

PADAM COTTON YARNS LIMITED

28TH ANNUAL REPORT 2021-2022

CORPORATE INFORMATION

Mrs. Radhika Gupta
Managing Director

Mr. Vivek Gupta
Director

Mr. Satwant Singh
Independent Director

Mr. Rajev Gupta
Director

Mr. Sachin Gupta
Independent Director

Mr. Naresh Chand Goyal
Independent Director

Chief Financial Officer
Mr. Shivam Gupta

Statutory Auditors
M/s Harjinder Singh & Co., Karnal
(Chartered Accountants)

Secretarial Auditors
M/s A. Goyal & Associates, Karnal
(Company Secretaries)

Registrar and Transfer Agent
(Electronic & Physical)
Beetal Financial & Computer Services (P) Ltd.
Email: beetal@beetalfinancial.com

Registered and Corporate Office
196, 1st Floor, G.T Road, Opp. Red Cross Market,
Karnal- 132001 (Haryana)
Ph- 0184-6616601-9
Email-rajevoswal@yahoo.com
Website- www.padamcotton.com
CIN- L17112HR1994PLC033641

I N D E X

Particulars	Page Nos.
Notice	4-14
Proxy Form (Form MGT-11) & Attendance Slip	15-16
Route Map	17
Directors' Report	18-29
Content of Annexure to Directors' Report	30
Secretarial Audit Report- Annexure A	31-32
Management's Discussion & Analysis Report- Annexure B	33-35
Particulars on Conservation of Energy etc.- Annexure C	36
Particulars of Employees- Annexure D	37-38
Particulars of Related Party Transaction in Form AOC-2- Annexure E	39
Declaration of Compliance with the Code of Conduct- Annexure F	40
Certification from Chief Financial Officer- Annexure G	41-42
Extract of Annual Return in Form MGT-9- Annexure H	43-49
Independent Auditor's Report	50-57
Financial Statements	58-79

PADAM COTTON YARNS LIMITED

CIN: L17112HR1994PLC033641

Regd. Office: 196, 1st Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana)

www.padamcotton.com, email: rajevoswal@yahoo.com, Tel: 0184-6616601-9

NOTICE

Notice is hereby given that the 28th Annual General Meeting ("AGM") of the Members of M/s Padam Cotton Yarns Limited will be held on Friday, the 9th day of September, 2022 at 11:00 a.m. at Registered Office of the Company at 196, 1st Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2022 including Audited Balance Sheet as at 31st March, 2022 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.
2. **To appoint a Director in place of Mr. Rajev Gupta (DIN: 00172828), who retires by rotation and, being eligible, offers himself for re-appointment.**

Based on term of Appointment, Executive and Non-Executive Directors are liable to retire by rotation. Mr. Rajev Gupta, Non-Executive, Non-Independent Director who is liable to retire by rotation being eligible, seeks re-appointment. The Board recommended his re-appointment.

"RESOLVED THAT pursuant to the provision of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the Shareholders of the company be and is hereby accorded to the re-appointment of Mr. Rajev Gupta as Director, who is liable to retire by rotation.

3. **To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution for Appointment of Statutory Auditors of the Company:**

"RESOLVED THAT pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re enactment thereof for the time being in force) M/s. Viney Goel & Associates Chartered Accountants, Karnal having Firm Registration No. 012188N be and is hereby appointed as Statutory Auditors of the Company for a period of five (5) years from 1st April, 2022 to 31st March, 2027 and that they shall hold office from the conclusion of this 28th Annual General Meeting (AGM) until the conclusion of the 33rd Annual General Meeting of the Company to be held 2027 on such remuneration as may be mutually agreed upon between Directors of the Company and the Auditors, plus reimbursement of goods and service tax, travelling and out of pocket expenses."

SPECIAL BUSINESS:

4. **To consider and if thought fit to pass, with or without modification the following Resolution as an Ordinary Resolution for Re-designation and appointment of Mrs. Radhika Gupta as Managing Director of the Company:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 of the Companies Act, 2013 read with other applicable provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable regulations of SEBI

(Listing Obligations and Disclosure Requirements) Regulations 2015, (including any statutory modifications and re-enactment thereof) and the recommendation of the Nomination and Remuneration Committee ('NRC'), the Audit Committee and as decided by the Board at their respective meetings held on 19th March, 2022, the approval of the shareholders be and is hereby accorded to re-designate and appoint Mrs. Radhika Gupta (DIN: 07071267) as the Managing Director of the Company for a period of five years w.e.f. 19th March, 2022 to 18th March, 2027, without any remuneration."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all steps and to do acts, deeds and things as may be deemed necessary for giving effect to this Resolution."

5. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution for Change in Designation of Mr. Vivek Gupta from Managing Director (Executive Director) to Non-Executive, Non-Independent Director of the Company:**

"RESOLVED THAT pursuant to the provisions of section 152, of the Companies Act, 2013 and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (including any statutory modifications and re-enactment thereof) and the recommendation of the Nomination and Remuneration Committee ('NRC'), the Audit Committee and as decided by the Board at their respective meetings held on 19th March, 2022, the approval of the shareholders be and is hereby accorded to Change in Designation of Mr. Vivek Gupta (DIN: 00172835) from Managing Director (Executive Director) to Non-Executive, Non-Independent Director of the company, liable to retire by rotation of Directors, effective from 19th March, 2022 on such terms and conditions as per Letter of Appointment given to Mr. Vivek Gupta by the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to file the necessary e-forms with Registrar of Companies, NCT of Delhi and Haryana and to do all such acts and deeds as may be required to give effect to the above resolution."

