

**NOTICE**

Notice is hereby given that the 35<sup>th</sup> **Annual General Meeting** of the members of the company will be held on Wednesday, the 28<sup>th</sup> day of September, 2016 at 11.00 a.m. at the Registered Office of the Company situated at Plot no. 43-44, Industrial Area , Barotiwala, Distt. Solan (H.P.)-174103 to transact the following business:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2016, Statement of Profit and Loss and Cash Flow for the year ended on that date, together with the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Gian Chand Thakur (DIN - 07006447), who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
3. To ratify appointment of Statutory Auditors of the Company.  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time, The appointment of M/s Sumat Gupta & Co., Chartered Accountants, who were appointed as statutory auditors in the Annual General Meeting held on 30th September, 2014 be and is hereby ratified and confirmed as auditors of the company till the conclusion of next AGM of the company, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.”

**SPECIAL BUSINESS:**

4. **To Appoint Mr. Manoj Kumar as Non Executive Director**  
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 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modifications or re- enactment(s) thereof, for the time being in force **Mr. Manoj Kumar (DIN:06872575)**, who was appointed as an Additional Director of the Company and who holds office up to the date of this Annual General Meeting in terms of section 161 of the Companies Act, 2013 and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** Mr. Akhil Malhotra, Director and Mr. Amit Sharma, Company Secretary be and are hereby severally authorized to do all such acts, deeds & things and take all such steps as may be necessary or expedient to give effect to this resolution.”

5. **To Re-appoint Mr. Akhil Malhotra (DIN: 00126240) as Managing Director of the Company :**  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of Central Government, if required, approval of the members be and is hereby accorded to the re-appointment of Sh. Akhil Malhotra (DIN: 00126240) as Managing Director of the Company for a period of three years with effect from 13<sup>th</sup> August, 2016 to 12<sup>th</sup> August, 2019 on the terms, conditions and remuneration, including minimum remuneration as are hereinafter specifically given:

S. NO.	REMUNERATION	DETAILS
I.	Salary	Rs. 2,50,000 per month.
II.	Commission	-----NIL-----
III.	Revision of Remuneration	The Board of Directors is at liberty to alter and vary or may revise the terms & conditions of the appointment of the appointee and the remuneration payable during the Financial Year in such manner as agreed to between the Board of Directors and the appointee, subject to the Condition that remuneration by way of salary, perquisites, commission and other allowances shall not exceed such percentage of net profits of the Company as prescribed under Section 197 and Schedule V of the Companies Act, 2013, as may be amended from time to time.
IV.	Minimum Remuneration	In the event of loss or inadequacy of profits in any year, the Appointee shall be entitled to the aforementioned remuneration and perquisites as minimum remuneration subject to the limits prescribed in Schedule V of the Companies Act, 2013, as may be amended from time to time.
VII	Leave & Other Benefits	i. Earned/ Privileged leave on full pay and allowances as per the rules of the Company. ii. Such other benefits, amenities, facilities as may be provided by the Company to other senior executives from time to time .

**RESOLVED FURTHER THAT** Smt. Malkeet Kaur, Mr. Manoj Kumar, Directors and Mr. Amit Sharma, Company Secretary be and are hereby severally authorized to do all such acts, deeds & things and take all such steps as may be necessary or expedient to give effect to this resolution.”

**BY ORDER OF THE BOARD**

Place : Ludhiana  
Dated : 2<sup>nd</sup> September, 2016

-sd-  
**(AMIT SHARMA)**  
Company Secretary

**Registered Office:**

Plot No. 43-44, Industrial Area  
Barotiwala – 174103,  
Dist: Solan, Himachal Pradesh - 174103

**NOTES :**

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("Act") with respect to the special business set out in the Notice is annexed hereto. Additional information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 in respect of Director seeking appointment / reappointment at the meeting is enclosed as Annexure to this Notice.
2. A member entitled to attend and vote at the Annual General Meeting (AGM), is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a Member. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more that 10% of the total share capital of the company.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 22<sup>nd</sup> September, 2016 to 28th September, 2016 (both days inclusive).
4. The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However members, holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.
5. Members are requested to bring their attendance Slip along with their copies of the Annual Report to the Meeting.

6. Members desiring any information, as regards Accounts, are requested to write to the Company at its Corporate Office at: 8-L, Model Town, Ludhiana - 141002 at least 7 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
7. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.
8. Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.
9. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars allowing Companies to send official documents to their members electronically.

In support of the Green Initiative, your Company proposes to send the documents like Notice calling the Annual General Meeting and Annual Report containing Balance Sheet, Statement of Profit & Loss and Directors' Report etc and other communications in electronic form.

