

H.P. COTTON TEXTILE MILLS LIMITED

CIN: L18101HR1981PLC012274 | ISIN: INE950C01014 | BSE SCRIP CODE: 502873

Registered Office: 15th K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar-125044

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Notice of the Annual General Meeting

NOTICE is hereby given that the Forty-First (**41st**) Annual General Meeting ("AGM") of the Members of H.P. Cotton Textile Mills Limited will be held on **Tuesday, the 27th day of September, 2022 at 12 Noon** IST through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditor's thereon.

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon, as circulated to the Members, be considered and adopted."

2. To declare a final dividend of ₹ 1 per equity share for the financial year ended March 31, 2022.

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT a Dividend of ₹ 1 (10%) per Ordinary (Equity) Share of the face value of ₹ 10 each for the year ended 31st March, 2022 on 38,66,000 Ordinary (Equity) Shares of the Company aggregating ₹ 38.66 lacs as recommended by the Board of Directors be declared and that the said Dividend be distributed out of the Profits for the year ended on 31st March, 2022."

3. To appoint a Director in place of Mr. Raghavkumar Agarwal (DIN: 02836610), who retires by rotation and being eligible, seeks re-appointment.

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Raghavkumar Agarwal (DIN: 02836610), who retires by rotation and being eligible

for re-appointment, be re-appointed as a Director of the Company."

SPECIAL BUSINESS:

4. To appoint Mr. Vikram Sumatilal Sheth as a Director and an Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Vikram Sumatilal Sheth (DIN: 03349632), who was appointed as an Additional (Independent) Director of the Company with effect from April 30, 2022 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Articles of Association of the Company, and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, the appointment of Mr. Vikram Sumatilal Sheth, that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, for a term of five years, i.e., from April 30, 2022 to April 29, 2027 (both days inclusive) and who would not be liable to retire by rotation, be and is hereby approved;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To appoint Mr. Siddharth Agrawal as a Director and an Independent Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mr. Siddharth Agrawal (DIN: 09693278), who was appointed as an Additional (Independent) Director of the Company with effect from August 10, 2022 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and Articles of Association of the Company, and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, the appointment of Mr. Siddharth Agrawal, that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, for a term of one year, i.e., from August 10, 2022 to August 09, 2023 (both days inclusive) and who would not be liable to retire by rotation, be and is hereby approved;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To approve revised Remuneration of Mr. Kailash Kumar Agarwal (DIN: 00063470), Chairman & Managing

Director of the Company for the remainder of the current term and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V to the Companies Act, 2013 and Articles of Association of the Company and such other applicable provisions (including any statutory modification or re-enactment thereof), if any and Regulation 17(6)(e) and 23 of SEBI (Listing and Obligations and Disclosure Requirements), Regulations, 2015, and on the recommendation of Nomination and Remuneration Committee, Audit Committee and Board of Directors, the consent of the Members of the Company be and is hereby accorded to the revised remuneration of Mr. Kailash Kumar Agarwal, who was re-appointed as Managing Director for a period of 5 years w.e.f. August 6, 2020, designated as Chairman and Managing Director of the Company w.e.f. September 01, 2022 for the remainder of his tenure upto August 05, 2025 on the following terms and conditions:

A. REMUNERATION:

Particulars	Amount (in ₹ per month)
Basic	2,00,000
House Rent Allowance (HRA)	1,00,000
Other/Special/Grade Allowance	2,43,500
Gross Salary (A)	5,43,500
Leave Travel Allowance (LTA) (B)	12,500
Provident Fund (Employer's Contribution)	24,000
Statutory Annual Bonus / Ex Gratia**	20,000
Other / Statutory Benefits (C)	44,000
Total Cost to Company (per month)	6,00,000
- A+B+C	
Total Cost to Company (per annum)	72,00,000

Important Points

- LTA and Statutory Annual Bonus / Ex Gratia shall be Payable annually on Earned Basic Salary. In addition, he will be eligible for gratuity and superannuation and leave encashment as per the rules of the Company.
- In addition to the above, the Managing Director shall be entitled to a Performance Pay, based on his performance, and/or Commission as determined by the Board / Nomination and Remuneration Committee of the Company, from time to time, which may exceed the overall ceilings on managerial remuneration specified in Section 197 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (which shall be deemed to include the Nomination & Remuneration Committee of the Board of Directors) be authorized to do all such acts and take all such steps as it may consider necessary or desirable to give effect to this resolution and they are further authorised to alter, vary, increase, enhance, widen and/or revise the remuneration as it may, in its absolute discretion and full liberty, deem fit and as may be acceptable to Mr. Kailash Kumar Agarwal, notwithstanding that the total Remuneration payable to him may exceed the overall ceiling of the total managerial remuneration as provided under Sections 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year during the tenure of Mr. Kailash Kumar Agarwal, Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above remuneration and/or any revision in the remuneration as may be approved by the Board and/or the Nomination and Remuneration Committee in future during the currency of tenure of the Managing Director, from time to time, as the minimum remuneration for the remainder of the tenure of Mr. Kailash Kumar Agarwal with effect from September 01, 2022 or such other period as may be statutorily permitted by way of salary, perquisites, performance pay, other allowances, commission and benefits as specified hereinabove;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director or the Company Secretary of the Company be authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary document(s), application(s), returns and writings as may be necessary, proper, desirable or expedient.”