**By Order of the Board
For Padam Cotton Yarns Limited
Sd/-
(Radhika Gupta)
Managing Director
DIN: 07071267**

**Place: Karnal
Date: 03.08.2022**

Notes:

As Padam Cotton Yarns Limited, being a listed company and having more than 1000 shareholders, is compulsorily required to provide remote e-voting facility or postal ballot to members in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting by show of hands will not be available to the members at the 28th AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

As COVID-19 pandemic situation is under control in the area where the 28th AGM is going to be held, your Company will hold upcoming AGM physically, considering the safety precautions on high priority.

This notice is sent to all the members whose name appears as on 3rd August, 2022 in the Register of Members.

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTYEIGHT HOURS (48 HOURS) BEFORE THE SCHEDULED TIME FOR HOLDING THE AFORESAID MEETING. A BLANK PROXY FORM IS ENCLOSED.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the company.
4. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
5. The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
6. Route Map for easy location of Venue of Annual General Meeting is attached herewith the Notice of Annual General Meeting.

7. No gifts, gifts coupons, or cash in lieu of gifts is distributed in the Meeting.
8. Additional Information, pursuant to regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, In respect of the directors seeking appointment/ re-appointment at the AGM, is furnished as annexure to the Notice.
9. Members are requested to bring their attendance slip along with Note that copies of Annual Report will not be distributed at the Annual General Meeting.
10. Members/Proxies/Authorized Representatives are requested to deposit the attendance slip duly filed in and signed for attending the Meeting. Members who hold shares in dematerialization form are requested to write their client ID and DP ID numbers for identification.
11. Members, who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held in electronic form and in case the shares are held in physical form to the Company's Registrar and Share Transfer Agents,
12. The Notice for the Annual General Meeting and the Annual Report will be available for inspection at the Registered Office of the Company on all working days in business hour up to the date of Annual General Meeting. The above said shall also be available on the Company's website at www.padamcotton.com and on the website of the CDSL//www.cdslindia.com/ for inspection and downloading by the shareholders of the company.
13. Members seeking further information on the Accounts or any other matter contained in the Notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
14. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during the office hours on all working days (except Saturdays, Sundays and Public Holidays) between 11: 00 A.M. to 1: 00 P.M up to the date of this Annual General Meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat account. Member holding shares in physical form can submit their PAN details to the Company at the Registered Office of the Company.
16. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. The Register of Members and Share Transfer Books shall remain closed from 03.09.2022 to 09.09.2022 (Both days inclusive).

18. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote in their behalf at the meeting.
19. The Board of Directors has appointed Mr. Ashish Goyal, Practicing Company Secretary as the Scrutinizer for conducting the voting and remote e-voting process in accordance with the law and in a fair and transparent manner and he has consented to act as scrutinizer.
20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within 24 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman or any other Key Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Annual General Meeting.
21. The results declared along with the report of Scrutinizer shall be placed on the website of the Company www.padamcotton.com and on the website of CDSL immediately after the declaration of results by the Chairman or any other Key Managerial Personnel. The results shall also be forwarded to the Stock Exchange within 48 hours of the conclusion of Annual General Meeting.
22. The business set out in this Notice shall be conducted through e-voting. In compliance with the provisions of the Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to cast their votes electronically instead of casting their vote at the Meeting. Please note that the voting through electronic means is optional.
23. Voting through electronic means:

❖ **The Instructions for Shareholders for Remote E-Voting are as under:**

- (i) The voting period begins on Tuesday, 6th September, 2022 at 10:00 a.m. and ends on Thursday, 8th September 2022 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, of 2nd September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant Company, Padam Cotton Yarns Limited which is 220712008 on which you choose to vote.

- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians –Remote Voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; rajevoswal@yahoo.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**By Order of the Board
For Padam Cotton Yarns Limited**

**Sd/-
(Radhika Gupta)
Managing Director
DIN: 07071267**

**Place: Karnal
Date: 03.08.2022**

Explanatory Statement
[Pursuant to Section 102 of Companies Act, 2013]

Item No. 3:

The Members of the Company at the 23rd Annual General Meeting ('AGM') held on 29th September, 2017 approved the appointment of M/s Harjinder Singh & Co., Chartered Accountants, as the Auditors of the Company for a period of five (5) years from the conclusion of the said 28th AGM. M/s Harjinder Singh & Co. will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the appointment of M/s. Viney Goel & Associates, Chartered Accountants, Karnal (FRN- 012188N), as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 33rd AGM.

M/s. Viney Goel & Associates, have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval

Your Directors recommend the ordinary resolution set forth in Item No. 3 for your approval.

Item No. 4:

Pursuant to recommendation of the Nomination & Remuneration Committee ('NRC'), the Board at its meeting held on 19th March, 2022 has re-designated Mrs. Radhika Gupta who presently is Director of the Company as Managing Director of the Company w.e.f. 19th March, 2022 for a term of five (5) years w.e.f. 19th March, 2022 to 18th March, 2027, pursuant to the recommendation/approval of the NRC and the Audit Committee, without any remuneration.

None of the Directors and/or KMP or their relatives or Directors except Mrs. Radhika Gupta is concerned or interested in the aforesaid Resolution.

The Board recommends the Ordinary Resolution set forth in the notice Item No. 4 for approval by the shareholders.

Item No. 5:

Change in Designation of Mr. Vivek Gupta

The members are apprised that Mr. Vivek Gupta who was appointed as Managing Director (Executive Director) of the Company w.e.f. 26th May, 2021 by the Board of Directors and Members have ratified his appointment in the 27th AGM held on 13th September, 2021 has shown his willingness to act as Non-Executive, Non-Independent Director of the company.

