



BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

May 25, 2023

Ref: H.P. Cotton Textile Mills Limited (Scrip Code: 502873)

Sub: Outcome of Board Meeting of H.P. Cotton Textile Mills Limited held on May 25, 2023

Dear Sir,

We wish to inform you that the Board of Directors in their Meeting held today i.e. May 25, 2023 has, inter alia, considered and approved the Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2023.

Further, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

- a) Audited Standalone and Consolidated Financial Results along with Auditor's Report for the quarter and year ended March 31, 2023; and
- b) Declaration pursuant to regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended regarding unmodified opinion of the Statutory Auditors on the aforesaid Results.

The copies of the above results are also uploaded on the Company's website at <https://hpthreads.com/financial-results.php>.

The said meeting of the Board of Directors commenced at 02 P.M. and concluded at 03:38 P.M.

You are requested to kindly take the same on your record.

Yours Faithfully,

For **H.P. Cotton Textile Mills Limited**

Shubham Jain

Company Secretary and Compliance Officer



Encl: As above



H.P. Cotton Textile Mills Limited

(A Government of India recognised Star Export House)

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CIN NO. L18101HR1981PLC012274



ISO 9001 : 2008

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Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of H. P. Cotton Textile Mills Limited

Qualified Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of H. P. Cotton Textile Mills Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') for the year ended 31 March 2023, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the possible effects of the matter described in paragraph 3 below; and
 - (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive income and other financial information of the Group for the year ended 31 March 2023 except for the possible effects of the matter described in paragraph 3 below.

Basis for Qualified Opinion

3. As stated in Note 6 to the accompanying consolidated financial results, the opening balance of the work-in-progress inventory for the quarter ended 31 December 2022 amounting to Rs. 2,824.99 lakhs, was recorded at cost computed in accordance with principles enunciated under Indian Accounting Standard 2, Inventories ('Ind AS 2'). However, due to the voluminous nature and complexities involved, the management was not able to determine the net realisable value of aforesaid inventory balance, and thus, the valuation of such work-in-progress inventory was not in accordance with Ind AS 2. In absence of necessary assessment by the Holding Company's management and lack of sufficient appropriate evidence from alternate procedures, our conclusion on the consolidated financial results of the Group for the quarter ended 31 December 2022 was qualified vide our review report dated 11 February 2023 with respect to the possible impact of the aforesaid matter on the Statement of Profit and Loss of the Group for the said quarter.



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Accordingly, our opinion on the accompanying consolidated financial results is also qualified with respect to the possible effect of this matter on the comparability of current quarter figures and the corresponding figures of 'Changes in inventory' and consequential impact, if any.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Statement

5. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss and other comprehensive income, and other financial information of the Group in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
6. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
9. As part of an audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material



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misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of Board of Directors's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors.
10. We communicate with those charged with governance of the Holding Company and such other entity included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

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Other Matter

13. The Statement includes the consolidated financial results for the quarter ended 31 March 2023, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Ashish
Gera

Digitally signed by
Ashish Gera
Date: 2023.05.25
15:16:24 +05'30'

Ashish Gera

Partner

Membership No. 508685

UDIN: 23508685BGYCRB9659



Place: Gurugram

Date: 25 May 2023

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Annexure 1

List of entities included in the Statement

Name of Holding Company

- a) H. P. Cotton Textile Mills Limited

Name of Subsidiary

- a) HP MMF Textile Mills Limited



H.P. Cotton Textile Mills Limited

Regd. Office:- 15th Km Stone, Delhi Road, VPO- Mayar, Hisar, Haryana-125044
 CIN: L1810HR1981PLC012274, Email: info@hpthreads.com, Website: www.hpthreads.com
 Tel: +91-11-41540471, Fax: +91-11-49073410

Statement of consolidated audited financial results for the quarter and financial year ended 31 March 2023

(₹ in lacs except as stated otherwise)

