



BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

June 09, 2021

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

Sub: Outcome of Board Meeting of H.P. Cotton Textile Mills Limited held on June 09, 2021

Dear Sir,

We wish to inform you that the Board of Director's in their Meeting held today i.e. June 09, 2021 has inter alia, considered and approved the Audited Financial Results for the quarter and year ended March 31, 2021.

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

- Audited Financial Results along with Auditor's Report for the quarter and year ended March 31, 2021; and
- Declaration pursuant to regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements), 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 <https://www.hpthreads.com>

The said meeting of the Board of Directors commenced at 02:00 P.M. and concluded at 06:18 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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Independent Auditor's Report on 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

Opinion

1. We have audited the accompanying annual financial results ('the Statement') of H.P. Cotton Textile Mills Limited ('the Company') for the year ended 31 March 2021, 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'), including relevant circulars issued by the SEBI from time to time.
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; and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 statements 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 opinion.

Chartered Accountants

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

Walker Chandiook &
with limited liability
number AAC-2085
at L-41 Connaught
110001, India



Walker Chandiook & Co LLP

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

Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the annual audited 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 accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder 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.
5. 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.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

7. 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.
8. As part of an audit in accordance with the Standards on Auditing, 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 adequate internal financial controls with reference to financial statements 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 management.



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

- Conclude on the appropriateness of the management'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 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.
9. 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.
10. 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

11. The Statement includes the financial results for the quarter ended 31 March 2021, 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



Digitally signed
by Rohit Arora
Date:
2021.06.09
17:09:24
+05:30



Rohit Arora

Partner

Membership No. 504774

UDIN: 21504774AAAADX6350

Place: New Delhi

Date: 09 June 2021

Statement of audited financial results for the quarter and financial year ended 31 March 2021

(Rs. in lacs except as stated otherwise)

| Particulars | Quarter ended 31 March 2021 (refer note 6) | Quarter ended 31 December 2020 | Quarter ended 31 March 2020 (refer note 6) | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|--|-----------------------------------|--|-----------------------------|-----------------------------|
| | (Audited) | (Unaudited) | (Audited) | (Audited) | (Audited) |
| I. Income: | | | | | |
| Revenue from operations | 3,109 | 2,333 | 2,426 | 9,657 | 8,175 |
| II. Other income | 41 | 34 | 72 | 132 | 188 |
| III Total income (I + II) | 3,150 | 2,367 | 2,498 | 9,789 | 8,363 |
| IV Expenses: | | | | | |
| Cost of materials consumed | 1,363 | 950 | 828 | 3,775 | 3,406 |
| Changes in inventories of finished goods and work-in-progress | (138) | (236) | 244 | (214) | (308) |
| Employee benefits expense | 718 | 670 | 547 | 2,537 | 2,221 |
| Finance costs | 83 | 38 | 72 | 249 | 334 |
| Depreciation and amortisation expenses | 69 | 69 | 65 | 271 | 260 |
| Other expenses | 873 | 713 | 621 | 2,622 | 2,412 |
| Total expenses (IV) | 2,968 | 2,204 | 2,377 | 9,240 | 8,325 |
| V Profit before tax (III - IV) | 182 | 163 | 121 | 549 | 38 |
| VI Tax expense: | | | | | |
| - Current tax | 35 | 37 | 8 | 93 | (11) |
| - Deferred tax | 47 | 9 | 24 | 96 | 15 |
| Total tax expense | 82 | 46 | 32 | 189 | 4 |
| VII Profit for the period (V - VI) | 100 | 117 | 89 | 360 | 34 |
| VIII Other comprehensive income | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| Re-measurement (loss)/gain of defined benefit obligations | (22) | - | 41 | (22) | 41 |
| Income tax relating to these items that will not be reclassified to profit or loss | 6 | - | (11) | 6 | (11) |
| IX Total comprehensive income for the period/year {comprising profit and other comprehensive income for the period/year} (VII+ VIII) | 84 | 117 | 119 | 344 | 64 |
| X Paid-up equity share capital (face value per share Rs. 10) | 381 | 381 | 381 | 381 | 381 |
| XI Other equity | | | | 1,853 | 1,519 |
| XII Earnings per share (face value of Rs. 10 each) | (not annualized) | (not annualized) | (not annualized) | (annualized) | (annualized) |
| (a) Basic (Rs.) | 2.62 | 3.06 | 2.33 | 9.46 | 0.90 |
| (b) Diluted (Rs.) | 2.62 | 3.06 | 2.33 | 9.46 | 0.90 |