The Nomination & Remuneration Committee and Board of Directors in its respective meetings held on 19th March, 2022 and considered his request and approved the change in designation of Mr. Vivek Gupta from Managing Director (Executive Director) to Non-Executive, Non-Independent

Director of the company on the terms and conditions as specified in the Appointment Letter with effect from 19th March, 2022.

Hence, the Committee & the Board have proposed to appoint him as Non-Executive, Non-Independent Director of the company. The appointment of Mr. Vivek Gupta as such shall take effect from 19th March, 2022 and requires the approval of the Shareholders of the company by way of Ordinary Resolution passed in the General Meeting as per provisions of section 152 and other applicable provisions, if any of the Companies Act, 2013.

Based on the recommendation of the Nomination & Remuneration Committee & the Board, the matter is recommended to the shareholders for their approval for change in designation of Mr. Vivek Gupta, from Managing Director (Executive Director) to Non-Executive, Non-Independent Director of the company on such terms and conditions as mentioned in the Letter of Appointment.

None of the Directors and/or KMP or their relatives or Directors except Mr. Vivek Gupta is concerned or interested in the aforesaid Resolution.

The Board recommends the Ordinary Resolution set forth in the notice Item No. 5 for approval by the shareholders.

**By Order of the Board
For Padam Cotton Yarns Limited**

**Sd/-
(Radhika Gupta)
Managing Director
DIN: 07071267**

**Place: Karnal
Date: 03.08.2022**

Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting

Name of the Director and DIN	Mr. Vivek Gupta (DIN: 00172835)	Mrs. Radhika Gupta (DIN: 07071267)
Age	52	51
Qualification	Graduate (B.Com)	Graduate (B.Com)
Experience	He has more than 27 years of experience in Textile Industry.	She is an expert in Finance and Accounting.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	The details are provided in the resolution at Item no. 5 of this notice.	The details are provided in the resolution at Item no. 4 of this notice.
Remuneration last drawn by such person	N.A.	N.A.
Date of first appointment on the Board	02/11/1994	21/01/2015
Shareholding in the company	19.28 %	1.149 %
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Rajev Gupta (Director)- Brother Mr. Shivam Gupta (CFO)- Son Mrs. Radhika Gupta (Managing Director)- Wife	Mr. Vivek Gupta (Director)- Husband Mr. Rajev Gupta (Director)- Brother-in-Law Mr. Shivam Gupta (CFO)- Son
Number of Meetings of the Board attended during the year	8 (Eight)	7 (Seven)
Other Directorships	6 (Six)	NIL
Membership/ Chairmanship of Committees of other Boards	NIL	NIL

**By Order of the Board
For Padam Cotton Yarns Limited**

**Sd/-
(Radhika Gupta)
Managing Director
DIN: 07071267**

**Place: Karnal
Date: 03.08.2022**

PADAM COTTON YARNS LIMITED

CIN: L17112HR1994PLC033641

Regd. Office: 196, 1st Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana)
www.padamcotton.com, email: rajevoswal@yahoo.com, Tel: 0184-6616601-9

**Proxy Form
FORM NO. MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):
Registered address:
E-mail ID:Folio No/ Client ID:DP ID:

I/We, being the member(s) holding shares of the above-named Company, hereby appoint

1. Name: Address:
E-mail Id: Signature:....., or failing him,
2. Name: Address:
E-mail Id: Signature:....., or failing him,
3. Name: Address:
E-mail Id: Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **28th Annual General Meeting** of the company to be held on **Friday, the 9th day of September, 2022** at **Registered Office of the Company at 196, 1st Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana)** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

S. No.	Particulars of Resolution	For	Against
1.	Adoption of Financial Statements for the year ended March 31, 2022.		
2.	Re-appointment of Mr. Rajev Gupta (DIN: 00172828), who retires by rotation.		
3.	Appointment of Statutory Auditors of the Company.		
4.	Re-designation and appointment of Mrs. Radhika Gupta as Managing Director of the Company.		
5.	Change in Designation of Mr. Vivek Gupta from Managing Director (Executive Director) to Non-Executive, Non-Independent Director of the Company.		

Signed this.....day of..... 20.....

Signature of shareholder

Signature of Proxy holder(s)

Note: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A proxy need not be a member of the Company.

3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

Affix Revenue
Stamp of Re. 1

PADAM COTTON YARNS LIMITED

CIN: L17112HR1994PLC033641

Regd. Office: 196, 1st Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana)

www.padamcotton.com, email: rajevoswal@yahoo.com, Tel: 0184-6616601-9

ATTENDANCE SLIP

28th Annual General Meeting on Friday, the 9th day of September, 2022 at 11:00 A.M.

(This attendance slip duly filled in, to be handed over at the meeting)

Day:

Date:

Time:Place:

Member's Folio No.:DP ID:

No of shares Hold:

Client ID:

.....

Name & address of the member (In Block letters):

.....

