



BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

February 11, 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 February 11, 2023

Dear Sir,

We wish to inform you that the Board of Directors in their Meeting held today i.e. February 11, 2023 has, inter alia, considered and approved the Unaudited Standalone and Consolidated Financial Results along with the Limited Review Report of the Company for the quarter and nine months ended December 31, 2022.

Pursuant to Regulation 33 of Securities Exchange Board of India (Listing and other Disclosure Requirements) Regulations, 2015, please find enclosed Unaudited Standalone and Consolidated Financial Results along with Limited Review Report for the quarter and nine months ended December 31, 2022.

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

The said meeting of the Board of Directors commenced at 03:00 P.M. and concluded at 04:20 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)

Corporate Office:

F-0, The Mira Corporate Suites,
1 & 2, Old Ishwar Nagar, Mathura Road,
New Delhi - 110065, India

www.hpthreads.com

T: +91 11 26927387, 49073415

+91 11 41540471 / 72 / 73

F: +91 11 49073410

E: info@hpthreads.com

Regd. Office & Works:

15 K.M. Stone, Delhi Road,
V.P.O. Mayar, Hisar - 125 044,
Haryana, India

CIN NO. L18101HR1981PLC012274



ISO 9001 : 2008

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP

21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

T +91 124 462 8000
F +91 124 462 8001

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date 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

1. We have reviewed the accompanying statement of unaudited consolidated 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'), (refer Annexure 1 for the list of subsidiary included in the Statement) for the quarter ended 31 December 2022 and the consolidated year to date results for the period 01 April 2022 to 31 December 2022, 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. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

4. As stated in Note 6 to the unaudited consolidated financial results, we report that the work-in-progress inventory held as at 30 September 2022, aggregating 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 the absence of necessary assessment by the Holding Company's management and lack of sufficient appropriate evidence from any alternate procedures, we are unable to comment upon the adjustments, if any, that may be required to the loss after tax for the quarter ended 31 December 2022 as a consequential impact of aforesaid matter.



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Our review report for the quarter and six months ended 30 September 2022 was also qualified in respect of this matter.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the possible effects of the matter described in paragraph 4, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Ashish
Gera

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Ashish Gera
Date: 2023.02.11
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Ashish Gera

Partner

Membership No. 508685

UDIN: 23508685BGYCPZ7812

Place: Gurugram

Date: 11 February 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 Textiles 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 unaudited consolidated financial results for the quarter and nine months ended 31 December 2022

(₹ in lacs except as stated otherwise)

Particulars	Quarter ended 31 December 2022	Quarter ended 30 September 2022	Nine months ended 31 December 2022
	(Unaudited)	(Unaudited)	(Unaudited)
Income:			
I. Revenue from operations	2,601	1,820	6,401
II. Other income	26	50	164
III Total income (I + II)	2,627	1,870	6,565
IV Expenses:			
Cost of materials consumed	906	1,251	3,494
Changes in inventories of finished goods and work-in-progress	1,051	(520)	(14)
Employee benefits expense	620	536	1,752
Finance costs	152	106	354
Depreciation and amortisation expense	126	90	305
Other expenses	758	715	2,152
Total expenses (IV)	3,613	2,178	8,042
V Loss before tax (III - IV)	(986)	(308)	(1,477)
VI Tax expense:			
- Current tax	-	-	-
- Deferred tax (credit)/expense	73	(85)	(55)
Total tax expense	73	(85)	(55)
VII Loss for the period (V - VI)	(1,059)	(223)	(1,422)
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gain of defined benefit obligations	17	-	17
Income tax relating to these items that will not be reclassified to profit or loss	(5)	-	(5)
IX Total comprehensive loss for the period {comprising loss and other comprehensive income for the period/year} (VII+ VIII)	(1,047)	(223)	(1,410)
X Paid-up equity share capital (face value per share Rs. 10)	387	387	387
XI Other equity			1,236
XII Earnings per share (face value of Rs. 10 each)	(not annualised)	(not annualised)	(not annualised)
(a) Basic (Rs.)	(27.38)	(5.77)	(36.79)
(b) Diluted (Rs.)	(27.38)	(5.77)	(36.79)

1. The unaudited consolidated financial results of H.P. Cotton Textile Mills Limited ("the Holding Company") for the quarter and nine months period ended 31 December 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 February 2023. The statutory auditors have carried out a limited review of unaudited consolidated financial results of the Holding Company, in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing and other Disclosure Requirements) Regulation, 2015 and have issued a modified review report.

2. The above unaudited consolidated 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, 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 "HP 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 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 31 December 2021, amounts for the nine months ended 31 December 2021 and for the year ended 31 March 2022 have not been presented.



