



September 02, 2020

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400001

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

**Sub: Newspaper Publication of information regarding 39th Annual General Meeting of the Company**

Dear Sir,

Pursuant to Regulation 30, 47 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copies of the newspaper advertisement published today i.e. September 02, 2020, in Business Standard (English Newspaper) and Hari Bhoomi (Hindi Newspaper) pursuant to General Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs.

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

**Shubham Jain**

Company Secretary and Compliance Officer

**Encl: As above**



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

(A Government of India recognised Star Export House)

**Corporate Office:**

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1 & 2, Old Ishwar Nagar, Mathura Road,  
New Delhi - 110065, India

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**Regd. Office & Works:**

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

**CIN NO.** L18101HR1981PLC012274



ISO 9001 : 2008

**H.P. COTTON TEXTILE MILLS LIMITED**  
(CIN: L18101HR1981PLC012274)  
Regd. Office: 15th K.M. Stone, Delhi Road, V.P.O. Mayar, Hisar-125044  
Website: www.hpthreads.com E-mail: info@hpthreads.com  
Tel: +91 11 41540471/72/73, Fax: +91 11 49073410

NOTICE is hereby given that the Thirty Ninth (39th) Annual General Meeting (AGM) of the Members of H.P. Cotton Textile Mills Limited ("Company") will be held on Tuesday, September 29, 2020 at 11.30 a.m. IST through Video Conferencing (VC)/Other Audio Video Means (OAVM) in compliance with all applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with General Circular No. 14/2020, dated 08th April, 2020, General Circular No. 17/2020, dated 13th April, 2020, General Circular No. 20/2020 dated 05th May, 2020 and General Circular No. 22/2020 dated 15th June, 2020 issued by the Ministry of Corporate Affairs ("MCA Circulars") and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("SEBI Circular") (MCA Circulars and SEBI Circular collectively referred as "Circulars").

In compliance with Circulars, the Notice of the AGM along with the Annual Report for FY 2019-20 ("Annual Report") will be sent only by email to all the members whose email ids are registered with the Company/Depository participant. The requirements of sending the physical copy of the Annual Report to the Members have been dispensed with in accordance with the aforesaid Circulars. The members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. The Annual Report can be downloaded from the Company's website at www.hpthreads.com, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com and CDSL website at www.evotingindia.com.

Members whose email ids are not registered with the Company/Depository participants may follow the below process for registering or updating their email ids for receiving all communications including Annual Report, Notices etc. from the Company electronically.

a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company/RTA with details of folio number, email-id and attaching a self-attested copy of PAN card at cs@hpthreads.com or Company's RTA at info@anank.com

b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

The Company is providing the remote e-Voting facility before the AGM and e-Voting facility at the AGM to its members to exercise their right to vote on all the resolutions proposed to be transacted at the AGM by electronic means and the facility being provided by Central Depository Services (India) Limited (CDSL).

Facility for e-Voting at the AGM will be made available to those Members who present in the AGM through VC/OAVM facility and have not cast their votes on the Resolutions through remote e-Voting. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again. Members who are holding shares in physical form or who have not registered their email address with the Company / Depository or any person who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent electronically by the Company, and holds shares as on the cut-off date, i.e. September 22, 2020, he/she may write to the Company on the E-mail ID: cs@hpthreads.com or CDSL on the E-mail ID: helpdesk.evoting@cdslindia.com. However, if a member is already registered with CDSL for e-voting their existing User ID and password can be used for casting vote.

for **H.P. COTTON TEXTILE MILLS LIMITED**  
Shubham Jain  
Company Secretary

New Delhi  
01.09.2020

**Bank of Baroda**  
ZOSARB, 13th Floor, Bank of Baroda Building,  
16 Sansad Marg, New Delhi-110001

**Ms. Shakti Bhog Foods Ltd.**, 404-405, 4th Floor Krishna Apra Business Square, Netaji Subhash Place, Pitampura New Delhi-110034.

