



**H.P. Cotton Textile Mills Limited**  
42<sup>nd</sup> Annual General Meeting

**TRANSCRIPT OF 42<sup>ND</sup> ANNUAL GENERAL MEETING OF  
H.P. COTTON TEXTILE MILLS LIMITED  
HELD ON  
SEPTEMBER 28, 2023**

- **Mr. Shubham Jain – Company Secretary, H.P. Cotton Textile Mills Limited**

Good Afternoon Everyone,

I Shubham Jain, Company Secretary of H.P. Cotton Textile Mills Limited welcome all of you at the 42<sup>nd</sup> Annual General Meeting of the Company through video conferencing.

Company is holding this AGM through video conferencing facility in accordance with the relevant Circulars as mentioned in the notice of AGM issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

In accordance with the Article No. 74 of Article of Association of the Company, Mr. Kailash Kumar Agarwal, the Chairman of the Board shall conduct the proceedings of the 42<sup>nd</sup> Annual General Meeting.

Now, I would like to take your few minutes to explain certain procedural and technical points.

The facility for joining the meeting through video conferencing is being made available to the members on the first come first serve basis.

As per the MCA Circular, the members attending the AGM through video conferencing are being counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. The facility of joining was opened before 30 minutes prior to the time of the meeting and will remain open for 30 minutes after the meeting.

All the members who have joined this meeting are by default on mute by the host to avoid any disturbance or inconvenience arising from the background noise and to ensure smooth and seamless conduct of meeting.

Once the Q&A session commences the names of the shareholders who have registered as Speaker Shareholder will be announced one by one.

Only the audio of the speaker shareholder will thereof be unmuted by the host to start speaking. The Shareholders are requested to click the video ON button only once and wait till the video is ON.

If shareholder is not able to join through Video for any reason the shareholder can speak by the audio mode. While speaking we would request the speaker to use your earphone and minimize any noise in the background, so that he or she can clearly audible.

If there is any connectivity problem at the speaker shareholder end, we would invite the next speaker to join, once the connectivity improves the speaker shareholder may be invited again to speak after the other Speaker Shareholders completed their turn.

I would request the shareholder to be slow but loud while asking the questions so as to capture them correctly. We would like to request the shareholders to limit their speech upto 2 to 3 minutes.

During the meeting if any shareholder faces any technical issue, he or she may contact the CDSL at the Helpline Number mentioned in the AGM notice.

The Company has provided its member the facility to cast their vote through remote e-voting facility provided by CDSL. The members who has not voted earlier through remote e-voting can cast their vote during this meeting through e-voting facility.

The Statutory Registers including the Register of Members, Register of Directors, Register of Directors' Shareholding and other relevant documents as referred in the notice and the explanatory statement are available to the Members for inspection electronically.

And now I request the Chairman of the meeting to take the proceedings further.

Thank You

Over to you Chairman Sir

- **Mr. Kailash Kumar Agarwal – Chairman and Managing Director, H.P. Cotton Textile Mills Limited**

A very warm good afternoon to each and every one of you.

I Kailash Kumar Agarwal Chairman of H.P. Cotton Textile Mills Limited warmly welcome all the members of the Company, my fellow Board Members, Statutory Auditors, Secretarial Auditor, Scrutinizer at the 42<sup>nd</sup> Annual General Meeting of the Company being conducted through Video Conferencing.

As the required Quorum is present. I now call the meeting to order.

Along with me, Mr. Raghav Kumar Agarwal, Executive Director, CEO & CFO and Mr. Shubham Jain, Company Secretary are attending this meeting through video conferencing facility from Corporate Office of the Company, Mira Corporate Suites, New Delhi.

We also have with us my fellow Board Members, Mr. Parshotam Dass Agarwal, Independent Director and also the Chairperson of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Mr. Vikram Sumatilal Sheth, Independent Director, Mr. Siddharth Agrawal, Independent Director and Mrs. Ritu Bansal, Non-Executive Director, all are attending this meeting through video conferencing.

Further, Mr. Nitin Goyal, Authorised Representative of Walker Chandiook & Co. LLP, Statutory Auditor, Mr. Tarun Jain Proprietor of M/s Tarun Jain & Associates, Secretarial Auditor and Mr. Mukesh Siroya, Proprietor of M/s M Siroya and Co., Scrutinizer are attending this meeting through video conferencing.

The Company has received 4 (Four) Authority Letter under Section 113 of the Companies Act, 2013 along with Board Resolution from Corporate Shareholders of aggregate 9,05,920 Equity Shares representing 23.10% of Paid-up Share Capital of the Company, appointing an Authorised Representative under Section 113 of the Companies Act, 2013.

