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# H.P Cotton Textiles Mills Limited

34th Annual Report 2014-2015



## ***'A Tribute'***



**Founder and Managing Director  
Late Shri Kashmiri Lal Agarwal  
(1934 – 2015)**

Shri Kashmiri Lal Agarwal, founder of H.P. Cotton Textile Mills Limited, was born on 19th January, 1934 in a small village Satrod Khurd of District Hisar. In 1962, he started his industrial career along with his five brothers with small textile manufacturing unit by establishing & promoting the unit under the brand name DORA at Kolkata which requires no introduction. In 1981, he commissioned a large factory under the name M/s H.P. Cotton Textile Mills Limited. As a Promoter Director of the company, he gave new heights with valuable ideas. He was a good administrator, decision maker and advisor. He was also a good heart fellow and had feelings for every employee of the company. He breathed his last on 6th June, 2015. His sad demise is certainly a big loss for the company as well as for all persons who are associated with the company. We are proud and privileged to inherit this invaluable legacy.

**REGISTERED / CORPORATE OFFICE AND WORKS**

Regd. Office & Works	:	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 : <a href="mailto:hisar@hpthreads.com">hisar@hpthreads.com</a> Website : <a href="http://www.hpthreads.com">www.hpthreads.com</a>
New Delhi Office	:	1E/12, Jhandewalan Extension, Sewak Bhawan, New Delhi-110055 Ph. (011)-23524439/ 41, 23636663/ 64, 41540471 Fax No. (011) 23541076, (011) 23610076 E-mail : <a href="mailto:info@hpthreads.com">info@hpthreads.com</a>
Kolkata Office	:	405, Manglam Building, 24 Hament Basu Sarani, Kolkata-700001 Ph. (033)-22316763,22135501 Fax No.(033)22135502, E-mail : <a href="mailto:hpctcal@vsnl.net">hpctcal@vsnl.net</a>
Ahmedabad Office	:	85, Hira Bhai Market, Ahmedabad-380022 Ph. (079) 25467482, Fax no. (079) 25467459
Mumbai Office	:	Shah & Nahar (Worli) Industrial Estate, Unit No. 506, 5 <sup>th</sup> Floor, Dr. E. Moses Road, Worli, Mumbai-400018. Ph. (022)- 24950532/ 38, Fax No.(022) 24946474, E-mail : <a href="mailto:hpexports@hotmail.com">hpexports@hotmail.com</a>

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## BOARD OF DIRECTORS

Shri Raj Kumar Agarwal	Chairman
Shri Ashok Kumar Agarwal	Deputy Managing Director
Shri Kailash Kumar Agarwal	Deputy Managing Director
Shri Parshotam Das Agarwal	Director
Shri Bibhuti Charan Talukdar	Director
Shri Anil Agarwalla	Director
Shri Mohan Lal Jain	Director
Smt. Nanita Agarwal	Additional Director (Resigned w.e.f.29.05.2015)
Smt. Ritu Bansal	Additional Director (Appointed w.e.f.29.05.2015)

## CHIEF FINANCIAL OFFICER

Shri Ankur Goyal (Resigned w.e.f. 19.11.2014)  
Shri Vishesh Kumar Chugh (Resigned w.e.f. 26.06.2015)

## COMPANY SECRETARY

Ms. Priyanka Singal (Resigned w.e.f. 30.11.2014 )  
Shri Manish Singla (Resigned w.e.f. 27.06.2015)

## BANKERS

### State Bank of Patiala

Railway Road, Hisar, Haryana 125001

### Oriental Bank of Commerce

Railway Road, Hisar, Haryana 125001

## AUDITORS

A.K. Associates,  
Chartered Accountants  
Shanti Niketan ,4/9 Asaf Ali Road, New Delhi

## REGISTRAR & SHARE TRANSFER AGENT

M/S. Alankit Assignments Ltd.  
1E/13, Alankit Heights, Jhandewalan Extension, New Delhi – 110 055  
Tel. No. : (011) 23541234-42541234  
Fax No. : (011) 23552001  
Website: [www.alankit.com](http://www.alankit.com)



## NOTICE

Notice is hereby given that the Thirty Fourth Annual General Meeting of the Members of H.P.Cotton Textile Mills Limited will be held on **Thursday, the 24th day of September, 2015 at 2:30 P.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 Balance Sheet of the Company as at 31st March, 2015 and Statement of Profit and Loss for the financial year ended on that date along with the report of the Directors and Auditors thereon.
2. To Declare Dividend.
3. To appoint a Director in place of Sh. Kailash Kumar Agarwal (DIN 00063470), 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 and 142 of the companies Act, 2013 the appointment of M/S A.K. Associates, Chartered Accountants (Registration No.000596N), as the auditor of the company from the conclusion of this Annual General Meeting till the conclusion of of the 35th Annual General Meeting be and is hereby ratified at remuneration to be decided by the Board of Directors payable in one or more instalments plus Service tax as applicable and reimbursement of out- of- pocket expenses incurred, be and is hereby approved."

### SPECIAL BUSINESS:

To appoint Smt. Ritu Bansal (DIN: 03619069) as an Independent Director and in this regard To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT** pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules,2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. Ritu Bansal (DIN : 03619069), who was appointed as an Additional (women independent) Director by the Board with effect from 29th May, 2015, who is eligible for appointment as an Independent Director pursuant to the Companies Act, 2013 and the listing agreement in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation ,to hold office for a period of 5 consecutive years from the date of this Annual General Meeting to September 23, 2020."

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

Place: New Delhi  
Date: 13<sup>th</sup> August, 2015  
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

Ashok Kumar Agarwal  
Deputy Managing Director  
(DIN 00046627)



**NOTES:**

1. The Explanatory Statement pursuant to section 102(1) of Companies Act, 2013 in respect of the special business under item 5 as stated above is annexed hereto.
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.
3. The attendance slip cum 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. The Company has notified closure of Register of Members and Share Transfer Books from **Thursday, 17th September, 2015 to Thursday, 24th September, 2015** (both days inclusive) for determining the names of members eligible for dividend on Equity Shares; if declared, at the Meeting.
6. 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 **16th September, 2015**; 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.
7. Members holding shares in the certificate 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.
8. Members desirous of making a nomination in respect of their shareholders, as permitted by section 72 of the Companies Act, 2013, are requested to write to the Share Transfer Agent of the Company for the prescribed form.
9. Members desirous of getting any information in respect of the contents of the Annual Reports is required to forward their queries to the Company at least ten days prior to the Meeting so that, if the Chairman so permits, the required information can be made available at the meeting.
10. 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.
11. Shri Kailash Kumar Agarwal (DIN- 00063470) – Director who retire by rotation and Smt. Ritu Bansal (DIN -(03619069) – additional director, being eligible, offer themselves for re-appointment/ appointment as director at the ensuing Annual General Meeting. A brief resume of the said directors is given below.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE ANNUAL GENERAL MEETING**

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

1

<b>Name</b>	<b>Shri Kailash Kumar Agarwal</b>
Directors Identification Number (DIN)	00063470
Date of Birth	17.07.1961
Qualification	B.com, L.L.B
Expertise in Specific Area	More than 30 years experience with this company itself
Date of first appointment on the Board of the company	03.09.1981
Directorship in other limited companies	M/s Achhar Investments Limited M/s Jainish Products Limited M/s Atishay Investments and Finance Private Limited M/s Tayal Vegcraft Private Limited M/s HP Infratech Private Limited M/s Sailesh Textile MFG Co. LTD.
Membership/Chairmanship of committee of directors of the company	Member in Share Transfer Committee Member in CSR Committee Member in Risk Management Committee
Membership/Chairmanship of committee of directors of other companies	Nil
No. of Share held	85320

2

<b>Name</b>	<b>Smt Ritu Bansal ( ICAI Membership No. 097135)</b>
Directors Identification Number (DIN)	03619069
Date of Birth	09.05.1975
Qualification	B.com, FCA, CS
Expertise in Specific Area	More than 16 years experience in Accounting, Finance & Taxation
Date of first appointment on the Board of the company	29.05.2015
Directorship in other limited companies	Nil
Membership/Chairmanship of committee of directors of the company	Nil
Membership/Chairmanship of committee of directors of other companies	Nil
No. of Share held	Nil

**11. 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 Clause 35B of the Listing Agreement, the Company is providing facility to exercise right to vote on resolution proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means to members holding shares as on **17th September 2015** being the Cut-off date (Record date for the purpose of Rule



20 (3)(vii) of the 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 them carefully.

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

#### **ITEM NO. 5:**

Smt Ritu Bansal is a Chartered Accountant. She is 40 years old and having experience over 16 years in Accounting, Finance & Taxation. Smt. Ritu Bansal was appointed as an additional director of the company with effect from 29.05.2015, pursuant to section 161 of the Companies Act, 2013 read with Article of Association of the company. Smt. Ritu Bansal holds office upto the date of this Annual General Meeting. The company has received a notice in writing from a member proposing the candidature of Smt. Ritu Bansal along with the deposit of ₹ 1Lac for the office of director under the provision of section 160 of the Companies Act, 2013.

Smt. Ritu Bansal is not disqualified from being appointed as director in terms of section 164 of the Companies Act, 2013 and other provisions of the act as applicable and has given her consent to act as a director of the company.

The company has also received declaration from Smt. Ritu Bansal that she meets the criteria of independence as prescribed under section 149(6) and clause 49 of the listing agreement.

The Board considers that the appointment of Smt. Ritu Bansal as a member of the board would be beneficial for the company. It is proposed to appoint Smt. Ritu Bansal as an independent director under section 149 of the act and clause 49 of the listing agreement, not liable to retire by rotation, for a period of five consecutive years from the date of this Annual General Meeting to September 23, 2020.

Information pursuant to clause 49 of Listing agreement is provided in the notes to Notice of Annual General Meeting.

By Order of the Board of directors

For H.P. Cotton Textile Mills Limited

Place: New Delhi

Date: 13.08.2015

Ashok Kumar Agarwal  
Deputy Managing director  
(DIN 00046627)

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

1. 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)/ National 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 2013-14 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. List of shareholders to whom dividends remain unpaid are available on the website of the Ministry of corporate Affairs. Please note that as per Section 124(6) of the new Companies Act, 2013 the shares held in respect of the unpaid dividend has also to be transferred to demat account maintained under Investor Education and Protection Fund account.

**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 of 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  
Instruction 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 Clause 35B of the Listing Agreement, the Company is pleased to provide member 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 ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e voting shall be able to exercise their right at the meeting through ballot paper.
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 voting period begins on **21st September 2015 at 9.00 a.m. and ends on 23rd September 2015 at 5.00 p.m.** During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **17th September 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

**The instructions for shareholders voting electronically are as under:**

- A. In case of members receiving 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 MILL 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.
  - 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 34th Annual General Meeting by post (for members whose e-mail address are not registered with the company/ Registrars)**

- i) Please follow all the steps from S. No. (I) to S. No. (xvii) to cast vote.
5. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 17th September, 2015.
6. 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.
7. Members who do not have access to e- voting facility have been additionally provided the facility of voting through ballot form. They may send duly completed Ballot Form to the scrutinizer at the registered office of the company so as to reach on or before the conclusion of the 34th AGM or can carry the same to the AGM and deposit in the Ballot Box during the Meeting.

**General Instructions:**

- i. The Company has appointed CA Ram Niwas Agarwal (Membership No. 089632) partner of M/s Ram-niwas Associates, Chartered Accountants, having address- 692, Sector-14, Hisar (Haryana) as a Scrutiniser for conducting the e-voting process in a fair and transparent manner.
- ii. The chairman shall, at the AGM, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "remote e-voting" or "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- iii. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting 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 three days 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 or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- iv. The result 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 Fourth Annual Report on the activities of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2015.

