

NOTICE OF 36TH ANNUAL GENERAL MEETING

(CIN: L18101HR1981PLC012274)

Regd. Office: 15th K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar-125044

Website: www.hpthreads.com E-mail: info@hpthreads.com

Tel.: +91 11 41540471/72/73, Fax: +91 11 49073410

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the Members of M/s H P Cotton Textile Mills Limited will be held on **Monday, the 25th day of September, 2017 at 10 A.M.** at the Registered Office of the Company at 15th K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar-125044 (Haryana) to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017 and Statement of Profit and Loss for the financial year ended on that date along with the reports of the Directors and Auditors thereon and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2017, the Reports of the Board of Directors and the Auditors thereon; be and are hereby adopted and approved.”

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

“RESOLVED THAT Mr. Raj Kumar Agarwal (DIN: 2950710), who retires by rotation and being eligible has offered himself for re-appointment, be and is hereby appointed as director liable to retire by rotation.”

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

“RESOLVED THAT pursuant to provision of section 139 of the Companies Act 2013 (as amended or re-enacted from time to time) read with The Companies (Audit and Auditors) Rules 2014, the consent of the Shareholders of the Company be and is hereby accorded to appoint M/s Bhargava Associates, Chartered Accountants, 308, Pearls Best Heights-II, C-9, Netaji Subhash Place, Delhi 110034, as the Statutory Auditor of the Company for a term of five (5) years starting from the conclusion of the Thirty Sixth (36th) Annual General Meeting till the conclusion of Forty First (41st) Annual General Meeting of the Company at such remuneration and reimbursement of travelling and out-of-pocket expenses and other applicable tax as may be agreed between the Statutory Auditors and the Board of Directors of the Company.

RESOLVED FURTHER THAT pursuant to the first proviso of section 139(1) of the Companies Act, 2013, the appointment of the Statutory Auditors shall be subject to the ratification at every Annual General Meeting during the tenure of their appointment.

RESOLVED FURTHER THAT the necessary written consent letter and the certificate indicating that the appointment, if made, shall be in accordance with the provisions of section 141 of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules 2014 have been received from the Statutory Auditors.

RESOLVED FURTHER THAT Mr. Kailash Kumar Agarwal, Managing Director of the Company, Mr. Ashok Kumar Agarwal, Joint Managing Director of the Company, Mr. Raj Kumar Agarwal, Whole-time Director of the Company and Mr. Shashi Ranjan Kumar, Company Secretary of the Company, be and are hereby severally authorised to file relevant forms with the Registrar of Companies within the prescribed time.”

SPECIAL BUSINESS:

4. To re-appoint Mr. Kailash Kumar Agarwal (DIN: 00063470) as Managing 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 196, 197, 203, Article 124(b) of the existing Articles of Association of the Company and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as “the Act”), read with Schedule-V to the Act, the re-appointment of Mr. Kailash Kumar Agarwal (DIN 00063470) as Managing Director of the Company, be and is hereby approved for a period of Three (3) years, not liable to retire by rotation, with effect from 6th August, 2017 on the following terms and conditions:

A. REMUNERATION:

Particulars	New Amount (₹ p.m.)
Basic	80,000
House Rent Allowance (HRA)	40,000 (50% of the Basic)
Other/Special/Grade Allowance	54,150
Gross Compensation (A)	1,74,150
Leave Travel Allowance (LTA)	5,000 (2.5% of total CTC, payable annually)
Medical Reimbursement	1,250
Reimbursements (B)	6,250
Provident Fund (Employer's Contribution)	9,600
Ex Gratia	10,000 (payable annually)
Other / Statutory Benefits (C)	19,600
Total Cost to Company (per month) – A+B+C	2,00,000
Total Cost to Company (per annum)	24,00,000

