40
				24-Jul-2015	-500	Sale	205600	5.39
				18-Mar-2016	600	Purchase	206200	5.41
		206200	5.41	31-Mar-2016			206200	5.41
2	Vinod Kumar Ohri	199996	5.24	1-Apr-2015	-	-	-	-
		199996	5.25	31-Mar-2016	-	-	199996	5.25
3	Veena K Jagwani	81984	2.152	1-Apr-2015	-	-	-	-
		81984	2.152	31-Mar-2016	-	-	81984	2.152
4	Rai Investments Ltd.	62402	1.638	1-Apr-2015				
				17-Jul-2015	-808	Sale	61594	1.572
				24-Jul-2015	-2126	Sale	59468	1.533
				16-Oct-2015	-15290	Sale	44178	1.717
		44178	1.717	31-Mar-2016			44178	1.717
5	Kanupriya Gupta	Nil	Nil	1-Apr-2015				
				22-May-2015	500	Purchase	500	0.01
				19-Jun-2015	1000	Purchase	1500	0.03
				07-Aug-2015	1241	Purchase	2741	0.07
				14-Aug-2015	-275	Sale	2466	0.06
				21-Aug-2015	-1200	Sale	1266	0.03
				28-Aug-2015	-200	Sale	1066	0.02
			-50	Sale	1016	0.02		

				30-Sep-2015	-50	Sale	966	
				22-Jan-2016	17688	Purchase	18654	0.48
				29-Jan-2016	2320	Purchase	20974	0.55
				05-Feb-2016	3688	Purchase	24662	0.64
				12-Feb-2016	3930	Purchase	28592	0.75
				26-Feb-2016	-860	Sale	27732	0.72
				04-Mar-2016	450	Purchase	28182	0.74
				11-Mar-2016	447	Purchase	28629	0.75
				18-Mar-2016	3930	Purchase	32559	0.85
				25-Mar-2016	-150	Sale	32409	0.85
		33736	0.885	31-Mar-2016	1327	Purchase	33736	0.885
6	Dattani Cremics Pvt. Ltd.	20067	0.527	1-Apr-2015				
				17-Apr-2015	-5000	Sale	15067	0.395
				30-Sep-2015	5615	Purchase	20682	0.543
				25-Dec-2015	-3000	Sale	17682	0.464
		17682	0.464	31-Mar-2016			17682	0.464
7	Veena Jagwani	15139	0.397	1-Apr-2015	-	-	-	-
		15139	0.397	31-Mar-2016	-	-	15139	0.397
8	Anil Bhavanji Shah	13967	0.367	01-Apr-2015	-	-	-	-
		13967	0.367	31-Mar-2016	-	-	13967	0.367
9	Kamal M Jagwani	39985	1.050	1-Apr-2015				
				17-Jul-2015	-2985	Sale	37000	0.971
				31-Jul-2015	-400	Sale	36600	0.961
				07-Aug-2015	-1000	Sale	35600	0.934
				11-Dec-2015	-5600	Sale	30000	0.787
				25-Dec-2015	-9402	Sale	20598	0.541
				08-Jan-2016	-2831	Sale	17767	0.466
				17-Jan-2016	-520	Sale	17247	0.453
				22-Jan-2016	-2000	Sale	15247	0.400
				11-Mar-2016	-1745	Sale	13502	0.354
				18-Mar-2016	-280	Sale	13222	0.347
				25-Mar-2016	-2	Sale	13220	0.347
		13220	0.347	31-Mar-2016			13220	0.347
10	Innovative Data Organisers Pvt. Ltd.	5732	0.15	01-Apr-2015				
				30-Sep-2015	6034	Purchase	11766	0.31
		11766	0.31	31-Mar-2016			11766	0.31

**(v) Shareholding of Directors & KMP**

Sl. No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2015 to 31-03-2016)	
		No. of shares at the beginning / end of the year	% of total shares of the company				No of shares	% of total shares of the company
<b>A. DIRECTORS:</b>								
1	Mr. Raj Kumar Agarwal	6786	0.18	1-Apr-2015	0	No Movement during the Financial year	6786	0.18
		6786	0.18	31-Mar-2016				
2	Mr. Ashok Kumar Agarwal	75896	1.99	1-Apr-2015	0	No Movement during the Financial year	75896	0.02
		75896	1.99	31-Mar-2015				
3	Mr. Kailash Kumar Agarwal	85320	2.24	1-Apr-2015		Purchase	89385	2.346
		89385	2.346	31-Mar-2016	4065			
4	Mr. P D Agarwal	NIL	-	1-Apr-2015	-	No Movement during the Financial year	-	-
		NIL	-	31-Mar-2016	-			
5	Mr. B C Talukdar	NIL	-	1-Apr-2015	-	No Movement during the Financial year	-	-
		NIL	-	31-Mar-2016	-			
6	Mr. Mohan Lal jain	NIL	-	1-Apr-2015	-	No Movement during the Financial year	-	-
		NIL	-	31-Mar-2016	-			
7	Mr. Anil Agarwalla	NIL	-	1-Apr-2015	-	No Movement during the Financial year	-	-
		NIL	-	31-Mar-2016	-			
8	CA Ritu Bansal	NIL	-	1-Apr-2015	-	No Movement during the Financial year	-	-
		NIL	-	31-Mar-2016	-			

**B. Key Managerial Personnel (KMP's)**

1	Ojaswi Singhal (CFO)	NIL	-	1-Apr-2015	-	Nil holding/ Movement during the year	-	-
		NIL	-	31-Mar-2016	-			
2	Priyanka Singal (CS)	NIL	-	1-Apr-2015	-	Nil holding/ Movement during the year	-	-
		NIL	-	31-Mar-2016	-			

**VI) Indebtedness**

(Indebtedness of the Company including Interest outstanding / accrued but not due for payment)

(` in Thousand)

Indebtedness at the beginning of the financial year	Unsecured	Secured Loan	Letter of Credit	Cash Credit	Total Indebtedness
i) Principal Amount	674	4698	38061	63663	107096
ii) Interest due but not paid		-	-	-	-
iii) Interest accrued but not due	-	498		-	-
<b>Total (i+ii+iii)</b>	<b>674</b>	<b>43257</b>		<b>63663</b>	<b>107594</b>
<b>Change in Indebtedness during the financial year</b>					
Additions	9				
Reductions					
<b>Net Change</b>	<b>9</b>		<b>-2916</b>	<b>3542</b>	<b>635</b>
<b>Indebtedness at the end of the Financial Year</b>					
i) Principal Amount	683	2352	37560	67206	107801
ii) Interest due but not paid		----	-----		-----
iii) Interest accrued but not due					429
<b>Total (i+ii+iii)</b>	<b>683</b>	<b>40341</b>		<b>67205</b>	<b>108230</b>