### FINANCIAL HIGHLIGHTS

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 31.03.15	Year ended 31.03.14
Sales and other Income	9212	9798
Profit before financial charges and depreciation	636	908
Financial charges	(189)	(203)
Profit before depreciation	447	705
Depreciation	(126)	(133)
Profit before tax	321	572
Prior year adjustment	-	4
Profit before Tax	321	576
Less: Provision for Tax		
- Current Tax	(140)	(204)
- Deferred Tax	16	26
Profit after Tax	197	398
Basic and Diluted Earnings Per Share (₹ )	5.17	10.44
Dividend Recommended ₹ /Share	1`	1
Dividend Recommended (%)	10	10

### OPERATIONAL PERFORMANCE:

The total sale of the company for the year was ₹ 9180 lacs as compared to the ₹ 9757 lacs in the preceding financial year. The exports of the Company increased from ₹ 6603 lacs to ₹ 6915 lacs, showing an increase of 4.73% over the preceding financial year. During the year under review, Company has earned profit before financial charges and depreciation of ₹ 636 lacs as against ₹ 908 lacs in the preceding financial year and profit after tax of ₹197 lacs as against ₹ 398 lacs in the preceding financial year.

Due to tough market condition and excessive competition, company's turnover in terms of value has decreased at a marginal 6% during the year under review. Similarly the profit after tax has reduced due to unprecedented high level of raw material prices throughout the 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 ₹ 1343 lacs (Including Share Premium) as on 31st March, 2015.

#### Dividend

Your Directors are pleased to recommend for your consideration and approval dividend @ 10% for the financial year 2014-15 i.e. ₹ 1/- per equity share of ₹10/- each. The dividend if approved at ensuing Annual General Meeting will absorb ₹ 44.58 lacs including corporate dividend tax amounting to ₹ 6.48 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 16th September, 2015**; 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.

#### **MEETINGS OF THE BOARD:**

Seven meetings of the Board of Directors were held during the year. The details of the Board meeting and attendance of directors are provided in the report on Corporate Governance, which forms part of this Annual Report.

#### **COMPOSITION OF AUDIT COMMITTEE:**

The Audit Committee comprises Non- executive Independent Directors namely Shri Parshotam Das Agarwal (Chairman), Shri Bibhuti Charan Talukdar, Shri Anil Agarwalla, Shri Mohan Lal Jain as other members. Further details are provided in the Report on Corporate Governance, which forms a part of this Annual Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **a) Industry Structure & Development:**

India's textiles sector is one of the main stays of the national economy and one of the largest Contributing sector of India's exports contributing about 17 % to the country's total export basket. The textile sector has two broad segments, the unorganized sector comprising of handloom, handicrafts, sericulture, power looms and the organized sector consisting by and large of spinning, apparel, garmenting, made- ups. The large part of H.P. Cotton Textile Mills' product portfolio goes into textile industry, an industry which accounts for around 4-5 % of GDP, 14% of industrial production, 17 % of country's total export earnings and is country's 2nd largest industry in terms of employment generation. During the year, performance of the textile industry has been moderate.

#### **b) Risks and Concerns:**

Overall, the macro-economic situation of India is still challenging and concrete policy measures announced during the year 2013-14 will take time to reflect in business. Delay in announcement of structural reforms by the Government of India may slow down the growth rate forecast which might adversely affect on Business in general as well as your Company's business. The volatility in cotton may impact the Company's performance. The fluctuations in exchange rate, liquidity issues and rising power and labor cost continues to be a key challenge for the industry. The overall economic climate and in particular the health of textile processing industry which remains confronted by environment related issues, may have impact on the Company's business plans. The Company continues to take suitable steps to minimize these risks and their impact on Company's overall performance.

#### **c) Outlook and Opportunities:**

Economic forecast suggests that the measures which may be taken by the Indian Government for reviving of investment, easing of interest rate in mid-2015 may lead the Indian economy to grow at about 8.0% to 8.5 % in 2015-16. The global economy is still struggling to gain momentum as many high-income countries continue to grapple with legacies of the global financial crisis. While US and UK has gathered momentum as labor markets heal and monetary policy remains accommodative, the recovery has been sputtering in the Euro area intertwined with structural bottlenecks. Overall global growth is expected to rise moderately to about 3 % in 2015-16. The sharp decline in oil prices since mid-2014 will support global activity and help offset some of the headwinds to growth in oil importing developing economies which includes India as well. The recovery in high income countries will slowly strengthen growth projections to gradually accelerate in coming years. The lower oil prices creates a window of opportunity for a country like India and may be used to usher fiscal and structural reforms which can boost long-term growth and inclusive development. For the Company, the process houses troubled by environmental issues still remain a concern. With increasing labor cost, exchange rate fluctuations and volatile commodity prices, the overall demand outlook in India for the textile industry for financial year 2015-16 is expected to remain moderate.

The Indian textile and garment industry is one of 25 thrust sector under “**Make in India**” campaign launched by the new Government, which aims at strengthening domestic manufacturing. The government of India has extended Textile Up gradation Fund Scheme (TUFS) till 2016-17 which might positively impact company's

business. Need of Textile Industry for quality printing coupled with Government supported Program like TUFSS will play a significant role in accelerating the demand.

**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.*

**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.

**PARTICULARS OF LOANS, GUARANTEES 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 year.

**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.

**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 apprised 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.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

As part of its initiative under "Corporate Social Responsibility" (CSR), the company has contributed funds for the schemes of eradicating hunger and poverty, promotion of education and medical aid. The contribution in this regard has been made to the entity which is undertaking these schemes.

The Annual Report on CSR activities is annexed herewith as 'Annexure -A' to Board's report.

**HUMAN RESOURCES AND SAFETY OF WORKERS**

Human capital is the most valuable resource of the organization, Development of human capital has always been thrust area of the Company. The success of any business lies under the qualified, trained & motivated Human Resources; industrial relations are geared at developing and aligning the operatives to the overall goal of the organization. Your Company firmly believes that a dedicated workforce constitute the primary source of sustainable competitive advantage.

Accordingly, human resources development continues to receive focused attention. 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.

### **PARTICULAR OF EMPLOYEES**

No employee was in receipt of remuneration equal to or exceeding ₹ 60 lacs per annum, if employed for the full year or exceeding ₹5 lacs per month if employed for part of the year.

Therefore, statement showing particulars of the employees as required under Section 197 (12) of the Companies Act 2013 read with the Rule 5(2) and 5(3) of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014 as amended, is not applicable.

The information required pursuant to section 197 read with Rule 5 (1) of Companies (Appointment and remuneration of managerial personnel) Rules, 2014, in respect of employees of the company, will be provided upon request. In terms of section 136 of the Act the Reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the registered office of the company during 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.

### **ENVIRONMENT AND POLLUTION CONTROL**

The Company is conscious of the importance of environmentally clean and safe operations. The company's policy is the 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.

### **SUBSIDIARY COMPANIES**

The company does not have any subsidiary.

### **CHANGES IN BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Board of Directors:**

Shri Kailash Kumar Agarwal (DIN- 00063470) is liable to retire by rotation and being eligible, has offered himself for re-appointment. The Company had, 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 New Companies Act 2013, appointed Shri Bibhuti Charan Talukdar, Shri Parshotam Das Agarwal, Shri Anil Agarwalla and Shri Mohan Lal Jain, as Independent Directors, in the last A.G.M. held in September 2014, to hold office for 5 (five) consecutive years i.e. From 26th September, 2014 to 25th September, 2019. Therefore, these are not liable for retirement by rotation.

Pursuant to the provision of section 149 and section 161 of Companies Act, 2013 company had appointed Smt. Naita Agarwal as additional director on 31.03.2015 who submitted her resignation on 29/05/2015 which was accepted by the board.

Company has appointed Smt. Ritu Bansal (DIN-03619069) as additional director on 29/05/2015 who holds office upto the date of ensuing Annual General Meeting and being eligible offers herself for the appointment as an independent director.

The Board considers that the appointment of Smt. Ritu Bansal as a member of the board would be beneficial for the company. It is proposed to appoint Smt. Ritu Bansal as an independent director under section 149 of the act and clause 49 of the listing agreement, not liable to retire by rotation, for a period of five consecutive years from the date of this Annual General Meeting to September 23, 2020.

The company has also received declaration from Smt. Ritu Bansal that she meets the criteria of independence as prescribed under section 149(6) and clause 49 of the listing agreement.

#### **Key Managerial Personnel:**

Pursuant to section 203 of the Companies Act, 2013, Shri Raj Kumar Agarwal (Chairman), Shri Ashok Kumar Agarwal (Dy Managing Director), Shri Kailash Kumar Agarwal (Dy Managing Director), Shri. Ankur Goyal (Chief Financial Officer), Shri Vishesh Chugh (Chief Financial Officer), Ms. Priyanka Singal (Company Secretary) and Shri Manish Singla (Company Secretary) were designated as Key Managerial Personnel of the company.



Shri Ankur Goyal (Chief Financial Officer) submitted his resignation on 19.11.2014 which was accepted by the board with immediate effect.

Ms. Priyanka Singal (Company Secretary) has resigned with effect from 30.11.2014.

Shri Vishesh Kumar Chugh (Chief Financial Officer) submitted his resignation on 27.05.2015, which was considered by the Board in their meeting held on 29.05.2015 and decided to relieve with effect from 26.06.2015.

Shri Manish Singla (Company Secretary) 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 with effect from 27.06.2015.

### **PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS**

The Board has formulated a questionnaire for performance Evaluation of Independent Directors. The questionnaire has among others basically captured the following points:

- 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.

The Board of Directors had in their meeting held on February 12, 2015 evaluated the performance of Sh. Parshotam Das Agarwal, Sh. B.C. Talukdar, Sh. Anil Agarwalla and Sh. Mohan Lal Jain Independent Directors of the Company and has determined to continue with the term of appointment of the Independent Directors.

Sh. Parshotam Das Agarwal, Sh. B.C. Talukdar, Sh. Anil Agarwalla and Sh. Mohan Lal Jain Independent Directors, have furnished a declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013.

### **SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

The Independent Directors held a Meeting on January 25, 2015 without the attendance of Non-Independent Directors and Members of Management. All the Independent Directors except Anil Agarwalla were present at such meeting and at the Meeting they have:

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Present Independent Directors holds a unanimous opinion that the Non-Independent Directors including the Deputy Managing Director bring to the Board constructive knowledge in their respective field. All the Directors effectively participate and interact in the Meeting. The information flow between the Company's Management and the Board is satisfactory.

### **TRAINING OF INDEPENDENT DIRECTORS**

The company shall provide suitable training to independent directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

### **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. All Management Staff were given appropriate training in this regard.

### **COMMITTEES OF THE BOARD**

The details of the Committees of the Board constituted under the Companies Act, 2013 and Listing Agreements are given in the Corporate Governance Report forming part of this Report.

### **AUDITORS AND AUDIT REPORT**

Pursuant to the provision of section 139 of company act, 2013 M/s A.K. Associates, Chartered Accountants, Independent Auditors of the Company were appointed in the last A.G.M. held in September 2014 to hold office for 3 (three) consecutive years i.e. for a term upto the conclusion of the 36th Annual General Meeting. During the year under review, the auditor need not to be routed as they have not completed the tenure of 3 (three) years. Your director request that the appointment of M/s A.K. Associates, the company's Auditors needs to be ratified at their Annual General Meeting and being eligible offer themselves for re- appointment. 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 of the auditors in their audit report are self explanatory.

### **SECRETARIAL AUDIT**

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 Anju Jain, a Company Secretary in practice to undertake the secretarial audit of the company.

### **SECRETARIAL AUDIT REPORT**

As required U/s 204(1) of Companies Act 2013 the company has obtained a secretarial audit report. The Secretarial Audit report for the Financial Year ended March 31st, 2015, is annexed herewith marked as "**Annexure B 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.

### **COST AUDITORS**

Ministry of Corporate Affairs has issued a notification dated 31.12.2014 to make amendment in the Companies (Cost records 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 service 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.

### **EXTRACT OF ANNUAL RETURN**

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

### **BUSINESS RISK MANAGEMENT**

Pursuant to Section 134 (3) (n) of Companies Act 2013 and Clause 49 of listing agreement, the company has constituted a Business Risk Management committee. The Details of committee and its terms of reference are set out in the corporate governance report forming part of boards report.