Particulars	Quarter ended 31 March 2023 (refer note 8)	Quarter ended 31 December 2022	Year ended 31 March 2023
		(Unaudited)	(Audited)
Income:			
I. Revenue from operations	1,997	2,601	8,398
II. Other income	44	26	208
III Total income (I + II)	2,041	2,627	8,606
IV Expenses:			
Cost of materials consumed	889	906	4,383
Changes in inventories of finished goods and work-in-progress	(105)	1,051	(119)
Employee benefits expense	511	620	2,263
Finance costs	181	152	535
Depreciation and amortisation expense	92	126	397
Power and fuel	319	361	1,335
Other expenses	556	398	1,691
Total expenses (IV)	2,443	3,614	10,485
V Loss before tax (III - IV)	(402)	(987)	(1,879)
VI Tax expense:			
- Current tax	-	-	-
- Tax credit of earlier years	(2)	-	(2)
- Deferred tax (credit)/expense	(16)	73	(70)
Total tax expense	(18)	73	(72)
VII Loss for the period/year (V - VI)	(384)	(1,060)	(1,807)
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain of defined benefit obligations	(20)	17	(4)
Income tax relating to these items that will not be reclassified to profit or loss	6	(5)	1
IX Total comprehensive loss for the period/year {comprising loss and other comprehensive income for the period/year} (VII+ VIII)	(398)	(1,048)	(1,810)
X Paid-up equity share capital (face value per share Rs. 10)	392	387	392
XI Other equity			908
XII Loss per share (face value of Rs. 10 each)	(not annualised)	(not annualised)	(annualised)
(a) Basic (Rs.)	(9.87)	(27.38)	(46.66)
(b) Diluted (Rs.)	(9.87)	(27.38)	(46.66)

1. The consolidated financial results of H.P. Cotton Textile Mills Limited ("the Company") for the year ended 31 March 2023 which have been extracted from the audited consolidated financial statements and have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 25 May 2023. The statutory auditors of the Company have expressed a modified audit opinion on these financial results.

2. The above consolidated audited financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), specified under section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended.

3. In accordance with Ind AS 108 Operating Segments, the Board of Directors of the Holding Company, being the chief operating decision maker, have determined their only business segment viz Textile (spinning). Since the Group's business is from manufacturing and sale of textile (spinning), hence, no additional disclosures have been furnished.

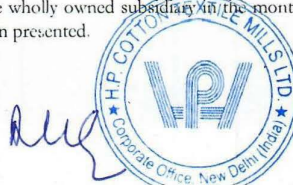
4. As notified vide disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 19 March 2019, the Holding Company's promoters have entered into a family agreement dated 14 March 2019, which would result in inter-se transfer of equity shares of the Holding Company by and among members of the Promoter Group over next two years (collectively, the "Proposed Family Re-arrangement"), which has partially been executed and partially would be executed in due course.

In continuance of the above family arrangement, Mr. Ravindra Agarwal, Mr. Surendra Kumar Agarwal and Mr. Kailash Kumar Agarwal have executed another re-arrangement agreement dated 12 February 2020, which would result in an inter-se transfer of all equity shares of Mr. Ravindra Agarwal & family and Mr. Surendra Kumar Agarwal & family to Mr. Kailash Kumar Agarwal. During the previous year, the proposed inter-se transfer from Mr. Surendra Kumar Agarwal and family to Mr. Kailash Kumar Agarwal and the indirect acquisition of shares of the Holding Company held by certain entities, namely, Jainish Products Limited, Sailesh Textile Manufacturing Company Limited, Achhar Investments Limited and Sacred Trading & Investment Co. Limited has been completed in favour of Mr. Kailash Kumar Agarwal.

5. The Holding Company's application under the Production Linked Incentive (PLI) Scheme for Textiles (PLI-Textiles) has been selected by the Ministry of Textiles, Government of India vide letter dated 29 April 2022. As per the applicable guidelines, the Holding Company has incorporated a wholly owned subsidiary in the name of "H.P. MIMF Textiles Limited" on 24th June 2022 [under CIN-U17299HR2022PLC104655] with the object to manufacture all kinds of textiles, yarns, fabrics, garments and other related products. The Holding Company has made investment of ₹ 100,000 in the wholly owned subsidiary in the month of August 2022. Consequently, in these consolidated results, amounts for the quarter ended and year ended 31 March 2022 have not been presented.