The Members are requested to support this Green Initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares held in dematerialized form) or with Registrar & Transfer Agent, BEETAL Financial & Computer Services Pvt Ltd., New Delhi (in case of shares held in physical form)

10. The Annual Report 2015-16 is being sent through electronic mode only to the members whose email addresses are registered with the Company/ Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their mail addresses, physical copies of the Annual Report 2015-16 are being sent by permitted mode.
11. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) 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 (India) Limited (CDSL).

**Steps for remote e-voting**

- (i) **The remote e-voting period begins on 25th September, 2016 at 9.00 a.m. and will end on 27th September, 2016 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as **on the cutoff date i.e. 21<sup>st</sup> September, 2016**, may cast their vote electronically. The remote e-voting modules shall be disabled by CDSL for voting thereafter. The members are requested to note that once vote on a resolution is cast electronically, he shall not be allowed to change it subsequently.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The Shareholders should log on to the remote e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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 remote e-voting of any company, then your existing password is to be used.
- (viii) 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"> <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 sequence 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in de-mat 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 de-mat holders for remote e-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.
- (xi) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xii) **Click on the Company i.e. Himachal Fibres Limited"/ "Electronic Voting Sequence Number"** of Himachal Fibres Limited.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decide 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If De-mat 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.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non Individual Shareholders and Custodians.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **21.09.2016**, may follow the same instructions as mentioned above for remote e- voting. The Voting rights of the members shall be in proportion to their shares in the paid up capital of the company as on the cut off date i.e. **21.09.2016**. A person whose name is recorded in the Register of members or in the Register of Beneficial owners maintained by the Depositories as on the cut off date only shall be entitled to avail the facility of remote e-voting as well as voting at the said meeting. A person who is not a Member as on the cutoff date should treat this Notice for information purposes only.
- In case of any queries or issues regarding e-voting, members 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 Further Mr. Wenceslaus Furtado Deputy Manager having address i.e. Central Depository Services (India) Limited 16th Floor, P. J. Towers, Dalal Street Fort, Mumbai – 400001, email id: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and contact number 18002005533 is responsible to address the grievances connected with facility for voting by electronic means.
  - The Board of Directors has appointed **Mr. Rajeev Bhambri**, Practicing Company Secretary (Membership No. 4327 and C.P.No. 9491) of Rajeev Bhambri & Associates, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. He has communicated his willingness to be appointed and will be available for same purpose.
  - The Scrutinizer shall, immediately after the conclusion of voting at the meeting, first count the votes cast at the meeting, 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 make not later than forty eight hours of conclusion of the meeting a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
  - The Chairman or the person authorized by him in writing, shall forthwith on receipt of the consolidated Scrutinizer's Report declare the results of voting within 48 hours of the conclusion of this AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.himachalfibre.com](http://www.himachalfibre.com) and on the website of CDSL immediately after the result is declared by the Chairman and shall also be communicated to the BSE Limited (BSE), where the shares of the Company are listed.

Subject to the receipt of requisite number of Votes, the resolutions shall be deemed to be passed on the date of AGM i.e. 28th September, 2016.

Place: Ludhiana

Dated: 2<sup>nd</sup> September, 2016

BY ORDER OF THE BOARD

sd/-

(AMIT SHARMA)

Company Secretary

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

##### Item No. 4

Pursuant to provisions of Section 161 (1) of the Companies Act, 2013 & Articles of Association of the company and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 22<sup>nd</sup> August, 2016 had appointed Mr. Manoj Kumar as an Additional Director of the Company.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing candidature of Mr. Manoj Kumar for the office of Non Executive, Non independent Director. The appointment of Mr. Manoj Kumar shall be effective upon approval by the members in the meeting. Mr. Manoj Kumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. A brief profile of Mr. Manoj Kumar is provided at the end of this statement.

The Board recommends the Ordinary Resolution as set out at item number 4 of the Notice for approval by the shareholders.

None of the Directors/Key Managerial Personnel (KMP) of the Company/their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

##### Item No. 5

in accordance with the provisions of Sections 196, 197, 198 of Companies Act, 2013 and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meetings held on 22<sup>nd</sup> August, 2016, had re-appointed Mr. Akhil Malhotra as the Managing Director of the Company for a term of 3 (Three) years w.e.f. 13.08.2016 to 12.08.2019 on the terms and conditions including remuneration as detailed in the aforesaid resolution.

## **HIMACHAL FIBRES LIMITED**



The resolution is being proposed for approval as a special resolution in compliance with the requirements of Schedule V, Part II, Section II of the Companies Act, 2013. A brief profile of Mr. Akhil Malhotra is provided at the end of this statement.

No Director, Key Managerial Personnel or their relatives, except Mr. Akhil Malhotra himself is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

Place: Ludhiana

Dated: 2<sup>nd</sup> September, 2016

BY ORDER OF THE BOARD

Sd/-

(AMIT SHARMA)

Company Secretary

The information required under Section II of Part II of Schedule V of the Companies Act, 2013 is given below.