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

### **PARTICULARS OF CONTRACT OR ARRANGEMENTS MADE WITH RELATED PARTY**

Particulars of contract or arrangements made with related parties referred to in section 188(1) of the Companies Act, 2013, in the prescribed form AOC -2 , is appended as “**Annexure- D to Board’s Report**” .

### **CORPORATE GOVERNANCE**

Company has complied with the requirements of Corporate Governance through constitution and Reconstitution of various committees and has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as provided in the Listing Agreement with the Stock Exchanges are duly complied with. A separate report on Corporate Governance along with the Auditors certificate on compliance with the Corporate Governance as stipulated in Clause 49 forms part of this Annual Report.

### **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 shareholder is pending to be resolved by the Company or the RTA.

### **LISTING OF SHARES**

Company’s shares are listed on Delhi Stock Exchange & Bombay Stock Exchange.

### **FIXED DEPOSITS**

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

### **CASH FLOW**

In conformity with the provisions of Clause 32 of the Listing Agreement the Cash Flow Statement for the year ended 31.03.2015 is annexed hereto.

### **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, 2015 and the date of the Director's Report.

### **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 2014; 30th Sept. 2014; 31st December 2014 and audited financial result for the quarter/ year ended on 31st March 2015. The summarized results are published in Business Standard (English), Delhi & Aaj Samaj (Hindi), Hisar.

### **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	6915.05	Previous Year	6602.73
Foreign Exchange Used	190.17	Previous year	167.09

**DIRECTORS 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, 2015 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.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named 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.

**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.

**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

Place: New Delhi  
Dated: 13.08.2015

Raj Kumar Agarwal  
Chairman  
(DIN: 02950710)

## Annexure A to Board's Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

**CSR Policy is stated herein below:**

#### CSR Policy

We, at H.P. Cotton Textile Mills Limited, believe that our business is built around strong social relevance of inclusive growth by supporting the common man in meeting their financial needs. We equally believe that creation of large societal capital is as important as wealth creation for our shareholders. As a responsible human organization, we are committed towards the above objective and are keen on developing a sustainable business model, to ensure and activate our future growth drivers.

To pursue these objectives we will continue to:

- 1) Work actively in the areas of eradication of hunger and poverty, provide opportunity and financial assistance for the promotion of education, provide medical aid to needy and down trodden
- 2) Collaborate with likeminded bodies like voluntary organization, charitable trust, government and academic institute in pursuit of our goals.
- 3) Interact regularly with stakeholders, review and publicly report our CSR initiatives.

#### **Web Link:**

<http://hpthreads.com/index.php/social-responsibility>

2. **The Composition of the CSR Committee.**

Name of the Member	Designation
Shri Parshotam Das Agarwal	Chairman
Shri Bibhuti Charan Talukdar	Member
Shri Ashok Kumar Agarwal	Member
Shri Kailash Kumar Agarwal	Member
Shri Mohan Lal Jain	Member

3. **Average net profit of the company for last three financial years**

Average Net Profit: 416.38 Lakhs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

The company is required to spend ₹ 8.33 Lakhs

5. **Details of CSR spent during the financial year.**

(a) Total amount spent for the financial year; ₹ 9,94,833/-

(b) Amount unspent, if any; Nil

(c) Manner in which the amount spent during the financial year is detailed below.

S. No	CSR project or activity	Sector In which the Project is covered	Locations	Amount outlay (budget) project or programs wise	Amount spent on the project or programs	Cumulative expenditure up to the reporting period	Amount spent : Direct or through implementing agency*
1	Medical relief	Healthcare	Implementing Agency*	1,68,000	2,00,000	2,00,000	2,00,000
2	Sanitation	Healthcare	Mayar, Hisar (Haryana)	6,64,760	7,94,833	7,94,833	7,94,833
				<b>8,32,760</b>	<b>9,94,833</b>	<b>9,94,833</b>	<b>9,94,833</b>

\*Detail of Implementing Agency: Asst. Director Welfare Centre for Persons- Speech & Hearing Impairment for their rehabilitation



**In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**

The Company has spent all the amounts reserved for CSR activities i.e. 2% of average net profit of the company for last three financial years.

6. The implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Place: New Delhi

Dated : **13.08.2015**

**Ashok Kumar Agarwal**  
(Deputy Managing Director)

**Parshotam Das Agarwal**  
(Chairman CSR Committee)

**Annexure B to Board's Report**  
**SECRETARIAL AUDIT REPORT**  
**For the Financial Year ending on 31st March, 2015**

[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]

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 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 my opinion thereon.

Based on our verification of the 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 during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period ended On 31st March, 2015, 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 H.P. COTTON TEXTILE MILLS LIMITED ("The Company") for the period ended on 31st March, 2015 according to the provisions of:

- (I) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (II) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (III) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (IV) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee stock option scheme and employee stock purchase scheme) guidelines 1999
  - e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies act; and



(VI) Other Applicable Acts:

Income Tax Act, 1961

Wealth tax act, 1957

Research and development cess act ,1991

Factories act ,1948

Payment of wages act,1936 and rules made there under

Payment of bonus act, 1965 and rules made there under

Workmen compensation act, 1923

Employees state insurance act,1948

Employees PF and misc. Provisions act,1954

Payment of gratuity act, 1972 and rules made there under

The environment (protection) act,1986

Foreign trade (development and regulation) act,1992

Indian contract act, 1872

Sales of goods act, 1930

Information technology act, 2000 and rules made there under

Minimum Wages Act, 1948 and rules made there under

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited, Delhi Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-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 information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

Hisar

Date: 31.07.2015

Anju Jain  
Company Secretary  
COP No: - 2728

**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.

Hisar

Date: 31.07.2015

Anju Jain  
Company Secretary  
COP No: - 2728

**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	L18101HR198PLC012274
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

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

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

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

SL. NO.	Name & Address of the Company	CIN / GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	N.A.	N.A.	N.A.	N.A.	N.A.

**(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>									
(1) Indian									
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	2450	2450	0.06	Nil	2150	2150	0.05	-0.01
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) FII/S	Nil	50	50	0.00	Nil	50	50	0.00	Nil
h) Foreign Venture Capital Funds	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>3100</b>	<b>3100</b>	<b>0.08</b>	<b>Nil</b>	<b>2800</b>	<b>2800</b>	<b>0.07</b>	<b>-0.01</b>
<b>(2) Non Institutions</b>									
a) Body corporates									
i) Indian	166544	750	167294	4.39%	178281	750	179031	4.7	0.31
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									

i) Individual shareholders holding nominal share capital upto ₹1 lakhs	388448	210310	598758	15.71	432950	206060	639010	16.77	1.06
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	660886	Nil	660886	17.35	609199	Nil	609199	15.99	-1.36
c) Others (specify) NRI	272	Nil	272	0.01	270	Nil	270	0.01	Nil
<b>SUB TOTAL (B)(2):</b>	<b>1216150</b>	<b>211060</b>	<b>1427210</b>	<b>37.46</b>	<b>1220700</b>	<b>206810</b>	<b>1427510</b>	<b>37.47</b>	<b>0.01</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</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>
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>3595840</b>	<b>214160</b>	<b>3810000</b>	<b>100.00</b>	<b>3600390</b>	<b>209610</b>	<b>3810000</b>	<b>100.00</b>	<b>Nil</b>

**SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the year (As on 31-03-2015)			% 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	90250	2.369	Nil	Nil
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	13950	0.366	Nil	Nil
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	12196	0.320	Nil	Nil

7	Arjun Das Kailash Kumar HUF Karta Kailash Kumar Agarwal	12150	0.319	Nil	12150	0.319	Nil	Nil
8	Surendra Kumar Ravindra Kumar HUF Karta Surendra Kumar Agarwal	6850	0.180	Nil	6850	0.180	Nil	Nil
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 Karta Kailash Kumar Agarwal	12150	0.319	Nil	12150	0.319	Nil	Nil
17	Kailash Kumar Surendra Kumar HUF Karta Kailash Kumar Agarwal	6850	0.180	Nil	6850	0.180	Nil	Nil
18	Kailash Kumar Ravindra Kumar HUF Karta Kailash Kumar Agarwal	6850	0.180	Nil	6850	0.180	Nil	Nil
19	Ravindra Kumar Kailash Kumar HUF Karta Kailash Kumar Agarwal	6850	0.180	Nil	6850	0.180	Nil	Nil
20	Kailash Kumar Agarwal	85320	2.239	Nil	85320	2.239	Nil	Nil
21	Kashmiri Lal Agarwal 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 Lal Agarwal	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	115164	3.023	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	102000	2.677	Nil	Nil
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	94200	2.472	Nil	Nil
42	Ravindra Kumar Surendra Kumar HUF Karta Surendra Kumar Agarwal	6850	0.180	Nil	6850	0.180	Nil	Nil

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
	<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>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>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>	<b>Nil</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	NO CHANGE			
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	At the end of the year				

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No	Name	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		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
1	Dattani Ceramics Pvt. Ltd.	19757	0.519	1-Apr-2014				
				5-Sep-2014	310	Purchase	20067	0.527
		20067	0.527	31-Mar-2015			20067	0.527
2	Bharati Bharat Dattani	24565	0.645	1-Apr-2014				

				30-May-2014	1650	Purchase	26215	0.688
				13-Jun-2014	-3760	Sale	22455	0.589
				4-Jul-2014	-6784	Sale	15671	0.411
				21-Nov-2014	-301	Sale	15370	0.403
				28-Nov-2014	-2247	Sale	13123	0.344
		13123	0.344	31-Mar-2015			13123	0.344
3	Vinod Kumar Ohri	199996	5.249	1-Apr-2014	0	Nil movement during the year		
		199996	5.249	31-Mar-2015			199996	5.249
4	BJD Securities Pvt. Ltd.	19789	0.519	1-Apr-2014				
				23-May-2014	3304	Purchase	23093	0.606
				30-May-2014	1185	Purchase	24278	0.637
				6-Jun-2014	-8098	Sale	16180	0.425
				13-Jun-2014	-245	Sale	15935	0.418
				30-Jun-2014	800	Purchase	16735	0.439
				11-Jul-2014	-100	Sale	16635	0.437
				18-Jul-2014	-700	Sale	15935	0.418
				8-Aug-2014	3163	Purchase	19098	0.501
				15-Aug-2014	1494	Purchase	20592	0.540
				22-Aug-2014	-4347	Sale	16245	0.426
				5-Sep-2014	-310	Sale	15935	0.418
		15935	0.418	31-Mar-2015			15935	0.418
5	Rai Investments Ltd.	59872	1.571	1-Apr-2014				
				11-Apr-2014	30	Purchase	59902	1.572
				23-May-2014	-1500	Sale	58402	1.533
				6-Jun-2014	7000	Purchase	65402	1.717
				13-Jun-2014	-3000	Sale	62402	1.638
		62402	1.638	31-Mar-2015			62402	1.638
6	Bharat Jamnadas Dattani	40897	1.073	1-Apr-2014				
				6-Jun-2014	-14754	Sale	26143	0.686
				13-Jun-2014	-3000	Sale	23143	0.607
				20-Jun-2014	-1	Sale	23142	0.607
				11-Jul-2014	-1389	Sale	21753	0.571
				23-Jan-2015	-3005	Sale	18748	0.492
				30-Jan-2015	-3000	Sale	15748	0.413
		15748	0.413	31-Mar-2015			15748	0.413
7	Medium Investments Co. Pvt. Ltd.	20299	533	1-Apr-2014				
				13-Jun-2014	-6755	Sale	13544	0.355