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H.P. Cotton Textile Mills Limited

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Statement of consolidated audited financial results for the quarter and financial year ended 31 March 2023

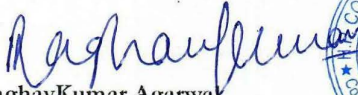
6. The Holding Company has been consistently valuing the inventory at lower of cost or net realizable value in accordance with the Indian Accounting Standard (IND AS) 2 on Inventories. However, the Holding Company was not able to determine the net realisable value of the work-in-progress inventory due to the voluminous nature and complexities involved during the quarter and six months ended 30 September 2022 and accordingly, the valuation of work-in-progress inventory was carried at cost, as determined under Indian Accounting Standard (IND AS) 2. Raw Material and Finished goods were valued at Cost or Net Realisable Value whichever was lower. The Holding Company was able to determine the net realisable value of the work-in-progress inventory as at 31 December 2022 and at 31 March 2023 and accordingly the Holding Company has valued the work-in-progress inventory at lower of cost or net realisable value, net realisable value was lower than cost and accordingly, the impact of the same on inventories, change in inventories of work in progress, profit after tax and total comprehensive income has been considered in the financial results for the quarter and nine months ended 31 December 2022 and annual financials results for the year ended 31 March 2023.

7. Pursuant to the Board resolution passed at the meeting held on 12 January 2022, the Holding Company has approved to issue and allot 1,12,000 share warrants of ₹ 10/- each on preferential basis at an issue price of ₹ 180/- per share warrant (including a premium of ₹ 170/- per share warrant) which is not less than the price determined in accordance with Chapter V of SEBI ICDR Regulations, for cash consideration, for an aggregate amount up to ₹ 202 lakhs. The same was approved by the shareholders in their extra ordinary general meeting held on 07 February, 2022. In March 2022, the promoters had paid total consideration for 50% of total outstanding warrants for conversion into equity shares. Accordingly, 33,600 equity shares and 22,400 equity shares were allotted to Mr. Kailash Kumar Agarwal and Mr. Raghav Kumar Agarwal respectively upon conversion in March 2022.

Subsequently, in March 2023, the promoters have paid the remaining consideration for balance 50% of total outstanding warrants for conversion into equity shares. Accordingly, 33,600 equity shares and 22,400 equity shares were allotted to Mr. Kailash Kumar Agarwal and Mr. Raghav Kumar Agarwal respectively upon conversion in March 2023.

8. The figures for the quarter ended 31 March 2023 represent the balancing figures between audited figures for the full financial year and published year to date figures upto the third quarter of the year ended 31 March 2023, which have been subject to limited review.

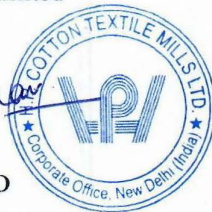
For H.P. Cotton Textile Mills Limited



Raghav Kumar Agarwal

Executive Director, CEO & CFO

DIN: 02836610



Place : New Deih

Date : 25 May 2023



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H.P. Cotton Textile Mills Limited

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Statement of audited consolidated assets and liabilities as at 31 March 2023

(₹ in lacs except as stated otherwise)

Particulars	As at
	31 March 2023 (Audited)
I ASSETS	
Non-current assets	
(a) Property, plant and equipment	3,592
(b) Right-of-use assets	484
(c) Other intangible assets	37
(d) Financial assets	
(i) Other financial assets	151
(e) Non current tax assets (net)	14
(f) Other non-current assets	13
	4,291
Current assets	
(a) Inventories	3,204
(b) Financial assets	
(i) Investments	54
(ii) Trade receivables	851
(iii) Cash and cash equivalents	106
(iv) Bank balance other than (iii) above	58
(v) Other financial assets	70
(c) Other current assets	599
	4,942
Total assets	9,233
II EQUITY AND LIABILITIES	
EQUITY	
(a) Equity share capital	392
(b) Other equity	906
	1,298
LIABILITIES	
Non current liabilities	
(a) Financial liabilities	
(i) Borrowings	857
(ii) Lease liability	451
(b) Deferred tax liabilities (net)	90
(c) Provisions	275
	1,673
Current liabilities	
(a) Financial liabilities	
(i) Borrowings	3,180
(ii) Lease liability	28
(iii) Trade payables	
i) total outstanding dues of micro enterprises and small enterprises	225
ii) total outstanding dues of creditor other than micro enterprises and small	2,007
(iv) Other financial liabilities	175
(b) Other current liabilities	426
(c) Provisions	221
	6,262
Total equity and liabilities	9,233



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Statement of audited consolidated cash flow for the year ended 31 March 2023

(₹ in laacs except as stated otherwise)