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H.P. Cotton Textile Mills Limited

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

Statement of unaudited consolidated financial results for the quarter and nine months ended 31 December 2022

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. During the current quarter, the Holding Company has been able to determine the net realisable value of the work-in-progress inventory as at 31 December 2022 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 these financial results.

7. The figures of the corresponding previous quarter / period have been regrouped / reclassified / recasted, wherever considered necessary, to correspond to current period results.

For H.P. Cotton Textile Mills Limited


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



Place : New Delhi

Date : 11 February 2023



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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of H.P. Cotton Textile Mills Limited ('the Company') for the quarter ended 31 December 2022 and the year to date results for the period 01 April 2022 to 31 December 2022, 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. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. As stated in Note 6 to the unaudited standalone financial results, we report that the work-in-progress inventory held as at 30 September 2022, aggregating 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 the absence of necessary assessment by the Company's management and lack of sufficient appropriate evidence from any alternate procedures, we are unable to comment upon the adjustments, if any, that may be required to the loss after tax for the quarter ended 31 December 2022 as a consequential impact of aforesaid matter.

Our review report for the quarter and six months ended 30 September 2022 was also qualified in respect of this matter.



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5. Based on our review conducted as above, except for the possible effects of the matter described in paragraph 4, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

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Ashish Gera

Partner

Membership No. 508685

UDIN: 23508685BGYCPY3873

Place: Gurugram

Date: 11 February 2023

H.P. Cotton Textile Mills Limited

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Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 2022

(₹ in lacs except as stated otherwise)

Particulars	Quarter ended 31 December 2022	Quarter ended 30 September 2022	Quarter ended 31 December 2021	Nine months ended 31 December 2022	Nine months ended 31 December 2021	Year ended 31 March 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income:						
I. Revenue from operations	2,601	1,820	3,571	6,401	10,015	13,219
II. Other income	26	50	30	164	126	231
III Total income (I + II)	2,627	1,870	3,601	6,565	10,141	13,450
Expenses:						
IV Cost of materials consumed	906	1,251	1,660	3,494	4,478	6,307
Changes in inventories of finished goods and work-in-progress	1,051	(520)	(162)	(14)	(397)	(832)
Employee benefits expense	620	536	868	1,752	2,342	3,126
Finance costs	152	106	80	354	208	307
Depreciation and amortisation expense	126	90	75	305	214	296
Other expenses	757	715	928	2,151	2,401	3,283
Total expenses (IV)	3,612	2,178	3,449	8,042	9,246	12,487
V (Loss)/profit before tax (III - IV)	(985)	(308)	152	(1,477)	895	963
VI Tax expense:						
- Current tax	-	-	26	-	150	164
- Deferred tax (credit)/expense	73	(85)	15	(55)	69	95
Total tax expense	73	(85)	41	(55)	219	259
VII (Loss)/profit for the period/year (V - VI)	(1,058)	(223)	111	(1,422)	676	704
VIII Other comprehensive income						
Items that will not be reclassified to profit or loss						
Re-measurement gain of defined benefit obligations	17	-	-	17	-	10
Income tax relating to these items that will not be reclassified to profit or loss	(5)	-	-	(5)	-	(3)
IX Total comprehensive (loss)/income for the period/year {comprising (loss)/profit and other comprehensive income for the period/year} (VII+ VIII)	(1,046)	(223)	111	(1,410)	676	711
X Paid-up equity share capital (face value per share Rs. 10)	387	387	381	387	381	387
XI Other equity				1,236		2,685
XII Earnings per share (face value of Rs. 10 each)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
(a) Basic (Rs.)	(27.38)	(5.77)	2.92	(36.79)	17.74	18.48
(b) Diluted (Rs.)	(27.38)	(5.77)	2.92	(36.79)	17.74	18.48

1. The unaudited standalone financial results of H.P. Cotton Textile Mills Limited ("the Company") for the quarter and nine months ended 31 December 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 February 2023. The statutory auditors have carried out a limited review of standalone unaudited financial results of the Company, in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing and other Disclosure Requirements) Regulation, 2015 and have issued a modified review report.

2. The above unaudited standalone 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, 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.

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 "HP 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.



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Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 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. During the current quarter, the Company has been able to determine the net realisable value of the work-in-progress inventory as at 31 December 2022 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 these financial results.

7. The figures of the corresponding previous quarter / period / year have been regrouped / reclassified / recasted, wherever considered necessary, to correspond to current period results.

For H.P. Cotton Textile Mills Limited


Raghuvaran Agarwal
Executive Director, CEO & CFO
DIN: 02836610



Place : New Delhi

Date : 11 February 2023



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