				20-Jun-2014	1200	Purchase	14744	0.387
				11-Jul-2014	800	Purchase	15544	0.408
				18-Jul-2014	1200	Purchase	16744	0.439
				22-Aug-2014	4312	Purchase	21056	0.553
				14-Nov-2014	-2182	Sale	18874	0.495
		18874	0.495	31-Mar-2015			18874	0.495
8	Veena K Jagwani	97123	2.549	1-Apr-2014	0	Nil movement during the year		
		97123	2.549	31-Mar-2015			97123	2.549
9	Kamal M Jagwani	45500	1.194	1-Apr-2014				
				13-Jun-2014	-2100	Sale	43400	1.139
				30-Jun-2014	-3415	Sale	39985	1.049
		39985	1.049	31-Mar-2015			39985	1.049
10	Kulwinder Singh	213637	5.607	1-Apr-2014				
				31-Dec-2014	6143	Purchase	219780	5.769
		219780	5.769	31-Mar-2015			219780	5.769

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

Sl. No	Shareholding			Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
	Name	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	Raj Kumar Agarwal	6786	0.18	1-Apr-2014	0	Nil movement during the year		
		6786	0.18	31-Mar-2015			6786	0.00
2	Ashok Kumar Agarwal	75896	1.99	1-Apr-2014	0	Nil movement during the year	75896	0.02
		75896	1.99	31-Mar-2015				
3	Bibhuti Charan Talukdar	0	0.00	1-Apr-2014	0	Nil holding/ Movement during the year		
		0	0.00	31-Mar-2015			0	0.00
4	Parshotam Das Agarwal	0	0	1-Apr-2014	0	Nil holding/ Movement during the year		
		0	0.00	31-Mar-2015			0	0.00
5	Anil Agarwalla	0	0.00	1-Apr-2014	0	Nil holding/ Movement during the year		
		0	0.00	31-Mar-2015			0	0.00

6	Mohan Lal Jain	0	0.00	1-Apr-2014	0	Nil holding/ Movement during the year		
		0	0.00	31-Mar-2015			0	0.00
7	Kailash Kumar Agarwal	85320	2.24	1-Apr-2014	0	Nil holding/ Movement during the year		
		85320	2.24	31-Mar-2015			0	0.00
8	Nanita Agarwal**	N.A.	N.A.	1-Apr-2014	0	Nil holding/ Movement during the year		
		0	0.00	31-Mar-2015			0	0.00

\*\* Appointed with effect from 31.03.2015

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

1	Ankur Goyal (CFO)	0	0.00	1-Apr-2014	0	Nil holding/ Movement during the year		
		0	0.00	31-Mar-2015			0	0.00
2	Vishesh Kumar Chugh (CFO)	0	0.00	1-Apr-2014	0	Nil holding/ Movement during the year		
		0	0.00	31-Mar-2015			0	0.00
3	Priyanka Singal (CS)	0	0.00	1-Apr-2014	0	Nil holding/ Movement during the year		
		0	0.00	31-Mar-2015			0	0.00
4	Manish Singla (CS)	0	0.00	1-Apr-2014	0	Nil holding/ Movement during the year		
		0	0.00	31-Mar-2015			0	0.00

**V INDEBTEDNESS**

Indebtedness of the company including Interest outstanding / accrued but not due for payment

Indebtedness at the beginning of the financial year	Unsecured Loans	Secured Loan	Cash Credit	Letter of Credit	Total Indebtedness
i) Principal Amount	603200	3072828	81343077	39604952	124624057
ii) Interest due but not paid	68200	-----	-----		68200
iii) Interest accrued but not due	---	20762	-----	517108	537870
<b>Total (i+ii+iii)</b>	<b>671400</b>	<b>-----</b>	<b>81343077</b>	<b>40122060</b>	<b>125230127</b>
<b>Change in Indebtedness during the financial year</b>					
Additions	(Interest) 70500	(including interest 24731) 4364731	-----	(Interest) 473213	4482552
Reduction	(Interest) 68200	(including interest 20762) 2735089	17680078	(including interest 517108) 2061376	22118851

Net Change	2300	1629642	-17680078	-1588163	-17636299
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	603200	4698501	63662999	38060684	107025384
ii) Interest due but not paid	70500	----	----		----
iii) Interest accrued but not due	----	24731	----	473213	497944
<b>Total (i+ii+iii)</b>	<b>673700</b>	<b>4723232</b>	<b>63662999</b>	<b>38533897</b>	<b>107593828</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNAL**
**A Remuneration to Managing Director, Whole time Director and/ or Manager:**

Sr. No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Sh. RAJ KUMAR AGARWAL- WTD	Sh. KAILASH KUMAR AGARWAL- WTD	Sh. ASHOK KUMAR AGARWAL- WTD	
	<b>Gross salary</b>				
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1103220	1201284	1283272	3587776
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	163440	-----	-----	163440
	(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>	<b>1266660</b>	<b>1201284</b>	<b>1283272</b>	<b>3751216</b>
	<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:**

Sl. No.	Particulars of Remuneration	Name of the Directors				Total
		Bibhuti Charan Talukdar	Parshotam Das Agarwal	Anil Agarwalla	Mohan Lal Jain	
1	Independent Directors					
	(a) Fee for attending board committee meetings	52000	50000	16000	47000	165000
	(b) Commission	-	-	-	-	-
	(c ) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>52000</b>	<b>50000</b>	<b>16000</b>	<b>47000</b>	<b>165000</b>

2	Other Non Executive Directors	-				
	(a) Fee for attending board committee meetings	-	-	-	-	-
	(b) Commission	-	-	-	-	-
	(c ) Others, please specify.		-		-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>52000</b>	<b>50000</b>	<b>16000</b>	<b>47000</b>	<b>165000</b>
	Total Managerial Remuneration*					3916216
	Overall Ceiling as per the Act.	Within ceiling Limit				

\*Total Remuneration to Managing Director, Whole Time Director and Other Director

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	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	34752	535502	570254
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		870	69025	69895
	(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>		35,622	604,527	6.40,149

**VII) 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				

## Annexure D 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 arms 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, 2015, 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
Sanjay Mercantile Pvt. Ltd.	Associates	Leasing of Immovable Property	3 years (Last renewal from 01.06.2012 to 31.05.2015)	15000/- (Rupees Fifteen Thousand) per acre	30.05.2012	1,50,000
Kashmiri Lal Agarwal HUF	Associates	Leasing of Immovable Property	3 years (Last renewal from 01.06.2012 to 31.05.2015)	15000/- (Rupees Fifteen Thousand) per acre	30.05.2012	60,000
Jai Narain Agarwal HUF	Associates	Leasing of Immovable Property	3 years (Last renewal from 01.06.2012 to 31.05.2015)	15000/- (Rupees Fifteen Thousand) per acre	30.05.2012	15,000

For and on behalf of the  
Board of Directors

Place: New Delhi

Dated: 13.08.2015

Raj Kumar Agarwal

Chairman

(DIN: 02950710)

## REPORT ON CORPORATE GOVERNANCE

### THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

"Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goal. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society"

H.P. Cotton Textile Mills Ltd. believes that good governance is essential to achieve long terms corporate goals and enhance stakeholders' value. Thus the Company's philosophy on Corporate Governance aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, government and also general public at large. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations.

In compliance with the requirement under clause 49 of the Listing Agreement, all the Board Members have affirmed their compliance of Code of Conduct adopted by the Company for the year-ended 31.03.2015 and a declaration to this effect duly signed by the Dy. Managing Director(s) form part of this report.

#### 1. Board of Directors:

**A Composition of Board: - The Company Act, 2013 and Clause 49 of the listing agreement with the stock exchanges govern the composition of the Board of Directors. The Board of** Directors comprised eight members consisting of Four Executive Directors and four Non- executive Directors as at 31.03.2015. The company is having not less than 50% of the Board's Strength as independent directors as required under the listing agreement. The non-executive Directors are professionals having experience in business, industry, Finance and Law.

Name of Director	Category of Director	Attendance at Last AGM	Shareholding in the company	Directorship Held#	No. of Committees@ as chairman	No. of Committees as Membership Held*
Sh. Raj Kumar Agarwal	Promoter/Executive Director	P	6786 (0.18%)	1	Nil	Nil
Sh. Ashok Kumar Agarwal	Promoter/Executive Dy. Managing Director	P	75896 (1.99%)	8	Nil	Nil
Sh. Kailash Kumar Agarwal	Promoter/Executive Dy. Managing Director	P	85320 (2.24%)	7	Nil	Nil
Sh. Bibhuti Charan Talukdar	Non Executive/ Independent	P	00	4	1	6
Sh. Parshotam Das Agarwal	Non Executive/ Independent	P	00	1	1	2
Sh. Anil Agarwalla	Non Executive/ Independent	L	00	2	Nil	2
Sh. Mohan Lal Jain	Non Executive/ Independent	P	00	3	Nil	1
Smt. Nanita Agarwal**	Executive/ Additional Director	N.A.	00	2	Nil	Nil

#Including H. P. Cotton Textile Mills Limited.

@Board Committees for this purpose includes Audit Committee and Stakeholder' /Relationship Committee Only.

\* It also includes the Committees in which Directors are Chairman.

\*\*Appointed with effect from 31.03.2015

No Director is related to any other Director on the Board in terms of the provisions of the Companies Act, 2013, except for Shri Raj Kumar Agarwal, Shri Ashok Kumar Agarwal and Shri Kailash Kumar Agarwal who are from the promoters' family and are related to each other.

All the directors who are on various Committees are within the permissible limits of the listing agreement. The Directors have intimated to the Company from time to time about their membership in the various committees in other Companies.

Directors' Attendance at Board Meetings: During the financial year 2014-15, the Board of Directors met 07 times on the following dates:

Directors/ Date of meeting	30.05.14	13.08.14	26.09.14	13.11.14	25.01.15	12.02.15	31.03.15	Meeting Attended
Sh. Raj Kumar Agarwal	P	P	P	P	L	P	L	5
Sh. Ashok Kumar Agarwal	P	P	P	P	L	P	P	6
Sh Kailash Kumar Agarwal	P	P	P	P	L	P	P	6
Sh. Bibhuti Charan Talukdar	P	P	P	P	P	P	L	6
Sh Parshotam Das Agarwal	L	P	P	P	P	P	P	6
Sh. Anil Agarwalla	P	L	L	L	L	L	P	2
Sh. Mohan Lal Jain	P	P	P	P	P	P	P	7
Smt. Nanita Agarwal**	N.A	N.A	N.A	N.A	N.A	N.A.	N.A.	0
<b>Total Attendance</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>3</b>	<b>6</b>	<b>5</b>	<b>38</b>

(P = Present, L = Leave granted)

\*\* Appointed with effect from 31.03.2015

### Committees of the Board

1. **Audit Committee:** Audit Committee consists of four directors, all being non-executive and independent Director viz. Sh. Parshotam Das Agarwal (Chairman), Sh. Bibhuti Charan Talukdar, Sh. Anil Agarwalla and Shri Mohan Lal Jain. Sh. Raj Kumar Agarwal (Director), Sh. Ashok Kumar Agarwal (Dy. Managing Director), Sh. Kailash Kumar Agarwal (Dy. Managing Director), Statutory Auditor, Internal Auditor, Cost Auditor and Financial advisor are the permanent invitees to attend the Audit Committee Meeting for consultation and to respond to the queries raised at the Committee Meeting.

The role and terms of reference of Audit Committee are as contained in the Section 177 of the Companies Act, 2013 and also as contained in the clause 49 of the Listing Agreement. The main objective of the Audit Committee inter-alia includes monitoring and providing effective supervision on the financial transactions, reporting process and the disclosure of its financial information(s) to ensure that these statement(s) are presented/ published timely, accurately, are sufficient and true and fair as well as evaluation of internal financial control and risk management system. It also reviews major accounting policies followed by the company.

Sh. Parshotam Das Agarwal, Chairman of the Audit Committee attended the last Annual General Meeting held on September 26, 2014, at the Registered Office of the Company at 15 K.M. Stone, Delhi Road, Village Mayar, Hisar – 125044 (Haryana).

During the year 2014-15 the Audit Committee met 04 times on 30.05.2014; 13.08.2014; 13.11.2014; & 12.02.2015.

