

# Corporate Governance Report

## COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is the creation and enhancement of long-term sustainable value for our stakeholders, comprising regulators, employees, customers, vendors, investors, and the society at large, through ethically driven business practices. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of Corporate Governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

At the H.P. Cotton Textile Mills Limited ('**HP Cotton**'), Corporate Governance is all about maintaining a valuable relationship and trust with all the stakeholders. We consider stakeholders as partners in our success and remain committed to maximising stakeholders' value, be it customers, employees, vendors, investors & shareholders, society at large and government & regulatory authorities.

We embed the highest standards of governance in our operations, striving to manage our affairs in a fair, accountable and transparent manner and is committed to conduct its business in accordance with the applicable laws, rules & regulations and with highest standards of professionalism, ethics, integrity and objectivity. Our focus is not only to follow corporate governance guidelines, but best practices as well.

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 ₹ 25 Crore and consequently, the Corporate Governance provisions, as specified in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**'), have become applicable on the Company.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) and (t) of Regulation 46(2) of SEBI Listing Regulations, as applicable, with regard to corporate governance.

## Code of Conduct and Ethics

The Company has adopted a 'Code of Conduct and Ethics' which is applicable for its Directors and Senior Management of the Company in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts.

The code lays down the standard procedure of business conduct which is expected to be followed by the Directors and Senior Management of the Company in their business dealings and in particular on matters relating to integrity in the work place, in the business practices and in dealing with stakeholders.

The code also lays down that Board Members and Senior Management of the Company shall ensure compliance with SEBI (Prohibition of Insider Trading) regulations, 2015 as also other regulations as may be applicable to them from time to time.

The Code may be accessed on the Company's website at <https://hpthreads.com/pdf/Code%20of%20Conduct%20and%20Ethics.pdf>. All the Boards Members and the Senior Management have confirmed compliance with the Code for the Financial Year ended March 31, 2023. The declaration to this effect signed by Chief Executive Officer (CEO) is annexed to this report.

## Code of Conduct for Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the Code of Conduct for Prevention of Insider Trading ('**Insider Trading Code**').

Mr. Shubham Jain, Company Secretary is the 'Compliance Officer' in terms of this Insider Trading Code.

## Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors of the Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive

Information which also includes the Policy for Determination of Legitimate Purposes.

## BOARD OF DIRECTORS

The Board of Directors ('Board') is at the core of our corporate governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. At HP Cotton, the Board is the apex decision-making body and hence, fully responsible for the strategic growth and development of our business as well as defining our strategic priorities.

### Size and Composition of Board

As on March 31, 2023, the Board comprised of six (6) members, two (2) of whom are Executive Directors ('EDs'), one (1) is Non-Executive Director ('NEDs'), who is also acting as a Women Director, and three (3) are Independent Directors ('IDs'). Both the EDs are Promoter Directors. The Board periodically evaluates the need for change in its composition and size.

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and Section 152 of the Companies Act, 2013 ('Act'). During the year under review and as on date of this report, none of our Directors serve as Director or as IDs in more than seven listed companies and none of the EDs serve as IDs on any listed

company. Further, none of our IDs serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director is an ID. None of the Directors hold Directorships in more than 20 companies including 10 public limited companies and private companies which are either subsidiary or holding company of a public company pursuant to Section 165 of the Companies Act, 2013.

During FY 2022-23, none of our Directors acted as Member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Mr. Raghavkumar Agarwal is the son of Mr. Kailash Kumar Agarwal. None of the other Directors are related to any other Director on the Board.

### Changes to Board during FY 2022-23

1. Mr. Vikram Sumatilal Sheth was appointed as an Independent Director of the Company for a term of five (5) years commencing April 30, 2022 till April 29, 2027.
2. Mr. Siddharth Agrawal was appointed as an Independent Director of the Company for a term of One (1) year commencing August 10, 2022 till August 09, 2023.

### Composition of Board and Directorships held as on March 31, 2023

Name of the Director	No. of Directorship in other public Companies (1)		No. of Board Committee positions in other public Companies (2)		Directorship in other listed entities (Category of Directorship)
	Member	Chairperson	Member	Chairperson	
<b>Executive Directors</b>					
Mr. Kailash Kumar Agarwal (DIN: 00063470)	5	-	-	-	Nil
Mr. Raghavkumar Agarwal (DIN: 02836610)	5	-	-	-	Nil
<b>Non-Executive, Non-Independent Directors</b>					
Mrs. Ritu Bansal (DIN: 03619069)	-	-	-	-	Nil
<b>Non-Executive, Independent Directors</b>					
Mr. Parshotam Dass Agarwal (DIN: 00063017)	3	1	3	2	Quint Digital Media Limited (Non-Executive, Independent, Chairman)
Mr. Vikram Sumatilal Sheth (DIN: 03349632)	-	-	-	-	Nil
Mr. Siddharth Agrawal (DIN: 09693278)	-	-	-	-	Nil

**Notes:**

- (1) Directorship in other public Companies (listed and unlisted) excluding directorship in H.P. Cotton Textile Mills Limited, foreign companies, private companies and companies governed by Section 8 of the Act. Further, membership includes positions as Chairperson of the Company.
- (2) In terms of Regulation 26(1)(b) of the SEBI Listing Regulations, the disclosure includes chairmanship/ membership of the Audit Committee and Stakeholders' Relationship Committee in other public companies (listed and unlisted) excluding H.P. Cotton Textile Mills Limited. Further, membership includes positions as Chairperson of committee.