As the AGM is being held through video conferencing the facility for appointment of proxies by the members is not applicable and the proxy register for inspection is not available.

As per MCA and SEBI Circulars, the Company has sent Notice of AGM along with Annual Report to those members whose email addresses are registered with the Company and

Depositories. Now with your consent, I would like to take the Notice convening the 42<sup>nd</sup> AGM and Auditor's Report taken as read.

The manner of transacting the business contained in the Notice of the AGM is through remote e-voting and e-voting during the AGM as arranged by the Company.

The instruction for e-voting is provided in the Notice.

Pursuant to the provisions of the Companies Act, 2013 read with the Rules notified thereunder and the Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed companies are required to provide an e-voting facility to its shareholders to enable them to cast their votes electronically for all resolutions to be passed at general meetings. E-voting would ensure proportionate voting principle i.e. "one share one vote".

In accordance with this, your Company has provided remote e-voting facility (through the platform provided by CDSL) to the members and also facility to vote during the meeting for members who are present in the Meeting through VC and have not casted their vote by remote e-voting.

A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date, i.e., Thursday, September 21, 2023, only shall be entitled to avail the facility of e-voting.

The remote e-voting period commenced on Monday, September 25, 2023 at 9.00 A.M. (IST) and concluded on Wednesday, September 27, 2023 at 5.00 P.M. (IST).

Dear Shareholders,

Today, as we convene the 42<sup>nd</sup> Annual General Meeting of your Company. I warmly welcome each one of you.

I am glad that we are meeting again in far better times than what we experienced in the last couple of years. On behalf of the HP Cotton Board of Directors, I thank you for making the time to join us today and for your continued support over the years.

Let me now briefly touch upon the overall economic environment before I share my thoughts on your Company's performance in FY 2022-23.

The ongoing Russia-Ukraine war impacted the global economic scenario. High inflation rates across developed economies and successive interest rate hikes have considerably slowed demand for products across categories.

Despite weaker global growth in the current year, India remained one of the fastest-growing economies in FY 2022-23, outpacing some advanced economies.

Let me now speak about the business and financial performance of your company during the FY 2022-23.

- In FY 2022-23, the production of Sewing Threads has decreased by 44% than the previous year to 8,74,095 kg as compared to the production of the previous year of

15,60,918 kg. The decrease in production is primarily on account of lower demand from certain markets globally due to ongoing Russia-Ukraine conflict which continues to impact global industry and trade.

- In FY 2022-23, your Company's Consolidated Revenue is Rs. 8,397.81 Lacs as compared to the previous year of Rs. 13,218.74 Lacs.
- Company's Consolidated Profit Before Tax of Rs. 962.06 Lacs in FY 2021-22 has dropped down to a Loss before Tax in FY 2022-23 of Rs. 1877.77 Lacs. Also, on net profit basis, the company's Net Profit After Tax has dropped from Rs. 703.96 Lacs to a net loss of Rs. 1,805.22 Lacs. This change is primarily due to volatility in cotton prices and global recession resulting from the ongoing Russia-Ukraine conflict.

Now, I would like to share your company's performance in Q1 of FY 2023-24.

Company's Consolidated Revenue from operations has seen a tremendous increase by 32.77% to Rs. 2,629 Lacs as compared to Q1 last year. Your Company posted a Consolidated Loss after Tax of Rs. 93 Lacs in Q1 of FY 2023-24 as compared to loss of Rs. 141 Lacs in Q1 last year.

In the midst of continuous market volatility and an uncertain economic environment. Your Company aims to exceed the internal benchmark so that it can consistently deliver value to its customers, and also perform as a dependable supplier.

I would like to conclude by thanking to all the stakeholders including customers, vendors, employees, banks, governments and our shareholders for their unflinching trust and support. Your support is highly valued and your Company's success is an indication of the faith you have always bestowed upon us.

Thank You

Now I request Mr. Shubham Jain, Company Secretary to proceed with the agenda.

Over to you Mr. Jain

- **Mr. Shubham Jain – Company Secretary, H.P. Cotton Textile Mills Limited**

Since the AGM is being held through VC, and the resolutions mentioned in the notice have already being put to vote through e-voting no proposing or seconding of resolutions is required. With this, I now proceed with the agenda as per the Notice:

As an Ordinary Business:

Resolution No.: 1(a) To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023 and the report of the Board of Directors and Auditors thereon

Resolution No.: 1(b) To consider and adopt the audited consolidated financial statement of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon

The Statutory Auditor report on Standalone and Consolidated Financial Statements is available on Page No. 64 and 130 respectively and Secretarial Audit report is available on Page No. 39 of the Annual Report. I would like to inform you that the Statutory Auditors, Walker Chandio & Co. LLP and Secretarial Auditor, Mr. Tarun Jain have expressed unqualified opinion in the respective audit reports for the financial year 2022-23. There were no qualifications, observations or adverse comments on financial statements and matters, which have any material bearing on the functioning of the Company.