Notes:

- The audited financial results of H.P. Cotton Textile Mills Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 09 June 2021 and have been audited by the statutory auditors of the Company.
- The above 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.
- 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) and there are no other identifiable reportable segments, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial results.
- 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 member of the Promoter Group over next two years (collectively, the "Proposed Family Re-arrangement").
- 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. The proposed family re-arrangement would also entail an indirect acquisition of shares of the Company held by certain entities, namely, Jainish Products Limited, Saleesh Textile Manufacturing Company Limited, Achhar Investments Limited and Sacred Trading & Investment Co. Limited, all of which belong to the Promoter Group (collectively, the "Promoter group Companies"), by the same persons belonging to the promoter group.
- Figures for the quarters ended 31 March 2021 and 31 March 2020 represents the balancing figures between audited figures for the full financial year and published year to date figures upto the third quarter of the years ended 31 March 2021 and 31 March 2020 respectively, which have been subject to limited review.
- The Company has considered the possible effects that may result from the Covid 19 pandemic on the carrying amounts of property, plant and equipment, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the management, as at the date of approval of these financial results, has used internal and external sources on the expected future performance of the Company. The management has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, expects that the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainties of the pandemic, the Company will continue to closely monitor any material changes to future economic conditions.
- The figures for the corresponding previous period/year have been regrouped/reclassified/rectified, wherever necessary, to make them comparable.

For H P Cotton Textile Mills Limited


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



Place : New Delhi
 Date : 09 June 2021



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Statement of assets and liabilities as at 31 March 2021

(₹ in lacs)

| Particulars | As at | As at |
|---|---------------|---------------|
| | 31 March 2021 | 31 March 2020 |
| | (Audited) | (Audited) |
| I ASSETS | | |
| Non-current assets | | |
| (a) Property, plant and equipment | 2,080 | 2,001 |
| (b) Capital work-in-progress | 103 | - |
| (b) Right-of-use assets | 106 | 154 |
| (c) Other intangible assets | 74 | 83 |
| (d) Financial assets | | |
| (i) Loans | 143 | 142 |
| (e) Deferred tax assets (net) | - | 34 |
| (f) Non current tax assets (net) | 13 | 51 |
| (g) Other non-current assets | 51 | 23 |
| Total non-current assets | 2,570 | 2,488 |
| Current assets | | |
| (a) Inventories | 2,821 | 2,137 |
| (b) Financial assets | | |
| (i) Trade receivables | 1,382 | 608 |
| (ii) Cash and cash equivalents | 10 | 11 |
| (iii) Bank balance other than (ii) above | 330 | 131 |
| (iv) Other financial assets | 220 | 186 |
| (c) Other current assets | 814 | 523 |
| Total current assets | 5,577 | 3,596 |
| Total assets | 8,147 | 6,084 |
| II EQUITY AND LIABILITIES | | |
| EQUITY | | |
| (a) Equity share capital | 381 | 381 |
| (b) Other equity | 1,853 | 1,519 |
| Total equity | 2,234 | 1,900 |
| LIABILITIES | | |
| Non current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 255 | 31 |
| (ii) Lease liability | 52 | 104 |
| (b) Deferred tax liabilities (net) | 64 | - |
| (c) Provisions | 274 | 242 |
| Total non-current liabilities | 645 | 377 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 1,428 | 1,322 |
| (ii) Trade payables | | |
| i) total outstanding dues of micro enterprises and small enterprises | 80 | 71 |
| ii) total outstanding dues of creditor other than micro enterprises and small | 2,061 | 1,570 |
| (iii) Lease liability | 52 | 48 |
| (iv) Other financial liabilities | 642 | 279 |
| (b) Other current liabilities | 768 | 330 |
| (c) Provisions | 193 | 184 |
| (d) Current tax liabilities (net) | 44 | 3 |
| Total current liabilities | 5,268 | 3,807 |
| Total equity and liabilities | 8,147 | 6,084 |