**Key Skills, Expertise and Competencies of the Board**

The Board comprises qualified and experienced members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Leadership
- Strategic Planning
- Operations
- Industry Experience
- Finance
- Regulatory / Legal & Risk Management
- Corporate Governance

While all the Board members possess the skills identified, their area of core expertise is given below:

	Area of Core Expertise						
	Leadership	Strategic Planning	Operations	Industry Experience	Finance	Regulatory / Legal & Risk Management	Corporate Governance
Kailash Kumar Agarwal	✓	✓	✓	✓	✓	✓	✓
Raghavkumar Agarwal	✓	✓	✓	✓	✓	✓	✓
Ritu Bansal	✓	✓	-	-	✓	✓	✓
Parshotam Dass Agarwal	✓	✓	-	✓	✓	✓	✓
Vikram Sumatilal Sheth	✓	✓	-	-	✓	✓	✓
Siddharth Agrawal	✓	✓	-	-	✓	✓	✓

**Board Independence**

All Independent Directors of the Company have given requisite declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act alongwith Rules framed thereunder, Regulation 16(1)(b) of SEBI Listing Regulations and have complied with the Code of Conduct and Ethics of the Company as applicable to the Board of Directors and Senior Management.

In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs, Manesar ('IICA').

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they

meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the Management.

The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website at <https://hpthreads.com/pdf/Terms%20and%20conditions%20of%20appointment%20of%20independent%20directors.pdf>.

None of the Independent Directors have resigned before the expiry of their respective tenures during the year under review.

**Familiarisation Programme for Independent Directors**

At the time of joining, appointment letter is given and an induction program is conducted to familiarize the Directors with their roles, rights, responsibilities in the Company alongwith the industry, business, operations and business model of the Company. It also includes familiarization with

important statutory & regulatory provisions, code of conduct and other policies of Company applicable to them.

Directors are updated on business (achievements/new products/expansion/strategy/ budgets), industry, operations, technology & financial statements of the Company in Board/ Committee meetings and other forums. Relevant documents, reports and internal policies are provided to Directors to enable them to familiarize with the Company's procedures and practices.

The details of orientation given to our existing Independent Directors are available on our website at [https://hpthreads.com/pdf/Familiarization%20Programs%20for%20ID\\_22-23.pdf](https://hpthreads.com/pdf/Familiarization%20Programs%20for%20ID_22-23.pdf).

### Company's Policy relating to Directors appointment, payment of remuneration and discharge of their duties

The Nomination & Remuneration Committee of the Company has formulated the Nomination & Remuneration Policy ('NRC Policy') on Director's appointment and remuneration which includes the criteria for determining qualifications, positive attributes, independence of a director and process of appointment and removal as well as criteria for determining the remuneration of Director(s), Key Managerial Personnel ('KMP') and Senior Management of the Company and other matters as provided under Section 178(3) of the Companies Act, 2013. The Policy may be accessed on the Company's website at <https://hpthreads.com/pdf/Nomination%20and%20Remuneration%20Policy.pdf>.

### Performance Evaluation and its Criteria

The Nomination & Remuneration Committee has formulated a Policy for the evaluation of Board, its Committees and individual directors, including the Chairman of the Board and the same has been approved and adopted by the Board. The parameters of Board Evaluation are given in the Board's Report.

### Remuneration of the Executive Directors for the financial year 2022-23

(₹ in lacs)

Name of Director	Basic Pay	Perquisite / Allowances	Total
Kailash Kumar Agarwal	24	46.75*	70.75
Raghavkumar Agarwal	19.20	39.42*	58.62

\*Includes Bonus and Leave Travel Allowance for the FY 2021-22, paid in FY 2022-23.

### Notes:

- (1) The tenure of Mr. Kailash Kumar Agarwal and Mr. Raghavkumar Agarwal is for five (5) years from their respective date of appointment and can be terminated by either party by giving the other party three months' notice in writing. They are also eligible for re-appointment. There is no separate provision for payment of severance fees.
- (2) No Commission was paid to any of the Executive Director during the FY 2022-23.
- (3) No performance linked incentive was paid to any of the Executive Director during the FY 2022-23.
- (4) The Company does not have any stock option plan. Accordingly, none of the Executive Directors hold stock options as on March 31, 2023.

### Remuneration of the Non-Executive Directors for the financial year 2022-23

(₹ in lacs)

Name of Director	Sitting Fees
Parshotam Dass Agarwal	4.95
Vikram Sumatilal Sheth	4.45
Siddharth Agrawal	1.15
Ritu Bansal	3.10

### Notes:

- (1) During FY 2022-23, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from paying Director's remuneration.
- (2) No Commission was paid to any of the Non-Executive Director during the FY 2022-23.
- (3) No performance linked incentive was paid to any of the Non-Executive Director during the FY 2022-23.
- (4) The Company does not have any stock option plan. Accordingly, None of the Non-Executive Directors hold stock options as on March 31, 2023.
- (5) None of the Non-Executive Director holds any Equity Share(s) or Convertible Instrument(s) of the Company as on March 31, 2023.