7. To approve revised Remuneration of Mr. Raghavkumar Agarwal (DIN: 02836610), Whole-Time Director, CEO & CFO of the Company for the remainder of the current term and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013, the Companies (Appointment and Remuneration

of Managerial Personnel) Rules, 2014, Schedule V to the Companies Act, 2013 and Articles of Association of the Company and such other applicable provisions (including any statutory modification or re-enactment thereof), if any and Regulation 17(6)(e) and 23 of SEBI (Listing and Obligations and Disclosure Requirements), Regulations, 2015, and on the recommendation of Nomination and Remuneration Committee, Audit Committee and Board of Directors, the consent of the Members of the Company be and is hereby accorded to the revised remuneration of Mr. RaghavKumar Agarwal, who was appointed as Whole Time Director for a period of 5 years w.e.f. May 30, 2019, designated as ED CEO & CFO of the Company w.e.f. September 01, 2022 for the remainder of his tenure upto May 29, 2024 on the following terms and conditions:

A. REMUNERATION:

Particulars	Amount (in ₹ per month)
Basic	1,60,000
House Rent Allowance (HRA)	80,000
Other/Special/Grade Allowance	2,14,800
Gross Salary (A)	4,54,800
Leave Travel Allowance (LTA) (B)	10,000
Provident Fund (Employer's Contribution)	19,200
Statutory Annual Bonus / Ex Gratia**	16,000
Other / Statutory Benefits (C)	35,200
Total Cost to Company (per month)	5,00,000
- A+B+C	
Total Cost to Company (per annum)	60,00,000

Important Points

1. LTA and Statutory Annual Bonus / Ex Gratia shall be Payable annually on Earned Basic Salary. In addition, he will be eligible for gratuity and superannuation and leave encashment as per the rules of the Company.
2. In addition to the above, the ED CEO & CFO shall be entitled to a Performance Pay, based on his performance, and/or Commission as determined by the Board / Nomination and Remuneration Committee of the Company, from time to time, which may exceed overall ceilings on managerial remuneration specified in Section 197 read with Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (which shall be deemed to include the Nomination & Remuneration Committee of the Board of Directors) be authorized to do all such acts and take all such steps as it may consider necessary or desirable

to give effect to this resolution and the they are further authorised to alter, vary increase, enhance, widen and/or revise the remuneration as it may, in its absolute discretion and full liberty, deem fit and as may be acceptable to Mr. RaghavKumar Agarwal, notwithstanding that the total Remuneration payable to him may exceed the overall ceiling of the total managerial remuneration as provided under Sections 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year during the tenure of Mr. Raghavkumar Agarwal, ED, CEO & CFO the Company has no profits or its profits are inadequate, the Company may pay to the ED, CEO & CFO the above remuneration and/or any revision in the remuneration as may be approved by the Board and/or the Nomination and Remuneration Committee in future during the currency of tenure of the ED, CEO & CFO, from time to time, as the minimum remuneration for the remainder of the tenure of Mr RaghavKumar Agarwal with effect from September 01, 2022 or such other period as may be statutorily permitted by way of salary, perquisites, performance pay, other allowances, commission and benefits as specified hereinabove;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Director or the Company Secretary of the Company be authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary document(s), application(s), returns and writings as may be necessary, proper, desirable or expedient."

By Order of the Board of Directors

Sd/-

Shubham Jain

Membership Number: A49541

Company Secretary &

Compliance Officer

New Delhi,
 August 10, 2022

Registered office:

15th K.M. Stone, Delhi Road,
 V.P.O. Mayar, Hisar – 125044
 Email id: cs@hpthreads.com
 Website: www.hpthreads.com
 Tel: +91 11 41540471/72/73

NOTES:

1. In view of the continuing COVID-19 global pandemic the Ministry of Corporate Affairs ("MCA") vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 02/2021 dated January 13, 2021, and General Circular No. 02/2022 dated May 5, 2022 (collectively referred to as the "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, Circular No. SEBI/ HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 on May 13, 2022 (collectively "SEBI Circulars") have permitted companies to conduct the Annual General Meeting ("AGM") through Video Conference/ Other Audio Visual subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA and SEBI Circulars, applicable provisions of the Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") the 41st AGM of the Company is being convened and conducted through VC. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, setting out the material facts and reasons for the resolutions in respect of the business set out above is annexed hereto.
4. The relevant details as required under Regulation 36(3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 ('Listing Regulations') and Secretarial Standard on General Meetings ('SS-2'), issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ('AGM'/ 'the meeting') is also annexed as **Annexure-A**.

5. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
 6. The Company is pleased to provide two-way VC facility through VC / OAVM.
 7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system during the AGM will be provided by CDSL.
 8. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 9. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
 11. The Voting rights of Members shall be in proportion to their shares of the paid-up Equity Share Capital of the Company as on Cut-off Date of **September 20, 2022**.
 12. The Register of Members and the Share Transfer Books of the Company shall remain closed from closed from **September 21, 2022 to September 27, 2022** (both days inclusive).
 13. Institutional/Corporate members (i.e. other than individuals/HUF, NRI etc) are required to send a scanned copy (PDF/JPEG format) of its Board or Governing Body resolution/authorisation etc authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting pursuant to section 113 of the Act. The said resolution/authorisation shall be sent to the Company via email through its registered email address at cs@hpthreads.com with a copy to siroyam@gmail.com.
- ### DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:
14. In compliance with the Circulars, owing to the difficulties involved in dispatching of physical copies, the Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.
 15. In line with the Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.hpthreads.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
 16. Member(s) may also note that the Notice of the Meeting and the Annual Report for FY 2021-22 will also be available on the Company's website www.hpthreads.com.
 17. For receiving all communication (including Annual Report) from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by sending signed request letter mentioning your name, email-id, folio number, number of shares held, certificate number, distinctive number and Complete Address along with self-attested copy of PAN card to the Company's Registrar and Share Transfer Agent i.e. Alankit Assignments Limited at rta@alankit.com

- b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant

18. INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on **September 24, 2022 at 9.00 A.M. and ends on September 26, 2022 at 5.00 P.M.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 20, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public noninstitutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs

and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) **Access through depositories CDSL/NSDL E-Voting system in case of Individual Shareholders holding shares in demat mode**

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by the Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p>

Type of shareholders	Login Method
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Access through CDSL E-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders" module.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6. If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of H.P. COTTON TEXTILE MILLS LIMITED on which you choose to vote.

- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Facility for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant

Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs@hpthreads.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For Physical Shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company's Registrar and Share Transfer Agent (Alankit Assignments Limited) at rta@alankit.com.
- For Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP)
- For Individual Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

19. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
20. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
21. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
22. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility

of e-voting during the meeting is available only to the shareholders attending the meeting.

23. Members who are holding shares in physical form or who have not registered their email address with the Company / Depository or any person who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent electronically by the Company, and holds shares as on the cut-off date, i.e. **September 20, 2022**, he/she may write to the CDSL on the E-mail ID: helpdesk.evoting@cdslindia.com. However, if a member is already registered with CDSL for e-voting then existing User ID and password can be used for casting vote.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

24. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
25. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
26. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
27. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS:

28. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@hpthreads.com. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.
29. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
30. The Company reserves the right to restrict the number of questions and number of speakers, depending upon

availability of time as appropriate for smooth conduct of the AGM.

31. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@hpthreads.com. These queries will be replied to by the company suitably by email.

DIVIDEND RELATED INFORMATION:

32. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Tuesday, September 20, 2022, i.e. being the cut-off date will be paid the Final Dividend for the financial year ended 31st March, 2022, as recommended by the Board, if approved at the AGM, on or after Friday, September 30, 2022.
33. Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. Dividend warrants / demand drafts will be despatched to the registered address of the Members who have not updated their bank account details.
34. Members are requested to register / update their complete bank details:
- a) with their Depository Participant(s) with which they maintain their demat accounts, if shares are held in dematerialised mode, by submitting forms and documents as may be required by the Depository Participant(s); and
 - b) with the Company / Alankit by emailing at cs@hpthreads.com or info@alankit.com, if shares are held in physical mode, by submitting:
 - (i) scanned copy of the signed request letter which shall contain Member's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details),
 - (ii) self-attested copy of the PAN card, and
 - (iii) cancelled cheque leaf.
35. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of

making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Particulars	Withholding Tax Rate
Valid PAN updated in the Company's Register of Members	10% or as notified by the Government of India
No PAN/Valid PAN not updated in the Company's Register of Members	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during financial year 2022-23 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the member or details as prescribed under rule 37BC of Income-tax Rules, 1962
- Copy of Tax Residency Certificate for fiscal 2022 obtained from the revenue authorities of the country of tax residence, duly attested by member

- Self-declaration in Form 10F
- Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the member

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.

The aforementioned documents are required to be submitted with the Company/Alankit by emailing at cs@hpthreads.com or info@alankit.com on or before September 13, 2022. No communication would be accepted from members after September 13, 2022 regarding tax withholding matters. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

IEPF RELATED INFORMATION:

36. Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF').

The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

37. In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of

unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website <http://www.hpthreads.com/corporate-information.php>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

38. The Members are requested to claim their unclaimed/unpaid dividend by sending an email to cs@hpthreads.com or info@alankit.com, well within the permissible time period.

