



Date: November 13, 2019

To,
BSE Limited,
Corporate Relationship Dept.
P J Towers, Dalal Street,
Mumbai - 400001

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

Sub: Outcome of Board Meeting of H.P. Cotton Textile Mills Limited held on 13th November, 2019

Dear Sir,

We wish to inform you that the Board of Director's in their Meeting held today i.e. November 13, 2019 inter alia, considered and approved:

1. Un-audited Financial Results along with the Limited Review Report for the quarter and half year ended 30th September, 2019.

Pursuant to Regulation 33 of Securities Exchange Board of India (Listing and other Disclosure Requirements) Regulations, 2015, please find enclosed herewith Un-audited Financial Results along with Limited Review Report for the quarter and half year ended 30th September, 2019.

The copies of the above results are also uploaded on the Company's website <https://www.hpthreads.com>

2. Appointment of Mr. Kailash Kumar Agarwal as a Chairman of Board of Directors of the Company w.e.f 13th November, 2019

The said meeting of the Board of Directors commenced at 02:00 P.M. and concluded at 04:30 P.M.

You are requested to kindly take the same on your record.

Yours Faithfully,

For H.P. Cotton Textile Mills Limited


Shubham Jain

(Company Secretary & Compliance Officer)



Encl: As above



H.P. Cotton Textile Mills Limited
(A Government of India recognised Star Export House)

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ISO 9001 : 2008

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Independent Auditor's Review Report on Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of H.P. Cotton Textile Mills Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of H.P. Cotton Textile Mills Limited ('the Company') for the quarter ended 30 September 2019 and the year to date results for the period 01 April 2019 to 30 September 2019, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the cash flow figures for the corresponding six months period ended 30 September 2018 have been approved by the Company's Board of Directors, but have not been subjected to audit or review.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and as per the presentation requirements of SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, (hereinafter referred to as 'the SEBI Circular'), and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and as per the presentation requirements of the SEBI Circular, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandniok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Rohit Arora

Rohit Arora

Partner

Membership No. 504774

UDIN: *19504774AAAA CF 2927*



Place: New Delhi

Date: 13 November 2019

Statement of unaudited financial results for the quarter and six months ended 30 September 2019

Particulars		(Rs. in lacs)					
		Three months ended 30 September 2019 (Unaudited)	Three months ended 30 June 2019 (Unaudited)	Three months ended 30 September 2018 (Unaudited)	Six months ended 30 September 2019 (Unaudited)	Six months ended 30 September 2018 (Unaudited)	Year ended 31 March 2019 (Audited)
Income:							
I.	Revenue from operations						
II.	Other income	2,053	1,560	1,577	3,613	3,732	9,141
III.	Total income (I + II)	2,106	1,601	1,665	3,707	3,858	9,350
Expenses:							
IV.	Cost of materials consumed	930	789	899	1,719	2,171	4,285
	Changes in inventories of finished goods and work-in-progress	(195)	(196)	(317)	(391)	(646)	(264)
	Employee benefits expense	548	542	501	1,090	1,011	2,136
	Finance costs	86	89	59	175	115	303
	Depreciation and amortisation expense	64	65	57	129	111	185
	Other expenses	610	498	657	1,108	1,316	2,703
	Total expenses (IV)	2,043	1,787	1,856	3,830	4,078	9,348
V.	Profit/(loss) before tax (III - IV)	63	(186)	(191)	(123)	(220)	2
VI.	Tax expense:						
	- Current tax						
	- Deferred tax	25	(45)	(50)	(20)	(20)	30
	Total tax expense	25	(45)	(50)	(20)	(20)	30
VII.	Profit/(loss) for the period (V - VI)	38	(141)	(141)	(103)	(200)	(28)
VIII.	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss						
	(ii) Income tax relating to these items that will not be reclassified to profit or loss						2
IX.	Total comprehensive income/(loss) for the period (VII+ VIII)	38	(141)	(141)	(103)	(200)	(26)
X.	Paid-up equity share capital (face value per share Rs. 10)	381	381	381	381	381	381
XI.	Other equity						1,445
XII.	Earnings/(loss) per share (of Rs. 10 each)						
	(a) Basic (Rs.)	(not annualized) 0.99	(not annualized) (3.70)	(not annualized) (3.70)	(not annualized) (2.70)	(not annualized) (5.26)	(annualized) (0.73)
	(b) Diluted (Rs.)	0.99	(3.70)	(3.70)	(2.70)	(5.26)	(0.73)

Notes:

- The financial results of H.P. Cotton Textile Mills Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13 November 2019. The statutory auditors have carried out a limited review of unaudited financial results of the Company for the quarter and six months ended 30 September 2019, in accordance with Regulation 33, of the Securities and Exchange Board of India (Listing and other Disclosure Requirements) Regulation, 2015 and have issued an unmodified review report.
- The unaudited financial results have been prepared in accordance with the Indian Accounting Standards ("IND AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, as specified in Section 133 of the Companies Act, 2013.
- In accordance with Ind AS 108, the Board of Directors being the chief operating decision maker of the Company has determined its only business segment viz Textile (spinning). Since the Company's business is from manufacturing and sale of textile (spinning) and there are no other identifiable reportable segments, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial results.
- As notified vide disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 19 March 2019, the Company's promoters have entered into a family agreement dated 14 March 2019, which would result in inter-se transfer of equity shares of the Company by and among member of the Promoter Group over next two years (collectively, the "Proposed Family Re-arrangement").
- The Company has adopted IND AS 116 "Leases" effective 01 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment rules, 2019 using the modified retrospective method. This has resulted in recognising a right-of-use asset and a corresponding lease liability of Rs. 189 lacs as at 1 April 2019. The impact on the profit for the six months period ended 30 September 2019 is not material.
- As notified vide disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), 2015 dated 29 September 2019, 38th Annual General Meeting ("AGM") was cancelled due to complaint received from some of the large shareholders of the Company as their e-voting rights had been fraudulently been exercised without their knowledge, consent and authorisation. The Company had filed an application with Registrar of Companies ("ROC") on 29 September 2019, requesting for an extension of time for re-convening the AGM. The Company received the extension from MCA vide letter dated 04 October 2019 and conducted the AGM on 08 November 2019 within the extended time period.
- During the current quarter ended 30 September 2019, due to sad demise of Mr. Bibhuti Charan Talukdar, he ceases to be an Independent Director of the Company.
- In the Annual General Meeting of the members of the Company held on 8 November 2019, the ordinary resolutions for appointment of Mr. Surendra Kumar Agarwal and Mr. Ravindra Kumar Agarwal, additional directors (Non-Executive), as Directors have not been passed, and hence they have ceased to be directors of the Company w.e.f. 8 November 2019.
- Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") promulgated on 20 September 2019 with 01 April 2019, Section 115BBA has been inserted whereby the Company has an option to pay income tax at 22% plus applicable surcharge and cess (new tax regime) as against current tax rate of 25% plus applicable surcharge and cess, subject to certain conditions such as Company would not be able to set off any brought forward loss on account of additional depreciation and would not be able to take credit of the MAT credit. The Company has evaluated the option available in the Ordinance and has decided not to opt for the revised rates under Section 115BAA and would exercise such option after utilising the MAT credit and loss arising on additional depreciation.
- The figures for the corresponding previous period/year have been regrouped/reclassified/recasted, wherever necessary, to make them comparable.



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H.P. COTTON TEXTILE MILLS LIMITED

Regd. Office:- 15th Km Stone, Delhi Road, Village Mayar, Hisar, Haryana

11. Unaudited statement of assets and liabilities

(₹ in lacs)

Particulars	As at	As at
	30 September 2019 (Unaudited)	31 March 2019 (Audited)
I ASSETS		
Non-current assets		
Property, plant and equipment	2,068	2,150
Capital work-in-progress	-	81
Right of use assets	165	-
Other intangible assets	72	3
Financial assets		
(i) Loans	143	142
(ii) Other financial assets	-	223
Deferred tax assets (net)	69	49
Other non-current assets	25	27
	2,542	2,675
Current assets		
Inventories	2,379	2,494
Financial assets		
(i) Trade receivables	595	729
(ii) Cash and cash equivalents	6	23
(iii) Other bank balances	1,035	667
(iv) Other financial assets	207	273
Other current assets	506	471
Current tax assets (net)	34	32
	4,762	4,689
Total assets	7,304	7,364
II EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	381	381
Other equity	1,340	1,445
	1,721	1,826
LIABILITIES		
Non current liabilities		
Financial liabilities		
(i) Borrowings	51	68
(ii) Lease liability	128	-
Provisions	368	295
	547	363
Current liabilities		
Financial liabilities		
(i) Borrowings	1,631	1,980
(ii) Lease liability	43	-
(iii) Trade payables		
i) total outstanding dues of micro enterprises and small enterprises	54	58
ii) total outstanding dues of creditor other than micro enterprises and small enterprises	1,660	1,740
(iv) Other financial liabilities	1,210	1,031
Other current liabilities	251	158
Provisions	187	208
	5,036	5,175
Total equity and liabilities	7,304	7,364



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H.P. COTTON TEXTILE MILLS LIMITED

Regd. Office:- 15th Km Stone, Delhi Road, Village Mayar, Hisar, Haryana

12. Unaudited cash flow statement for the six months ended 30 September 2019

Particulars	Six months ended 30 September 2019	Six months ended 30 September 2018
	(Unaudited)	(Unaudited)
A. Cash flows from operating activities		
Net loss before tax	(123)	(220)
Adjustment for:		
Depreciation and amortisation	129	111
Liabilities no longer required written back	-	(7)
Loss on sale of fixed assets	1	-
Unrealised foreign exchange fluctuation	(21)	1
Interest income	(31)	(26)
Interest expense	160	115
Interest and expenses for fair valuation of deposits	-*	(6)
Operating profit/(loss) before working capital changes	115	(32)
Movements in working capital :		
Other non-current asset	1	2
Movement in other financial assets	42	-
Movement in trade receivables	135	170
Movement in other current assets	(35)	(10)
Movement in inventories	115	(388)
Movement in trade payables	(86)	180
Movement in other financial liabilities	167	(4)
Movement in other liabilities	93	200
Movement in provisions	53	68
Cash generated from operations	600	186
Taxes paid	(3)	3
Net cash flow generated from operating activities	597	189
B. Cash flows used in investing activities		
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(16)	(110)
Investment in fixed deposits	(119)	(431)
Proceeds from sale of fixed assets	1	-
Interest received	5	9
Net cash flow used in investing activities	(129)	(532)
C. Cash flows used in financing activities		
Proceeds from long term borrowings	-	8
Repayment of long term borrowings	(19)	(31)
Repayment of short-term borrowings(net)	(349)	(21)
Dividend paid	-	(38)
Finance charges paid	(117)	(116)
Net cash flow used in financing activities	(485)	(198)
D. Net decrease in cash and cash equivalents (A+B+C)	(17)	(541)
E. Cash and cash equivalents at the beginning of the year	23	599
F. Cash and cash equivalents at the end of the period (D+E)	6	58

* rounded off to nil

For HP Cotton Textile Mills Limited


Kailash Kumar Agarwal
Managing Director
DIN: 00063470

Place : New Delhi
Date : 13 November 2019

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