## Board Meetings and Attendance

During the year under review, five (5) Board Meetings were held on April 30, 2022, May 09, 2022, August 10, 2022, November 14, 2022 and February 11, 2023. The intervening gap between two Board Meetings was less than the maximum period prescribed under the Act and SEBI Listing Regulations. The requisite quorum was present for all the meetings. The information, as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, is made available to the Board.

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all meetings, except Board Meeting dated May 09, 2022, were held through video conferencing.

The details of composition of the Board and the attendance record of the Directors at the Board Meetings and AGM held during the financial year ended on March 31, 2023 is as under:

Name	Designation	Category	No. of meetings held during tenure	No. of Meetings Attended	Last AGM Attended
Kailash Kumar Agarwal	Chairman and Managing Director	Executive Director	5	5	Yes
Parshotam Dass Agarwal	Director	Non-Executive Independent Director	5	5	Yes
Ritu Bansal	Director	Non-Executive Director	5	5	Yes
RaghavKumar Agarwal	Whole-Time Director, CEO & CFO	Executive Director	5	5	Yes
Vikram Sumatilal Sheth*	Director	Non-Executive Independent Director	4	4	Yes
Siddharth Agrawal**	Director	Non-Executive Independent Director	2	2	Yes

\* Appointed w.e.f. April 30, 2022

\*\* Appointed w.e.f August 10, 2022

## Meeting of Independent Directors

The Independent Directors met on March 01, 2023 without the presence of Non-Independent Directors and members of the management. The Independent Directors, inter-alia, evaluated performance of Non-Independent Directors, the Chairman of the Company and the Board as a whole for FY 2022-23. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## BOARD COMMITTEES

The Company has seven main Committees, viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Banking and Finance Committee, Risk Management Committee and Preferential Issue Committee as on March 31, 2023. The Board had approved the dissolution of the Risk Management Committee and Preferential Issue Committee w.e.f. May 25, 2023.

The recommendations of the Committees are submitted to the Board for approval. During the year, all the recommendations of the Committees were accepted by the Board.

## Procedure at Committee Meetings

The Company's guidelines relating to the Board meetings are applicable to the Committee meetings. The composition and terms of reference of all the Committees are in compliance with the Act and the Listing Regulations, as applicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functioning. Minutes of the proceedings of Committee meetings are circulated to the respective Committee members and also placed before the Board for its noting.

## AUDIT COMMITTEE

### Composition, Meetings and Attendance

The Audit Committee ('AC') of the Company had been constituted and functions in accordance with provisions of Section 177 of the Act and SEBI Listing Regulations. The Company Secretary is acting as the Secretary to the Audit Committee.

During the year under review, four (4) AC Meetings were held on May 09, 2022, August 10, 2022, November 14, 2022 and February 11, 2023.

The details of composition of the Committee and the attendance record of the Directors at the AC Meetings held during the financial year ended on March 31, 2023 is as under:

Name	Designation in Committee	Category	No. of meetings held during tenure	No. of Meetings Attended
Parshotam Dass Agarwal	Chairman	Non-Executive Independent Director	4	4
Kailash Kumar Agarwal	Member	Executive Director	4	4
Vikram Sumatilal Sheth*	Member	Non-Executive Independent Director	4	4

\* Appointed w.e.f. April 30, 2022

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 27, 2022.

### Terms of Reference

Terms of Reference of the Committee inter alia include the following:

- Oversight of Financial reporting process and disclosure of its financial information;
- the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- reviewing and examination of the financial statements and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;

- evaluation of internal financial controls and risk management systems;
- review and implement the Risk Management Policy
- monitoring the end use of funds raised through public offers and related matters;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- All other matters as specified in PART-C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

## NOMINATION AND REMUNERATION COMMITTEE

### Composition, Meetings and Attendance

The Nomination and Remuneration Committee ('NRC') of the Company had been constituted and functions in accordance with provisions of Section 178 of the Act and SEBI Listing Regulations. The Company Secretary is acting as the Secretary to the Nomination and Remuneration Committee.

During the year under review, four (4) NRC Meetings were held on April 30, 2022, May 09, 2022, August 10, 2022 and November 14, 2022.

The details of composition of the Committee and the attendance record of the Directors at the NRC Meetings held during the financial year ended on March 31, 2023 is as under:

Name	Designation in Committee	Category	No. of meetings held during tenure	No. of Meetings Attended
Parshotam Dass Agarwal	Chairman	Non-Executive Independent Director	4	4
Kailash Kumar Agarwal	Member	Executive Director	4	4
Ritu Bansal*	Member	Non-Executive Director	3	3
Vikram Sumatilal Sheth**	Member	Non-Executive Independent Director	3	3
Siddharth Agrawal***	Member	Non-Executive Independent Director	1	1

\*Ceased w.e.f. August 10, 2022

\*\* Appointed w.e.f April 30, 2022

\*\*\* Appointed w.e.f August 10, 2022

The Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on September 27, 2022.