The attendance record of Audit Committee members is given below:

Name of the Director	Category	No. of Meetings	
		Held	Attended
Sh. Parshotam Das Agarwal	Non-executive Independent Director (Chairman)	4	3
Sh. Bibhuti Charan Talukdar	Non-executive Independent Director	4	4
Sh. Anil Agarwalla	Non-executive Independent Director	4	1
Sh. Mohan Lal Jain	Non-executive Independent Director	4	4

- ii. **Nomination & Remuneration Committee:** Nomination & Remuneration Committee consists of three member's viz., Sh. Bibhuti Charan Talukdar (Chairman), Sh. Parshotam Das Agarwal and Sh. Anil Agarwalla, all are Non-Executive and Independent Directors. The terms of reference of Nomination & Remuneration Committee include the determination of remuneration packages of the executive directors including remuneration policy and pension rights as well as formulation of criteria for evaluation of independent directors and the Board.

**The terms of reference of the Nomination and Remuneration Committee:**

The committee is vested with the responsibility to functions as per the SEBI guidelines and recommends to the Board the specific compensation package for the Executive Directors and fees payable to the Non- Executive directors besides framing guidelines for overall compensation packages of Directors/KMP.

**Remuneration Policy:**

The Non- Executive Directors do not draw any remuneration from the company other than the sitting fees.

Details of remuneration paid to Executive and Non- Executive directors during the year from April, 2014 to March 31, 2015 is given in "Annexure C to Board's Report."

During the year 2014-15 the Nomination & Remuneration Committee met 4 times on 30.05.2014, 26.09.2014, 13.11.2014 & 31.03.2015. The attendance record of remuneration Committee members is given below:

Name of the Director	Category	No. of Meetings	
		Held	Attended
Sh. Bibhuti Charan Talukdar	Non-executive Independent Director (Chairman)	4	3
Sh. Parshotam Das Agarwal	Non-executive Independent Director	4	3
Sh. Anil Agarwalla	Non-executive Independent Director	4	2

- iii. **Share transfer Committee:** The Share Transfer Committee consists of four members viz., Sh. Parshotam Das Agarwal (Chairman), Sh. Bibhuti Charan Talukdar, Sh. Anil Agarwal, Sh. Kailash Kumar Agarwal. There were no share transfers pending for registration for more than 30 days as at 31st March 2015.

During the year meetings of the committee were held on 30.05.2014, 13.08.2014 & 13.11.2014 Attendances of the members at these meetings were as follows:-

Name of the Director	Category	No. of Meetings	
		Held	Attended
Sh. Parshotam Das Agarwal	Non-executive Independent Director (Chairman)	3	2
Sh. Bibhuti Charan Talukdar	Non-executive Independent Director	3	3
Sh. Kailash Kumar Agarwal	Director (Dy. Managing Director)	3	3
Sh. Anil Agarwalla	Non-executive Independent Director	3	1



- iv The Stakeholders Relationship Committee:** The Stakeholders Relationship Committee specifically looks into the redressal of the Shareholders and Investors complaints and expeditious share transfer process. The Stakeholders Relationship Committee consists of three members viz. Sh. Bibhuti Charan Talukdar (Chairman), Sh. Parshotam Das Agarwal and Sh. Anil Agarwalla.

During the year meetings of the committee were held on 30.05.2014, 13.08.2014 & 13.11.2014 Attendances of the members at these meetings were as follows:-

Name of the Director	Category	No. of Meetings	
		Held	Attended
Sh. Bibhuti Charan Talukdar	Non-executive Independent Director (Chairman)	3	3
Sh. Parshotam Das Agarwal	Non-executive Independent Director	3	2
Sh. Anil Agarwalla	Non-executive Independent Director	3	1

The committee acts in close liaison with its Share transfer agent and Registrar M/s. Alankit Assignments Ltd. Company has received certificate from its Share transfer agent and Registrar that complaints, if any, received from the shareholders have been suitably redressed and the company regularly follows with the Registrars for redressal of all complaint in time as per statutory requirements.

During the year ended 31st March 2015, no complaints/queries were received and as at 31st March 2015 there were no complaints / queries pending for reply.

**v) Corporate Social Responsibility (CSR) Committee:**

The Companies Act, 2013 notified section 135 of the Act concerning Corporate Social Responsibility along with the Rules there under and revised Schedule VII to the Act on 27th February, 2014 and other amendments to Schedule VII to come into effect from 1st April, 2014. The Company being covered under the provisions of the said section has taken necessary initial steps in this regard. A Committee of the directors, titled 'Corporate Social Responsibility (CSR) Committee', has been formed by the Board in its meeting held on 30th May, 2014, consisting of the following:

Name	Designation
Shri Parshotam Das Agarwal	Chairman
Shri Bibhuti Charan Talukdar	Member
Shri Ashok Kumar Agarwal	Member
Shri Kailash Kumar Agarwal	Member
Shri Mohan Lal Jain	Member

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

The committee met Two times during the financial year ended 31.03.2015. The attendance records of the members at the meeting were as follows:

Name	Designation	No. of Meeting	
		Held	Attended
Shri Parshotam Das Agarwal	Chairman	2	2
Shri Bibhuti Charan Talukdar	Member	2	2
Shri Ashok Kumar Agarwal	Member	2	2
Shri Kailash Kumar Agarwal	Member	2	2
Shri Mohan Lal Jain	Member	2	2

**vi) Risk Management Committee**

Business risk evaluation & management is an ongoing process within the organisation. The company has a robust risk management framework to identify, monitor & minimize risk as also identify business opportunities. The objective and scope of risk management committee comprises of reviewing risk and evaluate treatment as well as monitoring, mitigation and reporting of risks.

The company has formed a risk management committee consisting of the following members:

Name	Designation	No. of Meeting	
		Held	Attended
Shri Parshotam Das Agarwal	Chairman	1	1
Shri Bibhuti Charan Talukdar	Member	1	1
Shri Ashok Kumar Agarwal	Member	1	1
Shri Kailash Kumar Agarwal	Member	1	1

**D) Remuneration of Directors:**

- i) The Company pays remuneration to its Whole Time Director & Deputy Managing Directors as approved by the Nomination & Remuneration Committee, Board of Directors and Members of the Company in General Meeting. Detail of the remuneration given to them is given below:

(In Rs)

Name	Position held	Salary Basic	HRA	Contribution to Provident Funds	Others	Total
Sh. Raj Kumar Agarwal**	Director	817200	204300	-	245160	1266660
Sh. Ashok Kumar Agarwal **	Dy. Managing Director	872974	218244	104757	87297	1283272
Sh. Kailash Kumar Agarwal **	Dy. Managing Director	817200	204300	98064	81720	1201284

\*\* Since the employee wise breakup of the liability on account of Gratuity and accumulated leave encashment based on actuarial valuation is not available, the related amount has not been shown.

- ii) The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board meetings.

A Non Executive Director shall be entitled to receive sitting fees for meeting of the board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the companies (Appointment and Remuneration of managerial personnel) Rules, 2014.

The detail of sitting fees paid is as follow:

Name of the Director	Fee paid for Board Meetings	Fee paid for Audit Committees Meeting	Fee paid for Nomination & Remuneration Committees Meetings	Fee paid for Share Transfer Committees Meetings	Fee paid for Stakeholder relationship Committees Meetings	Fee paid for CSR Committee Meetings	Total Fee Paid (Rs)
Sh. Bibhuti Charan Talukdar	30000	8000	6000	2000	2000	4000	52000
Sh. Parshotam Das Agarwal	30000	6000	6000	2000	2000	4000	50000
Sh. Anil Agarwalla	10000	2000	4000	---	---	---	16000
Sh. Mohan Lal Jain	35000	8000	---	---	---	4000	47000

The company has paid sitting fees ₹ 5000 per board meeting and ₹ 2000/- for attending per audit committee meeting and ₹ 2000 for attending per remuneration committee meeting & further w.e.f. 01.10.2014 Company has decided to pay ₹ 2000/- for attending per Share Transfer Committee Meeting, Stakeholder Relationship Committee Meeting and Corporate Social Responsibility Committee Meeting to Non Executive Directors during the financial year 2014-15.

**E) Retiring Directors:** According to Article 110 of the Articles of Association of the Company,

One Director for the time being is liable to retire by rotation; Accordingly Sh Kailash Kumar Agarwal is liable to retire by rotation in the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Further the Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Shri Bibhuti Charan Talukdar, Shri Parshotam Das Agarwal, Shri Anil Agarwalla and Shri Mohan Lal Jain, as Independent Directors at various times, in compliance with the requirements of the clause. Pursuant to the provisions of section 149 of the New Companies Act 2013, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

**2. Management Discussions and Analysis Report**

The Management Discussion and Analysis Report have been included in this Annual Report and include discussion on the matters specified in Clause 49 of the Listing Agreement.

**3. Disclosures:**

- a) The Company does not have any subsidiary Company.
- b) All and individual transactions with the related parties were in the ordinary course of business and were on arm's length basis. Since such transaction(s) were not having potential conflict with the interest of the Company at large and therefore was not required to be placed before the audit committee. Related party transactions have been audited by the Statutory Auditors of the Company.
- c) There were no material financial and commercial transactions by Senior Management as defined in Clause 49 of the listing agreement where they have personal interest that may have a potential conflict with the interest of the Company at large requiring disclosure by them to the Board of Directors of the Company.
- d) All mandatory Accounting Standards have been followed in preparation of the financial statements.
- e) The Company has not raised any money through public issue, right issue, preferential issue etc. in 2014-15 and in the previous financial year and hence provisions relating to above in Clause 49 of the listing agreement are not applicable.
- f) The Company has continued to comply with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. Stock Exchanges, SEBI or any other statutory authorities have not imposed any penalty or strictures related to capital market activities on the Company during the last three Financial years.
- g) The Company has three whole time promoter directors whose appointment and remuneration has been fixed by the Board in terms of resolution passed by the Members.
- h) The Company has adopted a code of conduct for prohibition of Insider Trading pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 as amended. This code is applicable to all the Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company.
- i) The Company has complied all the mandatory requirements and has constituted a Nomination & Remuneration Committee from the non –mandatory requirements.

**4) SHAREHOLDERS**

**1) Means of Communication**

The quarterly unaudited (provisional) results and annual audited financial results of the company are sent to the stock exchange immediately after they are approved by the board and are also published in one

vernacular newspaper 'Aaj Samaj' (Hindi) and the 'Business Standard' (English). Also they are uploaded on company's website 'www.hpthreads.com'. The results are published in accordance with the guidelines of the stock exchange.

**ii) General Body Meetings:**

The last three Annual General Meetings were held at the Registered Office of the company as per the details given below:

Meetings	Date	Day	Time	No. of Special Resolutions
33 <sup>rd</sup> AGM	September 26, 2014	Friday	3:00 P M	7
32 <sup>nd</sup> AGM	September 07, 2013	Saturday	3:00 P M	3
31 <sup>st</sup> AGM	September 28, 2012	Friday	3:00 P M	1

**iii) Postal Ballot:** For the year ended March 31, 2015 there have been no ordinary or special resolutions passed by the company's shareholder through postal ballot.

**iv) Compliance made by the Company:** Compliance certificate for Corporate Governance from Auditors of the Company is submitted elsewhere in this report.

**5.) ADDITIONAL SHAREHOLDER INFORMATION**

**i) Annual General Meeting :**

- a) Date : 24<sup>th</sup> September, 2015
- b) Time : 2.30 P.M.
- c) Venue : At registered office of the company 15 K.M. Stone, Delhi Road, VPO Mayar, Hisar – 125044 (Haryana)

**ii) Financial Calendar:** The Last financial year of the Company was of twelve months from April 2014 to March 2015. The tentative financial calendar of the Company for the year 2015-16 shall be as follow:

Board meetings to take on record	Schedule
Financial results for the quarter ending June 30, 2015	During August, 2015
Financial results for the quarter ending September 30, 2015	During November, 2015
Financial results for the quarter ending December 31, 2015	During February, 2016
Financial results for the quarter ending March 31, 2016	During May, 2016

**iii) Date of Book Closure**

The Register of members and the Share transfer Books of the Company shall remain closed from 17th September, 2015 to 24th September, 2015 both days inclusive.