Particulars	Year ended
	31 March 2023 (Audited)
A. Cash flows from operating activities	
Net loss before tax	(1,880)
Adjustments for:	
Depreciation and amortisation expense	397
Liabilities no longer required written back	(44)
Amount written off	168
Profit on sale of property, plant and equipment	(38)
Unrealised foreign exchange fluctuation	(4)
Interest income classified as investing cash flow	(9)
Interest expense	535
Changes in fair value of financial assets at fair value through profit and loss	(3)
Operating loss before working capital changes	(878)
Movements in working capital :	
Increase in other non-current assets	(0)
Increase in other non-current financial assets	(5)
Decrease in trade receivables	849
Decrease in other current assets	131
Decrease in other current financial assets	176
Decrease in inventories	33
Decrease in trade payables	(125)
Decrease in other financial liabilities	(116)
Increase in other current liabilities	100
Decrease in provisions	(37)
Cash flow from operations	128
Income taxes paid (net of refund received during the year)	(119)
Net cash flow used in from operating activities	9
B. Cash flows from investing activities	
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(145)
Investments in mutual funds	(52)
Proceeds from fixed deposits	95
Proceeds from sale of property, plant and equipment	44
Interest received	9
Net cash flow used in investing activities	(49)
C. Cash flows from financing activities	
Proceeds from long-term borrowings	608
Repayment of long-term borrowings	(605)
Proceeds/repayment of short term borrowings (net)	573
Proceeds from issue of equity share	76
Payment of principal portion of lease liability	1
Payment of interest portion of lease liability	(9)
Dividend paid	(33)
Proceeds from share warrant application money	-
Finance charges paid	(521)
Net cash flow generated from financing activities	90
D. Net decrease in cash and cash equivalents (A+B+C)	50
E. Cash and cash equivalents at the beginning of the year	56
F. Cash and cash equivalents at the end of the year (D+E)	106
G. Cash and cash equivalents comprises of:	
i. Balances with scheduled banks - in current accounts	105
ii. Cash on hand	1
	106

Note:

The above cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.



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Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of H. P. Cotton Textile Mills Limited

Qualified Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of H. P. Cotton Textile Mills Limited ('the Company') for the year ended 31 March 2023, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, except for the possible effects of the matter described in paragraph 3 below; and
 - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2023 except for the possible effects of the matter described in paragraph 3 below.

Basis for Qualified Opinion

3. As stated in Note 6 to the accompanying standalone financial results, the opening balance of the work-in-progress inventory for the quarter ended 31 December 2022 amounting to Rs. 2,824.99 lakhs, was recorded at cost computed in accordance with principles enunciated under Indian Accounting Standard 2, Inventories ('Ind AS 2'). However, due to the voluminous nature and complexities involved, the management was not able to determine the net realisable value of aforesaid inventory balance, and thus, the valuation of such work-in-progress inventory was not in accordance with Ind AS 2. In absence of necessary assessment by the Company's management and lack of sufficient appropriate evidence from alternate procedures, our conclusion on the standalone financial results of the Company for the quarter ended 31 December 2022 was qualified vide our review report dated 11 February 2023 with respect to the possible impact of the aforesaid matter on the Statement of Profit and Loss of the Company for the said quarter.

Accordingly, our opinion on the accompanying standalone financial results is also qualified with respect to the possible effect of this matter on the comparability of current quarter figures and the corresponding figures of 'Changes in inventory' and consequential impact, if any.



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4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
9. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.



Walker Chandiook & Co LLP

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

12. The Statement includes the financial results for the quarter ended 31 March 2023, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Ashish Digitally signed
by Ashish Gera
Date: 2023.05.25
15:15:26 +05'30'

Gera

Ashish Gera

Partner

Membership No. 508685

UDIN: 23508685BGYCRA4940



Place: Gurugram

Date: 25 May 2023

H.P. Cotton Textile Mills Limited

Regd. Office:- 15th Km Stone, Delhi Road, VPO- Mayar, Hisar, Haryana-125044

CIN: L1810HR1981PLC012274, Email: info@hpthreads.com, Website: www.hpthreads.com

Tel: +91-11-41540471, Fax: +91-11-49073410

Statement of standalone audited financial results for the quarter and financial year ended 31 March 2023

(₹ in lacs except as stated otherwise)