### Terms of Reference

Terms of Reference of the Committee inter alia include the following:

- a) to formulate a criterion for determining qualifications, positive attributes and independence of a director;
- b) to recommend to the Board a policy relating to Remuneration for Directors, Key Managerial Personnel and Senior Management;
- c) to prepare a description of roles and capabilities required for an independent director on the basis of evaluation of skills, knowledge and experience;
- d) to formulate of criteria for evaluation of performance of independent directors and the Board of Directors;
- e) to devise a policy on Diversity of Board of Directors;
- f) to identify the persons qualified to be a director or senior management as per the criteria laid down and recommend to the Board for appointment / removal based on his/ her performance.
- g) re-appointment of Independent Directors on the basis of performance evaluation of Independent Directors;
- h) recommend to the Board, all remuneration, in whatever form, payable to the Directors and senior management;
- i) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- j) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- k) to develop a succession plan/policy for the Board and to regularly review the plan/policy

### STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Composition, Meetings and Attendance

The Stakeholders Relationship Committee ('SRC') of the Company had been constituted and functions in accordance with provisions of the Act and SEBI Listing Regulations. The Company Secretary is acting as the Secretary to the Stakeholders Relationship Committee.

During the year under review, SRC Meeting was held on May 09, 2022 only.

The details of composition of the Committee and the attendance record of the Directors at the SRC Meeting held during the financial year ended on March 31, 2023 is as under:

Name	Designation in Committee	Category	No. of meetings held during tenure	No. of Meetings Attended
Parshotam Dass Agarwal	Chairman	Non-Executive Independent Director	1	1
Kailash Kumar Agarwal	Member	Executive Director	1	1
Ritu Bansal	Member	Non-Executive Director	1	1
Vikram Sumatilal Sheth*	Member	Non-Executive Independent Director	1	1

\* Appointed w.e.f April 30, 2022

The Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting of the Company held on September 27, 2022.

### Terms of Reference

Terms of Reference of the Committee inter alia include the following:

- a) resolving the grievances of security holders of the Company;
- b) reviewing the measures taken for effective voting rights by shareholders;
- c) reviewing of adherence of the service standard adopted by the Company in respect of services offered by the Registrar & Share Transfer Agent;
- d) reviewing of status of Transfer, Transmission and dematerialisation of securities;
- e) reviewing of status of Investor Complaints received from the security holders of the Company;
- f) reviewing of measures and initiative taken by the Company for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the Shareholders of the Company;

## Compliance Officer

In terms of Regulation 6 and Schedule V of the SEBI Listing Regulations, the Board has appointed Mr. Shubham Jain, Company Secretary as the Compliance Officer of the Company.

## Investor Complaints

The details of investor complaints received and resolved to the satisfaction of investors during the financial year ended March 31, 2023 are given below. The complaints relate to non-receipt of annual report, dividend, share transfers and other investor grievances.

<b>Opening as on April 01, 2022</b>	Nil
Received during the year	Nil
Resolved during the year	Nil
<b>Closing as on March 31, 2023</b>	Nil

## RISK MANAGEMENT COMMITTEE

### Composition, Meetings and Attendance

The Risk Management Committee ('RMC') had been constituted to identify the types of risks and its assessment, risk handling, monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company. The Company Secretary is acting as the Secretary to the Risk Management Committee.

No Meeting was held during the year under review.

The details of composition of the Committee and the attendance record of the Directors at the RMC Meeting held during the financial year ended on March 31, 2023 is as under:

Name	Designation in Committee	Category	No. of meetings held during tenure	No. of Meetings Attended
Parshotam Dass Agarwal	Chairman	Non-Executive Independent Director	-	-
Kailash Kumar Agarwal	Member	Executive Director	-	-
Ritu Bansal	Member	Non-Executive Director	-	-
Vikram Sumatilal Sheth*	Member	Non-Executive Independent Director	-	-

\* Appointed w.e.f. April 30, 2022

The role of the Risk Management Committee is not mandatory under the Act or SEBI Listing Regulations as the Company doesn't fall under Top 1000 Companies pursuant to Regulation 21(5) of SEBI Listing Regulations. Therefore, the Board has dissolved the Committee and revoke all the powers and duties delegated to this Committee. w.e.f. May 25, 2023.

### Terms of Reference

Terms of Reference of the Committee inter alia include the following:

- Overseeing key risks, including strategic, financial, operational, sectoral, sustainability, IT (including cyber security) and compliance risks;
- Developing risk management policy and risk management system/framework for the Company;

- Assisting the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the Risk Policy.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### Composition, Meetings and Attendance

The Corporate Social Responsibility Committee ('CSR Committee') of the Company had been constituted and functions in accordance with provisions of Section 135 and schedule VII of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014. The Company Secretary is acting as the Secretary to the CSR Committee.

During the year under review, CSR Committee Meeting was held on August 10, 2022 only.



The details of composition of the Committee and the attendance record of the Directors at the CSR Committee Meeting held during the financial year ended on March 31, 2023 is as under:

Name	Designation in Committee	Category	No. of meetings held during tenure	No. of Meetings Attended
Kailash Kumar Agarwal	Chairman	Executive Director	1	1
RaghavKumar Agarwal	Member	Executive Director	1	1
Parshotam Dass Agarwal*	Member	Non-Executive Independent Director	1	1
Vikram Sumatilal Sheth**	Member	Non-Executive Independent Director	1	1

\* Ceased to be a member w.e.f. April 30, 2022

\*\* Appointed as a member w.e.f. April 30, 2022

## Terms of Reference

Terms of Reference of the Committee inter alia include the following:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- To monitor the CSR policy of the Company from time to time.