Due dates for transfer of unclaimed/unpaid dividends for the financial year 2014-15 and thereafter to IEPF:

FY ended	Declaration Date	Due Date
March 31, 2015	September 24, 2015	October 23, 2022
March 31, 2016	September 23, 2016	October 22, 2023
March 31, 2018	September 22, 2018	October 21, 2025

39. In light of the aforesaid provisions, the Company has, during the year under review, transferred to IEPF the unclaimed dividends outstanding for seven consecutive years of the Company. Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during the FY 2021-22 are as follows:

Financial Year	Amount of unclaimed dividend transferred (in Rs.)	Number of shares transferred
March 31, 2014	141,928	6,544

40. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in and sending a copy of the same, duly signed to the Company at cs@hpthreads.com, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members / Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

GENERAL INFORMATION FOR SHAREHOLDERS:

41. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
42. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
43. The Board of Directors of the Company has appointed Mr. Mukesh Siroya (Membership No. F5682; CoP No. 4157) Proprietor of M/s. M Siroya and Company, Practicing Company Secretaries or failing him Ms. Bhavyata Acharya (Membership No. A25734; CoP No. 21758), Practicing Company Secretary, as Scrutiniser to scrutinise the remote e-voting process and voting during the AGM in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.
44. The voting results declared along with the report of the scrutinizer shall be placed on the Company's website and communicated to the Stock exchange immediately after the declaration of result by the Chairman or a person authorised by him in writing.
45. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the members in respect of the shares held by them. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent, Alankit Assignments Ltd. (RTA). In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
46. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts and arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 and the relevant documents referred to in the Notice, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for

inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@hpthreads.com.

47. Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
 48. As per Regulation 40 of the Listing Regulations and notification issued by SEBI in this regard, the securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of transmission or transposition of securities. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form. In case any clarification is needed in that regard, Members can contact the Company's RTA.
 49. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details/NECS/mandates, nominations, power of attorney, change of address/name, e-mail address, Permanent Account Number ('PAN') details, etc. to their Depository Participant only and not to the Company's RTA. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its RTA to provide efficient and better service to the members.
- In case of members holding shares in physical form, such information is required to be provided to the Company's RTA.
50. Non-Resident Indian Members are requested to inform the Company's Registrar & Transfer Agent (RTA) immediately:
 - a) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
 - b) Any change in their residential status on return to India for permanent settlement.
 51. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to the Company/RTA.
 52. In all correspondence with the Company and/or the RTA, members are requested to quote their folio number and in case their shares are held in the dematerialised form, they must quote their DP ID and Client ID number for easy reference and speedy disposal thereof.

Explanatory Statement Pursuant to Sections 102 of the Companies Act, 2013

Item No. 4

In accordance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI (Listing and Obligations and Requirements) Regulations, 2015 ("SEBI LODR Regulations"), appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Vikram Sumatilal Sheth (DIN: 03349632) be appointed as an Independent Director on the Board of the Company for a term of 5 (five) consecutive Years from April 30, 2022 till April 29, 2027.

The appointment of Mr. Vikram Sumatilal Sheth (DIN: 03349632), shall be effective upon approval/confirmation by the members in the Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Vikram Sumatilal Sheth for the office of Director of the Company. Mr. Vikram Sumatilal Sheth is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Vikram Sumatilal Sheth that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and & Regulation 16(1)(b) under the SEBI LODR Regulations. In the opinion of the Board, Mr. Vikram Sumatilal Sheth is a person of integrity, possesses relevant expertise / experience and fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI LODR Regulations. Mr. Vikram Sumatilal Sheth is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Mr. Vikram Sumatilal Sheth are provided in the "Annexure-A" to the Notice, pursuant to the provisions of (i) SEBI LODR Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Electronic Copy of draft letter of appointment of Mr. Vikram Sumatilal Sheth setting out the terms and conditions of his appointment is available for inspection by the members of the Company. Please refer to Note No. 46 given in the Notice on inspection of documents.

He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings within the limits stipulated under Section 197 of the Act.

It is proposed to authorize the Board of Directors (the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board), to alter and vary the terms and conditions of his appointment and /or remuneration or any part thereof, from time to time in accordance with the applicable provisions of the Companies Act, 2013, rules framed thereunder and SEBI LODR Regulations.

Mr. Vikram Sumatilal Sheth is interested in the resolution set out at Item No. 4 of the Notice with regard to his appointment. Relatives of Mr. Vikram Sumatilal Sheth may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the SEBI LODR Regulations.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Vikram Sumatilal Sheth on the Board of the Company and accordingly the Board recommends the appointment of Mr. Vikram Sumatilal Sheth as an Independent Director as proposed in the Resolution set out at Item No. 4 of the accompanying Notice for approval by the Members.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 5

In accordance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI (Listing and Obligations and Requirements) Regulations, 2015 ("SEBI LODR Regulations"), appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Siddharth Agrawal (DIN: 09693278), be appointed as an Independent Director on the Board of the Company for a term of 1 (one) year from August 10, 2022 till August 09, 2023.