**VII) Remuneration of Directors and KMP**
**a. Remuneration of Managing Director, Whole Time Director/Manager**

Sr. No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Sh. RAJ KUMAR AGARWAL- WTD (DIN: 02950710)	Sh. KAILASH KUMAR AGARWAL- JMD (DIN: 00063470)	Sh. ASHOK KUMAR AGARWAL- JMD (DIN: 00046627)	
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	₹ 1312628/-	₹ 1709827/-	₹ 1668432/-	₹ 46,90,887/-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	₹ 81720/-	₹ 81720/-	₹ 87298/-	₹ 25,0738/-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-----	-----	-----	-----
2	Stock option	-----	-----	-----	-----
3	Sweat Equity	-----	-----	-----	-----
4	Commission	-----	-----	-----	-----
5	as % of profit	-----	-----	-----	-----



6	others (specify)	-----	-----	-----	-----
7	Others, please specify	-----	-----	-----	-----
	<b>Total (A)</b>	₹ 1394348/-	₹ 1791547/-	₹ 1755730/-	₹ 49,41,625/-
	<b>Ceiling as per the Act</b>	Total Managerial Remuneration paid is within the ceiling limit ( calculated as per section II of schedule V of the Companies Act, 2013)			

**b. Remuneration to other Directors**

Company has not paid any amount to the Independent Directors as remuneration except Board Sitting Fee.

Our Company has total 8 Directors in the Board and out of which 5 are Independent Directors, therefore in this point i.e VII (b) all Independent Directors are covered.

**c. Remuneration to KMP other than MD/WTD/Manager**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Not Applicable	₹ 145997/-	₹ 560723/-	₹ 706720/-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		₹ 7686/-	₹ 21338/-	₹ 29024/-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission as % of profit others, specify		-	-	-
5	Others, please specify	-	-	-	
	<b>Total</b>		₹ 153683/-	₹ 582061/-	₹ 735744/-

This table includes the total remuneration paid to Company Secretary and Chief Financial Officer during/of the Financial Year 2015-16.)

**VIII) PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the companies act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Appeal made (if any)
<b>COMPANY</b>				
Penalty			NIL	
Punishment				
Compounding				
<b>DIRECTORS</b>				
Penalty			NIL	
Punishment				
Compounding				
<b>OTHER OFFICERS IN DEFAULT</b>				
Penalty			NIL	
Punishment				
Compounding				

**A K ASSOCIATES**  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF H P COTTON TEXTILE MILLS LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of H P Cotton Textile Mills Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
  - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 and 27 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For A.K. ASSOCIATES  
Chartered Accountants  
Firm's Registration No. 000596N

(A.K.GUPTA)  
PARTNER  
No. 16533

Place of Signature: NEW DELHI  
Date: 28th May, 2016

**A K ASSOCIATES**  
Chartered Accountants

**Annexure referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date**

**Re: H P Cotton Textile Mills Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) All fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.  
(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities granted and investments made in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.  
(c) According to the records of the Company, there are no dues of income tax or sales tax or service tax or customs duty or excise duty or value added tax which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues of loans and borrowing from banks. Further, the Company does not have any debentures and loan from financial institutions and government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments. The term loans were applied for the purposes for which those are raised.



- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For A.K. ASSOCIATES  
Chartered Accountants  
Firm's Registration No. 000596N

(A.K.GUPTA)  
PARTNER  
No. 16533

Place of Signature: NEW DELHI  
Date: 28th May, 2016

**A K ASSOCIATES**  
Chartered Accountants

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF H P COTTON TEXTILE MILLS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

**To the Members of H P Cotton Textile Mills Limited**

We have audited the internal financial controls over financial reporting of H P Cotton Textile Mills Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are



being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 28th May, 2016 has expressed an unqualified opinion thereon.

For A.K. ASSOCIATES  
Chartered Accountants

(A.K.GUPTA)  
PARTNER  
Membership No. 16533  
Firm's Registration No. 000596N

Place of Signature: NEW DELHI  
Date: 28th May, 2016



**Balance Sheet as at 31st March, 2016**

	Note	As at 31st March, 2016 in Thousand	As at 31st March, 2015 in Thousand
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	38,100	38,100
Reserves and Surplus	3	<u>1,49,890</u>	<u>1,34,274</u>
		1,87,990	1,72,374
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	833	2,352
Deferred Tax Liabilities (Net)	5	-	1,444
Long-Term Provisions	6	<u>23,708</u>	<u>20,117</u>
		24,541	23,913
<b>Current Liabilities</b>			
Short-Term Borrowings	7	1,05,449	1,02,399
Trade Payables	8	62,357	69,859
Other Current Liabilities	9	33,566	32,294
Short-Term Provisions	10	<u>27,301</u>	<u>25,033</u>
		<u>2,28,673</u>	<u>2,29,585</u>
<b>TOTAL</b>		<u><b>4,41,204</b></u>	<u><b>4,25,872</b></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets:			
Tangible Assets	11	77,778	87,785
Capital Work-in-Progress		-	186
		<u>77,778</u>	<u>87,971</u>
Long-Term Loans and Advances	12	12,366	12,387
Deferred Tax Assets (Net)	5	1011	-
<b>Current assets</b>			
Inventories	13	2,07,575	1,97,004
Trade Receivables	14	73,372	51,750
Cash and Cash Equivalents	15	7,875	10,385
Short-Term Loans and Advances	16	<u>61,227</u>	<u>66,375</u>
		<u>3,50,049</u>	<u>3,25,514</u>
<b>TOTAL</b>		<u><b>4,41,204</b></u>	<u><b>4,25,872</b></u>
Significant Accounting Policies	1		
Note forming part of the financial statements	1-30		

As per our report of even date attached  
For A.K. Associates  
Chartered Accountants

For and on behalf of the Board of Directors

CA. A.K. Gupta  
(PARTNER)  
M.No. 16533  
Firm Registration No. 000596N

Priyanka Singal  
Company Secretary

Ashok Kumar Agarwal  
Jt. Managing  
Director

Parshotam Das Agarwal  
Chairman  
Audit Committee

Kailash Kumar Agarwal  
Jt. Managing  
Director

Raj Kumar Agarwal  
Whole Time Director

Place : New Delhi  
Date : 28.05.2016

**Statement of Profit and Loss for the Year ended 31st March, 2016**

	Note	As at 31st March, 2016 in Thousand	As at 31st March, 2015 in Thousand
<b>INCOME</b>			
Revenue from Operations	17	8,85,071	9,17,979
Other income	18	5,263	3,173
		<u>8,90,334</u>	<u>9,21,152</u>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	19	4,05,187	4,55,947
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19A	10,147	(14,473)
Employee Benefits Expense	20	1,76,710	1,62,523
CSR Expense	21	-	995
Finance Costs	22	13,859	18,942
Depreciation	11	12,038	12,578
Other Expenses	23	2,42,677	2,52,524
		<u>8,60,618</u>	<u>8,89,036</u>
<b>Profit before tax</b>		<u>29,716</u>	<u>32,116</u>
<b>Tax expense:</b>			
Current Tax expense for the current year		11,400	12,675
Tax expense for the earlier year		569	1,373
Net Current Tax expense		11,969	14,048
Deferred Tax for the Year		(1,745)	(1,626)
Deferred Tax for earlier Year		(710)	
		<u>9,514</u>	<u>12,422</u>
<b>Profit for the year after Tax</b>		<u>20,202</u>	<u>19,694</u>
<b>Earnings per share (of Rupees 10/- each):</b>	24		
Basic	(In ₹)	5.30	5.16
Diluted		5.30	5.16
<b>Significant Accounting Policies</b>	1		
<b>Notes forming part of the financial statements</b>	1-30		