## SENIOR MANAGEMENT

As on March 31, 2023, following are the Senior Management(s) of the Company:

S.No.	Name	Designation
1.	RaghavKumar Agarwal	Whole-Time Director, Chief Executive Officer & Chief Financial Officer
2.	Shubham Jain	Company Secretary
3.	Shashi Kant Saha	President - Technical

Further, there is no change in senior management since the closure of the financial year ended March 31, 2023.

## GENERAL BODY MEETINGS

### Annual General Meetings

The date, time and venue of the Annual General Meetings held during preceding three years and the special resolution(s) passed thereat, are as follows:

Financial Year Ended	Date	Time	Venue	Special Resolution(s) Passed
March 31, 2022	September 27, 2022	12 Noon (IST)	Held through video conferencing/ other audio-visual means  (Deemed Venue - 15 <sup>th</sup> K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar – 125044)	(i) To approve revised Remuneration of Mr. Kailash Kumar Agarwal (DIN: 00063470), Chairman & Managing Director of the Company for the remainder of the current Term  (ii) 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
March 31, 2021	September 24, 2021	12 Noon (IST)	Held through video conferencing/ other audio-visual means  (Deemed Venue - 15 <sup>th</sup> K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar – 125044)	No special resolution was passed

Financial Year Ended	Date	Time	Venue	Special Resolution(s) Passed
March 31, 2020	September 29, 2020	11:30 a.m. (IST)	Held through video conferencing/ other audio-visual means  (Deemed Venue - 15 <sup>th</sup> K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar – 125044)	No special resolution was passed

### Extra-Ordinary General Meetings

No Extra-Ordinary General Meeting of the Members was held during FY 2022-23.

### Postal Ballot

During FY 2022-23, no resolution was passed through Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of a special resolution through Postal Ballot. The Company will seek shareholders' approval through Postal Ballot, whenever required, in respect of resolutions relating to such businesses as are prescribed in the Act.

## MEANS OF COMMUNICATION

### Quarterly Results

The Company's quarterly / half-yearly / annual financial results are sent to the Stock Exchange and published in prominent financial newspapers viz. Business Standard (in English) and Hari Bhoomi (in vernacular language - Hindi). They are also available on the website of the Company.

### Presentation(s) to investors/analysts

During the year under review, the Company did not make any presentation(s) to investors/analysts.

### News Releases

During the year under review, the Company did not issue any official news release or official media release.

### Website

The Company has its own functional website [www.hpthreads.com](http://www.hpthreads.com) as required by the SEBI Listing Regulations, where information about the Company, quarterly / half-yearly / annual financial results, annual reports, distribution of shareholding at the end of each quarter, information required to be disclosed under the Act or SEBI Listing Regulations, etc. are regularly updated.

### Letters/e-mails/SMS to Investors

The Company addressed various investor-centric letters / e-mails / SMS to its shareholders during the year. This include reminders for claiming unclaimed / unpaid dividend from the Company, dematerialisation of shares, updating e-mail, PAN and bank account details.

In accordance with the SEBI Circular No. SEBI/HO/MIRSD/ MIRSD\_RTAMB/P/ CIR/2021/655 dated November 03, 2021, the Company has sent letters to all holders of physical securities of the Company intimating them the requirement to furnish valid PAN, KYC details and Nomination details.

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

<b>Day &amp; Date</b>	Thursday, September 28, 2023
<b>Time</b>	12:30 PM IST
<b>Venue</b>	In compliance with the provisions of the Act and MCA Circulars, the AGM of the Company is being held through VC/ OAVM. The deemed venue of the AGM shall be 15 <sup>th</sup> K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar – 125044
<b>Financial Year</b>	April 1 to March 31
<b>Book Closure Dates</b>	September 22, 2023 to September 28, 2023 (both days inclusive)
<b>Dividend Payment Date</b>	No final Dividend has been recommended by the Board for the year under review

### Listing on Stock Exchange

As on March 31, 2023, the Company has issued fully paid-up Equity Shares which are listed on BSE Limited. The Annual Listing fees has been paid to BSE Limited for FY 2023-24.

