

PADAM COTTON YARNS LIMITED

Regd. Office : 196, 1st Floor, G.T. Road,
Opp. Red Cross Market, Kamal - 132 001
CIN: -L17112HR1994PLC033641

STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER/ YEAR ENDED 31-MARCH-2019

Amt. In Lakhs

S: NO:	PARTICULARS	3 months ended:	Preceding 3	Corresponding 3	Year to date figures for	Year to date figures
		31/03/2018	months ended, 31/12/2018	months ended in the previous year 31/03/2018	current year ended 31/03/2019	for previous year ended 31/03/2018
		Audited	Unaudited	Audited	Audited	Audited
1	Income from Operations					
	(a) Gross Sales / Income From Operations	0.00	0.00	0.00	0.00	177.98
	(b) Other Income	0.00	0.00	0.00	0.00	4.94
	Total Income (1)	0.00	0.00	0.00	0.00	182.92
2	Expenses					
	a. Cost of materials consumed	0.00	0.00	0.00	0.00	0.00
	b. Purchase of stock in trade	0.00	0.00	0.00	0.00	0.00
	c. Changes in inventories of Finished Goods, Work In Progress	0.00	0.00	0.00	0.00	177.98
	d. Excise Duty on sales	0.00	0.00	0.00	0.00	0.00
	e. Employee benefits expenses	0.75	0.00	0.00	0.75	0.00
	f. Finance Cost	0.00	0.00	0.03	0.00	0.03
	g. Depreciation and amortization expense	0.00	0.00	0.00	0.00	0.00
	h. Other expenditure	0.77	0.93	0.20	5.32	5.10
	Total Expenses(2)	1.52	0.93	0.23	6.07	183.11
3	Profit from operation before exceptional items and tax: (1-2)	-1.52	-0.93	-0.23	-6.07	-0.19
4	Exceptional items	0.00	0.00	0.00	0.00	0.00
5	Profit for the period (3+4)	-1.52	-0.93	-0.23	-6.07	-0.19
6	Tax expenses:					
	(a) Current Tax	0.00	0.00	0.08	0.00	0.08
	(b) Deferred Tax	0.00	0.00	0.00	0.00	0.00
7	Net Profit for the period/year (5-6)	-1.52	-0.93	-0.31	-6.07	-0.27
8	Other Comprehensive income/(Expenses) (Net of Tax)	0.00	0.00	0.00	0.00	0.00
9	Total Comprehensive income for the period (7+8)	-1.52	-0.93	-0.31	-6.07	-0.27
10	Paid-up equity share capital (Face Value of Rs.10/- each)	387.30	387.30	387.30	387.30	387.30
11	Other equity	0.00	0.00	0.00	0.00	0.00
12	Earnings Per Share-Basic and Diluted (of Rs.10/- each) (not annualised) Computed on the basis of profit for the period/year					
	(i) before exceptional items/net of tax	0.00	0.00	0.00	0.00	0.00
	(ii) after exceptional items	0.00	0.00	0.00	0.00	0.00

For Padam Cotton Yarns Ltd
Rajeev Kumar
Director

PADAM COTTON YARNS LIMITED

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STATEMENT OF ASSETS AND LIABILITIES

PARTICULARS	— Amt. Rs. Lakhs	
	AS AT 31-MAR-2019 Audited	AS AT 31-MAR-2018 Audited
ASSETS		
Non-current assets		
a) Fixed assets		
b) Goodwill on consolidation		
c) Non-current investment		
d) Deferred tax assets (net)		
e) Long-term loans and advances		
f) Other non-current assets	529.51	529.51
	529.51	529.51
Current assets		
a) Current investments		
b) Inventories		
c) Trade receivables	171.30	176.48
d) Cash and cash equivalents	0.16	1.29
e) Short-term loans and advances		
f) Other current assets	0.79	0.20
	172.25	177.97
TOTAL-ASSETS	701.76	707.48
EQUITY AND LIABILITIES		
Shareholders' funds:		
a) Share Capital	387.30	387.30
b) Reserves and Surplus	(125.09)	(119.02)
c) Money received against share warrants		
Share application money pending allotment		
Minority interest		
	262.21	268.28
Non-current liabilities:		
a) Long-term borrowings		
b) Deferred Tax liabilities (Net)		
c) Other Long term liabilities	439.14	439.14
d) Long-term Provisions		
	439.14	439.14
Current Liabilities		
a) Short term borrowings		
b) Trade payables	0.01	0.05
c) Other current liabilities	0.10	
d) Short term provisions	0.30	0.01
	0.41	0.06
TOTAL-EQUITY AND LIABILITIES	701.76	707.48

NOTES:

1 The above results were reviewed and recommended by the Audit Committee, for approval by the Board, at its Meeting held on May 28, 2019 and were approved and taken on record at the Meeting of the Board of Directors of the Company held on that date.