As per our report of even date attached  
For A.K. Associates  
Chartered Accountants

For and on behalf of the Board of Directors

CA. A.K. Gupta  
(PARTNER)  
M.No. 16533  
Firm Registration No. 000596N

Priyanka Singal  
Company Secretary

Ashok Kumar Agarwal  
Jt. Managing  
Director

Parshotam Das Agarwal  
Chairman  
Audit Committee

Kailash Kumar Agarwal  
Jt. Managing  
Director

Raj Kumar Agarwal  
Whole Time Director

Place : New Delhi  
Date : 28.05.2016



**Cash Flow Statement for the Year ended 31st March,2016**

	As at 31st March,2016 in Thousand	As at 31st March, 2015 in Thousand
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before extraordinary items and tax	29,716	32,116
<u>Adjustments for:</u>		
Depreciation	12,038	12,578
(Loss)/Profit on sale of Tangible Assets	(2,236)	90
Finance costs	13,859	18,942
Interest income	(2,184)	(2,019)
	<u>21,477</u>	<u>29,591</u>
<b>Operating Profit Before Working Capital Changes</b>	<u>51,193</u>	<u>61,707</u>
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(10,571)	3,607
Trade receivables	(21,622)	2,198
Short-term loans and advances	5,495	8,066
Long-term loans and advances	21	(210)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(7,502)	4,227
Other current liabilities	1,799	(1,542)
Short-term provisions	2,964	4,255
Long-term provisions	3,591	1,623
Cash Generated From Operations	25,368	83,931
Less: Income Tax Paid ( Net of Refunds)	<u>(13,026)</u>	<u>(20,641)</u>
<b>Net cash from Operating Activities (A)</b>	<u>12,342</u>	<u>63,290</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on Tangible assets	(2,733)	(20,103)
Proceeds from sale of Tangible assets	3,124	423
Interest Received	2,184	2,019
<b>Net Cash Used in Investing Activities (B)</b>	<u>2,575</u>	<u>(17,661)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Borrowings	-	2,243
Repayment of Long-Term Borrowings	(2,346)	(4,040)
Proceeds from Short-Term Borrowings (Net)	3,050	(19,222)
Finance cost	(13,859)	(18,942)
Dividend Paid ( Including Income Tax on Dividend)	(4,272)	(4,461)
<b>Net Cash Used in Financing Activities (C)</b>	<u>(17,427)</u>	<u>(44,422)</u>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<u>(2,510)</u>	<u>1,207</u>
Cash and cash equivalents at the beginning of the year	10,385	9,178
Cash and cash equivalents at the end of the year	7,875	10,385
<b>See accompanying notes forming part of the financial statements</b>		

As per our report of even date attached

For A.K. Associates  
Chartered Accountants

For and on behalf of the Board of Directors

CA. A.K. Gupta  
(PARTNER)  
M.No. 16533  
Firm Registration No. 000596N

Priyanka Singal  
Company Secretary

Ashok Kumar Agarwal  
Jt. Managing  
Director

Parshotam Das Agarwal  
Chairman  
Audit Committee

Kailash Kumar Agarwal  
Jt. Managing  
Director

Raj Kumar Agarwal  
Whole Time Director

Place : New Delhi  
Date : 28.05.2016



## Note 1: SIGNIFICANT ACCOUNTING POLICIES

### 1 Basis of Preparation of Financial Statements

The financial statements have been prepared to comply with Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provision of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

### 2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual and estimation are recognised in the period in which the result are known/ materialise.

### 3 Fixed Assets

All fixed assets are valued at cost less depreciation. All costs including borrowing costs relating to the acquisition and installation of fixed assets are capitalised.

### 4 Depreciation

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the 'Straight Line Method'. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

### 5 Impairment

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exist the recoverable amount of the asset is estimated to determine the extent of impairment loss and necessary adjustments is made there against Reversal of impairment loss is recognised as income in the profit and loss account.

### 6 Investment

Current investment are carried at lower of cost and fair value; if any, and Non Current Investments are stated at cost.; if any, Provision for diminution in value on Non Current investments is made only if such a decline is other than temporary.

### 7 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as result of past events and it is probable that there will be an outflow of resources, Contingent Liabilities are not recognised but are disclosed in the notes, Contingent Assets are neither recognised nor disclosed in the financial statements.

### 8 Revenue Recognition

Sales: Sales of goods is recognised at the point of despatch of finished goods to the customers and is reported excluding rebates, discounts, sales tax/value added tax. Differences arising due to exchange fluctuation in case of Export Sales are included in sales.

### 9 Borrowing Cost

Borrowing costs are charged to Profit & Loss Account except borrowing costs directly attributable to the acquisition of fixed assets which are capitalised upto the date of the fixed assets is put to commercial use.

### 10 Employees Benefits

- a) Gratuity: Provision for gratuity liability has been made as per actuarial valuation.

- b) Leave Encashment: Provision for accumulated leave encashment liability has been made as per actuarial valuation.

#### 11 Foreign Exchange Transactions

Foreign Currency Transactions outstanding at the close of the year are converted into Indian Rupee on the basis of exchange rate of the currency as on the close of the year.

#### 12 Taxation

- a) Provision for current tax is made after taking into consideration benefits admissible under The Income Tax Act, 1961.
- b) Deferred Tax resulting from “timing difference” between book and taxable profit is accounted for using tax rates and laws that have been enacted or substantively enacted as on the date of the balance sheet. Deferred Tax Asset is recognised and carried forward only to the extent that there is reasonable certainty that the assets will be realised in the future.

#### 13 Inventories

Inventories have been valued as under:-

- Finished Goods including in transit has been valued at cost or market value whichever is less.
- Loose yarn is valued at cost.
- Stock in Process is valued at Cost.
- Raw Materials are valued at cost.
- Stores & Spare Parts, Colour & Chemicals, Packing Materials and Oil and Fuel are valued at cost.
- Stock of Cotton Waste/Scrap is valued at estimated realisable value.

#### 14 Segment Reporting

The Company has one reportable primary segment of Textiles (Spinning). Hence segment reporting is not applicable.