**ISIN and Stock Code Details**

Stock Exchange	ISIN	Stock Code
BSE Limited ('BSE') Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India	INE950C01014	502873

**Market Price Data – High, Low during each month in FY 2022-23 on BSE Limited**

Month	High (₹)	Low (₹)
April 2022	199.80	131
May 2022	172.90	126
June 2022	139.60	108.05
July 2022	130.95	115
August 2022	127.65	106.45
September 2022	133	108.05
October 2022	131.70	109.25
November 2022	121.90	105.25
December 2022	119.90	97.30
January 2023	110.65	97.10
February 2023	105.20	82.20
March 2023	94.95	74.10

**Performance of the Share Price of the Company in comparison to broad-based indices such as BSE SENSEX**

Month	Closing Price of Share (₹)	BSE Sensex (₹)
April 2022	168.55	57060.87
May 2022	133.05	55566.41
June 2022	122.1	53018.94
July 2022	121.65	57570.25
August 2022	114.25	59537.07
September 2022	118.85	57426.92
October 2022	117.95	60746.59
November 2022	110.9	63099.65
December 2022	105.85	60840.74
January 2023	100.45	59549.90
February 2023	86.5	58962.12
March 2023	82.61	58991.52

## BSE Sensex Vs HP Cotton



## Registrar and Transfer Agent

Alankit Assignments Ltd.  
Alankit House, 4E/2, Jhandewalan  
Extension, New Delhi-110055  
Tel: +91 11 42541234  
Fax: +91 11 23552001  
Email: info@alankit.com  
Website: www.alankit.com

## Share Transfer System

As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. In this regard, a communication encouraging dematerialisation of shares and explaining procedure thereof, was also sent during the year to the concerned shareholders of the Company.

During the year, the Company obtained, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, transposition, sub-division, consolidation, renewal, exchange and deletion of names were issued as required under Regulation 40(9) of the Listing Regulations. The certificate was duly filed with the Stock Exchange.

## Distribution of Shareholding by size as on March 31, 2023

Category	No. of Holders	Shares	% of Total Shares
1-500	3,095	2,53,352	6.46
501-1000	132	1,05,740	2.70
1001-2000	76	1,10,398	2.81
2001-3000	22	55,213	1.41
3001-4000	15	51,769	1.32
4001-5000	3	13,169	0.34
5001-10000	16	1,21,139	3.09
Above 10000	31	32,11,220	81.88
<b>Total</b>	<b>3,390</b>	<b>39,22,000</b>	<b>100.00</b>

### Dematerialisation of Shares and Liquidity

The Shares of the Company are tradable compulsorily in electronic form. We have established connectivity with both the depositories, i.e., NSDL and CDSL. The International Securities Identification Number ('ISIN') allotted to the Fully paid-up Equity Shares under the Depository System is INE950C01014.

During the FY 2022-23, the Issued, Subscribed and Paid-up Equity Share Capital of the Company increased from ₹3,86,60,000 consisting of 38,66,000 Equity Shares of ₹10/- each to ₹3,92,20,000 consisting of 39,22,000 Equity Shares of ₹10/- each. The Company had allotted 56,000 equity shares of ₹ 10 each on March 11, 2023 on preferential basis, upon conversion of equivalent number of convertible warrants. The said 56,000 shares were yet to be credited into the demat account of the respective allottees as on March 31, 2023.

As on March 31, 2023, 96.99% of the Company's share capital have been dematerialised and have reasonable liquidity on BSE.

### Outstanding GDRs/ADRs/Warrants or any other Convertible Instruments, Conversion Date and likely impact on Equity

As on March 31, 2023, Company does not have any Outstanding GDRs/ADRs/Warrants or any other Convertible Instruments, Conversion Date and likely impact on Equity.

Exposure of the Company to commodity risk during the FY 2022-23 is as follows:

Commodity Name	Exposure in INR towards the particular commodity ₹ (lacs)	Exposure in Quantity terms towards the particular commodity Kg	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
Cotton	3,358.19	14,26,542	-	-	-	-	-

### Plant Location

15<sup>th</sup> K.M. Stone, Delhi Road, V.P.O.  
 Mayar, Hisar – 125044

### Address of Correspondence

For share transfer/dematerialisation of shares/payment of dividend/other queries relating to shares:  
 Alankit Assignments Ltd.  
 Alankit House, 4E/2, Jhandewalan  
 Extension, New Delhi-110055  
 Tel: +91 11 42541234  
 Fax: +91 11 23552001  
 Email: info@alankit.com  
 Website: www.alankit.com

### Commodity price risk or foreign exchange risk and hedging activities

The Company has in place a robust risk management framework for identification and monitoring and mitigation of commodity price and foreign exchange risks. The risks are tracked and monitored on a regular basis and mitigation strategies are adopted in line with the risk management framework.

The Company is subject to commodity price risks due to fluctuation in prices of Cotton. The weather patterns, government/intervention in cotton producing countries, trade tariff wars between countries effect the price movement of cotton. The Company operates internationally and significant portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas markets in various foreign currencies.

The details of foreign currency exposure during the FY 2022-23 are disclosed in the Note No. 48 to the Financial Statements. Foreign currency exchange rate exposure is balanced by hedging through forward contracts.

For any queries on Annual Report or investors' assistance:  
 The Company Secretary  
 F(0), The Mira Corporate Suites 1 & 2,  
 Old Ishwar Nagar New Delhi - 110065  
 Tel: +91 11 41540471/72/73  
 Fax: +91 11 49073410  
 E-mail: cs@hpthreads.com  
 Website: www.hpthreads.com

### Credit Ratings

During the year, CRISIL Limited ('CRISIL') has downgraded your Company's long-term bank facilities credit rating to 'CRISIL BB-/Stable' and short-term bank facilities credit rating to 'CRISIL A4+'.