B. OTHER TERMS AND CONDITIONS:

- The Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof and his office as director shall not be liable to retire by rotation.
- The Director shall not become interested or otherwise concerned directly or through his relative(s) in any selling agency of the Company without the prior approval of the Central Government.
- Minimum Remuneration – In the event of loss or inadequacy of profits, the above remuneration by way of salary, perquisites and other allowances payable to the above said Managing Director, being within the limits prescribed in Section II of Part II of Schedule V to the Act, shall be payable as minimum remuneration.
- Unless otherwise a shorter period is decided mutually between the Director and the Board of Directors, the office as Managing Director may be terminated by either party by giving three months' notice in writing, of such termination.
- If, at any time, Mr. Kailash Kumar Agarwal ceases to be the director of the Company for any causes whatsoever, his office as Managing Director shall forthwith be terminated.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to review, revise, amend any of the terms and conditions of remuneration of Managing Director subject to the provisions of Schedule V of the Companies Act, 2013 during the tenure of his re-appointment.

RESOLVED FURTHER THAT Mr. Ashok Kumar Agarwal, Joint Managing Director, Mr. Raj Kumar Agarwal, Whole-time Director and Mr. Shashi Ranjan Kumar, Company Secretary of the Company, be and are hereby severally authorized to finalize and execute on behalf of the Company the necessary agreement with Mr. Kailash Kumar Agarwal, to file the necessary returns with the Registrar of Companies and to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the resolution."

- To amend/adopt the Memorandum of Association of the Company according to Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

"RESOLVED THAT pursuant to the provision of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and rules made in this behalf, consent of the Company be and is hereby accorded for altering the Memorandum of Associations of the Company by replacing the existing format without any change in any of the existing clause/objects/regulation/part as incorporated in the existing MOA, with the format as is given under the "Table A" of Schedule 1 of Companies Act, 2013.

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RESOLVED FURTHER THAT for the purpose of giving effect to this resolution all the Directors of the Company and Company Secretary of the Company, jointly or severally, be and are hereby authorized, on behalf of the Company, to do all such acts, deeds, matters, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E- forms with the Registrar of Companies, NCT of Delhi and Haryana."

6. To amend/adopt the Articles of Association of the Company according to Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

"RESOLVED THAT pursuant to the provision of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), consent of the Company be and is hereby accorded for altering the Articles of Associations of the Company by replacing all the existing regulations with the new regulations as are prescribed under "Table F" of Schedule I of Companies Act, 2013, with any additions as the Board may think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution all the Directors of the Company and Company Secretary of the Company, jointly or severally, be and are hereby authorised, on behalf of the Company, to do all such acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E- forms with the Registrar of Companies, NCT of Delhi and Haryana."

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

Place: **New Delhi**

Date: **12th August, 2017**

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

Regd. Office : 15th 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
Website : www.hpthreads.com
CIN: L18101HR1981PLC012274

NOTES:

1. **THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESSES UNDER ITEM 4, 5 AND 6 AS STATED ABOVE ARE ANNEXED HERETO. THE RELEVANT DETAIL AS REQUIRED UNDER REGULATION 36(3) OF SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 {"SEBI (LODR) REGULATIONS"} AND SECRETARIAL STANDARD ON GENERAL MEETINGS ("SS-2"), ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA OF PERSONS SEEKING APPOINTMENT / RE-APPOINTMENT OF DIRECTORS UNDER POINTS 2 & 4 OF THE NOTICE ARE ALSO ANNEXED.**
2. Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his behalf pursuant to Section 105 of the Companies Act 2013. A proxy need not be a member of the Company. The instrument appointing a Proxy, in order to be effective, must be duly filled, stamped and signed and must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The attendance slip cum Proxy form is placed at the end of this Annual Report.
4. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
5. The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting. Information and instructions including details of user id and password relating to e-voting are provided in the Notice under Note No. 27.
6. In terms of Section 152 of the Act, Mr. Raj Kumar Agarwal Director, retire by rotation at the Meeting and being eligible, offer himself for reappointment. The Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company commend his re-appointment.
7. Mr. Raj Kumar Agarwal is interested in the Ordinary Resolution set out at Item No. 2 of the Notice with regard to his re-appointment. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 3 of the Notice.
8. Only bonafide members of the Company whose names appear in the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
9. Members/proxies/authorised representatives are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, Members are requested to please bring their Folio number/ Demat Account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
11. The Company's Registrars & Transfer Agents for its share registry (both, physical as well as electronic) is Alankit Assignments Limited having its office at Alankit House, 4E/2, Jhandewalan Extension, New Delhi, Delhi 110055.

