



**H.P. Cotton Textile Mills Limited**  
Extra-Ordinary General Meeting

**TRANSCRIPT OF EXTRA-ORDINARY GENERAL MEETING OF  
H.P. COTTON TEXTILE MILLS LIMITED  
HELD ON  
FEBRUARY 07, 2022**

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

Good Morning Everyone,

I Shubham Jain, Company Secretary of HP Cotton Textile Mills Limited welcome all of you at the Extra-Ordinary General Meeting (“EGM”) of the Company through video conferencing.

In view of the challenges and risks posed by the outbreak of COVID-19 pandemic and keeping in view of the safety and security of everyone, the Company is holding this EGM through video conferencing facility in accordance with the relevant Circulars as mentioned in the notice of EGM 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 EGM.

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 EGM 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 Central Depository Services (India) Limited (“CDSL”) at the Helpline Number mentioned in the EGM 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 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**

Good Morning Ladies and Gentlemen.

I Kailash Kumar Agarwal Chairman of HP Cotton Textile Mills Limited warmly welcome all the members of the Company, my fellow Board Members, Statutory Auditors, Secretarial Auditor, Scrutinizer at the Extra-Ordinary 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 Mrs. Ritu Bansal, Non-Executive Director, all are attending this meeting through video conferencing.

Further, Mr Rohit Arora, Partner Walker Chandiok & Co. LLP, Statutory Auditor, Mr. Tarun Jain Proprietor of M/s Tarun Jain Associates, Company Secretaries, 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 23.78% of Paid-up Share Capital of the Company, appointing an Authorised Representative under Section 113 of the Companies Act, 2013.

As the EGM 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 EGM 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 EGM taken as read.

The manner of transacting the business contained in the Notice of the EGM is through remote e-voting and e-voting during the EGM 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., Monday, January 31, 2022, only shall be entitled to avail the facility of e-voting.

The remote e-voting period commenced on Friday, February 04, 2022 at 9.00 A.M. (IST) and concluded on Sunday, February 06, 2022 at 5.00 P.M. (IST).

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 EGM is being held through VC, and the resolution 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 a Special Business:

Resolution No.: 1. Issuance of Warrants convertible into Equity Shares to Promoters of the Company on a Preferential Basis

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, Mr. Keshav, please ask your question.

- **Mr. Keshav Garg – Shareholder**

Sir, thank you very much. I hope my voice is audible. Sir, I wanted to basically understand sir that since 1st quarter and 2nd quarter. So we were doing around 4.5 Cr. of EBITDA which in 3rd quarter sir it's jumped to around 2.5 Cr. So our operating margins also from around 14-15%, they shrunk to around 7-8%. So, is there a 3rd quarter, sir? Is it a one off or going forward Sir we should consider 3rd quarter EBITDA only as our benchmark. So if you could just give us some idea about that it will be very helpful. And, sir also wanted to understand sir, that, sir what is our end products? Are we selling yarn to the end customer? Or are we selling threads? And, sir also sir what are your CAPEX plans for this year? And for next year, and sir, so our present install capacities are how much revenue can we generate by fully utilizing that, like, we are doing, like, last quarter, we did 35 Cr top line. So, is it fair to say that we can do around 140 Cr. revenue for the full year? Or sir Can we do more than that Also? Sir, if you could just give us some idea about the outlook of the company Sir I understand, that yarn threads have further gone up recently, sir so if you could just share your view on the same and also sir from January of last year sir the government is giving incentive on export of yarn so sir, is it that, in the 2nd, quarter, numbers, export the cumulative export incentive was also included and that is why our EBITDA was 4.5 Cr, or the 4.5 Cr EBITDA quarter is a normal EBITDA, Sir lastly wanted to just request that the company performance is really good. Sir so if the company can start paying dividend or do some kind of share buyback and so also kindly list the company on national stock exchange. Sir, thank you very much and best of luck.

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

Thank You Keshav Garg for your questions. And, for kind words, to begin with, I would like to inform you Keshav that, you know, we would be, answering the questions in detail. Specific to the agenda or the business, which is being conducted in the EGM. And, therefore, you know, most of your questions, I believe you were a speaker shareholder last time also. And, you know, we did answer your questions last time also. So questions I would definitely answer your questions generally. But specifically, I would request you all the questions that you asked, which are not specific to the business being conducted if you could please send us an email and we would be happy to answer those questions, you know, in an appropriate manner. All in all, or, you know, I gather your, you know, the idea behind the questions that you're asking, and I can, I would like to answer them, you know, in a few lines. number one is that, you know, we produce value, added threads and yarns. And the single yarn is being produced, which is being produced by the company is being used for our own captive consumption. Because we are vertically integrated, so in threading. And, secondly, with respect to, you know, your questions regarding EBITDA etc. Yes, you would have seen in our disclosures that the company has the field export incentives, which became available to the company only in the 2nd quarter. And therefore, the benefit of that did come into the 2nd quarter. With respect to the EBITDA margins etc. The results are, you know, have been disclosed, published by the results for declared by the company on 31<sup>st</sup> of January. And you would have seen that. There

is, there is inflationary pressure on the, on the financials of the company, but however, or, you know, overall, you know, our business model is still very robust due to which we continue to post strong, results and moving forward, we would not try and manage a business model in a manner that we become more operationally efficient. Lastly, anything else that you would want to understand, I would appreciate if you could send us an email, and we would be happy to answer your questions. And, again, thank you for your kind words, with respect to, you know, your perception of the performance of the company. We assure you that we are doing all, you know, our efforts, to actually, scale the company to greater heights. And also, in due course, if, you know, the situation permits, you know, we would, happily list ourselves to national stock exchange also. But before that, the company has to achieve a certain scale. With that, I again thank you for your presence at the EGM and for your kind support, thank you.

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

So, our next speaker shareholder is Mr. Praveen Kumar. I think he is not available. So other shareholders are not present so, we can move forward.

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

Thank You Everyone.

- **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 EGM 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 resolution as set out in the Notice of the EGM.

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

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 EGM 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 48 hours of the conclusion of the meeting.

The results of the e-voting will be informed not later than 48 hours of the conclusion of the EGM 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 EGM.

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



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Results on each resolution will be an aggregation of remote e-voting and votes casted through e-voting during the EGM, 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 EGM.

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.