**Notes on Financial Statements for the Year ended 31st March, 2016**

	As at 31st March, 2016 in Thousand	As at 31st March, 2015 in Thousand
<b>Note 2: Share capital</b>		
<b>Authorised</b>		
42,50,000 Equity Shares of ₹ 10/- each	42,500	42,500
<b>Issued, Subscribed and Paid Up</b>		
Shares at the beginning of the accounting period 38,10,000 Equity shares of Rs 10/- each fully Paid up in cash	38,100	38,100
Shares issued during the year	-	-
Shares cancelled/forfeited during the year	-	-
	38,100	38,100
	As at 31st March, 2016	As at 31st March, 2015
<b>Detail of Shareholders Holding More Than 5% Shares</b>	<b>No. of Shares</b>	<b>% of Holding</b>
Jainish Products Limited	227750	5.978
Kulvinder Singh	206200	5.412
Achhar Investments Limited	212300	5.572
Sacred Trading and Investment Company Limited	209070	5.487
Sailesh Textile Manufacturing Company Limited	207000	5.433
Vinod kumar Ohri	199996	5.249
	No. of Shares	% of Holding
During the 5 years immediately preceding the Balance Sheet date		
- Equity Share issued pursuant to any contract	Nil	Nil
- Equity Shares allotted by way of bonus shares	Nil	Nil
- Equity Shares bought back	Nil	Nil
<b>Rights, Preferences and Restrictions Attached to shares:</b>		
<b>Equity Shares</b>		
The Company has one class of equity shares having a par value of ₹ 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
<b>Note 3: Reserves and Surplus</b>		
<b>Capital Reserve</b>		
-Central Investment Subsidy	1,500	1,500
-State subsidy	1,510	1,510
-Share Premium	18	18
-Surplus on Issue of Forfeited Shares	11	11
	3,039	3,039
<b>General Reserve</b>		
Opening Balance	73,441	68,441
Add: Transferred from surplus to Profit & Loss A/c	5,000	5,000
Closing Balance	78,441	73,441
<b>Surplus in Profit and Loss Account</b>		
Opening balance	57,794	66,733
Less: Transitional Impact of Depreciation as per Companies act 2013	-	28,215
Add: Deferred Tax Credit	-	9,154
<b>Net Transitional Impact of Depreciation as per Companies act 2013 *</b>	-	19,061
Add: Profit for the year	20,202	19,694
	77,996	67,366
<b>Less: Appropriations</b>		
-Transfer to general reserve	5,000	5,000
-Proposed dividend on Equity Shares **	3,810	3,810
-Tax on proposed equity dividend	776	762
Total Appropriations	9,586	9,572
Closing balance	68,410	57,794
	1,49,890	1,34,274

\* In accordance with the provisions of the Companies Act 2013, effective from 1st April, 2014, the Company has reassessed the remaining useful lives of its fixed assets. Consequently, the transitional impact of Depreciation of ₹ 282.15 Lacs ( net of deferred tax ₹ 190.60 Lacs ) has been adjusted to retained earnings.

\*\* ₹ 1.00 per equity share ( Previous year ₹ 1.00)

**Notes on Financial Statements for the Year ended 31st March, 2016**

	As at 31st March, 2016 in Thousand	As at 31st March, 2015 in Thousand																			
<b>Note 4: Long-Term Borrowings</b>																					
<b>Secured</b>																					
Kotak Mahindra Prime Limited	833	2,352																			
Future Capital Holdings Limited	-	-																			
	<u>833</u>	<u>2,352</u>																			
<p>1. The Term loans from Kotak Mahindra Prime Ltd and Future Capital Holdings Ltd. are secured by hypothecation of vehicles acquired under the respective loans.</p> <p>2. There is no default in repayment of principal loan or interest there on.</p> <p>3. Repayment Schedule:</p>																					
	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th rowspan="2">Rate of Interest (%)</th> <th colspan="3">Terms of Repayment (in Thousands)</th> </tr> <tr> <th>2015-16</th> <th>2016-17</th> <th>2017-18</th> </tr> </thead> <tbody> <tr> <td>Kotak Mahindra Prime Ltd.</td> <td style="text-align: center;">10.27</td> <td style="text-align: center;">2,296</td> <td style="text-align: center;">1,519</td> <td style="text-align: center;">833</td> </tr> <tr> <td>Future Capital Holdings Ltd.</td> <td style="text-align: center;">11.76</td> <td style="text-align: center;">50</td> <td style="text-align: center;">-</td> <td></td> </tr> </tbody> </table>			Particulars	Rate of Interest (%)	Terms of Repayment (in Thousands)			2015-16	2016-17	2017-18	Kotak Mahindra Prime Ltd.	10.27	2,296	1,519	833	Future Capital Holdings Ltd.	11.76	50	-	
Particulars	Rate of Interest (%)	Terms of Repayment (in Thousands)																			
		2015-16	2016-17	2017-18																	
Kotak Mahindra Prime Ltd.	10.27	2,296	1,519	833																	
Future Capital Holdings Ltd.	11.76	50	-																		
<b>Note 5: Deferred Tax Liability / (Net)</b>																					
Timing Difference on Account of Depreciation	8,863	10,034																			
Timing Difference on Account of Expense Allowable on Payment Basis	<u>(9,874)</u>	<u>(8,590)</u>																			
	<u>(1,011)</u>	<u>1,444</u>																			
<b>Note 6: Long-Term Provisions</b>																					
Provision for Employee Benefits:																					
Provision for Gratuity	17,751	13,259																			
Provision for Leave Salary	<u>5,957</u>	<u>6,858</u>																			
	<u>23,708</u>	<u>20,117</u>																			
<b>Note 7: Short-Term Borrowings</b>																					
<b>Secured:</b>																					
<b>Cash Credit:</b>																					
State Bank of Patiala	37,322	34,057																			
Oriental Bank of Commerce	29,884	29,607																			
<b>Letter of Credit:</b>																					
State Bank of Patiala	20,481	20,449																			
Oriental Bank of Commerce	17,079	17,612																			
<b>Unsecured:</b>																					
Trade Deposits	<u>683</u>	<u>674</u>																			
	<u>1,05,449</u>	<u>1,02,399</u>																			

1. Cash Credits and other working capital facilities from Banks viz. State Bank of Patiala and Oriental Bank of Commerce are secured by hypothecation and charge by way of a first charge ranking pari-passu without any preference or priority to one over the other on the stock of Raw Materials, Goods in Process, Loose Yarn, Finished Goods, Stores & Spares and Book Debts (both present and future) and second charge on fixed assets of the company.

2. Cash Credits from State Bank of Patiala & Oriental Bank of Commerce are guaranteed by Sh. R. K. Agarwal, Sh. A. K. Agarwal and Sh. K. K. Agarwal, Promoter/Directors of the Company in their personal capacity.

