

29<sup>th</sup> May 2017

BSE Limited  
Corporate Relationship Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001  
Fax No: 022-22721919, 3121  
BSE Scrip code: 502873

**OUTCOME OF THE BOARD MEETING/FINANCIAL RESULTS**

**Reg: i. Audited Financial Results for the Quarter/ Financial Year ended 31<sup>st</sup> March 2017**

**ii. Passing over of dividend for the Financial Year 2016-17**

Dear Sir,

In Continuation to our letter dated 18<sup>th</sup> May, 2017 and pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations], we would like to inform you that the Board of Directors of the Company has, at its meetings held today, i.e. 29<sup>th</sup> May 2017, inter-alia, considered and approved the Audited Financial Results of the Company for the Quarter/ Financial Year ended 31<sup>st</sup> March 2017. The same were also reviewed by the Audit Committee in its meeting held on 29<sup>th</sup> May, 2017.

Pursuant to Regulation 33 of SEBI (LODR) Regulation, we enclose the following:

- (i) Statement showing the Audited Financial Results for the quarter/ financial year ended 31<sup>st</sup> March, 2017.
- (ii) Auditors' Report on the Audited Financial Results.

Further, pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2017 read with circular no. CIR/CFD/CMD/56/2016 dated May 27, 2017, we hereby declare that the auditors have given unmodified opinion on the above referred Auditor's Report on the Audited Financial Results.

Further, pursuant to Regulation 46(2) (1) of SEBI (LODR) Regulations, the said financial results are being uploaded on the website of the Company.

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

Regd. Office & Works:

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

Tel: 01662 261425/26/27 | Fax: 01662 261417

Email: hisar@hpthreads.com

**Corporate Office:**

1E/12 Jhandewalan Extension, 4th Floor, New Delhi - 110 055, India

Tel: +91 (0)11 23636663/64, 41540471 | Fax: +91 (0)11 2354 1076, 23610076

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Further, pursuant to Regulation 47(I) (b) of SEBI (LODR) Regulations, the Extract of Statement of Audited Financial Results in the Format as prescribed in Annexure XI of SEBI Circular No. CIR/CFD/CMD/15/2015 dated 30.11.2015 is being sent for publication in newspapers.

Further, in view of losses of the Company during financial year ended 31<sup>st</sup> March, 2017, the Board of Directors has not recommended any dividend on the Equity Shares of the Company for the financial year ended 31<sup>st</sup> March 2017.

The Meeting of the Board of Directors commenced at 12.30 P.M and concluded at 6.00 P.M.

We request you to kindly bring the above information to the notice of your members.

**Thanking you,**

**Yours truly,**

For *H P Cotton Textile Mills Limited,*



**Shashi Ranjan Kumar**  
**(Company Secretary & Compliance Officer)**



# **A K ASSOCIATES**

Chartered Accountants

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of H P Cotton Textile Mills Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **H P Cotton Textile Mills Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

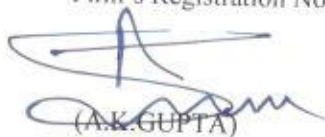


principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
  - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 and 27 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management –Refer Note 28 to the financial statements.

For A.K. ASSOCIATES  
Chartered Accountants  
Firm's Registration No. 000596N



(A.K. GUPTA)  
PARTNER  
Membership No. 16533

Place of Signature: NEW DELHI

Date: 29<sup>th</sup> May, 2017

# A K ASSOCIATES

Chartered Accountants

**Annexure referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date**

**Re: H P Cotton Textile Mills Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
  - (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
  - (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
  - (iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities granted and investments made in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
  - (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
  - (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of products, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
  - (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
    - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
    - (c) According to the records of the Company, there are no dues of income tax or sales tax or service tax or customs duty or excise duty or value added tax which have not been deposited on account of any dispute.
    - (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the



management, we are of the opinion that the Company has not defaulted in repayment of dues of loans and borrowing from banks. Further, the Company does not have any debentures and loans from financial institutions and government.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments. The term loans were applied for the purposes for which those are raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For A.K. ASSOCIATES  
Chartered Accountants  
Firm's Registration No. 000596N



(A.K.GUPTA)  
PARTNER  
Membership No. 16533

Place of Signature: NEW DELHI

Date: 29<sup>th</sup> May, 2017

# **A K ASSOCIATES**

Chartered Accountants

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF H P COTTON TEXTILE MILLS LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of H P Cotton Textile Mills Limited

We have audited the internal financial controls over financial reporting of H P Cotton Textile Mills Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial



reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of Company, which comprise the Balance Sheet as at March 31, 2017, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated 29<sup>th</sup> May, 2017 has expressed an unqualified opinion thereon.