Particulars	Quarter ended 31 March 2023 (refer note 8)	Quarter ended 31 December 2022	Quarter ended 31 March 2022 (refer note 8)	Year ended 31 March 2023	Year ended 31 March 2022
		(Unaudited)		(Audited)	(Audited)
Income:					
I. Revenue from operations	1,997	2,601	3,204	8,398	13,219
II. Other income	44	26	105	208	231
III Total income (I + II)	2,041	2,627	3,309	8,606	13,450
IV Expenses:					
Cost of materials consumed	889	906	1,829	4,383	6,307
Changes in inventories of finished goods and work-in-progress	(105)	1,051	(435)	(119)	(832)
Employee benefits expense	511	620	784	2,263	3,126
Finance costs	181	152	99	535	307
Depreciation and amortisation expense	92	126	82	397	296
Power and fuel	319	361	371	1,335	1,333
Other expenses	555	397	511	1,689	1,950
Total expenses (IV)	2,442	3,613	3,241	10,483	12,487
V (Loss)/profit before tax (III - IV)	(401)	(986)	68	(1,877)	963
VI Tax expense:					
- Current tax	-	-	14	-	164
- Tax credit of earlier years	(2)	-	-	(2)	-
- Deferred tax (credit)/expense	(16)	73	26	(70)	95
Total tax expense	(18)	73	40	(72)	259
VII (Loss)/profit for the period/year (V - VI)	(383)	(1,059)	28	(1,805)	704
VIII Other comprehensive income					
Items that will not be reclassified to profit or loss					
Re-measurement gain of defined benefit obligations	(20)	17	10	(4)	10
Income tax relating to these items that will not be reclassified to profit or loss	6	(5)	(3)	1	(3)
IX Total comprehensive (loss)/income for the period/year {comprising (loss)/profit and other comprehensive income for the period/year} (VII+ VIII)	(397)	(1,047)	35	(1,808)	711
X Paid-up equity share capital (face value per share Rs. 10)	392	387	387	392	387
XI Other equity				908	2,685
XII Loss per share (face value of Rs. 10 each)	(not annualised)	(not annualised)	(not annualised)	(annualised)	(annualised)
(a) Basic (Rs.)	(9.87)	(27.38)	0.74	(46.66)	18.48
(b) Diluted (Rs.)	(9.87)	(27.38)	0.74	(46.66)	18.48

1. The standalone financial results of H.P. Cotton Textile Mills Limited ("the Company") for the year ended 31 March 2023 which have been extracted from the audited standalone financial statements and have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 25 May 2023. The statutory auditors of the Company have expressed a modified audit opinion on these financial results.

2. The above standalone audited financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), specified under section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended.

3. In accordance with Ind AS 108 Operating Segments, the Board of Directors being the chief operating decision maker of the Company has determined its only business segment viz Textile (spinning). Since the Company's business is from manufacturing and sale of textile (spinning), hence, no additional disclosures have been furnished.

4. As notified vide disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 19 March 2019, the Company's promoters have entered into a family agreement dated 14 March 2019, which would result in inter-se transfer of equity shares of the Company by and among members of the Promoter Group over next two years (collectively, the "Proposed Family Re-arrangement"), which has partially been executed and partially would be executed in due course.

In continuance of the above family arrangement, Mr. Ravindra Agarwal, Mr. Surendra Kumar Agarwal and Mr. Kailash Kumar Agarwal have executed another re-arrangement agreement dated 12 February 2020, which would result in an inter-se transfer of all equity shares of Mr. Ravindra Agarwal & family and Mr. Surendra Kumar Agarwal & family to Mr. Kailash Kumar Agarwal. During the previous year, the proposed inter-se transfer from Mr. Surendra Kumar Agarwal and family to Mr. Kailash Kumar Agarwal and the indirect acquisition of shares of the Company held by certain entities, namely, Jainish Products Limited, Sailesh Textile Manufacturing Company Limited, Achhar Investments Limited and Sacred Trading & Investment Co. Limited has been completed in favour of Mr. Kailash Kumar Agarwal.



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H.P. Cotton Textile Mills Limited

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Statement of standalone audited financial results for the quarter and financial year ended 31 March 2023

5. The Company's application under the Production Linked Incentive (PLI) Scheme for Textiles (PLI-Textiles) has been selected by the Ministry of Textiles, Government of India vide letter dated 29 April 2022. As per the applicable guidelines, the Company has incorporated a wholly owned subsidiary in the name of "HIP MMF Textiles Limited" on 24th June 2022 [under CIN-U17299HR2022PLC104655] with the object to manufacture all kinds of textiles, yarns, fabrics, garments and other related products. The Company has made investment of ₹ 100,000 in the wholly owned subsidiary in the month of August 2022.