The appointment of Mr. Siddharth Agrawal (DIN: 09693278), shall be effective upon approval/confirmation by the members in the Meeting.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Siddharth Agrawal for the office of Director of the

Company. Mr. Siddharth Agrawal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Siddharth Agrawal that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and & Regulation 16(1)(b) under the SEBI LODR Regulations. In the opinion of the Board, Mr. Siddharth Agrawal is a person of integrity, possesses relevant expertise / experience and fulfils the conditions for his appointment as an Independent Director as specified in the Act and the SEBI LODR Regulations. Mr. Siddharth Agrawal is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Mr. Siddharth Agrawal are provided in the "Annexure-A" to the Notice, pursuant to the provisions of (i) SEBI LODR Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Electronic Copy of draft letter of appointment of Mr. Siddharth Agrawal setting out the terms and conditions of his appointment is available for inspection by the members of the Company. Please refer to Note No. 46 given in the Notice on inspection of documents.

He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings within the limits stipulated under Section 197 of the Act.

It is proposed to authorize the Board of Directors (the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board), to alter and vary the terms and conditions of his appointment and /or remuneration or any part thereof, from time to time in accordance with the applicable provisions of the Companies Act, 2013, rules framed thereunder and SEBI LODR Regulations.

Mr. Siddharth Agrawal is interested in the resolution set out at Item No. 5 of the Notice with regard to his appointment. Relatives of Mr. Siddharth Agrawal may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the SEBI LODR Regulations.

Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Siddharth Agrawal on the Board of the Company and accordingly the Board recommends the appointment of Mr. Siddharth Agrawal as an Independent Director as proposed in the Resolution set out at Item No. 5 of the accompanying Notice for approval by the Members.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No. 6

Mr. Kailash Kumar Agarwal (DIN: 00063470) was re-appointed as Managing Director designated as Chairman and Managing Director of the Company by the Board of Directors in its meeting held on July 06, 2020

And the Shareholders of the Company on August 30, 2020 had, inter-alia, approved the following by way of postal ballot:

- (i) Re-appointment of Mr. Kailash Kumar Agarwal as Managing Director for a period of 5 years commencing from August 6, 2020; and
- (ii) Approved remuneration payable to Mr. Kailash Kumar Agarwal as Managing Director in terms of Section 197 and Schedule V read with SEBI (Listing and Obligations and Requirements) Regulations, 2015 ("SEBI LODR Regulations") for a period of 3 years from April 1, 2020 to March 31, 2023 (including the period commencing from April 1, 2020 to August 5, 2020 of the previous tenure).

Therefore, it is necessary to seek approval of shareholders for payment of remuneration, including proposed revision, in terms of Section 197 and Schedule V read with SEBI LODR Regulations for the remainder of the term from September 01, 2022 and ending on August 5, 2025.

Therefore, subsequent to the declaration of the annual audited financial results for the financial year ended March 31, 2022 in the Board meeting held on May 09, 2022, the Companies net worth for the financial year ended March 31, 2022 exceeds the limit as mentioned in the Regulation 15(2) of SEBI LODR Regulations. Therefore, the Company needs to comply with the Corporate Governance provisions of SEBI LODR Regulations.

In accordance with the Regulation 17(6)(e) of SEBI LODR Regulations, the fees or compensation payable to executive directors who are promoters or members of promoter group shall be subject to approval of Shareholders by Special Resolution if:

- i. the annual remuneration payable to such executive director exceeds rupees 5 crores or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- ii. where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity

Therefore, subsequent to the applicability of Regulation 17(6)(e) of SEBI LODR Regulations, the shareholders are required to approve the remuneration of Mr. Kailash Kumar Agarwal, Managing Director designated as Chairman and Managing Director of the Company by passing the Special Resolution on the recommendation of Audit Committee, Nomination and Remuneration Committee and Board of Directors.

The remuneration payable to Mr. Kailash Kumar Agarwal is commensurate with his abilities and experience and accordingly the Board of Directors recommend passing of the Special Resolution as set out in Item No. 6 of this Notice.

The Nomination and Remuneration Committee, Audit Committee and the Board have at their respective meeting(s) held on August 10, 2022, subject to the approval of the members of the Company, accorded their approvals for payment of aforesaid remuneration to Mr. Kailash Kumar Agarwal w.e.f. September 01, 2022 for the remainder of his tenure upto August 05, 2025. The Board also, in the interest of the Company, recommends the aforesaid resolution as set out in this Notice for approval of the Members at item no. 6.

For this purpose, Special Resolution is required to be passed in the General Meeting and accordingly, your approval is solicited by way of Special Resolution.

The Board of Directors recommend passing of the Special Resolution as set out in Item No. 6 of this Notice.

Save and except Mr. Kailash Kumar Agarwal, Managing Director and Mr. RaghavKumar Agarwal, Executive Director, CEO and CFO and their relatives to the extent of their respective shareholding interest, if any, in the Company for Item no. 6 none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item no. 6.

The information as required to be disclosed under paragraph (iv) of the second proviso of Paragraph B of Section II of Part II of Schedule V to the Companies Act, 2013 is given in the Annexure – B to the Notice in respect of Mr. Kailash Kumar Agarwal.