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12. Queries proposed to be raised at the Annual General Meeting may please be sent to the Company at its Registered/Corporate Office, at least 7 days prior to the date of Annual General Meeting to enable the Company to compile the information and answer them in the meeting.
13. In all correspondence with the Company and/or the RTA, members are requested to quote their folio number and in case their shares are held in the dematerialised form, they must quote their DP ID and Client ID number for easy reference and speedy disposal thereof.
14. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their requests in Form No. SH-13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 (which can be obtained from the Company's RTA.
15. Members holding shares in electronic form are requested to furnish the new 10-digit Bank Account Number allotted to them by their bank, (after implementation of CBS), along with photocopy of a cheque pertaining to the concerned account, to their Depository Participant (DP). Please send these details to the Company/ Registrars, if the shares are held in physical form, immediately.
16. Members holding shares in the certificate/Physical form are requested to notify / send the following to the Company's Registrars and Share Transfer Agents, Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi-110055 to facilitate better servicing: -
 - a. Any change in their address / mandate / Bank details.
 - b. Particulars of their Bank account, in case the same have not been furnished earlier, and
 - c. Share certificates held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single account.
17. Those members who have not yet got their Equity Shares dematerialised are requested to contact any of the Depository Participants in their vicinity for getting their shares dematerialised. In case any clarification is needed in that regard, the undersigned may be contacted in person or by communication addressed at the Corporate Office of the Company.
18. Non-Resident Indian Members are requested to inform the Company's Registrar & Transfer Agent (RTA) immediately:
 - a) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
 - b) Any change in their residential status on return to India for permanent settlement.
19. 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.
20. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to the Company/RTA. All prospective members acquiring shares in physical form are also requested to provide a copy of their PAN card along with their request for registration of transfer/transmission/transposition of shares of the Company
21. The Route map of the Venue of the Annual General Meeting forms part of this Notice and is given on the last page of this Annual Report.
22. Since the Company is providing the facility of remote e-voting to the members, there shall be no voting by show of hands at the Annual General Meeting. The members who will be physically present at the Annual General Meeting shall be provided with polling papers to cast their votes at the meeting.
23. The members can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through remote e-voting will be considered final and voting through physical ballot will not be considered and treated as INVALID.

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- 24. As a part of "Green Initiative" in Corporate Governance, the Ministry of Corporate Affairs has allowed sending communication to the shareholders through electronic mode. Accordingly, we propose to send documents like notices convening General Meetings, Annual Report etc. to the email addresses of the shareholders. For this purpose, shareholders holding shares in physical form are requested to register their email addresses and any changes therein from time to time with the Share Transfer Agent of the Company M/s Alankit Assignments Ltd, at their Postal / E-mail address given above. Please give the details in the attached format for registering your E-mail ID. Those holding shares in demat form are requested to register their E-mail IDs with their Depository Participants.
- 25. The Register of Members and Share Transfer Books of the Company shall be closed from **Monday, 18th September, 2017 to Monday, 25th September, 2017** (Both Days Inclusive).
- 26. Those shareholders who have not encashed their dividend warrants for previous year(s) so far are requested to send their claims for payment, by giving the detail in the attached format to the Company.