**Ms. Shakti Bhog Foods Ltd.**, Pearl Business Park Netaji Subhash Place, Pitampura New Delhi 110034

**Ms. Shakti Bhog Foods Ltd.**, Unit-I/24/25 SSI Industrial Area, GT Kamal Road, Delhi 110052

**Ms. Shakti Bhog Foods Ltd.**, Unit-II 112, samaipur Badli Industrial Area, Delhi 110042

**Ms. Shakti Bhog Foods Ltd.**, Unit-IV Village salempur Mehdood Distt. Haridwar 249402

**Ms. Shakti Bhog Foods Ltd.**, Unit-V Village samara Bahu, G T kamal Road, distt. Kamal (Haryana) 110052

**Ms. Shakti Bhog Foods Ltd.**, 33, SSI Industrial Area, G T kamal Road, Delhi 110052

**Mr. Kewal Krishnan Kumar**, Director & Guarantor, 61/15, Punjabi bagh (West) Delhi 110026

**Mr. Sidhartha Kumar**, Director & Guarantor, 61/15, Punjabi Bagh (West) Delhi -110026

**Mrs. Sunanda Kumar**, 61/15, Punjabi bagh (West) Delhi 110026

**Ms. Dash Export Pvt Limited-Guarantor**, 109, Samaipur, 1st Floor, Gali No. 6, New Delhi - 110042, Delhi

**Ms. Dash Export Pvt Limited- Guarantor**, 1102-B, Pearls Business Park, Netaji Subhash Place, Pitampura New Delhi - 110034, Delhi

**Re: Show Cause Notice for declaring Ms. Shakti Bhog Foods Ltd and its Directors and Guarantors as Wilful Defaulters and Opportunity for Representation there against.**

We refer to your captioned account and write to inform you that due to non-payment of interest/instalment, account turned to Non-Performing Assets in the books of the Bank on 24.06.2015.

We further write to inform you that as per the directions of the Committee of Executives on Wilful Defaulters of our Bank and on scrutiny of your account based on your acts of omission and commission, deeds/ documents and writings, performed/executed by the company, the company and its Directors be classified as Wilful defaulters as per guidelines of RBI on the following grounds:

- 1) During the FY 2015-16, Inventory costing Rs. 3035.52 Cr got damaged due to pest.**
  - However, as per stock and receivable audit report conducted during the period 16.01.2016 to 29.02.2016 for the quarter ending September 2015, company in its stock and receivable statement informed value of inventory as Rs.3537.55Cr and the average monthly stock maintained by the company throughout the period from April 2015 to December 2015 was Rs. 3514.00 Cr. Further Stock Auditor not identified any goods in the inventory as old/slow moving/non-moving or damaged.
  - In March, 2016 the company reported its inventory as Rs.235.93Cr in its audited financial statement.
  - Company has disposed the stock at a substantially low price.
  - The proceeds of the damaged inventory were not routed through Bank accounts as it was found from the Bank statements that Rs.113.41 cr received by SBFL during the period from March, 2016 to March, 2017
  - It is unusual that inventory costing Rs.3035.52 cr got damaged and funds not realised from the damaged inventory.

As per the information provided by SBI, Lead Bank, no insurance claim is pending at present.
- 2) Total Payments of Rs. 341.05 Cr (Rs. 111.26 Cr in the form of LC and Rs.229.79 Cr in the form of direct payments made from bank accounts) were made to five vendors by the company. It was observed that**
  - 2 vendors have invalid TIN (Annapurna Trading company and Ganesh Overseas) and PAN of 2 transporters does not exist.
  - Truck numbers mentioned in transport challan indicated that they were not registered in the correct class of vehicles. (-54- of the vehicle numbers mentioned were registered as Two Wheeler-Bajaj Chetak, Royal Enfield Bullet, Honda Activa etc., Ambulance, school bus, low capacity transport vehicles.
  - It was also noted
    - i) the transporters Kamal Trading Company and Maa Durga Road lines by the mentioned names have never existed at the given addresses or anywhere in the market.
    - ii) the Vendors Annapurna Trading Company and Ganesh Overseas does not exist at the address mentioned on its invoices.