**Notes on Financial Statements for the Year ended 31st March, 2016**

	As at 31st March, 2016 in Thousand	As at 31st March, 2015 in Thousand
<b>Note 8: Trade Payables</b>		
<b>Trade Payables</b>	<u>62,357</u>	<u>69,859</u>
	<u>62,357</u>	<u>69,859</u>
Based on the information available with the Company, amount payable to Micro & Small Enterprises as defined under the MSMED Act, 2006.	Nil	Nil
Interest paid or payable under the Provisions of MSMED Act, 2006	Nil	Nil
Trade Payables includes amount payable to:		
- Sh. Anil Aggarwala, Director of the Company	Nil	Nil
- A Agarwala & Co.; an associate of Sh. Anil Aggarwala, Director of the Company	Nil	Nil
<b>Note 9: Other Current Liabilities</b>		
<b>Term Loan Instalments Repayable Within 12 months</b>		
<b>To Others</b>		
Kotak Mahindra Prime Limited	1,519	2,296
Future Capital Holdings Limited	-	50
<b>Loans and Advances from Related Parties</b>	-	-
<b>Other payables</b>		
Statutory Remittances	5,414	4,633
Advances from Customers	25,756	24,669
Interest Accrued But Not Due	429	498
Unpaid Dividend	<u>448</u>	<u>148</u>
	<u>33,566</u>	<u>32,294</u>
1. There is no default in repayment of principal loan or interest there on.		
<b>Note 10: Short-Term Provisions</b>		
<b>Provision for Employee Benefits:</b>		
Provision for Bonus	18,390	15,271
Provision for Gratuity	1,429	1,630
Provision for Leave Salary	2,302	2,256
<b>Others Provision :</b>		
Provision for Tax (Net of Advance Tax ` 10,806 thousand P. Y. ` 11,371 thousand)	594	1,304
Proposed Dividend	3,810	3,810
Tax on Proposed Dividend	<u>776</u>	<u>762</u>
	<u>27,301</u>	<u>25,033</u>

<b>Note 11: Fixed Assets</b>											
in Thousand											
SI. PARTICULARS	GROSS BLOCK			DEPRECIATION					NET BLOCK		
	As at 1st April, 2015	Additions	Sale/Transfer	As at 31st March, 2016	Upto Previous year	For the period	Adjustment	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015	
1. Free Hold Land	2,125	-	48	2,077	-	-	-	-	2,077	2,125	
2. Buildings	61,140	-	-	61,140	41,736	2,721	-	44,457	16,683	19,404	
3. Plant & Machinery	3,57,578	1,137	1,177	3,57,538	3,08,978	5,766	1,118	3,13,626	43,912	48,600	
4. Furniture & Fixtures	5,331	81	-	5,412	4,294	110	-	4,404	1,008	1,037	
5. Office Equipments	7,935	169	1,530	6,574	6,532	805	1,453	5,884	690	1,403	
6. Vehicles	22,767	1,532	2,056	22,243	7,551	2,636	1,352	8,835	13,408	15,216	
<b>Total</b>	<b>4,56,876</b>	<b>2,919</b>	<b>4,811</b>	<b>4,54,984</b>	<b>3,69,091</b>	<b>12,038</b>	<b>3,923</b>	<b>3,77,206</b>	<b>77,778</b>	<b>87,785</b>	
<b>Previous Year Total</b>	<b>4,38,300</b>	<b>20,103</b>	<b>1,527</b>	<b>4,56,876</b>	<b>3,29,313</b>	<b>12,578</b>	<b>27,200</b>	<b>3,69,091</b>	<b>87,785</b>		



**Notes on Financial Statements for the Year ended 31st March, 2016**

	As at 31st March, 2016 in Thousand	As at 31st March, 2015 in Thousand
<b>Note 12: Long-Term Loans and Advances</b>		
Security Deposits Unsecured, Considered Good	12,366	12,387
	<u>12,366</u>	<u>12,387</u>
<b>Note 13: Inventories</b>		
Raw materials	76,566	57,352
Work-in-progress *	61,520	66,893
Finished goods	44,892	49,953
Stores and spares	18,005	20,340
Scrap	3,839	-
Goods-in-transit	2,753	2,466
	<u>2,07,575</u>	<u>1,97,004</u>
* Includes Loose Yarn	<u>55,120</u>	<u>60,576</u>
<b>Note 14: Trade Receivables</b>		
Trade Receivables Outstanding for a Period Exceeding Six Months		
Unsecured, considered good	26	-
Other Trade Receivables		
Secured, considered good	48,245	21,525
Unsecured, considered good	<u>25,101</u>	<u>30,225</u>
	<u>73,372</u>	<u>51,750</u>
<b>Note 15: Cash and Cash Equivalents</b>		
Balances with Scheduled Banks		
-In Current Accounts	615	1,033
-In Margin Money against LC	6,215	7,932
-Unpaid Dividend	447	148
Cheques, drafts on hand	100	585
Cash in hand	498	685
Post Office Saving Bank A/c	-	2
	<u>7,875</u>	<u>10,385</u>
<b>Note 16: Short-Term Loans and Advances</b>		
Insurance Claim Receivable*	20,492	20,492
Prepaid expenses	1,282	1,597
Balances with government authorities		
Unsecured, considered good		
- VAT credit receivable	28,470	32,069
- Duty Drawback Receivable	1,333	5,700
- Income Tax Refundable	347	-
Others (Advances Receivable in Cash or in Kind or for the value to be received)		
Unsecured, considered good	<u>9,303</u>	<u>6,517</u>
	<u>61,227</u>	<u>66,375</u>

\* Please See Note 27

**Notes on Financial Statements for the Year ended 31st March, 2016**

	For the Year ended 31st March, 2016 in Thousand	For the year ended 31st March, 2015 in Thousand
<b>Note 17: Revenue from Operations</b>		
Sales	8,85,071	9,17,979
	<u>8,85,071</u>	<u>9,17,979</u>
<b>Sale of Products Comprises :</b>		
<b><u>Manufactured Goods</u></b>		
Yarn & Threads	8,72,114	9,01,947
Less: Sales Returns	43	2,803
Less: Rebate & Discount	<u>28,663</u>	<u>25,940</u>
	8,43,408	8,73,204
Add: Exchange Rate Fluctuations	<u>381</u>	<u>87</u>
	8,43,789	8,73,117
Raw Material Scrap	19,662	22,412
Other Scrap	1,610	2,246
Duty Drawback and other export incentives	<u>20,010</u>	<u>20,204</u>
<b>Total - Sale of Manufactured Goods</b>	<u>8,85,071</u>	<u>9,17,979</u>
<b>Note 18: Other Income</b>		
Interest Income	2,184	2,019
Other Non-Operating Income	<u>3,079</u>	<u>1,154</u>
	<u>5,263</u>	<u>3,173</u>
<b>Interest Income Comprises:</b>		
Interest from banks on:		
Margin Money	471	605
Interest from Customers	20	107
Interest on Early Payment of Trade Payables	767	432
Other interest(Int. on Security Deposit with DHBVN)	<u>926</u>	<u>875</u>
<b>Total - Interest income</b>	<u>2,184</u>	<u>2,019</u>
<b>Other Non-Operating Income Comprises:</b>		
Profit on sale of fixed assets ( Net)	2,236	-
Foreign Exchange Fluctuation ( Net)	-	1,074
Liabilities / Provisions No Longer Required written back (Sundry Balance W/off)	817	73
Customer's Credit Balances written back	-	-
Other Income	-	7
Prior period income	<u>26</u>	<u>-</u>
<b>Total - Other Non-Operating Income</b>	<u>3,079</u>	<u>1,154</u>
<b>Details of Prior Period Items</b>		
Refund of VAT received		
Excess Balance Written Back	<u>26</u>	<u>-</u>
	<u>26</u>	<u>-</u>