FORMATS

1) FORMAT FOR REGISTERING EMAIL ID

DP/ Client ID/ Folio No. :
Name of the sole/ first holder :
Postal Address :
Email Address :

Signature

2) FORMAT OF MANDATE FOR PAYMENT OF DIVIDEND BY NECS/ NEFT

Folio No :
Name of the sole/ first holder :
Postal Address :
Email Address :

I hereby authorized M/s Alankit Assignments Ltd. to make payment of dividend by direct credit to my bank account the details which are furnished below:

Bank Name :
Branch Name :
Branch Address :
MICR Code :
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

27. Information and instructions relating to e-voting are as under:

The members are requested to follow the detailed procedure/instructions carefully as given herein below:

- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (LODR) Regulations, the Company is pleased to provide to its members the facility to exercise their right to vote on resolutions proposed to be passed at the ensuing AGM by electronic means ("e-voting") holding equity shares as on 18th September, 2017, being the **Cut-off Date**(Record date for the purpose of rule 20(3)(vii) of the said Rules), fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through e-voting platform provided by CDSL.
- ii. The facility for voting through Poll shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e voting/Postal Ballot shall be eligible to exercise their right at the meeting through Poll.
- iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iv. The e-voting period begins on **22nd September, 2017 at 9.00 A.M. and ends on 24th September 2017 at 5.00 P.M.** During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of **18th September, 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The instructions for shareholders for E-Voting are as under:

A. In case of Members receiving Notice of this Meeting via E-Mail (for Members whose e-mail address are registered with the Company/ Registrars)

- i) Log on to the e-voting website www.evotingindia.com 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 and voted on an earlier voting of any Company, then your existing password is to be used.
- vi) If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<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"> • 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. • 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.

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 Remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e- voting on the resolutions contained in this Notice.
- x) Click **EVSN 170819051** of H P COTTON TEXTILE MILLS LIMITED on which you choose to vote.
- xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Note for Institutional Shareholders:
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, they have to create a compliance user using the admin login and password. The compliance users 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 and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of Members receiving the physical copy of Notice of 36th Annual General Meeting by post (for Members whose e-mail address are not registered with the Company/ Registrars)

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

- v. The Voting rights of Members shall be in proportion to their shares of the paid-up Equity Share Capital of the Company as on Cut-off Date of 18th September, 2017.

General Instructions

- i) The Chairman of the meeting shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Poll for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting.
- ii) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting, votes cast by ballot paper and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the meeting or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- iii) The voting results declared along with the report of the scrutinizer shall be placed on the Company's website and communicated to the Stock exchange immediately after the declaration of result by the Chairman or a person authorised by him in writing.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(PURSUANT TO REGULATION 36(3) OF SEBI (LODR) AND SS-2)

1. Mr. Raj Kumar Agarwal

Name	Mr. Raj Kumar Agarwal
Directors Identification Number (DIN)	02950710
Date of Birth	04.10.1952
Qualification	B.com
Expertise in Specific Area	More than 30 years' experience in Textile industries
Date of first appointment on the Board of the Company	01.07.2011
Directorship in other limited companies	M/s Sailesh Textile Mfg Co Ltd M/s Kaushalpati Infra Equipments Private Limited
Membership/Chairmanship of Committee of Directors of the Company	Member in Risk Management Committee Member in Share Transfer Committee Stakeholder Relationship Committee
Relationship with other Directors	Mr. Raj Kumar Agarwal is cousin of Mr. Kailash Kumar Agarwal (Managing Director) and Mr. Ashok Kumar Agarwal (Joint Managing Director).
Membership/Chairmanship of committee of Directors of other companies	Nil
No. of Share held as on 31-03-2017	6786

Name	Mr. Kailash Kumar Agarwal
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	01.07.2011
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
Relationship with other Directors	Mr. Kailash Kumar Agarwal is cousin of Mr. Ashok Kumar Agarwal (Joint Managing Director) and Mr. Raj Kumar Agarwal (Whole Time Director).
Membership/Chairmanship of committee of Directors of other companies	Nil
No. of Share held as on 31-03-2017	89,385

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

ITEM NO. 4:

Mr. Kailash Kumar Agarwal was appointed initially as Deputy Managing Director of the Company by the Board of Directors in its meeting held on 30th May, 2012 and subsequently approved by the Shareholders of the Company in their 31st Annual General meeting held on 28th September, 2012 for the period of 5 years with effect from 6th August, 2012. Thereafter, the Board of Directors in its meetings held on 22nd July, 2013 has revised his remuneration for the remaining tenure of his appointment. Considering his performance over the years and making the Company from loss to profitable state, the Board of Directors further in its meetings held on 24th September, 2015 & 23rd September, 2016 re-designated/promoted him as a Joint Managing Directors and Managing Director of the Company, respectively, keeping all the term and conditions remaining the same.

Since, the term of Mr. Kailash Kumar Agarwal, Managing Director of the Company has expired on 5th August, 2017, the Board of Directors, in its meeting held on 29th May, 2017, re-appointed him as a Managing Director of the Company for further period of three (3) years, not liable to retire by rotation, as per Article 124(b) of the existing Articles of Association of the Company with effect from 6th August, 2017 on the terms and conditions as decided by the Board of Directors of the Company subject to approval of the shareholders.

Considering his performance during last decade, your directors propose to appoint him as a Managing Director of the Company for the period stated above.

For this purpose, Ordinary Resolution is required to be passed in the ensuing Annual General Meeting and accordingly, your approval is solicited by way of **Ordinary Resolution**.

Mr. Kailash Kumar Agarwal (DIN: 00063470) is not disqualified from being appointed as Managing Director in terms of section 196 and Schedule V of the Companies Act, 2013 and other provisions of the act as applicable and has given his consent to act as Managing Director of the Company.

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The Company has also received declaration from Mr. Kailash Kumar Agarwal (DIN: 00063470) under Sec. 184 and Sec.164 of the Companies Act, 2013, that he is duly qualified for the above said post.

MEMORANDUM OF INTEREST:

Except Mr. Kailash Kumar Agarwal himself, Mr. Raghav Kumar Agarwal, CEO & CFO of the Company, being the son of appointee, Mr. Surender Agarwal and Mr. Ravindra Agarwal, being the brothers of appointee, none of the Directors/Key Managerial Personnel of the Company/their relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution setout at Item No. 4 of the Notice.

ITEM NO. 5:

Presently the Memorandum of Association of your Company is as per the Companies Act, 1956 and pursuant to the provisions of Section 4(6) of the Companies Act, 2013, the company must have their memorandum as per the format given under Table A of Schedule I of the Companies Act, 2013.

To comply with the provisions of Companies Act, 2013, the Company needs to alter its Memorandum as per the format given under Table A of Schedule I of the Companies Act, 2013 without changes in any of the clauses/regulation/objects of MOA as are mentioned under the different heads of existing Memorandum of Association (as per Companies Act, 1956).

Therefore, your Directors propose to alter the Memorandum of Association as per the said Table A of the Companies Act, 2013.

For this purpose, Special Resolution is required to be passed in the ensuing Annual General Meeting and accordingly, your approval is solicited by way of **Special Resolution**.

The draft copy of the altered MOA will be made available on the website of the Company i.e. www.hpthreads.com for the perusal of the members.

MEMORANDUM OF INTEREST:

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

ITEM NO. 6:

On the same lines as suggested in item no. 5 to comply with the provisions of Sec 5(9) of the Companies Act, 2013, your Board of Directors proposes to alter the existing Articles of Association as per the format of Table F of Schedule I of the Companies Act 2013.

For this purpose, Special Resolution is required to be passed in the ensuing Annual General Meeting and accordingly, your approval is solicited by way of **Special Resolution**.

MEMORANDUM OF INTEREST:

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

Place: **New Delhi**

Date: **12.08.2017**

By Order of the Board of directors

FOR H P Cotton Textile Mills Limited

Shashi Ranjan Kumar
Company Secretary/Compliance Officer