Item No. 7

Mr. Raghavkumar Agarwal (DIN: 02836610) was appointed as a Whole Time Director (Executive Director) of the Company for a period of five years with effect from May 30, 2019 till May 29, 2024, the Shareholders of the Company on November 08, 2019 had, inter-alia, approved the appointment of Mr. RaghavKumar Agarwal as Executive Director, Chief Executive Officer & Chief Financial Officer (ED, CEO & CFO) of the Company for a period of 5 years commencing from May 30, 2019.; and

Further, the Shareholders of the Company on August 30, 2020 by way of postal ballot had, inter-alia, approved a revision in remuneration payable to Mr. RaghavKumar Agarwal as ED, CEO & CFO in terms of Section 197 and Schedule V read with SEBI (Listing and Obligations and Requirements) Regulations, 2015 (“SEBI LODR Regulations”) for a period of 3 years from April 1, 2020 to March 31, 2023.

Therefore, it is necessary to seek approval of shareholders for payment of remuneration in terms of Section 197 and Schedule V read with SEBI LODR Regulations for the remainder of the term from September 01, 2022 and ending on May 29 2024.

Therefore, subsequent to the declaration of financial results for the financial year ended March 31, 2022 in the Board meeting held on May 09, 2022, the Companies net worth for the financial year ended March 31, 2022 exceeds the limit as mentioned in the Regulation 15(2) of SEBI LODR Regulations. Therefore, the Company needs to comply with the Corporate Governance provisions of SEBI LODR Regulations.

In accordance with the Regulation 17(6)(e) of SEBI LODR Regulations, the fees or compensation payable to executive directors who are promoters or members of promoter group shall be subject to approval of Shareholders by Special Resolution if:

- iii. the annual remuneration payable to such executive director exceeds rupees 5 crores or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- iv. where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity

Therefore, subsequent to the applicability of Regulation 17(6) (e) of SEBI LODR Regulations, the shareholders are required to approve the remuneration of Mr. Raghavkumar Agarwal, Whole-Time Director designated as Executive Director, CEO & CFO of the Company by passing the Special Resolution on the recommendation of Audit Committee, Nomination and Remuneration Committee and Board of Directors.

The Nomination and Remuneration Committee, Audit Committee and the Board have at their respective meeting(s) held on August 10, 2022, subject to the approval of the members of the Company, accorded their approvals for payment of aforesaid remuneration to Mr. RaghavKumar Agarwal w.e.f. September 01, 2022 for the remainder of his tenure upto May 29, 2024. The Board also, in the interest of the Company, recommends the aforesaid resolution as set out in this Notice for approval of the Members at item no. 7.

In view of the performance and tireless efforts of Mr. Raghavkumar Agarwal in establishing many new internal projects, improving the operational efficiency, achieving a record consolidated and export turnover of the Company in a short span, and bringing in a new dynamic vision, road-map and professionalism for growth and re-alignment.

For this purpose, Special Resolution is required to be passed in the General Meeting and accordingly, your approval is solicited by way of Special Resolution.

The Board of Directors recommend passing of the Special Resolution as set out in Item No. 7 of this Notice.

Save and except Mr. Kailash Kumar Agarwal, Managing Director and Mr. RaghavKumar Agarwal, Executive Director, CEO and CFO and their relatives to the extent of their respective shareholding interest, if any, in the Company for Item no. 7, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item no. 7.

The information as required to be disclosed under paragraph (iv) of the second proviso of Paragraph B of Section II of Part II of Schedule V to the Companies Act, 2013 is given in the Annexure – B to the Notice in respect of Mr. RaghavKumar Agarwal.

Annexure - A

Details of the Directors retiring by rotation/ appointment / re-appointment at the Annual General Meeting

[Pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

Name	Mr. Raghavkumar Agarwal	Mr. Vikram Sumatilal Sheth	Mr. Siddharth Agrawal
Directors Identification Number (DIN)	02836610	03349632	09693278
Date of Birth	05-10-1986	16-04-1972	01-09-1988
Age	35 years	50 years	33 years
Nationality	Indian	Indian	Indian
Qualification	Bsc. in Management Science from Warwick Business School, University of Warwick, U K.,	BE (Chemical Plant Engineering) from University of Mumbai and Masters in Management Studies (MMS) from NMIMS (University of Mumbai	B.B.A LL.B and Masters in Law from LSE, London
Brief Profile	<p>He holds a Bachelor Degree in Management Sciences, from Warwick Business School, University of Warwick, England, UK. He completed his industrial training in textiles from Manchester and he is the current CEO and Executive Director of the company.</p>	<p>He comes with more than 25 years of experience in the financial services space.</p> <p>He has assisted corporates in raising funds of more than USD 3 billion in the form of equity/debt. His previous stints include working with ICICI Securities, Edelweiss, and Religare, where he held leadership positions for their investment banking practice.</p> <p>Mr. Vikram is currently focussed as a Director on NewAge Stratfin Advisors Private Limited to build their Investment Banking platform. Mr. Vikram is also a visiting faculty member at NMIMS, a prestigious B-School in India. He served as an Independent Director on the Board of PNBISL.</p>	<p>Mr. Siddharth Agrawal is an Advocate by profession. He has more than 10 years of experience in arbitration, civil and commercial litigation. His practice encompasses advising and representing parties in international arbitration matters and in arbitration matters seated in India.</p> <p>He has worked with various top law firms of India.</p> <p>He is also an Advocate-on-Record, Supreme Court of India and regularly appear before the Supreme Court of India, Delhi High Court and Tribunals.</p>
Terms and conditions of appointment and re-appointment	Liable to Retire by Rotation	Not Liable to Retire by Rotation	Not Liable to Retire by Rotation
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA	<p>The Nomination and Remuneration Committee had identified amongst others, Corporate Finance, Risk Management, implementation of strategy as the key skills and capabilities for the role. Considering the qualification, rich experience and expertise of Mr. Vikram, he possesses the requisite skills and capabilities required for the role of Independent Director of the Company</p>	<p>The Nomination and Remuneration Committee had identified amongst others, Litigation, policy making and Operations as the key skills and capabilities for the role. Considering the qualification, rich experience and expertise of Mr. Siddharth, he possesses the requisite skills and capabilities required for the role of Independent Director of the Company</p>

Name	Mr. Raghavkumar Agarwal	Mr. Vikram Sumatilal Sheth	Mr. Siddharth Agrawal
Expertise in Specific Area	Continuing as the CEO & CFO of the company since the last 6 years, having more than 16 years of experience in Textile Industry	He specializes in advising corporates and promoters on finance related issues.	He specializes in arbitration, civil and commercial litigation.
Date of first appointment on the Board of the Company	30.05.2019	30.04.2022	10.08.2022
Directorship in other limited companies (excluding HP Cotton Textile Mills Limited)	1. Achhar Investments Limited 2. Sailesh Textile Mfg Co Ltd 3. Jainish Products Limited 4. Sacred Trading and Investment Company Limited	Nil	Nil
Name of listed entities from which the person has resigned in the past three years	Nil	Nil	Nil
Relationship with other Directors and Key Managerial Personnel	Son of Mr. Kailash Kumar Agarwal	Nil	Nil
Membership/Chairmanship of committee of Directors of other companies	Nil	Nil	Nil
No. of Share held as on 31-03-2022 either by self or as a beneficial owner	86,068	Nil	Nil
Number of Meetings of the Board attended during the financial year 2021-22	7 (Seven)	Not Applicable	Not Applicable
Remuneration last drawn (FY 2021-22) (including sitting fees, if any)	124.11 lacs	Nil	Nil
Details of remuneration sought to be paid	As per existing approved terms and conditions	As per the resolution at Item No. 4 of the Notice convening this Meeting read with explanatory statement thereto	As per the resolution at Item No. 5 of the Notice convening this Meeting read with explanatory statement thereto

By Order of the Board of Directors

Sd/-

Shubham Jain

Membership Number: A49541
Company Secretary & Compliance Officer

New Delhi,
August 10, 2022

Registered office:

15th K.M. Stone, Delhi Road,
V.P.O. Mayar, Hisar – 125044
Email id: cs@hpthreads.com
Website: www.hpthreads.com
Tel: +91 11 41540471/72/73

Annexure - B

The Statement Containing Additional Information as Required Under Schedule V of the Act in Respect to Resolution No. 6 and 7 of the Notice

I. GENERAL INFORMATION:

1. Nature of Industry:

Established in 1981, HP Cotton Textile Mills Limited (HP Cotton), as a part of Dora Group, a leading textile group of India, specializes in manufacturing cotton yarns and threads with its integrated manufacturing plant at Hisar, and Corporate Office at New Delhi. The company is the largest exporter of Cotton Sewing Thread, exporting to more than 30 countries worldwide being a leader in its product segment globally.

2. Date or expected date of commencement of commercial production:

The Company was incorporated on September 03, 1981 and the Certificate of Commencement of Business was granted on January 05, 1982. Since then, the Company had commenced its business.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable

4. Financial performance based on given indicators:

Financial year	(₹ In lacs)		
	2021-22	2020-21	2019-20
Gross Revenue	13,449.82	9,788.69	8,363.08
Profit before Interest, Depreciation and Tax	1,565.72	1,068.58	632.08
Profit after Tax	703.96	359.76	33.93
Rate of Dividend	10%	Nil	Nil
Earning per Share	18.48	9.46	0.90

5. Foreign investments or collaborations, if any:

The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company during the previous three financial years. The foreign investors, mainly comprising FII's and NRIs are investors in the Company on account of past issuances of securities and/or secondary market purchases. As on June 30, 2022, the aggregate foreign shareholding in the Company was approx 0.49%.