**iv) Dividend Payment Date:**

Within 30 days from the date of Annual General Meeting

**v) Listing of Equity Shares on Stock Exchanges at :**

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai – 400 001

The Delhi Stock Exchange  
Association Ltd., DSE House,  
3/1, Asaf Ali Road,  
New Delhi – 110 002

The Company is regularly paying the Listing fee to Bombay Stock Exchange (BSE) and Delhi Stock Exchange (DSE).

**vi) Stock Code :**

The scrip code of the Company at BSE is 502873.

**vii) Market Price data and comparison with broad based indices**

Monthly high and low prices of equity shares of H. P. Cotton Textile Mills Limited at the Stock Exchange, Mumbai (BSE) is as follow.

Financial Year 2014-15	SHARE PRICE		BSE SENSEX	
	High in `	Low in `	High	Low
April, 2014	28.25	21.20	22939.31	22197.51
May, 2014	23.30	19.60	25375.63	22277.04
June, 2014	34.95	23.10	25725.12	24270.20
July, 2014	33.45	28.05	26300.17	24892.00
August, 2014	30.80	23.45	26674.38	25232.82
September, 2014	31.00	23.00	27354.99	26220.49
October, 2014	29.50	23.65	27894.32	25910.77
November, 2014	31.00	23.05	28822.37	27739.56
December, 2014	29.50	22.00	28809.64	26469.42
January, 2015	30.25	20.70	29844.16	26776.12
February, 2015	29.50	22.45	29560.32	28044.49
March, 2015	28.55	20.40	30024.74	27248.45

Source: bseindia.com/archives

**vii) Share Transfer Agent, Plant Location & Address for Correspondence:**

Registrar and Share Transfer Agents	Plant Locations:	Address for Correspondence
Alankit Assignments Limited, "Alankit Heights" 1E/13, Jhandewalan Extension, New Delhi-110055 Phone:91-11-23541234, 42541234 Fax: 91-11-23552001 E mail: alankt@alankit.com	15 <sup>th</sup> K.M Stone, Delhi Road, VPO, Mayar Hisar – 125044 (Haryana) Phone :91-1662-261425-27 Fax : 91-1662-261417	H. P. Cotton Textile Mills Limited 15 <sup>th</sup> K.M Stone, Delhi Road, VPO, Mayar Hisar – 125044 (Haryana) Phone :91-1662-261425-27 Fax : 91-1662-261417 E-mail ID: info@hpthreads.com

**vii) Distribution Schedule & Shareholding Pattern:**

The Distribution Schedule & Shareholding Pattern of the Company as on 31.03.2015 is as follows:

Range No. of Shares	Shareholders		Shares	
	Number	%Age	Number	%Age
Up to 5000	1950	96.16	581470	15.27
5001 to 10000	25	1.23	177540	4.66
10001 to 20000	26	1.28	369486	9.70
20001 to 30000	5	0.25	112567	2.95
30001 to 50000	3	0.15	125285	3.29
50001 to 100000	9	0.44	726602	19.07
100001 to 500000	10	0.49	1717050	45.06
<b>Total</b>	<b>2028</b>	<b>100</b>	<b>3810000</b>	<b>100</b>

Category	No of Holders	No. of shares	% Age
Promoters	49	2379690*	62.46
Mutual fund	1	600	0.02
Financial Institution	2	2150	0.06
FII	1	50	0.00
NRI	6	270	0.01
Body Corporate	54	179031	4.69
Individuals	1915	1248209	32.76
Total	2028	3810000	100

\*Promoters have declared that they have not pledged nor have created any lien on any of the shares held by them.

**ix) Dematerialization and Transfer of shares:**

Dematerialization and Transfer of shares are being done by M/s Alankit Assignments Limited, Registrar & Share Transfer Agents of the Company.

The equity shares of the company are under rolling settlement and are compulsory traded and settled only in the dematerialized form. A total of 3600390 (94.50%) shares of the company have been dematerialized as on March 31, 2015. There is no case in process/ pending for transfer as well as dematerialization of shares.

**x)** As per the requirement of Section of 149(1) of the New Companies Act 2013 read with the Companies (Appointment & Qualification of Director) Rules, 2014 which come into force on 1st April 2014 provides that every listed company shall appoint at least one woman Director. Accordingly Company has appointed Woman Director within the prescribed time.

**xi)** Company has appointed Manish Singla as Company Secretary under section 203 of the New Companies Act 2013 and Sh. Vishesh Kumar Chugh as CFO cum Compliance officer under clause 47 of the Listing Agreement. Any Investor/Shareholder of the company can contact to Compliance officer on the matters related with the company at 15th K M Stone, Delhi Road, VPO Mayar, Hisar - 125044, Phone: 91-1662-261425-27, Fax: 91-1662-261417 and E-mail: info@hpthreads.com

**xii) Shares held in electronic form:**

Shareholders holding shares in electronic form may give instructions regarding bank details which they wish to incorporate on their dividend warrants to their depository participants. As per the regulations of NSDL AND CDSL, the company is required to print the bank details on dividend warrants as furnished by these depositories to the company.

**Declaration under Clause 49 (1) (E) (ii) of Listing Agreement**

I, Ashok Kumar Agarwal, Deputy Managing Director of the Company, hereby declare that all members of the Board of Directors have affirmed compliance with the code of Conduct for the year-ended 31.03.2015.

Place: New Delhi  
Dated : **13.08.2015**

Ashok Kumar Agarwal  
Deputy Managing Director  
(DIN : 00046627)



## Certificate under Clause 49(IX) of Listing Agreement

To

The Board of Directors

M/s H.P. Cotton Textile Mills Ltd.

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2015 and that to the best of our knowledge and belief:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct;
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
4. We have indicated to the auditors and the Audit Committee
  - a) Significant changes in internal controls during the year;
  - b) Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or other employees who have a significant role in the company's internal controls system.
5. We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the financial year ended 31st March 2015.

**Vishesh Kumar Chugh**  
(Chief Financial Officer)

**Ashok Kumar Agarwal**  
(Deputy Managing Director)

**Kailash Kumar Agarwal**  
(Deputy Managing Director)

Place: New Delhi  
Dated: 29.05.2015

## DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the companies Act, 2013, the directors state that:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed and proper explanations are provided relating to material departures, if any;
2. That the Directors had selected appropriate accounting policies and applied them consistently and made judgments 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 and loss 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 maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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 year ended 31st March, 2015 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.

Place: New Delhi  
Dated : **13.08.2015**

**Ashok Kumar Agarwal**  
Deputy Managing Director  
(DIN: 00046627)

**Kailash Kumar Agarwal**  
Deputy Managing Director  
(DIN: 00063470)





**Auditors' Certificate on Corporate Governance as per Clause 49 of the Listing Agreement**

To

The Members

H P Cotton Textile Mills Limited

We have examined the compliance of conditions of corporate governance by H P COTTON TEXTILE MILLS LIMITED for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the

Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A.K. Associates

Chartered Accountants

(CA A K GUPTA)

PARTNER

Membership No. 16533

Firm Registration No. 000596N

Place: New Delhi

Dated:13.08.2015

**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 31st March, 2015, the Statement of Profit and Loss and 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 and presentation 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. 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 judgements 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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.. 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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

**Emphasis of Matters**

We draw attention to the Note 27 to the financial statements as under:-

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.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in term of Sub-Section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in the Paragraph 3 and 4 of the Order, to the extent applicable.
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 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.
  - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act, and
  - f. 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 No. 26 and 27 to the financial statements)
    - ii. The Company does not have long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There was no amounts that was required to be transferred by the company to the Investor Education and Protection Fund .

For A.K. ASSOCIATES  
Chartered Accountants

(A.K.GUPTA)  
PARTNER  
No. 16533  
Firm's Registration No. 000596N  
Place of Signature: NEW DELHI  
Date: 29th May, 2015

**A K ASSOCIATES**  
Chartered Accountants

**Annexure to Independent Auditors' Report**

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

As required by the Companies (Auditors' Report) Order, 2015 and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, we state that in our opinion:-

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The management at the year-end has physically verified all the assets. No material discrepancy was noticed on such verification. The periodicity of the physical verification is reasonable having regard to the size of the company and nature of its assets.
- (ii) (a) The management has made physical verification of the inventories at reasonable intervals.  
  
(b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) The company is maintaining proper record of the inventories. No material discrepancy was noticed on physical verification of the inventories.
- (iii) The company has not granted any loan; secured or unsecured, to Companies, Firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3(iii) of the Companies (Auditors' Report) order 2015 are not applicable to the company.
- (iv) There are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regards to the sale of goods and sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) The Company has not accepted deposits from the public. Accordingly, provisions of clause 3(v) of the Companies (Auditors' Report) order 2015 are not applicable to the company.
- (vi) In respect of the activities carried on by the company, the maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013. Accordingly, provisions of clause 3(vi) of the Companies (Auditors' Report) order 2015 are not applicable to the company.
- (vii) During the year undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to the company have generally been deposited in time with the statutory authorities.

No undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to the company were in arrear as at 31st March 2015 for a period of more than six months from the date they become payable.

(b) There are no material dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess and other material statutory dues which have not been deposited on account of any dispute.

(c) During the year under audit no amount was required to be transferred to investor education and protection fund in accordance with the relevant provision of Companies Act, 1956 and rules made there under.

- (viii) The company does not have accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to banks. The company has neither borrowed funds from financial institutions nor issued debentures. Accordingly, the provisions of clause 3(ix) of the Companies (Auditors' Report) Order, 2015 in respect of repayment of dues to financial institutions and debenture holders are not applicable to the company.
- (x) The company has not given guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Companies (Auditors' Report) Order, 2015 are not applicable to the company.
- (xi) The term loans raised by the company were applied for the purpose those were obtained.
- (xii) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the year.

For A.K. ASSOCIATES  
Chartered Accountants

(A.K.GUPTA)  
PARTNER  
Membership No. 16533  
Firm's Registration No. 000596N  
Place of Signature: NEW DELHI  
Date: 29th May, 2015



**Balance Sheet as at 31st March, 2015**

	Note	As at 31st March, 2015 ₹ in Thousand	As at 31st March, 2014 ₹ in Thousand
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	38,100	38,100
Reserves and Surplus	3	134,274	138,213
		<u>172,374</u>	<u>176,313</u>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	2,352	982
Deferred Tax Liabilities (Net)	5	1,444	12,224
Long-Term Provisions	6	20,117	18,494
		<u>23,913</u>	<u>31,700</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	7	102,399	121,620
Trade Payables	8	69,859	65,632
Other Current Liabilities	9	32,294	37,006
Short-Term Provisions	10	25,033	27,257
		<u>229,585</u>	<u>251,515</u>
<b>TOTAL</b>		<b><u>425,872</u></b>	<b><u>459,528</u></b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets:			
Tangible Assets	11	87,785	108,987
Capital Work-in-Progress		186	186
		<u>87,971</u>	<u>109,173</u>
Long-Term Loans and Advances	12	12,387	12,177
<b>Current assets</b>			
Inventories	13	197,004	200,611
Trade Receivables	14	51,750	53,948
Cash and Cash Equivalents	15	10,385	9,178
Short-Term Loans and Advances	16	66,375	74,441
		<u>325,514</u>	<u>338,178</u>
<b>TOTAL</b>		<b><u>425,872</u></b>	<b><u>459,528</u></b>
<b>Significant Accounting Policies</b>	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