Name of Proxy(s) (in Block Letters):

(To be filled only when shareholder has to appoint a proxy)

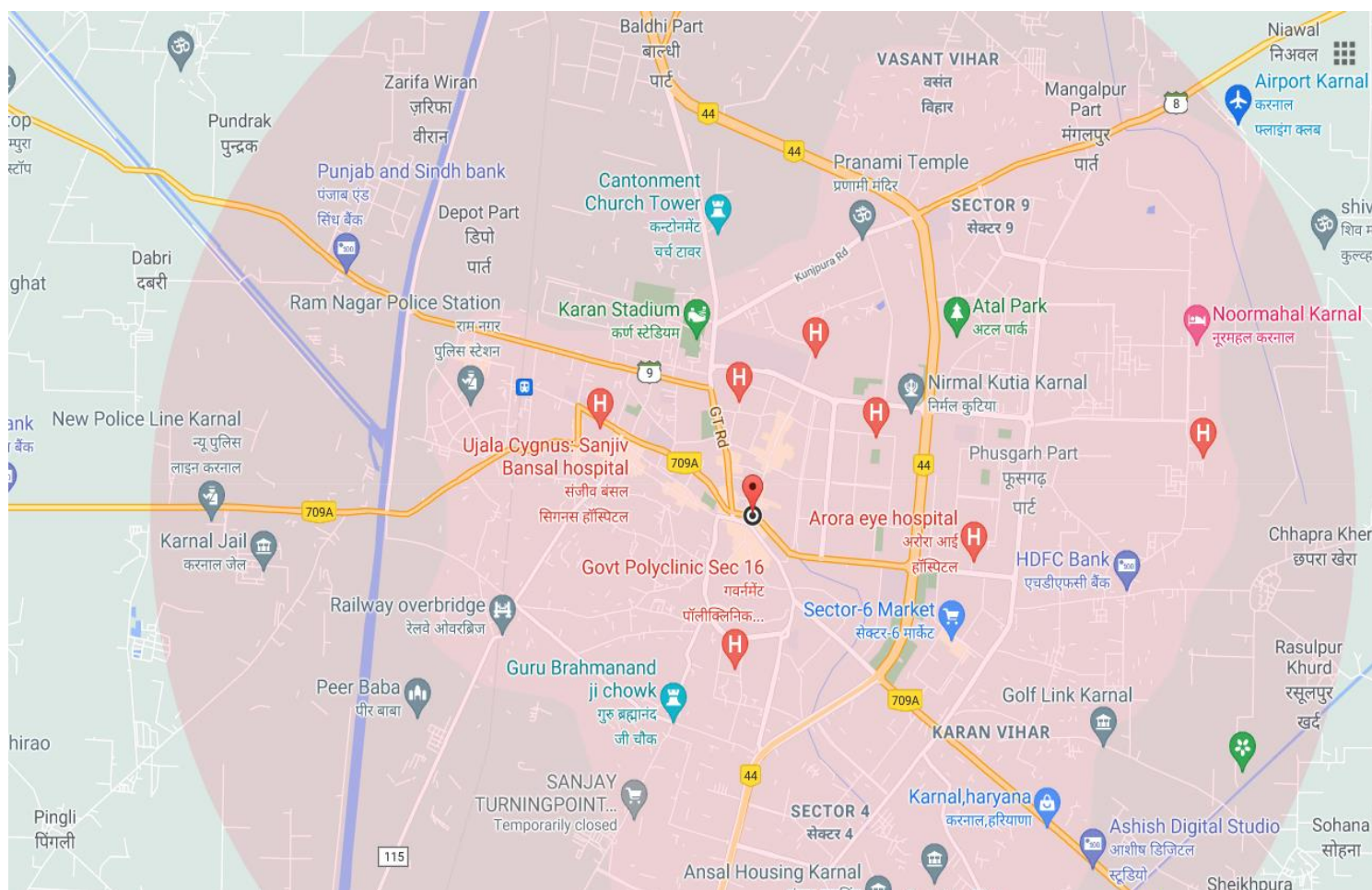
I hereby record my presence at the 28th Annual General Meeting of the Company held on **Friday**, the **9th day of September, 2022** at Registered Office of the Company at **196, 1st Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana).**

.....

Signature of Shareholder/Proxy

(To be signed at the time of handing over this slip)

Route Map for 28th Annual General Meeting (AGM) of the Company to be held on Friday, 9th September, 2022 at 11:00 a.m. at Registered Office of the Company at **196, 1st Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana).**



DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 2021- 2022

TO THE MEMBERS OF PADAM COTTON YARNS LIMITED

Your Directors are pleased to present the 28th Annual Report on the business and operations of the Company together with the Audited Financial Statement for the year ended 31st March, 2022.

FINANCIAL PERFORMANCE

The Summarized financial results are:

(Amount in Lakhs)		
Particulars	2021-22	2020-21
Income from Operations	0.298	0.51
Other Income	0.00	0.00
Total Income	0.298	0.51
Operating Expenses	0.00	0.00
Employee Benefit Expenses	4.20	4.00
Finance Costs	0.0093	0.0083
Other Expenses	11.370	5.898
Exceptional Item	0.00	0.00
Profit/ (Loss) before Tax	(15.282)	(9.396)
Tax Expenses		
• Current Year	0.00	0.00
• Previous Year	0.00	0.00
• MAT Entitlement	0.00	0.00
• Deferred Tax	(31.80)	(2.44)
Net Profit/ (Loss) for the Year	16.52	(6.95)

STATE OF COMPANY'S AFFAIRS

Your Directors regret to inform you that there was no commercial activity during the year under review as the entire Plant & Machinery and major part of the Building had got damaged in July, 2001 due to major fire in the factory premises. The insurance claim of Rs. 5,29,51,550.55/- is still pending for decision with the honorable National Consumer Dispute Redressal Commission, New Delhi. However, it has received an amount of Rs. 4,39,13,515 in the protest a/c against the bank guarantee.

During the period under review the total Income of Company is Rs. 0.298 Lacs as compared to previous year Rs. 0.51 Lacs.

