



BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

March 08, 2022

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

Sub: Submission of Certificate from Statutory Auditor in terms of Regulation 169(5) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations")

Dear Sir,

Pursuant to Regulation 169(5) of the ICDR Regulations, please find enclosed herewith, a Certificate issued by Walker Chandiook & Co LLP, Chartered Accountants, Statutory Auditors of the Company, certifying that the issuer (i.e. Company) is in compliance with Regulation 169(4) of ICDR Regulations and the relevant documents thereof are maintained by the issuer as on the date of the Certificate.

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



H.P. Cotton Textile Mills Limited

(A Government of India recognised Star Export House)

Corporate Office:

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Independent Auditor's Certificate on receipt of consideration towards preferential allotment of share warrants by HP Cotton Textile Mills Limited pursuant to the requirement of Regulation 169(5) of Part VI of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended)

To
The Board of Directors
H.P. Cotton Textile Mills Limited
F-0 Mira Corporate Suites, 1&2 Old
Mathura Road, Ishwar Nagar
New Delhi- 110065

1. This certificate is issued in accordance with the terms of our engagement letter dated 01 March 2022 with H.P. Cotton Textile Mills Limited ('the Company').
2. The accompanying Statement (the 'Statement') containing details of receipt of consideration towards allotment of share warrants (the 'warrants') and confirming compliance with the requirements of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, (the 'ICDR Regulations') including Regulation 169(4) of Part VI of Part V of the ICDR Regulations, section 42(6) of the Companies Act, 2013 (the 'Act') and rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the 'Rules'), to the extent applicable, in respect of the preferential issue of share warrants (the 'specified securities') on a private placement basis as approved by the Board of directors of the Company in its meeting dated 12 January 2022, has been prepared by the Company's management for the purpose of submission along with this certificate to BSE Limited (the 'stock exchange') pursuant to the requirements of Regulation 169(5) of the ICDR Regulations and stock exchange checklist on preferential issue (post allotment) (the checklist'). We have initialed the Statement for identification purposes only

Management's Responsibility for the Statement

3. The preparation of the Statement, including the preparation and maintenance of all accounting and other relevant supporting records and documents is solely the responsibility of the management of the Company. This responsibility includes design, implementation, and maintenance of internal controls relevant to the

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Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune



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preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

4. The management is also responsible for:
 - a. ensuring that the consideration for the specified securities is received from the respective allottee's bank account;
 - b. maintenance of relevant records and documents in relation to point (a) above;
 - c. compliance with the requirements of the ICDR Regulations the Act and the Rules; and
 - d. providing all relevant information to Securities and Exchange Board of India (the 'SEBI') and the stock exchange.

Auditor's Responsibility

5. Pursuant to the requirements of Regulation 169(5) of Part VI of Chapter V of the ICDR Regulations, it is our responsibility to provide limited assurance in the form of a conclusion as to whether the following details, as set forth in the Statement, are, in all material respects, not fairly stated:
 - a. The Company has received 25% upfront money against the allotment of specified securities on various dates as stated in the accompanying Statement and there is no circulation of funds or mere passing of book entries in this regard.
 - b. the aforesaid consideration has been received from the respective allottee's bank account and the relevant documents in this respect, including records of bank account statements of allottees are maintained by the Company as on 07 March 2022; and
 - c. the Company has complied with the requirement of Chapter V of the ICDR Regulations including sub-regulation (4) of Regulation 169 of the ICDR Regulations and section 42(6) of the Act, and rule 14 of the Rules, to the extent applicable.
6. We conducted our examination of the Statement for the purpose of this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.
8. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The procedures selected depend on the auditor's judgement, including the assessment of the areas where a material misstatement of the subject matter information is likely to arise. Accordingly, we have performed the following procedures in relation to the accompanying Statement:
 - a. Obtained and read the certified copy of the resolution passed at the meeting of the Board of Directors held on 12 January 2022 in respect of the preferential issue of the specified securities.
 - b. Obtained details of allotment of warrants including details of allottees from the management. Also, obtained details of the consideration received against the aforementioned allotments;

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- c. Obtained bank statement of the allottees as provided by the management and ensured that the consideration has been received from the respective allottee's bank account. Further, we have only relied on the information obtained from the management in this regard, and have not performed any independent confirmation procedures;
- d. Verified the amount of consideration received towards preferential issue with the bank statement of the Company and traced it to the respective receipt dates as mentioned in the accompanying Statement.;
- e. Conducted relevant management enquiries and obtained necessary representations from the management of the Company.

Conclusion

9. Based on the procedures performed as above, evidences obtained and the information and explanations given to us, along with representations provided by the Management, nothing has come to our attention that causes us to believe that the details included in the accompanying Statement, are, in all material respects, not fairly stated:
 - a. The Company has received 25% upfront money amounting to Rs. 30,24,000 on 16 February 2022 and Rs. 20,16,000 on 15 February 2022 against the allotment of 67,200 and 44,800 warrants to Mr. Kailash Kumar Agarwal and Mr. Raghav Kumar Agarwal, respectively, at a price of Rs. 180 per warrant and there is no circulation of funds or mere passing of book entries in this regard.
 - b. the aforesaid consideration has been received from the respective allottee's bank account and the relevant documents in this respect, including records of bank account statements of allottees are maintained by the Company as on 07 March 2022; and
 - c. the Company has complied with the requirement of Chapter V of the ICDR Regulations including sub-regulation (4) of Regulation 169 of the ICDR Regulations and section 42(6) of the Act, and rule 14 of the Rules, to the extent applicable.

Restriction on Distribution or Use

10. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with Regulation 169(5) of the ICDR Regulations and the checklist. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.



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11. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the requirements of Regulation 169(5) of the ICDR Regulations and the checklist, which inter-alia require the Company to submit this certificate along with the accompanying Statement to the stock exchange in connection with the preferential issue of specified securities and therefore should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Rohit Arora

Rohit Arora

Partner

Membership No.: 504774

UDIN: 22504774AEIJUI8946



Place: New Delhi

Date: 07 March 2022



Annexure 1

Statement on consideration received towards allotment of share warrants and confirming compliance with the requirements of Regulation 169(4) of Part VI of Chapter V of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

Consideration received

(Amount in Rs.)

Name of allottee	No. of warrants	Date of receipt	Amount
Mr. Kailash Kumar Agarwal	67,200	16 February 2022	30,24,000
Mr. Raghav Kumar Agarwal	44,800	15 February 2022	20,16,000

Notes:

1. The Company has realized the 25% upfront money amounting to Rs 50,40,000 against the allotment of 1,12,000 warrants, from the bank account of the respective allottees
2. We further confirm that company is in compliance with the requirements of Chapter V of SEBI (ICDR) Regulations, 2018 including sub-regulation (4) of Regulation 169 of SEBI (ICDR) Regulations, 2018 sub-section (6) of Section 42 of the Companies Act 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and relevant documents, including records of Bank Account Statements of each allottee regarding upfront money received from their respective banks accounts, are maintained by the Company.

For and on behalf of **H.P. Cotton Textile Mills Limited**

Shubham Jain

Company Secretary & Compliance Officer



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