**Notes on Financial Statements for the Year ended 31st March, 2016**

			For the Year ended 31st March, 2016 in Thousand	For the year ended 31st March, 2015 in Thousand
<b>Note 19: Cost of Materials Consumed</b>	<b>% of Consumption</b>			
	This Year	Previous Year		
Imported	0.05%	-	191	-
Indigenous	99.95%	100.00%	4,04,996	4,55,947
	<u>100.00%</u>	<u>100.00%</u>	<u>4,05,187</u>	<u>4,55,947</u>
<b>Material Consumed:*</b>				
<b>Raw Material:</b>				
- Cotton			2,73,233	3,10,985
- Silk tops and others			183	732
- Silk tops and others			4,797	-
- Man Made Fibre			<u>2,182</u>	<u>7,519</u>
			2,80,395	3,19,236
Colour & Chemicals			87,124	97,995
Packing Materials			<u>37,668</u>	<u>38,716</u>
* (O.B.+Purchase-Closing Stock)			<u>4,05,187</u>	<u>4,55,947</u>
<b>Note 19A: Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>				
<u>Inventories at the end of the year:</u>				
Finished Goods			44,892	49,953
Work-in-Progress			61,520	66,893
Cotton Scrap			<u>2,753</u>	<u>2,466</u>
			<u>1,09,165</u>	<u>1,19,312</u>
<u>Inventories at the beginning of the year:</u>				
Finished goods			49,953	32,624
Work-in-progress			66,893	70,722
Cotton Scrap			<u>2,466</u>	<u>1,493</u>
			<u>1,19,312</u>	<u>1,04,839</u>
<b>Net (increase) / decrease</b>			10,147	(14,473)
<b>Note 20: Employee Benefits Expense</b>				
Salaries and Wages			1,57,637	1,45,176
Contributions to Provident and Other Funds			11,445	9,322
Employee State Insurance			5,200	4,875
Staff Welfare Expenses			<u>2,428</u>	<u>3,150</u>
			<u>1,76,710</u>	<u>1,62,523</u>
<b>Note 21: CSR Expense</b>				
CSR Expense			-	995
			-	995
<b>Note 22: Finance Costs</b>				
Interest Expense on Borrowings			10,603	13,926
Other Borrowing Costs			<u>3,256</u>	<u>5,016</u>
			<u>13,859</u>	<u>18,942</u>

**Notes on Financial Statements for the Year ended 31st March, 2016**

	For the Year ended 31st March, 2016 in Thousand	For the year ended 31st March, 2015 in Thousand
<b>Note 23: Other Expenses</b>		
Consumption of Stores and Spare Parts	32,005	40,852
Material Laying more than three years	1,401	137
Power and Fuel	1,23,693	1,25,934
Earth Filling Expenses	958	1,017
Water	757	1,068
Rent including lease rentals	1,826	1,825
Repairs and Maintenance - Buildings	2,069	3,601
Repairs and Maintenance - Machinery	3,270	2,769
Repairs and Maintenance - Others	647	515
Insurance	1,705	1,816
Rates and taxes	1,711	1,334
Communication	1,065	1,140
Travelling and conveyance (a)	5,047	6,324
Vehicle expenses (b)	4,107	4,319
Printing and stationery	1,114	945
Freight and forwarding	37,296	35,467
Sales commission	7,431	8,776
Advertisement	2,009	1,751
Business promotion	794	964
Interest on Late Payment of taxes	19	
Legal and professional	3,584	3,374
Irrecoverable Balances written off	116	1,013
Festival Expenses	2,632	2,639
Payment to Statutory Auditors	1,116	853
Loss on Sale of Fixed Assets ( Net)	-	90
Vat Paid	26	-
Prior period Expenses	-	34
Miscellaneous Expenses	6,254	3,967
	<u>2,42,677</u>	<u>2,52,524</u>

(a) Include ` 130,383/- for attending board meetings (Previous Year ` 129,535/-)

(b) Net of Insurance Claim ` 24,400/- (Previous Year ` 3,900/-)

	% of Consumption		This Year	Previous Year
	This Year	Previous Year		
Consumption of Stores and Spare Parts				
Imported	4.57%	1.62%	1,462	662
Indigenous	95.43%	98.38%	30,543	40,190
	<u>100.00%</u>	<u>100.00%</u>	<u>32,005</u>	<u>40,852</u>
<b>Payments to Statutory Auditors Comprises</b>				
- Audit Fee			850	700
- Reimbursement of Expenses including Service Tax			266	153
			<u>1,116</u>	<u>853</u>
<b>Prior period items</b>				
Weath Tax			-	34
Others			-	-
			<u>-</u>	<u>34</u>

**Notes on Financial Statements for the Year ended 31st March, 2016**

	For the Year ended 31st March, 2016 in Thousand	For the year ended 31st March, 2015 in Thousand
<b>Note 24: Earning Per Equity Share</b>		
Earning Available to Equity Shareholder	20,216	19,694
Weighted Average No. of Equity Shares (In Thousand)	3,810	3,810
Earning Per Equity Share in Rupee		
Basic	5.30	5.16
Diluted	5.30	5.16
<b>Note 25: Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	19836
<b>Note 26: Contingent Liabilities</b>		
Contingent Liabilities Shall be classified as:		
Other money for which the company is contingently liable*	7,787	6,849
*The Entry tax was imposed by the Haryana Government but was struck down by the Hon'ble Punjab & Haryana High Court. The Haryana Government has gone into appeal before the Hon'ble Supreme Court of India against the judgement of Punjab & Haryana High Court. The liability of Entry Tax; if any, arising upon the judgement of Hon'ble Supreme Court of India will be provided during the year in which the judgement is passed by the Hon'ble Court.		
<b>Note 27 : Insurance Claim Receivable</b>		
The Company has received the intimation from Insurer that it has approved the insurance claim; relating to fire incident during the financial year 2010-11, for ₹ 17160 thousand. For this claim the company had made provision of ₹ 33362 thousand. The company; not being satisfied with the claim approved by the insurer, has referred such matter to the appellate forum and the first appellate forum is arbitration. Company has received Interim Payment of ₹ 12870 thousand during the financial year 2014-15, which has been credited to Insurance Claim Receivable.		
Pending decision of the appellate forum; no provision for loss [the difference between the insurance claim as per books of account and claim approved by the insurer] has been made in the books of account. Adjustment if any, arising upon the settlement of claim will be made in the year when the insurance claim is finally settled.		
<b>Note 28: Foreign Exchange Transaction</b>		
<b>Value of Import Calculated on C.I.F basis</b>		
Packing Materials	191	-
Components, Stores and spares parts	1,668	809
Capital Goods	-	7,421
	<u>1,859</u>	<u>8,230</u>
<b>Expenditure in foreign currency</b>		
Travelling Expenses	895	1,364
Commission on Export Sales	6,904	8279
Professional Charges	495	424
Foreign Bank Charges	751	720
	<u>9,045</u>	<u>10,787</u>
<b>Earning in foreign exchange</b>		
Export of goods calculated on F.O.B basis	<u>6,50,928</u>	<u>6,91,505</u>