The Company during the period suffered loss before tax of Rs. 15.282 Lacs as compared to loss of Rs. 9.396 Lacs in the previous year and Net Profit of the company during reporting period is Rs. 16.52 Lacs as compared to loss of Rs. 6.95Lacs in the previous year.

MATERIAL CHANGES AND COMMITMENTS AFTER THE DATE OF CLOSE OF FINANCIAL YEAR 2021-22

There are no material changes and commitment affecting the financial position of company after the close of financial year 2021-22 till the date of report.

DIVIDEND AND RESERVES

With a view to conserve resources of the company, your Directors do not recommend any dividend for the year ended March 31, 2022 under review.

FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There are no such frauds reported by auditors, which are committed against the company by officers or employees of the company.

HUMAN RESOURCES DEVELOPMENT

Human Resource has gained prime importance in last few years. Your Company lays emphasis on competence and commitment of its human capital recognizing its pivotal role for organization growth. During the year, the Company maintained a record of peaceful employee relations. Your Company believes that the human capital is of utmost importance to sustain the market leadership in all product segments and also to capture new markets.

We have identified the high Performers and rewarded them appropriately, which has helped to achieve better employee engagement. Competency based training program has been devised for High - Potential employees with focus on their Individual Development Plan & helping them to become future leaders.

Your Directors wish to place on record their appreciation for the commitment shown by the employees throughout the year.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In order to prevent sexual harassment of women at work place an act "The Sexual Harassment of Women at Workplace" (Prevention, Prohibition and Redressal) Act, 2013 has been notified on December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up a Committee for implementation of said policy.

The Company has zero tolerance for sexual harassment and during the year under review, there were no complaint received and no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

BUSINESS EXCELLENCE AND QUALITY INITIATIVES

"Business Excellence" is an integral part of Business Management and is the application of quality management theory and tools to run our business more efficiently. Business Excellence is the culture of your company, which works as an enabler to our commitment to higher customer satisfaction, increase in stakeholder value & better process management through the never-ending cycle of continuous improvement. Innovation in services and

business models is a key agenda of the Management along with a customer-focused culture towards building long-term customer relationships.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Ashish Goyal, Proprietor of M/s A. Goyal & Associates, Company Secretary in Practice to undertake the secretarial audit of the Company for FY 2021-22. The Secretarial Audit Report is appended as **Annexure 'A'** to this Report. There are no adverse remarks/ observations/ qualifications/ reservations / disclaimers in the Secretarial Audit Report.

DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES, AND HIGHLIGHTS OF THEIR PERFORMANCE AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY

During the year ended 31st March, 2022, the Company did not have any subsidiary companies/joint ventures/ associate companies.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of Internal Controls to help Management review the effectiveness of the Financial and Operating Controls and assurance about adherence to Company's laid down Systems and Procedures. As per the provisions of the Companies Act, 2013, internal controls and documentation are in place for all the activities. Both Internal Auditors and Statutory Auditors have verified the Internal Financial Controls (IFC) at entity level and operations level and satisfied about control effectiveness. The controls are reviewed at regular intervals to ensure that transactions are properly authorized, correctly reported and assets are safeguarded.

Assurance on the effectiveness of Internal Financial Controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the Internal Financial Control systems by the internal auditors during the course of their audits. During the financial year under review, no material or serious observations have been received from the Auditors of the Company, citing inefficiency or inadequacy of such controls and business practices.

The Audit Committee periodically reviews the findings and commendations of the Auditors and takes corrective action as deemed necessary. The Board of Directors have framed a policy which ensures the orderly and efficient conduct of its business, safeguarding of its assets, to provide greater assurance regarding prevention and detection of frauds and accuracy and completeness of the accounting records of the company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, there is no material order(s) passed by the regulators or courts or tribunal impacting the going concern status and company's operation in future.

DISCLOSURE REGARDING COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES 2014

The paid-up equity share capital of the Company as at 31st March 2022 comprises of 3873000 equity shares of Rs. 10/- each i.e. Rs. 3,87,30,000/-. As required under Companies (Share Capital and Debenture) Rules 2014, during the year under review, the Company has not issued equity shares with differential voting rights, sweat equity shares, preference shares, and employee stock options and also not made any provision for purchase of its own shares by employees or by trustees.

DISCLOSURE REGARDING VOTING RIGHT NOT EXERCISED DIRECTLY BY THE EMPLOYEES

During the year under review, there is NIL disclosure as required under provisions of section 67(3) of Companies Act, 2013.

RISK MANAGEMENT

The Company is exposed to inherent uncertainties owing to the sector in which it operates. A key factor in determining a Company's capacity to create sustainable value is the ability and willingness of the Company to take risks and manage them effectively and efficiently. Many types of risks exist in the Company's operating environment and emerge on a regular basis due to many factors such as changes in regulatory framework, economic fundamentals etc.

In order to evaluate, identify and mitigate these business risks, the Company has a robust Risk Management framework. This framework seeks to create transparency, ensure effective risk mitigation process and thereby minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The Business risks as identified are reviewed and a detailed action plan to mitigate the identified risks is drawn up and its implementation is monitored.

Further, it is embedded across all the major functions and revolves around the goals and objectives of the Company. The development and implementation of Risk Management Policy adopted by the Company is available on our website, at www.padamcotton.com.

CORPORATE GOVERNANCE

Since, the paid-up capital of the Company is less than 10 Crores and Net worth is less than 25 Crores, the provisions of the Corporate Governance as stipulated under Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

Therefore, taking Auditors Certificate on Corporate Governance as required under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

However, your Company has made every effort to comply with the provisions of the Corporate Governance and to see that the interest of the Shareholders and the Company are properly served. It has always been the Company's endeavor to excel through better Corporate Governance and fair & transparent practices, many of which have already been in place even before they were mandated by the law of land. The management of Company believes that it will further enhance the level of Corporate Governance in the company.