6. The Company has been consistently valuing the inventory at lower of cost or net realizable value in accordance with the Indian Accounting Standard (IND AS) 2 on Inventories. However, the Company was not able to determine the net realisable value of the work-in-progress inventory due to the voluminous nature and complexities involved during the quarter and six months ended 30 September 2022 and accordingly, the valuation of work-in-progress inventory was carried at cost, as determined under Indian Accounting Standard (IND AS) 2. Raw Material and Finished goods were valued at Cost or Net Realisable Value whichever was lower. The Company was able to determine the net realisable value of the work-in-progress inventory as at 31 December 2022 and at 31 March 2023 and accordingly the Company has valued the work-in-progress inventory at lower of cost or net realisable value, net realisable value was lower than cost and accordingly, the impact of the same on inventories, change in inventories of work in progress, profit after tax and total comprehensive income has been considered in the financial results for the quarter and nine months ended 31 December 2022 and annual financials results for the year ended 31 March 2023.


7. Pursuant to the Board resolution passed at the meeting held on 12 January 2022, the Company has approved to issue and allot 1,12,000 share warrants of ₹ 10/- each on preferential basis at an issue price of ₹ 180/- per share warrant (including a premium of ₹ 170/- per share warrant) which is not less than the price determined in accordance with Chapter V of SEBI ICDR Regulations, for cash consideration, for an aggregate amount up to ₹ 202 lakhs. The same was approved by the shareholders in their extra ordinary general meeting held on 07 February, 2022. In March 2022, the promoters had paid total consideration for 50% of total outstanding warrants for conversion into equity shares. Accordingly, 33,600 equity shares and 22,400 equity shares were allotted to Mr. Kailash Kumar Agarwal and Mr. Raghav Kumar Agarwal respectively upon conversion in March 2022.

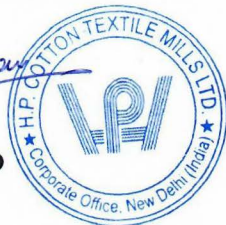
Subsequently, in March 2023, the promoters have paid the remaining consideration for balance 50% of total outstanding warrants for conversion into equity shares. Accordingly, 33,600 equity shares and 22,400 equity shares were allotted to Mr. Kailash Kumar Agarwal and Mr. Raghav Kumar Agarwal respectively upon conversion in March 2023.

8. The figures for the quarter ended 31 March 2023 and 31 March 2022 represent the balancing figures between audited figures for the full financial year and published year to date figures upto the third quarter of the year ended 31 March 2023 and 31 March 2022 respectively, which have been subject to limited review.

9. The figures of the corresponding previous quarter / period / year have been regrouped / reclassified / recasted, wherever considered necessary, to conform to current period disclosures.

For H.P. Cotton Textile Mills Limited


Raghav Kumar Agarwal
Executive Director, CEO & CFO
DIN: 02836610



Place : New Delhi

Date : 25 May 2023



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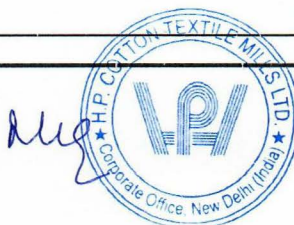
Statement of audited standalone assets and liabilities as at 31 March 2023

(₹ in lacs except as stated otherwise)

Particulars	As at	As at
	31 March 2023	31 March 2022
	(Audited)	(Audited)
I ASSETS		
Non-current assets		
(a) Property, plant and equipment	3,592	3,643
(b) Capital work-in-progress	-	172
(b) Right-of-use assets	484	58
(c) Intangible assets	37	52
(d) Financial assets		
(i) Investments	1	-
(ii) Other financial assets	151	144
(e) Non current tax assets (net)	14	-
(f) Other non-current assets	13	16
	4,292	4,085
Current assets		
(a) Inventories	3,204	3,236
(b) Financial assets		
(i) Investments	54	-
(ii) Trade receivables	851	1,689
(iii) Cash and cash equivalents	105	56
(iv) Bank balance other than (iii) above	58	158
(v) Other financial assets	70	325
(c) Other current assets	599	756
(d) Assets held for sale	-	17
	4,941	6,237
Total assets	9,233	10,322
II EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	392	387
(b) Other equity	908	2,685
	1,300	3,072
LIABILITIES		
Non current liabilities		
(a) Financial liabilities		
(i) Borrowings	857	874
(ii) Lease liability	451	-
(b) Deferred tax liabilities (net)	90	161
(c) Provisions	275	280
	1,673	1,315
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,180	2,573
(ii) Lease liability	28	52
(iii) Trade payables		
i) total outstanding dues of micro enterprises and small enterprises	225	177
ii) total outstanding dues of creditor other than micro enterprises and small enterprises	2,005	2,115
(iv) Other financial liabilities	175	292
(b) Other current liabilities	426	369
(c) Provisions	221	250
(d) Current tax liabilities (net)	-	107
	6,260	5,935
Total equity and liabilities	9,233	10,322