**Vishesh Kumar Chugh**  
**Chief Financial Officers**

**Ashok Kumar Agarwal**  
**Dy. Managing**  
**Director**

**Kailash Kumar Agarwal**  
**Dy. Managing**  
**Director**

**Manish Singla**  
**Company Secretary**

**Parshotam Das Agarwal**  
**Chairman**  
**Audit Committee**

**Raj Kumar Agarwal**  
**Bibhuti Charan Talukdar**  
**Mohan Lal Jain**  
**Director**

**Place : New Delhi**  
**Date : 29.05.2015**

**Statement of Profit and Loss for the Year ended 31st March, 2015**

	Note	As at 31st March, 2015 ₹ in Thousand	As at 31st March, 2014 ₹ in Thousand
<b>INCOME</b>			
Revenue from Operations	17	917,979	975,720
Other income	18	3,173	4,047
		<b>921,152</b>	<b>979,767</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	19	455,947	496,170
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19A	(14,473)	(13,930)
Employee Benefits Expense	20	162,523	150,133
CSR Expense	21	995	-
Finance Costs	22	18,942	20,264
Depreciation	11	12,578	13,325
Other Expenses	23	252,524	256,187
		<b>889,036</b>	<b>922,149</b>
<b>Profit before tax</b>		<b>32,116</b>	<b>57,618</b>
<b>Tax expense:</b>			
Current Tax expense for the current year		12,675	21,232
Tax expense for the earlier year		1,373	(788)
Net Current Tax expense		14,048	20,444
Deferred Tax		(1,626)	(2,611)
		<b>12,422</b>	<b>17,833</b>
<b>Profit for the year after Tax</b>		<b>19,694</b>	<b>39,785</b>
<b>Earnings per share (of Rupees 10/- each):</b>			
Basic	24 (In ₹)	5.16	10.44
Diluted		5.16	10.44
<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  
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**Vishesh Kumar Chugh**  
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**Raj Kumar Agarwal**  
Bibhuti Charan Talukdar  
Mohan Lal Jain  
Director

Place : New Delhi  
Date : 29.05.2015

**Cash Flow Statement for the Year ended 31st March, 2015**

	As at 31st March, 2015	As at 31st March, 2014
	₹ in Thousand	₹ in Thousand
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before extraordinary items and tax</b>	32,116	57,618
<u>Adjustments for:</u>		
Depreciation	12,578	13,325
(Loss)/Profit on sale of Tangible Assets	90	(93)
Finance costs	18,942	20,264
Interest income	(2,019)	(2,071)
	<u>29,591</u>	<u>31,425</u>
<b>Operating Profit Before Working Capital Changes</b>	<u>61,707</u>	<u>89,043</u>
<u>Changes in working capital:</u>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	3,607	(21,754)
Trade receivables	2,198	(13,378)
Short-term loans and advances	8,066	(2,271)
Long-term loans and advances	(210)	385
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	4,227	14,393
Other current liabilities	(1,542)	(4,801)
Short-term provisions	4,255	3,111
Long-term provisions	1,623	3,842
Cash Generated From Operations	<u>83,931</u>	<u>68,570</u>
Less: Income Tax Paid ( Net of Refunds)	<u>(20,641)</u>	<u>(20,572)</u>
<b>Net cash from Operating Activities (A)</b>	<u><b>63,290</b></u>	<u><b>47,998</b></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on Tangible assets	(20,103)	(9,150)
Proceeds from sale of Tangible assets	423	361
Interest Received	2,019	2,071
<b>Net Cash Used in Investing Activities (B)</b>	<u>(17,661)</u>	<u>(6,718)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Borrowings	2,243	-
Repayment of Long-Term Borrowings	(4,040)	(12,372)
Proceeds from Short-Term Borrowings (Net)	(19,222)	(9,659)
Finance cost	(18,942)	(20,264)
Dividend Paid ( Including Income Tax on Dividend)	(4,461)	( 4,307)
<b>Net Cash Used in Financing Activities (C)</b>	<u>(44,422)</u>	<u>(46,602)</u>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	1,207	(5,322)
Cash and cash equivalents at the beginning of the year	9,178	14,500
<b>Cash and cash equivalents at the end of the year</b>	10,385	9,178
<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

Vishesh Kumar Chugh  
Chief Financial Officers

Ashok Kumar Agarwal  
Dy. Managing  
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Parshotam Das Agarwal  
Chairman  
Audit Committee

Raj Kumar Agarwal  
Bibhuti Charan Talukdar  
Mohan Lal Jain  
Director

Place : New Delhi  
Date : 29.05.2015



## 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, 2015**

	As at 31st March, 2015 in Thousand	As at 31st March, 2014 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
	<b>As at 31st March, 2015</b>	<b>As at 31st March, 2014</b>
<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	219780	5.769
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
	<b>No. of Shares</b>	<b>% of Holding</b>
During the 5 years immediately preceding the Balance Sheet date	<b>No. of Shares</b>	<b>% of Holding</b>
- Equity Share issued pursuant to any contract without payment being received in cash.	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	68,441	63,441
Add: Transferred from surplus to Profit & Loss A/c	5,000	5,000
Closing Balance	73,441	68,441
<b>Surplus in Profit and Loss Account</b>		
Opening balance	66,733	36,406
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	19,694	39,785
	67,366	76,191
<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	762	648
Total Appropriations	9,572	9,458
Closing balance	57,794	66,733
	134,274	138,213

\* 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, 2015**

	As at 31st March, 2015 ₹ in Thousand	As at 31st March, 2014 ₹ in Thousand																		
<b>Note 4: Long-Term Borrowings</b>																				
<b>Secured</b>																				
Kotak Mahindra Prime Limited	2,352	932																		
Future Capital Holdings Limited	-	50																		
	<u>2,352</u>	<u>982</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</b>																				
Timing Difference on Account of Depreciation	10,034	19,410																		
Timing Difference on Account of Expense Allowable on Payment Basis	(8,590)	(7,186)																		
	<u>1,444</u>	<u>12,224</u>																		
<b>Note 6: Long-Term Provisions</b>																				
Provision for Employee Benefits:																				
Provision for Gratuity	13,259	11,977																		
Provision for Leave Salary	6,858	6,517																		
	<u>20,117</u>	<u>18,494</u>																		
<b>Note 7: Short-Term Borrowings</b>																				
<b>Secured:</b>																				
<b>Cash Credit:</b>																				
State Bank of Patiala	34,057	51,900																		
Oriental Bank of Commerce	29,607	29,444																		
<b>Letter of Credit:</b>																				
State Bank of Patiala	20,449	20,620																		
Oriental Bank of Commerce	17,612	18,985																		
<b>Unsecured:</b>																				
Trade Deposits	674	671																		
	<u>102,399</u>	<u>121,620</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, 2015**

	As at 31st March, 2015 ₹ in Thousand	As at 31st March, 2014 ₹ in Thousand
<b>Note 8: Trade Payables</b>		
<b>Trade Payables</b>	<u>69,859</u>	<u>65,632</u>
	69,859	65,632
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:		
<b>Note 9: Other Current Liabilities</b>		
<b>Term Loan Instalments Repayable Within 12 months</b>		
<b>To Banks</b>		
ICICI Bank Limited	-	257
HDFC Bank Limited	-	175
<b>To Others</b>		
Kotak Mahindra Prime Limited	2,296	1,473
Future Capital Holdings Limited	50	186
<b>Loans and Advances from Related Parties</b>	-	3,422
<b>Other payables</b>		
Statutory Remittances	4,633	4,690
Advances from Customers	24,669	26,114
Interest Accrued But Not Due	498	538
Unpaid Dividend	148	151
	<u>32,294</u>	<u>37,006</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	15,271	13,754
Provision for Gratuity	1,630	381
Provision for Leave Salary	2,256	767
Others Provision :		
Provision for Tax (Net of Advance Tax ₹ 11,371 thousand P. Y. ₹ 13334 thousand)	1,304	7,897
Proposed Dividend	3,810	3,810
Tax on Proposed Dividend	762	648
	<u>25,033</u>	<u>27,257</u>

<b>Note 11: Fixed Assets</b>											
₹ in Thousand											
SI. PARTICULARS	As at 1st April, 2014	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Additions	Sale/Transfer	As at 31st March, 2015	Upto Previous year	For the period	Adjustment	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014	
1. Free Hold Land	2,125	-	-	2,125	-	-	-	-	2,125	2,125	
2. Buildings	61,140	-	-	61,140	37,917	2,716	1,103	41,736	19,404	23,223	
3. Plant & Machinery	344,637	12,941		357,578	275,854	6,389	26,735	308,978	48,600	68,783	
4. Furniture & Fixtures	5,093	238		5,331	4,179	115	-	4,294	1,037	914	
5. Office Equipments	7,575	560	200	7,935	5,655	691	186	6,532	1,403	1,920	
6. Vehicles	17,730	6,364	1,327	22,767	5,708	2,667	(824)	7,551	15,216	12,022	
<b>Total</b>	438,300	20,103	1,527	456,876	329,313	12,578	27,200	369,091	87,785	108,987	
<b>Previous Year Total</b>	430,653	9,150	1,503	438,300	317,223	13,325	1,235	329,313	108,987		

**Notes on Financial Statements for the Year ended 31st March, 2015**

	As at 31st March, 2015 ₹ in Thousand	As at 31st March, 2014 ₹ in Thousand
<b>Note 12: Long-Term Loans and Advances</b>		
Security Deposits Unsecured, Considered Good	12,387	12,177
	<u>12,387</u>	<u>12,177</u>
<b>Note 13: Inventories</b>		
Raw materials	57,352	75,716
Work-in-progress *	66,893	70,722
Finished goods	49,953	32,624
Stores and spares	20,340	20,056
Scrap	2,466	1,493
Goods-in-transit	-	-
	<u>197,004</u>	<u>200,611</u>
* Includes Loose Yarn	<u>60,576</u>	<u>62,610</u>
<b>Note 14: Trade Receivables</b>		
Trade Receivables Outstanding for a Period Exceeding Six Months		
Secured, considered good	-	-
Unsecured, considered good	-	915
Other Trade Receivables		
Secured, considered good	21,525	18,894
Unsecured, considered good	<u>30,225</u>	<u>34,139</u>
	<u>51,750</u>	<u>53,948</u>
<b>Note 15: Cash and Cash Equivalents</b>		
Balances with Scheduled Banks		
-In Current Accounts	1,033	1246
-In Margin Money against LC	7,932	6439
-Unpaid Dividend	148	151
Cheques, drafts on hand	585	477
Cash in hand	685	863
Post Office Saving Bank A/c	<u>2</u>	<u>2</u>
	<u>10,385</u>	<u>9178</u>
<b>Note 16: Short-Term Loans and Advances</b>		
Insurance Claim Receivable*	20,492	33362
Prepaid expenses	1,597	1310
- VAT credit receivable	32,069	26297
- Duty Drawback Receivable	5,700	6381
Others (Advance Receivable in Cash or in Kind)		
Unsecured, considered good	<u>6,517</u>	<u>7,091</u>
	<u>66,375</u>	<u>74,441</u>

\* Please See Note 27

**Notes on Financial Statements for the Year ended 31st March, 2015**

	For the Year ended 31st March, 2015 ₹ in Thousand	For the year ended 31st March, 2014 ₹ in Thousand
<b>Note 17: Revenue from Operations</b>		
Sales	917,979	975720
	<u>917,979</u>	<u>975720</u>
<b>Sale of Products Comprises :</b>		
<u>Manufactured Goods</u>		
Yarn & Threads	901,947	953343
Less: Sales Returns	2,803	-
Less: Rebate & Discount	25,940	29763
	<u>873,204</u>	<u>923580</u>
Add: Exchange Rate Fluctuations	(87)	45
	<u>873,117</u>	<u>923625</u>
Raw Material Scrap	22,412	28752
Other Scrap	2,246	2676
Duty Drawback and other export incentives	20,204	20667
<b>Total - Sale of Manufactured Goods</b>	<u>917,979</u>	<u>975720</u>
* Includes Insurance Claim	-	-
<b>Note 18: Other Income</b>		
Interest Income	2,019	2,071
Other Non-Operating Income	1,154	1,976
	<u>3,173</u>	<u>4,047</u>
<b>Interest Income Comprises:</b>		
Interest from banks on:		
Margin Money	605	551
Interest from Customers	107	-
Interest on Early Payment of Trade Payables	432	645
Other interest (Int. on Security Deposit with DHBVN)	875	875
<b>Total - Interest income</b>	<u>2,019</u>	<u>2,071</u>
<b>Other Non-Operating Income Comprises:</b>		
Profit on sale of fixed assets ( Net)	-	93
Foreign Exchange Fluctuation ( Net)	1,074	-
Liabilities / Provisions No Longer Required written back ( Sundry Balance W/off)	73	228
Customer's Credit Balances written back	-	1,216
Other Income †	7	-
Prior period income	-	439
<b>Total - Other Non-Operating Income</b>	<u>1,154</u>	<u>1,976</u>
<b>Details of Prior Period Items</b>		
Refund of VAT received	-	314
Excess Balance Written Back	-	125
	<u>-</u>	<u>439</u>