Resolution No.: 2 To appoint a director in place of Mrs. Ritu Bansal (DIN: 03619069), who retires by rotation and being eligible, seeks re-appointment

Resolution No.: 3 To appoint the Statutory Auditors of the Company other than retiring auditors and fix their remuneration

As a Special Business:

Resolution No.: 4 To re-appoint Mr. RaghavKumar Agarwal as a Whole-Time Director (Executive Director) of the Company

Resolution No.: 5 To adopt the new set of Articles of Association of the Company

Thank You,

Now, we would like to take up the questions from the shareholders who had registered themselves as the Speaker Shareholders.

- **Mr. Shubham Jain – Company Secretary, H.P. Cotton Textile Mills Limited**

Now I request Mr. Abhishek to ask your questions.

Abhishek are you there?

- **Mr. Abhishek – Shareholder**

Hi Everyone.

- **Mr. Shubham Jain – Company Secretary, H.P. Cotton Textile Mills Limited**

Yes..Yes Please ask your questions.

- **Mr. Abhishek – Shareholder**

Yeah, Actually my first question is regarding this the PLI Scheme which we got so what the plan regarding when are we going to start our production and can you through some light on what the future plan and how we are going to scale up that like we got 300 crores PLI right. So, I want some light on that. The Second is that like there are still some shares which were supposed to be like...ah..ah..there were some family re-arrangement which happened like 3 years back in 2020 so so when are we expecting this to get closed. Those are the questions I want to know.

- **Mr. Raghavkumar Agarwal – Executive Director, CEO & CFO, H.P. Cotton Textile Mills Limited**

Yeah, Hi Abhishek. Thanks for asking your questions. Firstly, I like to answer your first question regarding the PLI Scheme that the Company is participating in. Due to the ongoing economic environment specially, the performance of the Company in the last year. The Company has for the time being deferred the participation in the PLI Scheme and we will keep the shareholders updated and apprise about the developments on that front by the Company. Currently there is nothing specific that the Company would like to share in regard to the PLI Scheme. As soon as there is some material developments in that respect we would be happy to share that across with you. Secondly with respect to the family arrangement. The family arrangement is also ongoing and intended to be completed in due course. Again, with respect to the family arrangement we would be keeping the shareholders apprised through various disclosures that we file on the BSE and in case of any further questions you are free to write to us so that we can reply you. I hope I have answered your questions Abhishek.

- **Mr. Shubham Jain – Company Secretary, H.P. Cotton Textile Mills Limited**

Now, next speaker shareholder is Mr. Bharat Raj. So, I think he has not joined the meeting. So, we can proceed with the meeting.

- **Mr. Kailash Kumar Agarwal – Chairman and Managing Director, H.P. Cotton Textile Mills Limited**

As the discussion on all the matters has been completed and since the process of remote e-voting for the resolutions as specified in the AGM notice has already been circulated. The members are requested to note that E-Voting facility will remain open for the next 15 minutes to enable the members to cast their vote on the proposed resolutions as set out in the Notice of the AGM.

Members are requested to note that those Members who have already voted electronically through remote e-voting are not eligible to vote in the AGM.

Mr. Mukesh Siroya, Proprietor of M/s M Siroya and Co. and/or Ms. Bhavyata Acharya has been appointed as the Scrutinizer for remote e-voting and also for the votes casted by members during the AGM by e-voting system under Section 108 of the Companies Act, 2013 to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall submit his report in the prescribed manner to me within 2 working days from the conclusion of the meeting.

The results of the e-voting will be informed not later than 2 working days from the conclusion of the AGM to the Stock Exchange i.e. BSE and will also be uploaded on the Company's website i.e. [www.hpthreads.com](http://www.hpthreads.com). The Scrutinizer has verified the process for remote e-voting and e-voting during the AGM.

Members are requested to vote on each of the resolution.

I believe that all the members have voted on all the resolutions and if not, then the members are requested to vote the same and CDSL shall disable the e-voting in sometime. Voting

Results on each resolution will be an aggregation of remote e-voting and votes casted through e-voting during the AGM, in favour or against.

All resolutions contained in the Notice if carried with requisite majority shall be deemed to be passed on the date of the AGM.

I thank the shareholders for attending the meeting and for your continuous support. I also thank the Directors for joining the meeting. I wish all the shareholders and their families to Stay Safe and Stay Healthy and look forward to your continued support to the company in the years to come.

With your consent, I declare the meeting as concluded.

Thank You.