## Notes on Financial Statements for the Year ended 31st March, 2016

### Note 29 : Related Party Transaction

#### List of Related Party

##### Board of Directors

Sh.Raj Kumar Agarwal  
Sh.Ashok Kumar Agarwal  
Sh.Kailash Kumar Agarwal  
Sh.B. C. Talukdar  
Sh.P.D.Agarwal  
Sh.M. L. Jain  
Sh.Anil Agarwalla  
Smt.Ritu Bansal w.e.f. 29.05.2015

##### Key Managerial Persons

Sh.Raj Kumar Agarwal Whole Time Director  
Sh.Ashok Kumar Agarwal Joint Managing Director  
Sh.Kailash Kumar Agarwal Joint Managing Director  
CS Priyanka Singla Company Secretary w.e.f 25/12/2015  
CA Vishesh Chugh Chief Financial Officer up to 25/06/2015  
CA Ojasvi singhal Chief Financial Officer w.e.f. 25/12/2015  
CS Manish Singla Company Secretary w.e.f 26/06/2015

##### Relatives of Key Managerial Persons

Sh.Kashmiri Lal Agarwal up to 06/06/2015  
Sh.Ravindra Agarwal  
Sh.Surender Agarwal  
Sh. Raghav Kumar Agarwal

##### Persons/Entities in Which Directors/Key Managerial Persons are interested

Surender Kumar Agarwal H U F  
Raj Kumar Agarwal H U F  
Jawala Prasad Ram Pat  
Supermax Promoters Pvt Ltd.  
Siram Appartments Pvt.Ltd.  
Sanjay Mercantile Pvt.Ltd.  
Kashmiri Lal Agarwal H.U.F.  
Jai Narain Agarwal H.U.F.  
Achhar Investmets Ltd.  
Atishay Investments & Finance (P) Ltd.  
Jainish Products Ltd.  
Sacred Trading & Investment Co. Ltd.

Transactions with related parties are given below:

Name of the Related Party	Relationship	Interest Paid	Amount Payable	in Thousand
				Amount Recoverable
<b><u>Unsecured Loan &amp; Interest Thereon</u></b>				
Achhar Investmets Ltd.	Director/KMP Interested	Nil (59)	Nil (Nil)	Nil
Atishay Investments & Finance (P) Ltd.	Director/KMP Interested	Nil (7)	Nil (Nil)	Nil
Jainish Products Ltd.	Director/KMP Interested	Nil (66)	Nil (Nil)	Nil
Sacred Trading & Investment Co. Ltd.	Director/KMP Interested	Nil (48)	Nil (Nil)	Nil

**Notes on Financial Statements for the Year ended 31st March, 2016**

Name of the Related Party	Relationship	Amount	Amount Payable	Amount Recoverable
<b><u>Board Sitting Fees</u></b>				
Sh.B. C. Talukdar	Director	75	Nil	Nil
		(52)	Nil	Nil
Sh.P.D.Agarwal	Director	95	Nil	Nil
		(50)	Nil	Nil
Sh.M. L. Jain	Director	81	Nil	Nil
		(47)	Nil	Nil
Sh.Anil Agarwalla	Director	20	Nil	Nil
		(16)	Nil	Nil
CA Ritu Bansal	Director	80	Nil	Nil
		(Nil)	Nil	Nil
<b><u>Salary / Remuneration</u></b>				
Sh.Raj Kumar Agarwal	Whole Time	1394	Nil	Nil
	Director	(1,267)	Nil	Nil
Sh.Ashok Kumar Agarwal	Joint .Managing	1756	Nil	Nil
	Director	(1,283)	Nil	Nil
Sh.Kailash Kumar Agarwal	Joint .Managing	1791	Nil	Nil
	Director	(1,201)	Nil	Nil
Sh.Kashmiri Lal Agarwal	Relative of	238	Nil	Nil
	Director	(1,320)	Nil	Nil
Sh.Ravindra Agarwaal	Relative of	2244	Nil	Nil
	Director	(1,263)	Nil	Nil
Sh.Surender Agarwal	Relative of	1263	Nil	Nil
	Director	(1,263)	Nil	Nil
Sh.Raghavkumar Agarwal	Relative of	62	Nil	Nil
	Director	(Nil)	Nil	Nil
CS Priyanka Kansal	CS	53	Nil	Nil
		-	Nil	Nil
CA Vishesh Chugh	CFO	319	Nil	Nil
		(4)	Nil	Nil
Sh.Manish Singla	CS	99	Nil	Nil
		(120)	Nil	Nil
CA Ojasvi Singhal	CFO	264	Nil	Nil
		-	Nil	Nil
<b><u>Rent/Lease Rent</u></b>				
in Thousand				
Surender Kumar Agarwal H U F	Director/KMP	108	Nil	250
	Interested	(108)	Nil	(250)
Raj Kumar Agarwal H U F	Director/KMP	108	Nil	250
	Interested	(108)	Nil	(250)
Jawala Prasad Ram Pat	Director/KMP	108	Nil	Nil
	Interested	(108)	Nil	Nil

**Notes on Financial Statements for the Year ended 31st March, 2016**

Name of the Related Party	Relationship	Amount	Amount Payable	Amount Recoverable
Supermax Promoters Pvt Ltd.	Director/KMP	36	Nil	Nil
	Interested	(36)	Nil	Nil
Siram Appartments Pvt.Ltd.	Director/KMP	36	Nil	Nil
	Interested	(36)	Nil	Nil
Sanjay Mercantile Pvt.Ltd.	Director/KMP	150	450	Nil
	Interested	(150)	(300)	Nil
Kashmiri Lal Agarwal H.U.F.	Director/KMP	60	60	Nil
	Interested	(60)	(120)	Nil
Jai Narain Agarwal H.U.F.	Director/KMP	15	15	Nil
	Interested	(15)	(30)	Nil

Note: Brackets represent previous year's figures

**Note30: Notes On Accounts:**

1. In the opinion of the management, current assets including trade receivables, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the books. However, certain balances under Trade Receivables, Loan and Advances are subject to confirmation.

2. Previous year figures have been regrouped and rearranged wherever necessary to suit the present year layout.

As per our report of even date attached  
For A.K. Associates  
Chartered Accountants

For and on behalf of the Board of Directors

CA. A.K. Gupta  
(PARTNER)  
M.No. 16533  
Firm Registration No. 000596N

Priyanka Singal  
Company Secretary

Ashok Kumar Agarwal  
Jt. Managing  
Director

Parshotam Das Agarwal  
Chairman  
Audit Committee

Kailash Kumar Agarwal  
Jt. Managing  
Director

Raj Kumar Agarwal  
Whole Time Director

Place : New Delhi  
Date : 28.05.2016





Form No. MGT-11
Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

H P COTTON TEXTILE MILLS LIMITED

CIN: L18101HR1981PLC012274

Regd. Off.: 15th K. M. Stone, Delhi Road, VPO-Mayar (Hisar), Haryana

Table with 2 columns: Field Name, Value. Fields include Name of the member(s), Registered address, E-mail Id, Folio No./Client ID, DP ID.