ANNUAL SECRETARIAL COMPLIANCE REPORT

The Annual Secretarial Compliance Report under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with SEBI circular no: CIR/CFD/CMD1/27/2019 dated 8th February, 2019, BSE circular no. LIST/COMP/10/2019-20 dated 9th May, 2019 and BSE circular no LIST/COMP/12/2019-20 dated 14th May, 2019 is not applicable to the Company due to exemption under Regulation 15(2) of SEBI (LODR) Regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, ("the Act") your

Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- i. in the preparation of the annual accounts for financial year ended 31st March, 2022, the applicable accounting standards have been followed and there are no material departures in adoption of these standards.
- ii. they have in consultation with the Statutory Auditors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit/loss of the Company for the year ended on that date.
- iii. they have taken proper and sufficient care for the 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 fraud and other irregularities.
- iv. they have prepared the annual accounts for financial year ended 31st March, 2022 on a going concern basis.
- v. they have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls were operating effectively during the financial year ended 31st March, 2022.
- vi. they have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended 31st March, 2022.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The Company has formulated a Policy for performance evaluation of the Independent Directors, the Board, its Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors.

The evaluation framework for assessing the performance of Directors comprises of various key areas such as attendance at Board and Committee Meetings, quality of contribution to Board discussions and decisions, strategic insights or inputs regarding future growth of the Company and its performance, ability to challenge views in a constructive manner, knowledge acquired with regard to the Company's business/ activities, understanding of industry and global trends, etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on 5th January, 2017.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

Feedback was sought by way of well-defined and structured questionnaires covering various

aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, areas of responsibility, execution and performance of specific duties, obligations and governance, compliance, oversight of Company's subsidiaries, etc., and the evaluation was carried out based on responses received from the Directors.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and nonexecutive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

MANAGEMENTS' DISCUSSION AND ANALYSIS REPORT

Managements' Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming **Annexure 'B'** of the Director's Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and out-go, in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in **Annexure 'C'** to this Report.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits covered under Chapter V of the Company Act, 2013 and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

• Retirement by Rotation

In accordance with the provisions of Section 152 of The Companies Act, 2013 Mr. Rajev Gupta, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

• Appointment / Re-appointment and Cessation of Directors & KMP

Following are the Directors of the Company as on 31st March, 2022:

S. No.	Name of Directors	Category of Directors
1.	Mr. Vivek Gupta	Non-Executive- Non-Independent Director
2.	Mr. Rajev Gupta	Non-Executive- Non-Independent Director
3.	Mr. Satwant Singh	Non-Executive- Independent Director
4.	Mr. Naresh Chand Goyal	Non-Executive- Independent Director
5.	Mr. Sachin Gupta	Non-Executive- Independent Director

During the period of under review Mrs. Radhika Gupta (DIN: 07071267) and Mr. Vivek Gupta (DIN: 00172835) has appointed as the Managing Director and Non-Executive- Non-Independent Director of the company, respectively w.e.f. 19.03.2022.

Pursuant to the provisions of Section 203 of the Act, your Company has following Key Managerial Personnel(s) as on 31st March, 2022:

S. No.	Name of KMPs	Designation
1.	Mrs. Radhika Gupta	Managing Director
2.	Mr. Shivam Gupta	Chief Financial Officer
3.	Mrs. Neelu Prajapati	Company Secretary and Compliance Officer

Mrs. Neelu Prajapati has from the position of Company Secretary and Compliance Officer resigned w.e.f. 16.06.2022.

DECLARATION BY THE INDEPENDENT DIRECTORS

All Independent Directors has given declarations to the company confirming that they meet the criteria of independence as laid down under Section 149(6) of The Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

AUDITORS AND AUDITOR'S REPORT

M/s Harjinder Singh & Co., Chartered Accountants, Karnal were appointed as Statutory Auditors of the Company for the term of five (5) years in the 23rd Annual General Meeting (AGM) of the Company held on 29th September, 2017 till the conclusion of the said 28th AGM. M/s Harjinder Singh & Co. will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the appointment of M/s. Viney Goel & Associates, Chartered Accountants, Karnal (FRN- 012188N), as the Auditors of the Company for a period of five (5) years from the conclusion of this AGM till the conclusion of the 33rd AGM.

M/s. Viney Goel & Associates, have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

During the year the Statutory Auditors have confirmed that they satisfy the independence criteria required the Companies Act, 2013, code of ethics issued by Institute of Chartered Accountants India.

The auditor report and notes on accounts referred to in the Auditors Report is self-explanatory and there are no adverse remarks or qualification in the Report.

COST AUDIT AND AUDITORS

The section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 are not applicable to the Company. Hence, the Board of Directors of your company had not been appointed Cost Auditor for obtaining Cost Compliance Report of the company for the financial year 2021-22.

LISTING OF SECURITIES AND FEES

The Company's Equity Shares are listed on Bombay Stock Exchange Ltd. Your company has already paid Listing Fees for the financial year 2021-22.

PARTICULARS OF EMPLOYEES

None of the employees of your company is drawing remuneration exceeding limits laid down under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further, the information required under the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure- 'D'** and forms part of this report.

MEETINGS OF THE BOARD OF DIRECTORS

The Details of Meetings of the Board of Director Held during the Financial Year 2021-22:

As per the disclosures furnished none of the Directors are disqualified to act as directors of this Company or any other public Company under Section 164 and other applicable provisions of the Companies Act, 2013.