For A.K. ASSOCIATES  
Chartered Accountants  
Firm's Registration No. 000596N



(A.K.GUPTA)  
PARTNER  
Membership No. 16533

Place of Signature: NEW DELHI

Date: 29<sup>th</sup> May, 2017





**H P COTTON TEXTILE MILLS LIMITED**

Regd. Office: 15th K.M. Stone, Delhi Road, Hisar 125044, Haryana

CIN: L18101HR1981PLC012274,

Ph. No. 91-11-41540471, Fax: 91-11-49073410,

Website: <http://www.hpthreads.com> - E-mail: [info@hpthreads.com](mailto:info@hpthreads.com)**FINANCIAL RESULTS FOR THE QUARTER/YEAR ENDED 31.03.2017**

(Rs. In Lakhs)

PART-1

Particulars	Quarter Ended			Year Ended	
	31-Mar-2017 Unaudited	31-Dec-2016 Unaudited	31-Mar-2016 Unaudited	31-03-2017 Audited	31-03-2016 Audited
<b>1. Income from Operations</b>					
(a) Net Sales/Income from Operations (Net of excise duty)	2917	2167	2161	9024	8850
(b) Other Operating Income					
<b>Total income from Operations (net)</b>	<b>2917</b>	<b>2167</b>	<b>2161</b>	<b>9024</b>	<b>8850</b>
<b>2. Expenses</b>					
Cost of Materials consumed	1490	1182	1066	4684	4052
Changes in inventories of finished goods, work-in-progress and stock-in-trade	110	(42)	(62)	6	101
Employee benefits expense	416	522	490	1852	1767
Depreciation and amortization expense	27	28	39	108	120
Corporate Social Responsibility Exp.					
Other expenses	762	659	601	2588	2427
<b>Total Expenses</b>	<b>2805</b>	<b>2349</b>	<b>2134</b>	<b>9238</b>	<b>8467</b>
<b>3. Profit / (Loss) (from operations before other income, finance costs and exceptional items (1-2))</b>	<b>112</b>	<b>(182)</b>	<b>27</b>	<b>(214)</b>	<b>383</b>
4. Other Income	13	24	27	46	53
<b>5. Profit / (Loss) ( from ordinary before finance costs and exceptional items (3 + 4))</b>	<b>125</b>	<b>(158)</b>	<b>54</b>	<b>(168)</b>	<b>436</b>
6. Finance Costs	47	59	25	168	139
<b>7. Profit / (Loss) (from ordinary activities after finance costs but before exceptional items (5 - 6))</b>	<b>78</b>	<b>(217)</b>	<b>29</b>	<b>(336)</b>	<b>297</b>
8. Exceptional Items	0	0	0	0	0
<b>9. Profit / (Loss) from ordinary activities before tax</b>	<b>78</b>	<b>(217)</b>	<b>29</b>	<b>(336)</b>	<b>297</b>

## H P COTTON TEXTILE MILLS LIMITED

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(7 +8)					
10. Tax expense	22	(70)	2	(113)	95
11. Net Profit /(Loss)from ordinary activities after tax (9 - 10)	56	(147)	27	(223)	202
12. Extraordinary items (net of tax ` expense in Lakhs)	0	0	0	0	0
13. Net Profit / (Loss) for the period (11 +12)	56	(147)	27	(223)	202
14. Paid-up equity share capital (Face Value of the Share shall be indicated)	381	381	381	381	381
15. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					
16. Earnings per share (of Rs 10 each) not annualized in Rs Basic	1.48	-3.85	0.72	-5.85	5.30
Diluted					

### PART-2

### ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> MARCH, 2017

Particulars	31-13-2017 (Audited)	31-03-2016 (Audited)
SHARE CAPITAL	381	381
RESERVE	1276	1499
<b>NON CURRENT LIABILITIES</b>		
Long Term Borrowing	710	8
Deferred Tax Liabilities		
Other Long Term Liabilities		
Long Term Provisions	282	237
<b>CURRENT LIABILITIES</b>		
Short Term Borrowing	1253	1054
Trade Payables	1487	624
Other Current Liabilities	379	336
Short Term Provisions	145	273
<b>NON CURRENT ASSETS</b>		

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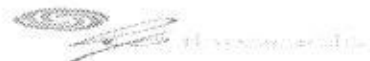
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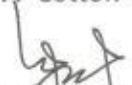


Fixed Assets:	1766	778
Tangible Assets		
Capital Work-in-progress		
Long Term Loan and Advances	151	124
Deferred Tax assets	128	10
<b>CURRENT ASSETS</b>		
Inventories	760	551
Trade Receivables	870	734
Cash and Bank Balance	211	788
Short Term Loan & Advances	686	612

### Note:

1. The above financial results were reviewed and recommended by the Audit Committee and has been approved by the Board of Directors and taken on record in their meeting held on 29<sup>th</sup> May, 2017.
2. In accordance with the provision of Accounting Standard 17, the company has primary reportable segment consisting of 'Textile' (Spinning). Hence segment wise reporting as defined is not applicable.
3. Due to inadequate Profit this financial year, Board is not able to recommend any dividend.
4. The Company does not have any exceptional or extraordinary item to report for the above period.
5. Figures for the quarter ending 31/03/2017 and 31/03/2016 are the balancing figures between Audited figures for the full financial year and the published year to date figures upto the third quarter of the current financial year of the Company.
6. Previous period figures have been regrouped, rearranged, restarted and re classified wherever necessary, for the purpose of comparison.
7. This statement is as per Reg. 33 of SEBI(LODR) Regulation, 2015.
8. The quarterly/annual financial results are available on the Company website ([www.hpthreads.com](http://www.hpthreads.com)) and also on the website of BSE Limited ([www.bseindia.com](http://www.bseindia.com)).

For H P Cotton Textile Mills Limited

  
Kailash Kumar Agarwal  
Managing Director  
DIN: 00063470



Place: New Delhi  
Date: 29/05/2017