## OTHER DISCLOSURES

### Related Party Transactions

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in compliance with all the applicable provisions of the Act and SEBI Listing Regulations in respect of such transactions. Requisite approval of the Audit Committee and the Board (wherever required) was obtained by the Company for all Related Party Transactions. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are foreseeable and of a repetitive nature. Further, your Company has not entered into any arrangement / transaction with related parties which could be considered material in accordance with the SEBI Listing Regulations and the provisions of the Act. The Policy on Related Party Transactions as approved by the Board of Directors is available on the Company's website at <https://hpthreads.com/pdf/Policy%20on%20materiality%20of%20and%20dealing%20with%20Related%20Party%20Transactions.pdf>.

### Policy for Determining Material Subsidiaries

The Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website at <https://hpthreads.com/pdf/Policy%20for%20Determining%20Material%20Subsidiaries.pdf>. During the year, the Company did not have any unlisted material subsidiary.

The Company is in compliance with the provisions governing material subsidiaries.

### Vigil Mechanism

The Vigil Mechanism approved by the Board provides a formal mechanism for its directors and employees an avenue to report genuine concerns of unethical behavior, actual or suspected fraud or violation of the codes of conduct and to provide adequate safeguard for protection from any victimization.

All employees of the Company may approach the Chairman of Compliance Task Force or to the Chairman of the Audit Committee of the Company and make protective disclosures regarding any unethical behavior or wrongful conduct and to provide adequate safeguard for protection from any victimization.

During the year under review, no person has been denied access to the Chairman of the Audit Committee. Details of the Vigil Mechanism are also given in the Board's Report.

The Whistle Blower Policy of the Company is available on the Company's website at <https://hpthreads.com/pdf/Whistle%20Blower%20Policy.pdf>.

### Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange or SEBI, or any matter related to capital markets, during the last three years

During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to the capital markets except as detailed below:

1. The Company was in receipt of the letter/e-mail dated October 14, 2020 from BSE Limited ('BSE') pertaining to the non-compliance of Regulation 29 of SEBI Listing Regulations with respect of Non-disclosure of Intimation of Board Meeting to be held on September 12, 2020, for which fine of ₹ 11,800/- was levied.

Thereafter, Company had filed a reply on October 15, 2020 in which we had categorically mentioned our concern that the alleged non-compliance was only due to technical issues in generating OTP while log in on BSE portal on September 06, 2020 and the said prior intimation of Board Meeting in accordance with Regulation 29 of SEBI Listing Regulations was duly intimated on the immediate next day i.e. September 07, 2020 after the technical fault appear to have been sorted.

However, the Company paid the amount levied on November 04, 2020 with our strong protest that the above alleged non-compliance was only due to the technical issues on BSE portal and not on the part of Company

2. The Company was in receipt of the letter/e-mail dated November 21, 2022 from BSE Limited ('BSE') pertaining to the non-compliance of Regulation 17(1) of SEBI Listing Regulations with respect of Composition of the Board including appointment of a woman director, for which fine of ₹ 2,36,000/- was levied.

Thereafter, Company has filed a reply on November 22, 2022 in which we had categorically mentioned that 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 ₹ 25 Crore and consequently, the Corporate Governance provisions, as specified in SEBI Listing 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 Listing 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 obligations, which are applicable on our Company, from the date it became

applicable. The Company duly complied with the said provisions within the specified period of 6 months.

Also, the Company requested for the waiver of fine levied via application dated December 17, 2022 and the outcome of the same is still awaited.

Your Company is a statutorily compliant company and the management and the Board has always placed paramount importance towards the statutory compliances applicable to the Company. Our primary focus always remains to comply with all the applicable laws and to protect the interest of the Investors/ stakeholders and to be transparent in every possible aspect.

### **Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The disclosure regarding the complaints of sexual harassment are given in the Board's Report.

### **Consolidated Fees paid to Statutory Auditors**

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part during the year ended March 31, 2023 is ₹41.07 lacs.

### **Disclosure of 'Loans and Advances' in the nature of loans by the Company and its subsidiaries to firms/companies in which directors are interested**

The Company has not provided any loans and advances to any firms/companies in which Directors are interested.

### **Disclosure of Shares held in suspense account under Clause F of Schedule V to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

No shares were held in suspense account during the year under review.

### **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)**

During the FY 2022-23, your Company has converted 56,000 Share Warrants into 56,000 Equity Shares which were issued on preferential basis pursuant to approval of shareholders at their Extraordinary General Meeting (EGM) held on February 07, 2022 in accordance with the applicable provisions of the Act read with rules made thereunder, and applicable provisions of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. Therefore, the Paid-up Equity Share Capital of the Company increased to ₹3,92,20,000 consisting of 39,22,000 Equity Shares of ₹10/- each as on March 31, 2023.

The issue proceeds were utilised by the Company for the purposes/objects as stated in the Offer document and Explanatory Statement to the Notice of the said EGM. All the funds have been utilized on April 19, 2023.

### **Adoption of Mandatory and Discretionary Requirements**

The Company has complied with all mandatory requirements of SEBI Listing Regulations. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI Listing Regulations are as under:

- **Audit Qualification:** The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.
- **Reporting of Internal Auditor:** The Internal Auditor functionally reports to the Audit Committee.