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2 The financial results of the company have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the companies Act, 2013, read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI circular dated July 5, 2016.

3 (A) Reconciliation of Net Profit as previously reported on account of transition from the previous GAAP to Ind AS for the quarter and held year ended March

Particulars	Quarter Ended 31.03.2018 (Rs. In lacs)	Year Ended 31.03.2018 (Rs. In lacs)
Net profit as reported earlier under erstwhile IGAAP	(0.31)	(0.27)
Finance income recognised based on the effective	0.00	0.00
Lease rental recognised as per Ind-AS	0.00	0.00
Finance cost recognised based on the effective interest	0.00	0.00
Provision/Reversal for expected credit loss	0.00	0.00
Deferred tax impact	0.00	0.00
Net profit now reported under Ind-AS	(0.31)	(0.27)
Other Comprehensive Income/(Expenses) (Net of Tax)	0.00	0.00
Total Comprehensive Income	(0.31)	(0.27)

(B) Equity as at 31st March, 2018

Particulars	Year Ended 31.03.2018 (Rs. In Lacs)
Equity under previous GAAP	387.30
Adjustments:-	
Change in Fair valuation of Financial Instruments	0.00
Capital Subsidy under Tuff	0.00
Provision for Doubtful Debts	0.00
Depreciation	0.00
Profit on sale of Fixed Assets	0.00
Deferred Tax Adjustments	0.00
Equity Under Ind AS	387.30

4 The financial results for years ended March 31, 2019 have been audited by the statutory auditors of the company. The audit report does not contain any qualifications. The audit report will be filed with the stock Exchange and will also be available on the company's website.

www.padamcotton.com

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- 5 The Audit of financial results for the year ended March 31, 2018 and the review of unaudited financial results for the quarter ended March 31, 2018 was carried out and reported by M/s Harjinder Singh & Co., Chartered Accountants, vide their unqualified audit report dated 28th May, 2018.
- 6 Figures for the quarter ended March 31, 2019 and March 31, 2018 represent the difference between the audited figures in respect of the full financial year and published figures of nine months ended December, 31, 2018 and December 31, 2017 respectively which were subject to a limited review by the statutory auditors.
- 7 The Company was earlier operating in only one segment i.e. manufacturing of yarns, but due to major fire in the factory in the night of 13th July, 2002 in which major plant & machinery, raw materials godowns and other building was completely destroyed resulting in the discontinuance of the production till date.
- 8 During the quarter ended on 31.03.2019 the company has not received any complaint.
- 9 Previous period figures have been re-grouped/re-classified wherever necessary.

Karnal
May, 28, 2019

for Padam Cotton Yarns Ltd.
For Padam Cotton Yarns Ltd.

Rajev Gupta Director
Managing Director



Harjinder Singh & Co.

Chartered Accountants

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caharjinder@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
Padam Cotton Yarns Limited
Karnal

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of Padam Cotton Yarns Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2019, the profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Resl. Cum Off. : 75, Dyal Singh Colony, KARNAL-132 001 ☎ : 0184-2253166, 4044175 (O)

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Recoverability of Insurance Claim Receivable (Non Current Assets) The company has material uncertain legal matter of Insurance Claim under dispute. Refer to note 3.01 to financial statements	Principal Audit Procedure. We have involved our internal experts to review the nature of the amount recoverable, the sustainability and the likelihood of recoverability upon final resolution.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Standalone) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibility for the audit of the standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

-Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

-Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

-Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

-Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

-Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 3:01 to the Standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

Place: Karnal
Date: 28.05.2019

For Harjinder Singh & Co.
Chartered Accountants

(FRN: 014119N)


(Harjinder Singh)
(Prop.)

M. No. 092290

Annexure – B to the Independent Auditor's Report of even date on the Standalone Financial Statements of Padam Cotton Yarns Limited

Report on the Internal Financial Controls under Clause (l) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Padam Cotton Yarns Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting; assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

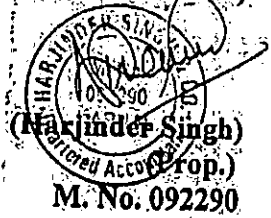


Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Karnal
Date: 28.05.2019

For Harjinder Singh & Co.
Chartered Accountants
(FRN: 014119N)



M. No. 092290