



May 29, 2023

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

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

Sub: Annual Secretarial Compliance Report for the financial year ended March 31, 2023

Dear Sir,

Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with relevant circular(s) issued by SEBI/Stock Exchanges from time to time, please find enclosed herewith Annual Secretarial Compliance Report for the financial year ended March 31, 2023 issued by M/s M Siroya and Company, Practicing Company Secretaries.

Thanking You,

Yours Faithfully,

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

Shubham Jain

Company Secretary and Compliance Officer

Encl: As above



H.P. Cotton Textile Mills Limited

(A Government of India recognised Star Export House)

Corporate Office:

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New Delhi - 110065, India

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E: info@hpthreads.com

Regd. Office & Works:

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

CIN NO. L18101HR1981PLC012274



ISO 9001 : 2008

M Siroya and Company

Company Secretaries

A-103, Samved Building (Madhukunj), Near EktaBhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066
Tel.:+91 22 28706523/24; 28546523(D); Cel.:+91 9324310151; E-mail: siroyam@gmail.com; www.msiroya.com

Secretarial Compliance Report of H P Cotton Textile Mills Limited For the financial year ended on March 31, 2023

(Regulation 24A(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by H P Cotton Textile Mills Limited (hereinafter referred as 'the listed entity'), having its Registered office at 15th K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar Haryana-125044, Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide our observations thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and subject to the reporting made hereinafter:

We, M Siroya and Company, Company Secretaries, represented by Mr. Mukesh Siroya, Proprietor, have examined:

- (a) all the documents and records made available to us and explanation provided by **H P Cotton Textile Mills Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended March 31, 2023 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR");
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company);
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021(during the period under review not applicable to the Company);
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (during the period under review not applicable to the Company);
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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- (h) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (during the period under review not applicable to the Company);
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
- (j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; and circulars / guidelines issued thereunder);

And based on the above examination, we hereby report that, during the Review Period:

I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/Fine/Show Cause Notice/ Warning, etc.)	Details of Violation	Fine Amount	Observations/ Remarks of the Practising Company Secretary	Management Response	Remarks
1	Composition of the Board including appointment of a woman director under Regulation 17(1) of SEBI LODR	SEBI LODR	Board Composition not in accordance with the Regulation 17(1)	BSE	BSE levied fine for alleged non-compliance under Regulation 17(1) of SEBI	Composition of the Board including appointment of a woman director under Regulation 17(1) of SEBI LODR	Rs.2,36,000	There seems no non-compliance	Upon approval of the audited financials on May 9, 2022 for the financial year ended on March 31, 2022, pursuant to which the net worth of the Company exceeded INR 25 Crore and consequently, the Corporate Governance provisions, as specified in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), have become applicable on the Company for the first time. Therefore, in accordance with the first proviso of Regulation 15(2)(a) of SEBI LODR Regulations, the Company had 6 Months to ensure compliances of the conditions of the Corporate Governance provisions, including composition of the Board, its various committees and other compliance	None

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	<p>availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>		The Company doesn't have any material subsidiary.
3	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	<p>There was no such instance of resignation during the Review Period in the Company.</p> <p>The Company doesn't have any material subsidiary.</p>

*Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'

III. We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/Remarks by PCS*
1	<p>Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes	-

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	SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015		
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations:	Yes	-
8	Related Party Transactions: a. The listed entity has obtained prior approval of Audit Committee for all Related party transactions: or b. The listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes (Please refer our comments) Yes	Except certain transaction(s) which were subsequently ratified by the Audit Committee Certain transactions were subsequently ratified and approved by the Audit Committee
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 alongwith Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	-
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	The Company previously maintained a MS Excel file. Subsequently, the Company acquired a software for maintaining the Structured Digital Database (SDD) in the third quarter of 2022-23 and the same has been functional w.e.f. January 1, 2023 and accordingly the Company ensured compliance with the requirement of maintenance of SDD in accordance with Regulation 3(5) and 3(6) of the SEBI (PIT) Regulations, 2015.
11	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through	No	During the Review Period, BSE levied fine for alleged non-compliance under Regulation 34 and Regulation 17(1) of SEBI LODR.

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	various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.		The Company has filed replies. Thereafter, as directed by BSE, the Company has applied to the BSE for waiver. The fine levied under Reg. 34 has been waived off. The Waiver Application under Reg. 17(1) is pending before BSE.
12	Additional Non-compliances, if any No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc	Yes	-

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For M Siroya and Company Company Secretaries

**MUKESH
KUMAR
SIROYA**

Digitally signed by MUKESH
KUMAR SIROYA
DN: cn=MUKESH KUMAR
SIROYA, o=IN, h=MUMBAI,
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mukeshsiroya@gmail.com,
serialNumber=15e690278c342
c229e0e068160307c4076811
e7e45ac33858344623
Date: 2023.05.29 18:48:44
+0530'

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN: F005682E000412330
PR No: 1075/2021

Date: May 29, 2023
Place: Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

M Siroya and Company *Company Secretaries*

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'Annexure A'

To,
H P Cotton Textile Mills Limited
15th K.M. Stone, Delhi Road,
V.P.O. Mayar, Hisar Haryana-125044

Our report of even date is to be read along with this letter.

1. Maintenance of record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of SEBI laws, rules, regulations, circulars and guidelines is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
5. As regards the books, papers, forms, reports and returns filed by the Company under these regulations, the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.

For M Siroya and Company
Company Secretaries

**MUKESH
KUMAR
SIROYA**

Digitally signed by MUKESH
KUMAR SIROYA
DN: cn=MUKESH KUMAR
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serialNumber=106602/8342
c2246aa89110027c0a076181
e7463a2c84a5341623
Date: 2023.05.29 16:56:07
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Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN: F005682E000412330
PR No: 1075/2021

Date: May 29, 2023
Place: Mumbai