The requisite information as prescribed under Clause 49 of the Listing Agreement is placed before the Board from time to time and is generally provided as part of the Agenda papers of the Board Meeting and /or is placed at the table during the course of the meeting.

During the financial year ended March 31, 2022, Eight (8) Board Meetings were held and the requisite Quorum was present. The interval between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board meeting was held on the following dates:

1. 24th April, 2021
2. 26th May, 2021
3. 6th August, 2021
4. 9th August, 2021
5. 29th October, 2021
6. 4th October, 2021
7. 18th January, 2022
8. 19th March, 2022

COMPOSITION OF COMMITTEES

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with the approval of the Board and function under their respective Charters. These committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are usually placed before the Board for noting.

The Board currently has the following Committees:

- A. Audit Committee.
- B. Nomination & Remuneration Committee.
- C. Stakeholders Relationship Committee.

A. Audit Committee

The composition of the Audit Committee is in alignment with the provisions of Section 177 of the companies Act, 2013 read with the Rules issued there under and Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The composition of the Audit Committee as on 31st March, 2022 and number of meetings attended by the Members during the year are given below:

Name of Member	Status	No. of meetings entitled to attend	Meetings attended
Mr. Naresh Chand Goyal	Chairman (Independent Director)	6	4
Mr. Satwant Singh	Member (Independent Director)	6	5
Mr. Sachin Gupta	Member (Independent Director)	6	4

During the year, Six (6) Audit Committee meetings were held on the following dates:

1. 26th May, 2021
2. 6th August, 2021
3. 9th August, 2021
4. 29th October, 2021
5. 18th January, 2022
6. 19th March, 2022

All the recommendations made by the Audit Committee were accepted by the board.

B. Nomination and Remuneration Committee

The policy formulated under Nomination and Remuneration Committee are in conformity with the requirements as per provisions of sub-Section (3) of Section 178 of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company had Constituted Nomination and Remuneration Committee to decide and fix payment of remuneration and sitting fees to the Directors of the Company as per provisions u/s 178 of the Companies Act, 2013.

The composition of the Nomination and Remuneration Committee as on 31st March, 2022 and number of meetings attended by the Members during the year are given below:

Name of Member	Status	No. of meetings entitled to attend	Meetings attended
Mr. Naresh Chand Goyal	Chairman (Independent Director)	1	1
Mr. Satwant Singh	Member (Independent Director)	1	1
Mr. Sachin Gupta	Member (Independent Director)	1	1

During the year, One (1) Nomination and Remuneration Committee meetings were held on the following dates:

1. 19th March, 2022

C. Stakeholder Relationship Committee

The Stakeholders Relationship Committee of the Board of Directors was constituted in line with the provision of Regulation 20 of SEBI (LODR) Regulations 2015 read with section 178 of the Act to look after Shareholders'/Investors' Grievance like redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports etc.

The composition of the Stakeholder Relationship Committee as on 31st March, 2022 and number of meetings attended by the Members during the year are given below:

Name of Member	Status	No. of meetings entitled to attend	Meetings attended
Mr. Naresh Chand Goyal	Chairman (Independent Director)	2	2
Mr. Satwant Singh	Member (Independent Director)	2	2
Mr. Sachin Gupta	Member (Independent Director)	2	2

During the year, Two (2) Stakeholder Relationship Committee meetings were held on the following dates:

1. 26th May, 2021
2. 9th August, 2021

POLICY FOR DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub section (3) of Section 178 of the Companies Act, 2013, is available on our website, at www.padamcotton.com.

RELATED PARTY TRANSACTIONS

Your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. An abridged policy on related party transactions has been placed on the Company's website <http://www.padamcotton.com/>.

However, there were no party transactions of the Company under the said policy and as per provisions of section 188 of Companies Act 2013 & rules made there under. There are no materially significant related party transactions made by the Company with its promoters, Directors or management, their relatives etc. that may have potential conflict with the interest of the Company at large. Suitable disclosures as required by the Accounting Standards (AS 18) are disclosed. However, they have outstanding amount of trade receivables for a period of more than three (3) years from the related party company (Oswal Pumps Ltd.). Details mentioned in note no. 5 of the balance sheet.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as **Annexure 'E'** to this Annual Report.

Pursuant to Regulation 23(9) of the Listing Regulations, your Company has filed half yearly report on Related Party Transactions with the Stock Exchanges, for the year ended 31st March, 2022.

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT REGULATION 34(3) READ WITH SCHEDULE V (D) OF THE SEBI (LODR), 2015

Pursuant to Schedule V (D) read with Regulation 34(3) of the Listing Regulations, the Board of Director and its Senior Management have given declaration regarding compliance with the Code of Conduct which is annexed with the Board Report as **Annexure 'F'**.

CERTIFICATION FROM CHIEF FINANCIAL OFFICER

A Certificate from the Chief Financial Officer, Pursuant to Regulation 17(8) read with schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 has been placed before which is annexed with the Board Report as **Annexure 'G'**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, no loans, guarantees or investments under Section 186 of the Companies Act, 2013 have been given by the Company.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company in the prescribed Form MGT-9, is attached as **Annexure- 'H'** to this Board's Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the obtaining such information may write to CFO & Company Secretary and the same will be furnished on request.

The full Annual Report including the aforesaid information is available on the company's website <http://www.padamcotton.com/>.

POLICIES & DISCLOSURES

Vigil Mechanism

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a "Whistle Blower Policy and Vigil Mechanism" and which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Company has adopted the Policy for Directors and employees to report genuine concerns and to provide for adequate safeguards against victimization of persons who may use such mechanism.