II. INFORMATION ABOUT THE APPOINTEE(S):

1. Mr. Kailash Kumar Agarwal, Chairman and Managing Director

a) Background details, Job Profile and his suitability:

Mr. Kailash Kumar Agarwal holds LLB (Bachelor in Law) Degree from Delhi University and a Bachelor Degree in Commerce from the University of Calcutta, is one of the Founder Directors and Promoter of HP Cotton.

Being one of the First Directors of the company, he has been serving the company for more than 3 decades, and guided the company through various ups and downs since its inception more than 41 years ago.

He is also the Chairman and Managing Director of HP Cotton with 38 years' experience with HP Cotton itself, starting his textile journey from garments and hosiery knitwear division in Dora Undergarments. He has an immense experience technically and commercially in the company's product segments, and with his contribution to the company becoming a leader in its products segment not only in India but globally. With his experience and knowledge, Company has reached various milestones in achieving a record growth in export of the Company, thereby continuing its leading position in the cotton thread segment worldwide and is continuous guiding light to the company's new vision of achieving greater heights in the textile industry.

b) Past remuneration and remuneration proposed:

Details on proposed remuneration have been stated in Resolution no. 6 of the Notice. In monetary terms, the remuneration for the last 3 financial years is given hereunder:

Financial Year	(₹ In lacs)		
	2021-22	2020-21	2019-20
Mr. Kailash Kumar Agarwal	172.96	125.07	24.57

c) Recognition or awards:

He was a recipient of Udyog Rattan Award in 2016 conferred by the Institute of Economic Studies.

d) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of origin):

Taking into consideration the size of the Company, the profile of the Managing Director, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate and modest and is less than the remuneration packages paid to similar senior levels in other companies.

e) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any:

Mr. Kailash Kumar Agarwal has no pecuniary relationship with the Company or its Key Managerial Personnel other than his remuneration in the capacity of the Managing Director. As on date of this notice, he holds 5,43,158 shares in the Company in his personal capacity and is the Significant Beneficial Owner and a promoter of the Company.

2. Mr. RaghavKumar Agarwal, Whole-Time Director**a) Background details, Job Profile and his suitability:**

Mr. RaghavKumar Agarwal, a Bsc in Management Sciences, from Warwick Business School, University of Warwick, England, UK. He completed his industrial training in textiles from Manchester and he is the current CEO and Executive Director of the company. He has been full-time associated with the Company for more than 7 years now. He has been instrumental in transforming the Company's vision dynamically with the introduction of technology and modern manufacturing techniques and harnessing the human capital of the Company, with a core focus on achieving highest levels of efficiencies and has a strong vision for sustainable growth for the Company being achieved through economic, social and environmental sustainability.

He has also been the serving as the CFO of the Company as an additional responsibility for the last few years.

His passion, commitment, knowledge and the dynamic approach towards the business, has resulted in tangible and intangible gains for the Company.

b) Past remuneration and remuneration proposed:

Details on proposed remuneration have been stated in Resolution no. 7 of the Notice. In monetary terms, the remuneration for the last 3 financial years is given hereunder:

(₹ In lacs)

Financial Year	2021-22	2020-21	2019-20
Mr. RaghavKumar Agarwal	124.11	99.38	17.81

c) Recognition or awards:

Nil

d) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of origin):

Taking into consideration the size of the Company, the profile of the Whole-Time Director, CEO & CFO, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate and modest and is less than the remuneration packages paid to similar senior levels in other companies.

e) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Mr. RaghavKumar Agarwal has no pecuniary relationship with the Company or its Key Managerial Personnel other than his remuneration in the capacity of the Executive Director, CEO & CFO. As on date of this notice, he holds 86,068 shares in the Company in his personal capacity and is the son of Mr. Kailash Kumar Agarwal, Managing Director and Promoter of the Company.

III. OTHER INFORMATION:**1. Reason of loss or inadequate profits:**

Although the Company has posted a nominal profit, the profits are still inadequate as per the provisions of the act. The main reason for inadequacy is due to economic slowdown in certain markets worldwide and devaluation of their currencies leading to lesser demand from the markets in the year, thereby reducing the performance of the Company.

2. Steps taken or proposed to be taken for improvement:

The Company is making continuous efforts to add new geographies markets to its market portfolio, focussed on new product development, and lastly further seriously looking at technology upgradation to be at par with modern cost efficiency standards and benchmarks, besides de-bottlenecking and adding new allied product lines.

3. Expected increase in productivity and profits in measurable terms:

With increasing market portfolio and technology upgradation, the business is expected to improve in the coming financial year. With the introduction of new products and addition of geographies, the company is seeing a significant increase in demand for its products from global markets, also enhanced by quicker turnaround time. The management is cautiously optimistic towards the external economic environment and expects consumer demand to become more

consistent and robust in the current financial year. Further, various policy decisions taken would act as growth channel for the Company which would contribute in increased revenues and higher margins.

By Order of the Board of Directors

Sd/-

Shubham Jain

Membership Number: A49541

Company Secretary &

Compliance Officer

New Delhi,
August 10, 2022

Registered office:

15th K.M. Stone, Delhi Road,
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