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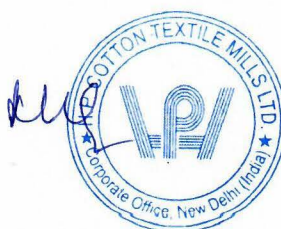
Statement of audited standalone cash flow for the year ended 31 March 2023

(₹ in lacs except as stated otherwise)

Particulars	Year ended	Year ended
	31 March 2023	31 March 2022
	(Audited)	(Audited)
A. Cash flows from operating activities		
Net (loss)/profit before tax	(1,878)	963
Adjustments for:		
Depreciation and amortisation expense	397	296
Liabilities no longer required written back	(44)	(16)
Amount written off	168	-
Profit on sale of property, plant and equipment	(38)	(33)
Unrealised foreign exchange fluctuation	(4)	(35)
Bad-debts written off	-	19
Interest income classified as investing cash flow	(9)	(18)
Interest expense	535	307
Changes in fair value of financial assets at fair value through profit and loss	(3)	(1)
Operating (loss)/profit before working capital changes	(876)	1,482
Movements in working capital :		
(Increase)/decrease in other non-current assets	(0)	36
Increase in other non-current financial assets	(5)	-
Decrease/(increase) in trade receivables	849	(300)
Decrease in other current assets	131	46
Decrease/(increase) in other current financial assets	176	(95)
Decrease/(increase) in inventories	33	(406)
(Decrease)/increase in trade payables	(127)	480
Decrease in other financial liabilities	(116)	(72)
Increase/(decrease) in other current liabilities	100	(399)
(Decrease)/increase in provisions	(37)	63
Cash generated from operations	128	835
Income taxes paid (net of refund received during the year)	(119)	(75)
Net cash flow generated from operating activities	9	760
B. Cash flows from investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(145)	(1,880)
Investments in mutual funds	(52)	-
Investment in subsidiary	(1)	-
Proceeds from fixed deposits	95	38
Proceeds from sale of property, plant and equipment	44	163
Interest received	9	16
Net cash flow used in investing activities	(50)	(1,663)
C. Cash flows from financing activities		
Proceeds from long-term borrowings	608	783
Repayment of long-term borrowings	(605)	(357)
Proceeds/repayment of short term borrowings (net)	573	757
Payment of principal portion of lease liability	1	(52)
Payment of interest portion of lease liability	(9)	(10)
Dividend paid	(33)	-
Proceeds from share warrant application money	76	126
Finance charges paid	(521)	(298)
Net cash flow generated from financing activities	90	949
D. Net decrease in cash and cash equivalents (A+B+C)	49	46
E. Cash and cash equivalents at the beginning of the year	56	10
F. Cash and cash equivalents at the end of the year (D+E)	105	56
G. Cash and cash equivalents comprises of:		
i. Balances with scheduled banks - in current accounts	104	55
ii. Cash on hand	1	1
	105	56

Note:

The above cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.



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DECLARATION ON UNMODIFIED OPINION OF STATUTORY AUDITORS ON THE AUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

This is to declare that Walker Chandiook & Co. LLP, Statutory Auditors of the Company, has formed their unmodified opinion on the Audited Standalone and Consolidated Financial Results of the Company for the year ended March 31, 2023 being published after review of the Audit Committee and approval of Board of Directors of the Company at their respective meetings held on May 25, 2023.

The above declaration is made pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

For **H.P. Cotton Textile Mills Limited**



RaghavKumar Agarwal
Executive Director, CEO & CFO
DIN: 02836610

Date: May 25, 2023
Place: New Delhi



H.P. Cotton Textile Mills Limited
(A Government of India recognised Star Export House)

Corporate Office:

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Haryana, India

CIN NO. L18101HR1981PLC012274



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