It appears that payment to these vendors were not genuine and it creates a suspicion over the payments of Rs.341.05Cr.
  - 3) On review of the financial statements of Shakti Bhog Foods Limited (SBFL), Shakti Bhog Snacks Limited (SBSL- Related Party) and Bhawna Portfolio Private Limited (BPPL-related Party) it was observed that during FY 2015-16, SBFL advanced Rs.30.00 Cr to SBSL and further SBSL advanced Rs.24.00 Cr to BPPL. During the same FY 2015-16 BPPL infused Rs.11.00 Cr to SBFL as promoter contribution in the form of unsecured loan. Hence funds amounting to Rs.11.00Cr were potentially round ripped to SBFL through its related parties as promoters contribution.**
  - 4) Company was maintaining current accounts with Axis Bank Limited and IDBI out of the consortium. SBFL has received and transferred Rs.119.76 Cr and Rs.154.88 Cr respectively from/to out of consortium banks accounts of SBFL.**
  - 5) On review and comparison of audited financials of SBFL with audited financials of KFIL the following observations made:**
    - For the Financial year 2015-16 it was observed that there was a difference in the related party disclosures in the audited financial statements for the sales made by SBFL to Dash Exports Private Limited (DEPL) and purchases made by SBFL from DEPL. Thus, leading to difference of sale by SBFL to Rs. 26.18 Cr and difference of purchases of Rs. 23.42 Cr respectively. Additionally Mr. Kewal Krishnan Kumar and Mr. Sidhartha Kumar are the directors in both the companies and Ms. Sunanda is past director in DEPL and present director of SBFL.

(Rs. In Cr)

S.No.	Financial Year	Transaction	Disclosure By SBFL(A)	Disclosure by DEPL(B)	Difference bet A&B	Remarks
1.	2015-16	Purchases	29.00	(*)2.81	26.19	Diff in disclosure of sales
2.	2015-16	Sales	24.18	(*)0.76	23.42	Diff in disclosure of purchases

(\*) The figures reported are total amount of related party transactions.

6) i) As per the stock and receivable statement of SBFL, outstanding debtor and creditor balance for the month of March 2015 was Rs. 69.68Cr and Rs.475.32cr Respectively.

However, as per the financial statements for FY 2014-15, the outstanding debtors and creditors were disclosed as Rs. 35.54 Cr and Rs. 718.79 Cr respectively.

Thus, leading to an overstatement of debtor balance by Rs.34.14Cr and understatement of creditor balance by Rs. 243.47cr respectively.

ii) Out of -20-creditors disclosed in payables statement submitted along with stock and receivable statement, it was noted that SBFL has disclosed a creditor named Veebro Techno Plast Private Limited with a balance outstanding of Rs.79.98Cr. However, on review of the audited financial statement of VTPL filed with MCA for FY 2014-15, it was noted that their total receivables amounting to Rs.15.69Cr. Therefore, the difference of Rs.64.29Cr leads to an inflated purchase or creditor balance. On investigation by the forensic auditor it was found that VTPL office never exists in the address given, from this it is concluded that SBFL has potentially misrepresented its financial position to consenting consortium members which could possibly be in order to receive an increased drawing power facility from its cash credit account.

7) During 01.04.2013 to 31.03.2017 it was observed that 16.21% of total receipts of Rs.1167.91cr are from those debtors with whom SBFL made purchases and approximately 11.47% of total payments amounting to Rs.960.65cr were from those creditors to whom SBFL has sold goods.

8) During the FY 2013-14, SBFL made payment amounting to Rs.12.31Cr to one of the vendor namely M/s.R.B Kissan Kendra Private Limited (RBKKPL).

a) On analysis of the stock and receivable statement of SBFL submitted with consortium members, it was noted that RBKKPL is listed as creditor in the creditor's statement.

b) On analysis of financial statements of RBKKPL for FY 2013-14, it was noted that RBKKPL has total revenue of Rs.0.73Cr from operations and its advance from suppliers was Rs.0.26cr

From the above, it creates a suspicion on the veracity of the payments amounting to Rs.12.31Cr made by SBFL to RBKKPL.