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Statement of cash flow for the year ended 31 March 2021

| Particulars | (₹ in lacs) | |
|---|--|--|
| | Year ended 31 March 2021 (Audited) | Year ended 31 March 2020 (Audited) |
| A. Cash flows from operating activities | | |
| Net profit before tax | 549 | 38 |
| Adjustment for: | | |
| Depreciation and amortisation expense | 271 | 260 |
| Liabilities no longer required written back | (11) | (32) |
| Miscellaneous balances written off | - | 2 |
| (Profit)/loss on sale of fixed assets | - | 1 |
| Unrealised foreign exchange fluctuation | (13) | (30) |
| Interest income | (20) | (46) |
| Rent Concession on lease liability | (3) | - |
| Interest expense | 249 | 334 |
| Interest and expenses for fair valuation of deposits | (1) | (1) |
| Operating profit before working capital changes | 1,021 | 526 |
| Movements in working capital : | | |
| (Increase)/decrease in other non-current asset | (28) | 4 |
| (Increase)/decrease in other financial assets | (34) | 39 |
| (Increase)/ decrease in trade receivables | (761) | 154 |
| (Increase) in other current assets | (290) | |
| (Increase)/ decrease in inventories | (684) | 357 |
| Increase/(decrease) in trade payables | 500 | (161) |
| Increase in other financial liabilities | 196 | 9 |
| Increase in other current liabilities | 438 | 172 |
| Increase/ (decrease) in provisions | 19 | (3) |
| Cash generated from operations | 377 | 1,044 |
| Income taxes paid (net of refund received during the year) | (15) | (5) |
| Net cash flow generated from operating activities | 362 | 1,039 |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment, including intangible assets, capital work in (Investment in)/ proceeds from fixed deposits | (385) | (85) |
| Proceeds from sale of fixed assets | (192) | 735 |
| Proceeds from sale of fixed assets | 1 | 1 |
| Interest received | 12 | 76 |
| Net cash flow generated (used in)/from investing activities | (564) | 727 |
| C. Cash flows from financing activities | | |
| Proceeds from long-term borrowings | 426 | - |
| Repayment of long-term borrowings | (35) | (746) |
| Repayment of short-term borrowings(net) | 105 | (658) |
| Payment of principal portion of lease liability | (48) | (37) |
| Payment of interest portion of lease liability | (14) | (18) |
| Finance charges paid | (234) | (319) |
| Net cash flow generated from/(used in) financing activities | 201 | (1,778) |
| D. Net (decrease) in cash and cash equivalents (A+B+C) | (1) | (12) |
| E. Cash and cash equivalents at the beginning of the year | 11 | 23 |
| F. Cash and cash equivalents at the end of the year (D+E) | 10 | 11 |
| G. Cash and cash equivalents comprises of: | | |
| i. Balances with scheduled banks - in current accounts | 2 | 10 |
| ii. Cash on hand | 8 | 1 |
| | 10 | 11 |

Note:

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

(Handwritten Signature)



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**DECLARATION ON UNMODIFIED OPINION OF STATUTORY AUDITORS ON THE
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2021**

This is to declare that Walker Chandiook & Co. LLP, Statutory Auditors of the Company, has formed their unmodified opinion on the Audited Financial Results of the Company for the year ended March 31, 2021 being published after review of the Audit Committee and approval of Board of Directors of the Company at their respective meetings held on June 09, 2021.

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**

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



Date: June 09, 2021

Place: New Delhi



H.P. Cotton Textile Mills Limited

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