### **Certificates from Practicing Company Secretaries**

As required by Regulation 34(3) and Schedule V, Part E of the SEBI Listing Regulations, the certificate given by M/s M Siroya and Company, Practicing Company Secretaries regarding compliance of conditions of corporate governance, is annexed to this Report.

As required by Clause 10(i) of Part C under Schedule V of the SEBI Listing Regulations, the Company has received a certificate from M/s M Siroya and Company, Practicing Company Secretaries certifying that none of our Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI or MCA or such other statutory authority, is annexed to this Report.

### **CEO and CFO Certification**

The Chairman and Managing Director (CMD) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations, copy of which is annexed to this Report. The CMD and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.

For and on behalf of the Board

**Kailash Kumar Agarwal**

Chairman and Managing Director  
DIN: 00063470

New Delhi  
August 12, 2023



## DECLARATION ON CODE OF CONDUCT

It is hereby declared that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the 'Code of Conduct and Ethics' for the year ended March 31, 2023.

New Delhi  
August 12, 2023

**RaghavKumar Agarwal**  
Whole-Time Director, CEO and CFO  
DIN : 02836610



## **PRACTICING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
**H.P. COTTON TEXTILE MILLS LIMITED**  
15<sup>th</sup> K.M. Stone, Delhi Road,  
V.P.O. Mayar, Hissar-125044.

We have examined the compliance of conditions of Corporate Governance by M/s. H.P. Cotton Textile Mills Limited ('the Company') for the Financial Year ended March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). We note that upon the approval of the audited financials on May 9, 2022 for the financial year ended on March 31, 2022, the net worth of the Company was stated to have 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. we further note that pursuant to proviso to Regulation 15(2)(a) of the Listing Regulations, where the provisions of regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Listing Regulations become applicable to a listed entity at a later date, it shall ensure compliance with the same within six months from such date.

We have been requested by the management of the Company to provide a certificate on compliance of corporate governance under the relevant provisions of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations as amended from time to time.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **M Siroya and Company**  
Company Secretaries

**Mukesh Siroya**

Proprietor

FCS No.: 5682

CP No.: 4157

UDIN: F005682E000792270

Date: August 11, 2023

Place: Mumbai

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and clause (10)(i) of Para C of Schedule V to the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

**H.P. COTTON TEXTILE MILLS LIMITED**

15<sup>th</sup> K.M. Stone, Delhi Road,

V.P.O. Mayar, Hissar-125044.

We have examined the relevant register, records, forms, returns and disclosures received from the Directors of H.P. Cotton Textile Mills Limited bearing CIN L18101HR1981PLC012274 and having registered office at 15<sup>th</sup> K.M. Stone, Delhi Road, V.P.O. Mayar, Hissar-125044 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs at "www.mca.gov.in") as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of appointment in Company
1	Parshotam Dass Agarwal	00063017	26/09/2014
2	Kailash Kumar Agarwal [Pls refer Note below]	00063470	03/09/1981
3	Raghavkumar Agarwal	02836610	30/05/2019
4	Vikram Sumatilal Sheth	03349632	30/04/2022
5	Ritu Bansal	03619069	29/05/2015
6	Siddharth Agrawal	09693278	10/08/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Note:**

We note that Mr. Kailash Kumar Agarwal had resigned from the directorship of Tayal Vegcraft Private Limited ("TVPL") w.e.f. September 30, 2019. TVPL has not yet filed requisite Form DIR 12 with the Ministry of Corporate Affairs ("MCA"). Further, TVPL has also failed to file its financial statements and annual returns for last 3 years ending 31.03.2022. However, Mr. Kailash Kumar Agarwal had, on November 2, 2019, submitted Form DIR 11 vide SRN R10480499 with the MCA to signify the fact of his resignation w.e.f. September 30, 2019. Based on the submission of the DIR 11 with MCA, we have considered that the provisions of Section 164(2) of the Companies Act, 2013 w.r.t. disqualification of directors shall not be applicable on Mr. Agarwal.

For **M Siroya and Company**  
Company Secretaries

**Mukesh Siroya**

Proprietor

FCS No.: 5682

CP No.: 4157

UDIN: F005682E000792259

Date: August 11, 2023

Place: Mumbai

**CEO / CFO CERTIFICATE**

Under Regulation 17(8) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors,  
**H.P. COTTON TEXTILE MILLS LIMITED**  
15<sup>th</sup> K.M. Stone, Delhi Road  
Hisar, Haryana 125044

May 25, 2023

- A. We have reviewed financial statements of H.P. Cotton Textile Mills Limited for the year ended March 31, 2023 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the listed entity during the year ended March 31, 2023 which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and no deficiencies in the design or operation of such internal controls has been observed and if in future, any deficiency in the design or operation of such internal controls will be observed, the same will be disclosed before the Auditors of the Company and the Audit Committee of the Board of Directors of the Company along with the steps that will be proposed to take to rectify the deficiency.
- D. We have indicated to the auditors and the Audit committee
- (1) that there are no significant changes in internal control over financial reporting during the year;
  - (2) that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

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

**Kailash Kumar Agarwal**  
Chairman and Managing Director  
DIN: 00063470

**Raghavkumar Agarwal**  
Executive Director, CEO and CFO  
DIN: 02836610