**Notes on Financial Statements for the Year ended 31st March, 2015**

	% of Consumption		For the Year ended 31st March, 2015 ₹ in Thousand	For the year ended 31st March, 2014 ₹ in Thousand
	This Year	Previous Year		
<b>Note 19: Cost of Materials Consumed</b>				
Imported	-	0.22	-	1,109
Indigenous	100.00	99.78	455,947	495,061
	100.00	100.00	455,947	496,170
Material Consumed:*				
Raw Material:				
- Cotton			310,985	362,267
- Silk tops and others			732	1,513
- Man Made Fibre			7,519	3,493
			319,236	367,273
Colour & Chemicals			97,995	92,766
Packing Materials			38,716	36,131
* (O.B.+Purchase-Closing Stock)			455,947	496,170
<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			49,953	32,624
Work-in-Progress			66,893	70,722
Cotton Scrap			2,466	1,493
			119,312	104,839
<u>Inventories at the beginning of the year:</u>				
Finished goods			32,624	34,683
Work-in-progress			70,722	55,012
Cotton Scrap			1,493	1,214
			104,839	90,909
<b>Net (increase) / decrease</b>			(14,473)	(13,930)
<b>Note 20: Employee Benefits Expense</b>				
Salaries and Wages			145,176	134,540
Contributions to Provident and Other Funds			9,322	8,424
Employee State Insurance			4,875	4,643
Staff Welfare Expenses			3,150	2,526
			162,523	150,133
<b>Note 21: CSR Expense</b>				
CSR Expense			995	-
			995	-
<b>Note 22: Finance Costs</b>				
Interest Expense on Borrowings			13,926	14,544
Other Borrowing Costs			5,016	5,720
			18,942	20,264

**Notes on Financial Statements for the Year ended 31st March, 2015**

	For the Year ended 31st March, 2015 ₹ in Thousand	For the year ended 31st March, 2014 ₹ in Thousand
<b>Note 23: Other Expenses</b>		
Consumption of Stores and Spare Parts	40,852	44,153
Material Laying more than three years	137	-
Power and Fuel	125,934	125,626
Earth Filling Expenses	1,017	1,026
Water	1,068	1,296
Rent including lease rentals	1,825	1,497
Repairs and Maintenance - Buildings	3,601	5,648
Repairs and Maintenance - Machinery	2,769	3,417
Repairs and Maintenance - Others	515	429
Insurance	1,816	1,736
Rates and taxes	1,334	1,169
Communication	1,140	1,037
Travelling and conveyance	6,324	5,993
Vehicle expenses	4,319	3,882
Printing and stationery	945	1,003
Freight and forwarding	35,467	36,034
Sales commission	8,776	7,913
Advertisement	1,751	1,573
Business promotion	964	1,019
Bank charges	80	60
Foreign Exchange Fluctuation (Net)	-	1,493
Legal and professional	3,374	3,742
Irrecoverable Balances written off	1,013	70
Festival Expenses	2,639	1,885
Payment to Statutory Auditors	853	756
Loss on Sale of Fixed Assets ( Net)	90	-
Prior period Expenses	34	29
Miscellaneous Expenses	3,887	3,701
	<u>252,524</u>	<u>256,187</u>

**(a) Include ₹ 129,535 /- for attending board meetings (Previous Year ₹117,769/-)**

**(b) Net of Insurance Claim ₹ 3900/- (Previous Year ₹7,233/-)**

	% of Consumption		Up to 31.03.2015	Previous Year
	Up to 31.03.2015	Year		
Consumption of Stores and Spare Parts				
Imported	1.62	3.84	662	1,696
Indigenous	98.38	96.16	40,190	42,457
	<u>100.00</u>	<u>100.00</u>	<u>40,852</u>	<u>44,153</u>
<b>Payments to Statutory Auditors Comprises</b>				
- Audit Fee			700	700
- Certification Fee				
- Reimbursement of Expenses includ- ing Service Tax			153	56
			<u>853</u>	<u>756</u>
<b>Prior period items</b>				
Custom Duty			-	-
Duty Drawback			-	-
Weath Tax			34	-
Others			-	29
			<u>34</u>	<u>29</u>

**Notes on Financial Statements for the Year ended 31st March, 2015**

	For the Year ended 31st March, 2015 ₹ in Thousand	For the year ended 31st March, 2014 ₹ in Thousand
<b>Note 24: Earning Per Equity Share</b>		
Earning Available to Equity Shareholder	19,694	39,785
Weighted Average No. of Equity Shares	3,810	3,810
Earning Per Equity Share in Rupee	5.16	10.44
<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	21826
<b>Note 26: Contingent Liabilities</b>		
Contingent Liabilities Shall be classified as:		
Unredeemed Bank Guarantees	-	-
Other money for which the company is contingently liable*	6,849	5,845
*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	-	1,109
Components, Stores and spares parts	809	2,122
Capital Goods	7,421	3,771
	<u>8,230</u>	<u>7,002</u>
<b>Expenditure in foreign currency</b>		
Travelling Expenses	1,364	1,437
Commission on Export Sales	8,279	7153
Professional Charges	424	373
Testing Fees	-	-
Foreign Bank Charges	720	744
	<u>10,787</u>	<u>9,707</u>
<b>Earning in foreign exchange</b>		
Export of goods calculated on F.O.B basis	<u>691,505</u>	<u>660,273</u>

## Notes on Financial Statements for the Year ended 31st March, 2015

### 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

##### Key Managerial Persons

Sh.Raj Kumar Agarwal Whole Time Director  
Sh.Ashok Kumar Agarwal Deputy Managing Director  
Sh.Kailash Kumar Agarwal Deputy Managing Director  
CA Ankur Goyal Chief Financial Officer  
CS Priyanka Singla Company Secretary  
CA Vishesh Chugh Chief Financial Officer  
CS Manish Singla Company Secretary

##### Relatives of Key Managerial Persons

Sh.Kashmiri Lal Agarwal  
Sh.Ravindra Agarwal  
Sh.Surender Agarwal

##### Associates

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:

₹ in Thousand

Name of the Related Party	Relationship	Interest Paid	Amount Payable	Amount Recoverable
<b><u>Unsecured Loan &amp; Interest Thereon</u></b>				
Achhar Investmets Ltd.	Associates	59 (134)	Nil (1,114)	Nil
Atishay Investments & Finance (P) Ltd.	Associates	7 (16)	Nil (136)	Nil
Jainish Products Ltd.	Associates	66 (150)	Nil (1,254)	Nil
Sacred Trading & Investment Co. Ltd.	Associates	48 (110)	Nil (918)	Nil

**Notes on Financial Statements for the Year ended 31st March, 2015**

Name of the Related Party	Relationship	Amount	Amount Payable	Amount Recoverable
<b><u>Board Sitting Fees</u></b>				
Sh.B. C. Talukdar	Director	52	Nil	Nil
		(26)	Nil	Nil
Sh.P.D.Agarwal	Director	50	Nil	Nil
		(42)	Nil	Nil
Sh.M. L. Jain	Director	47	Nil	Nil
		(38)	Nil	Nil
Sh.Anil Agarwalla	Director	16	Nil	Nil
		(23)	Nil	Nil
<b><u>Salary / Reumeration</u></b>				
Sh.Raj Kumar Agarwal	Whole Time	1267	Nil	Nil
	Director	(1,150)	Nil	Nil
Sh.Ashok Kumar Agarwal	Dy.Managing	1283	Nil	Nil
	Director	(1,076)	Nil	Nil
Sh.Kailash Kumar Agarwal	Dy.Managing	1201	Nil	Nil
	Director	(1,076)	Nil	Nil
Sh.Kashmiri Lal Agarwal	Relative of	1320	Nil	Nil
	Director	(1,237)	Nil	Nil
Sh.Ravindra Agarwaal	Relative of	1263	Nil	Nil
	Director	(1,147)	Nil	Nil
Sh.Surender Agarwaal	Relative of	1263	Nil	Nil
	Director	Nil	Nil	Nil
Sh.Ankur Goyal	CFO	600	Nil	Nil
(Period 01.06.2014 to 19.11.2014)		Nil	Nil	Nil
Sh.Priyanka Singla	CS	35	Nil	Nil
(Period 26.09.2014 to 02.12.2014)		Nil	Nil	Nil
Sh.Vishesh Chugh	CFO	4	Nil	Nil
(Appoint 31.03.2015)		Nil	Nil	Nil
Sh.Manish Singla	CS	1	Nil	Nil
(Appoint 31.03.2015)		Nil	Nil	Nil
<b><u>Rent/Lease Rent</u></b>				₹ in Thousand
Surender Kumar Agarwal H U F	Associates	108	Nil	250
		(72)	Nil	(250)
Raj Kumar Agarwal H U F	Associates	108	Nil	250
		(72)	Nil	(250)
Jawala Prasad Ram Pat	Associates	108	Nil	Nil
		(108)	Nil	Nil
Supermax Promoters Pvt Ltd.	Associates	36	Nil	Nil
		(36)	Nil	Nil

**Notes on Financial Statements for the Year ended 31st March, 2015**

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

**Vishesh Kumar Chugh**  
Chief Financial Officers

**Ashok Kumar Agarwal**  
Dy. Managing  
Director

**Kailash Kumar Agarwal**  
Dy. Managing  
Director

**Manish Singla**  
Company Secretary

**Parshotam Das Agarwal**  
Chairman  
Audit Committee

**Raj Kumar Agarwal**  
Bibhuti Charan Talukdar  
Mohan Lal Jain  
Director

Place : New Delhi  
Date : 29.05.2015



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

Registered office: 15<sup>th</sup> K.M. stone, Delhi Road, VPO-Mayar (Hisar), Haryana

Phone : (01662) 261425-26-27, 261483 Fax No. (01662) 261417

Website: www.hpthreads.com, E-mail: hisar@hpthreads.com CIN: L18101HR1981PLC012274

**P R O X Y F O R M**

I/We..... of.....  
in the district of .....being a member/members of the above named Company,  
Hereby appoint Mr./Mrs. ....Of.....in the  
District of.....or failing him/ her Mr. /Mrs. ....  
Of.....In the district of.....as my /our proxy to  
Attend and vote for me/us and on my/our behalf at the Thirty Fourth Annual General Meeting of the Company  
to be held at its Regd. Office: 15 K. M. Stone, V.P.O. Mayar, Hisar – 125 044 (Haryana) at 2.30P.M. on Thursday ,  
the 24<sup>th</sup> September, 2015 and at any adjournment thereof.

As witness my/our hands this.....Day of.....2015.

DP ID & Client ID /Ledger Folio No. ....

No. of shares held.....



Signature(s)

**Note:** The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before The  
scheduled time for holding the meeting.

..... (TEARHERE).....

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

Registered office: 15<sup>th</sup> K.M. stone, Delhi Road, VPO-Mayar (Hisar), Haryana

Phone: (01662) 261425-26-27, 261483 Fax No. (01662) 261417 Website: www.hpthreads.com, E-mail: hisar@hpthreads  
com CIN: L18101HR1981PLC012274

**34 th ANNUAL GENERAL MEETING**

Date: 24<sup>th</sup> September 2015 at 2.30 P.M.

**A T T E N D A N C E S L I P**

(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 34<sup>th</sup> Annual General Meeting of the Company being held on 24<sup>th</sup> September 2015.

.....

Member's /Proxy's Name

(In Block Letters)

DP ID & Client ID /Ledger Folio No. ....

No. of shares held : .....

.....

Signature of Share holder/Proxy