I/We being a member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

- 1. Name :.....Address:.....
E-mail Id:.....Signature:.....or failing him
2. Name :.....Address:.....
E-mail Id:.....Signature:.....or failing him
3. Name :.....Address:.....
E-mail Id:.....Signature:.....or failing him

and whose signatures are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company to be held on the Friday, 23rd September, 2016 at 11.00 A.M. at 15th K. M. Stone, Delhi Road, VPO Mayar, Hisar (Haryana) and at any adjournment thereof in respect of such resolutions as are indicated below:

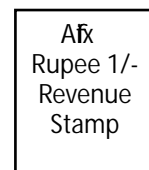
Table with 1 column: Resolutions. Items include: 1. Consider and adopt: a) Audited Financial Statements, b) Reports of the Board and Auditors; 2. Declare Dividend on Equity Shares; 3. Re-appointment of Mr. Ashok Kumar Agarwal, who retires by rotation; 4. Ratification of Appointment of Auditors and fixing their remuneration; 5. Reappointment of Mr. Raj Kumar Agarwal as Whole-time Director for further 5 years; 6. Authorization to Board under Section 180(1)(c) to borrow money upto ` 300 Crore; 7. Authorization to Board under Section 180(1)(a) to create Charge on Properties of the Company upto ` 300 Crore; 8. Alter Article of Association; 9. Alter Memorandum of Association.

Signed this \_\_\_ day of \_\_\_\_\_ 2015.

Signature of shareholder

Signatures of proxy holders

- 1. \_\_\_\_\_ 2. \_\_\_\_\_
3. \_\_\_\_\_



Notes:

- 1. The proxy form duly signed across the Revenue Stamp must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.
2. A proxy need not be a member of the Company.
3. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.







## H P COTTON TEXTILE MILLS LIMITED

CIN: L18101HR1981PLC012274

Regd. Off.: 15<sup>th</sup> K. M. Stone, Delhi Road, VPO-Mayar (Hisar), Haryana

## POSTAL BALLOT FORM

1. Name(s) & Registered Address of the Sole/First named Member
2. Name(s) of the Joint Holder, if any
3. Registered Folio No./ DP ID No./ Client ID No.(Applicable to Shareholders holding Shares in dematerialized form)
4. No. of ordinary Shares held
5. EVEN (E-voting event No.)
6. User ID
7. Password
8. I/We hereby exercise my/our vote(s) in respect of the resolutions set out under the head of 'Special Business' in the Notice of calling the 35th Annual General Meeting to be held on Friday, the 23rd day of September, 2016 at 11:00 A.M. by sending my/our assent or dissent to the said resolutions by placing the Tick mark at the appropriate box below:

Item No. (as per Notice of 35 <sup>th</sup> AGM)	Description of Resolution	No. of ordinary Shares for which Votes Casts	FOR I/We assent to the Resolution	AGAINST I/We dissent to the Resolution
5	Reappointment of Mr. Raj Kumar Agarwal as Whole-Time Director for further 5 year			
6	Authorization to Board under Section 180(1)(c) to borrow money upto ` 300 Crore			
7	Authorization to Board under Section 180(1)(a) to create Charge on Properties of the Company upto ` 300 Crore			
8	Approval to alter/adopt Article of Association as per Companies Act, 2013			
9	Approval to alter/adopt Memorandum of Association as per Companies Act, 2013			

Place

Date

Signature



**INSTRUCTIONS FOR POSTAL BALLOT**

- 1) This Ballot Form is provided for the benefit of Members who do not have access to e-voting or unable to come at the venue of AGM.
- 2) A Member can opt for only one mode of voting i.e. either through Postal Ballot/E-Voting or by Poll. If a Member cast votes by both modes, then voting done through e-voting shall prevail and ballot shall be treated as invalid.
- 3) For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
- 4) The scrutinizer will collate the votes downloaded from the e-voting system, by Poll and votes received through post to declare the final result for each of the Resolutions as specified under the head of 'Special Business' of the Notice of AGM.

**Process and manner for Members opting to vote by using the Ballot Form**

- 1) Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, CA Ram Niwas Agarwal (Membership No. 089632) partner of M/s Ram Niwas Associates, Chartered Accountants (Firm Reg. No. 011352N) having office at- 692, Sector-14, Hisar (Haryana) as a Scrutiniser for conducting the e-voting process, voting by ballot paper and by Poll.
- 2) The Form should be signed by the Member as per the specimen signature registered with the Company/ Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his/her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
- 3) In case the shares are held by companies, trusts, societies, etc. the duly completed Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorization.
- 4) Votes should be cast in case of each resolution, either in favour or against by putting the tick ( ) mark in the column provided in the Ballot.
- 5) The voting rights of shareholders shall be in proportion of the shares held by them in the paid up equity share capital of the Company as on Thursday, 15<sup>th</sup> September 2016 (Cut off Date) as per the Register of Members of the Company or as per the data provided by the Registrar or share transfer agent as on cut off date.
- 6) Members are requested to carefully read the instructions printed in Ballot form duly completed with the assent (for) and/or dissent (against) in the attached envelope so as to reach the scrutiniser on or before 5.00 P.M. of Thursday, 22<sup>nd</sup> September, 2016, being the last date for receipt of Postal Ballot Form by the Scrutinizer, providing sufficient time for postal transit.
- 7) A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date and time specified in serial no. 6 above.
- 8) Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
- 9) The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
- 10) The results declared along with Scrutinizer's Report, shall be placed on the Company's website (www.hp-threads.com)

**ROUTE MAP****AGM Venue Route Map****Venue Address**

15K.M. Stone, Delhi Road, VPO Mayar  
Hisar,-125044 (Haryana)

**Route from Hisar**

Straight through DabraChowk onto Delhi road/ Mall road  
Turn on to NH-10  
Cross Vidya Devi Jindal Public School and reach at H.P. Cotton Textile Mills Limited

**Route from Delhi**

Turn on to Delhi Road( NH-10)  
Cross Bhiwani, Rohtak, Hansi  
Reach at H.P. Cotton Textile Mills Limited



**H.P.COTTON TEXTILE MILLS LIMITED**

CIN: L18101HR1981PLC012274

Regd. Off.: 15th K. M. Stone, Delhi Road, VPO-Mayar (Hisar), Haryana

**35 th ANNUAL GENERAL MEETING**

Date: 23<sup>rd</sup> September 2016 at 11.00 A.M.

**ATTENDANCE SLIP**

(Please Complete the Attendance Slip and hand it over at the entrance of the Meeting Hall and also bring your copy of the Annual Report)

I hereby record my presence at the 35th Annual General Meeting of the Company being held on Friday, 23rd September, 2016 at 11.00 A.M. at the Registered Office of the Company at 15 K.M. Stone, Delhi Road, VPO Mayar, Hisar-125044 (Haryana).

.....

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Full name of the shareholder/Proxy \_\_\_\_\_

Signature \_\_\_\_\_

(In Block Letters)

Folio No./DP ID & Client ID \_\_\_\_\_

No. of Shares Held: \_\_\_\_\_