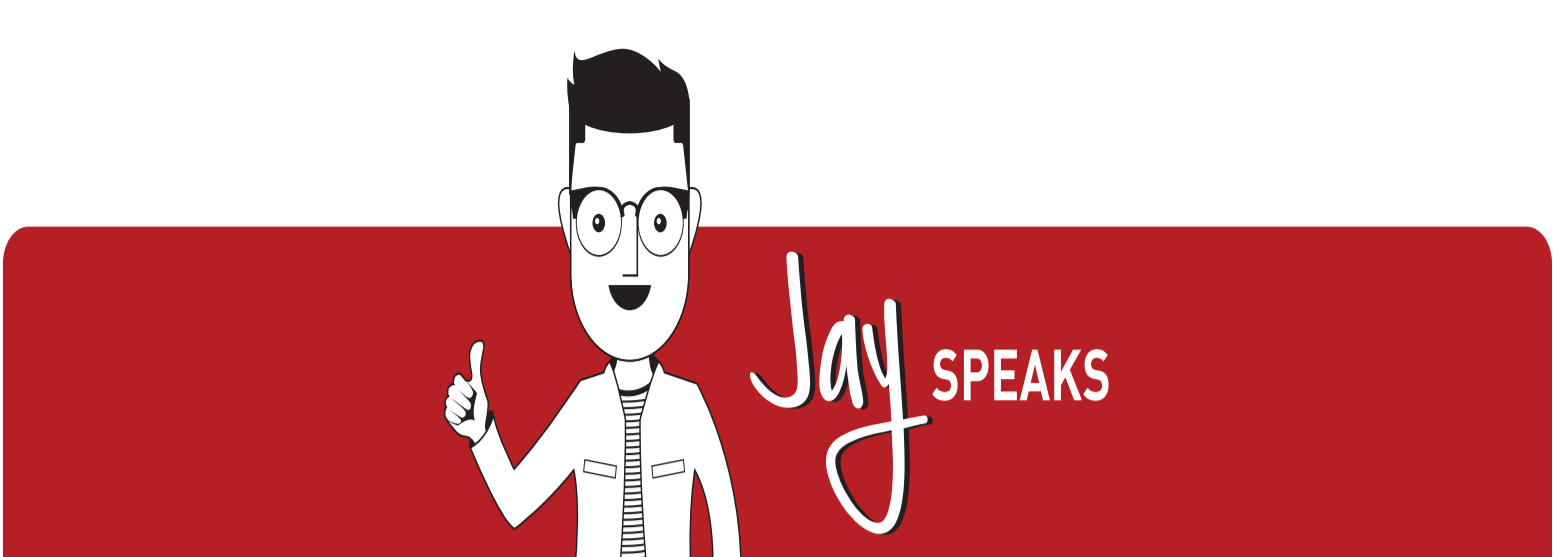
The company has defaulted in meeting its payment/ repayment obligations to the lender and has siphoned off the funds so that the funds have not been utilised for the specific purpose for which finance was availed of, nor are the funds available with the company in the form of other assets

In terms of RBI guidelines and to comply principles of natural justice, if you, desire, you may send your submission for consideration by the Committee of Executives, headed by our Executive Director within -15- days from the date of receipt of this letter as to why your account and you be not classified by Bank as a Wilful Defaulter. The Committee reserves the right to give or not to give the personal hearing to decide about classifying as wilful defaulter in case your submission is received.

Please note that, in case your submission against the intention of Bank to declare you as a Wilful Defaulter is not received within -15- days from the date of receipt of this letter, the Bank will proceed further and classify your account as wilful defaulter. Bank reserves the Right to publish the name and photograph of Wilful Defaulter in News Paper and will initiate the necessary recovery action as per extant guidelines issued by Reserve Bank of India.

This communication is issued as per the directions of the Committee of Executives on Wilful Defaulters (COE).

Assistant General Manager



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