I. **General Information:**

- 1) Nature of industry:- Manufacturing of Textile yarn.
- 2) Date of Commencement of Business:- 20/02/1980
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: -Not Applicable
- 4) Financial performance based on given indicators:-

PARTICULARS	2015-16	2014-15	2013-14
Net Sales/Income	4764.60	8471.59	13071.53
Gross profit before interest and depreciation	522.13	671.52	699.33
Finance cost	301.36	458.94	433.52
Profit before depreciation and amortisation- (Cash Profit)	241.09	214.33	276.68
Depreciation and Amortisation	220.21	210.09	270.37
PBT before exceptional items	20.87	4.24	6.30
Exceptional items	0.00	0.00	0.00
Profit before Tax (PBT)	20.87	4.24	6.30
Provision for Tax - Current	3.30	0.81	1.21
Provision for Tax - Deferred	0.61	127.44	17.91
Profit after Tax	16.96	(124.01)	(12.81)

- 1) Foreign investments or collaborations, if any.: - Not Applicable

II. **Information about the appointee:**

- 1) **Background details:-** Mr. Akhil Malhotra, age 50 years, is Graduate. He joined his family business of Shiva Group in 1993. He is an Industrialist, having more than 30 years experience in the Textile Industry. He has appointed & designated as Managing Director of the Company since 28/05/2010. Under his dynamic leadership, the Company has consolidated its strength in textiles and crossed the turnover of 8471.59 Lacs during the financial year 2014-15. He has rich experience in yarn manufacturing and specialized knowledge in the field of procurement of cotton, the main raw material and capital equipments at the corporate level.
- 2) **Past remuneration:-** During his last tenure his remuneration was decide to Rs. 2,50,000 p.m., however looking at the financial position of the company he sacrificed the remuneration during his last tenure.
- 3) **Recognition or awards:-** None
- 4) **Job profile and his suitability:-** Mr. Akhil Malhotra has been re-appointed as the Managing Director of the Company and he will be in charge of overall management subject to the direction, supervision and control of the Board of Directors of the Company. Taking into consideration his qualifications and expertise in the relevant fields, he is suited for the responsibilities assigned to him by the Board of Directors.
- 5) **Remuneration proposed:-** Rs. 2,50,000 p.m.
- 6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:-**

Considering the size of the Company, the profile of Mr. Akhil Malhotra, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him is commensurate with the remuneration packages paid to similar appointees in other companies.

- 7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** - Besides the remuneration proposed, Mr. Akhil Malhotra does not have any pecuniary relationship with the Company.

**III. OTHER INFORMATION**

- 1) **Reasons of loss or inadequate profits :**

Current economic recession is a major reason for the low profitability and loss to the Company. Due to the global slowdown, every industry in India has been adversely affected. The financial crisis has swallowed the 55.7% market capitalization in the Textile Industry. Further, significant increase in the rates of interest and fluctuation of US Dollar against Rupee are also some of the factors for the current situation.

- 2) **Steps taken or proposed to be taken for improvement:**

The Company is taking steps towards the reduction of cost, introduction of value added products, better market penetration and improvement in realization.

- 3) **Expected increase in productivity and profits in measurable terms :**

The company has taken various initiatives to increase the productivity of the company. In return the profits will also increase, but are not measurable as the same is influenced by various factors such as market prices of dyed yarn, raw material and cost of various inputs.

**Information Pursuant to Corporate Governance Clause of the SEBI (LODR) Regulations, 2015 regarding the Directors seeking appointment/ re-appointment in the Annual General Meeting.**

Name of the Director	Mr. Akhil Malhotra	Mr. Manoj Kumar
DIN	00126240	06872575
Date of Birth	26.03.1965	07.04.1969
Date of Appointment	13.08.2011	22.08.2016
Expertise in specific functional area	Rich experience of more than 30 years in Textiles and Management.	Industrial and Business experience of more than 15 years.
No. of Shares in the company	3100000	NIL
Qualification	Graduate	Undergraduate
Directorships of other Companies as on date of appointment	1. Shiva Textfabs Ltd 2. Shiva Speciality Yarns Limited 3. Indian Yarn Limited 4. Yogindera Worsted Limited 5. Shiva Cottex Private Limited 6. KK Fibers Limited 7. Shiva Spin-N-Knit Limited	1. Shiva Speciality yarns limited 2. Indian Yarn Limited 3. Yogindera Worsted Limited 4. Hitech Dyeing and Finishing Mills Private Limited 5. Shiva Cottex Private Limited 6. Shiva Texchem (Gujarat) Private Limited 7. K K Fibers Limited 8. Shiva Textfabs Limited 9. Shiva Spin-N-Knit Limited
Chairmanship / Membership of Committees of other Listed Companies as on date of appointment	NIL	NIL
Relationship with other Directors	Not related to any director	Not related to any director