The Whistle Blower policy can be accessed on the Company's Website at the link: <http://www.padamcotton.com/>.

Corporate Social Responsibility

Pursuant to Section 135 of the Companies Act, 2013 and rules made there under, every company having net worth of Rupees Five Hundred Crores or more, or turnover of Rupees One Thousand Crores or more or a net profit of Rupees Five Crores or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board.

However, it is not applicable in case of your Company. Hence there is no need to form Corporate Social Responsibility Committee and Corporate Social Responsibility Policy for the company as per the requirement of the Companies Act, 2013.

GENERAL

Your Director states that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Details relating to deposits covered under Chapter V of the Act;
- b) Issue of the equity shares with differential rights as to dividend, voting or otherwise;
- c) Issue of shares (including sweat equity shares) to directors or employees of the Company;
- d) Issue of Employee Stock Option Scheme to employees of the company;
- e) CFO of the company does not receive any remuneration or commission from any of its subsidiary companies;
- f) No significant or material orders were passed by the regulators or courts or tribunals, which impact the going concern status and Company's operations in future;
- g) Purchase of or subscription for shares in the company by the employees of the company;
- h) There is no material subsidiary* of company, so no policy on material subsidiary is required to be adopted;
- i) And there is no change in the nature of business of company during the year.

* **"Material Subsidiary"** shall have the meaning as defined in Regulation 16(1)(c) of the LODR Regulations, pursuant to which a material subsidiary means a subsidiary, whose income or net worth exceeds 10% (ten percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

ACKNOWLEDGEMENTS

Your Directors thank the Company's stakeholders in large including investors, customers, banks, financial institutions, rating agencies, debenture holders, debenture trustees and well-wishers for their continued support during the year. Your Directors place on record their appreciation of the contribution made by the employees of your Company at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support. The Board sincerely expresses its gratitude to Securities and Exchange Board of India and Ministry of Corporate Affairs for the guidance and support received from them including officials there at from time to time.

For and on behalf of the Board of Directors
Padam Cotton Yarns Limited

Sd/- (Rajev Gupta) Director	Sd/- (Shivam Gupta) Chief Financial Officer	Sd/- (Radhika Gupta) Managing Director
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Place: Karnal
Date: 03.08.2022

ANNEXURES TO THE DIRECTORS' REPORT

Annexure A	Secretarial Audit Report
Annexure B	Management Discussion and Analysis Report
Annexure C	Conservation of Energy, Technology Absorption and Research & Development and Foreign Exchange Earnings and Outgo
Annexure D	Particulars of Employees
Annexure E	Particulars of Related Party Transaction in Form AOC-2
Annexure F	Declaration of Compliance with the Code of Conduct Regulation 34(3) Read with Schedule V(D) of the SEBI(LODR), 2015
Annexure G	Certification from Chief Financial Officer
Annexure H	Extract of Annual Return in Form MGT-9

**Form No. MR-3 Secretarial Audit Report
For the Financial Year Ended 31.03.2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]**

To,
The Members,
Padam Cotton Yarns Limited
CIN: L17112HR1994PLC033641
196, 1st Floor, G.T. Road, Opp. Red Cross Market, Karnal- 132001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Padam Cotton Yarns Limited** (hereinafter called "the Company") Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2015;
 - d. The SEBI (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - e. The company has complied with the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Limited.
 - f. I have relied on the representation made by the company and its officers for systems and mechanism put in place by the company for compliance under the applicable Acts, laws and regulations to the company, the details of which are attached as Annexure to the management representation.

I have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards Issued by the Institute of Company Secretaries of India,
- b. The Listing Agreement entered into by the Company with Bombay Stock Exchange and The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) The Compliance by the Company of applicable financial laws like direct taxes and indirect taxes and maintenance of financial records and books of accounts has not been reviewed in this Audit, since the same has been the subject to be review by statutory financial audit and designated professionals.
- d) Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We have checked the compliance management system of the Company, to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, suits, rules, regulations and guidelines.

**For A. Goyal & Associates
Company Secretaries**

Sd/-

CS Ashish Goyal

Proprietor

Membership No.: 52796

C.P. No.: 19535

UDIN: A052796D000424442

Date: 30.05.2022

Place: Karnal

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INDIAN ECONOMY

The Textile Sector in India ranks next to Agriculture. Textile is one of India's oldest industries and has a formidable presence in the national economy in as much as it contributes to about 14 per cent of manufacturing value-addition, accounts for around one-third of our gross export earnings and provides gainful employment to millions of people. The textile industry occupies a unique place in our country. One of the earliest to come into existence in India, it accounts for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture.

Textile Industry is providing one of the most basic needs of people and the holds importance; maintaining sustained growth for improving quality of life. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it is a major contribution to the country's economy. This paper deals with structure, growth and size of the Indian textile industry, role of textile industry in economy, key advantages of the industry, textile industry export and global scenario and strength, weakness, opportunities and treats of the Indian textile industry.

The last two years the country's economy has seen turbulence and uncertainty in terms of COVID-19. Economic activity which was recovering with the ebbing of the third wave, rapid stride towards universal vaccination, and supportive fiscal and monetary policies now faces significant headwinds from the exacerbating geopolitical developments and the accompanying sharp rise in global commodity prices and weakening global growth outlook.

The global recovery from the COVID-19 pandemic is turning out to be muted relative to earlier expectations. Downside risks to even this subdued recovery have jumped significantly from the escalation of geopolitical tensions, which have led to a broad-based increase in global commodity prices and are expected to have a large negative impact on global trade and growth. Growth and inflation outcomes are at high risk across the world as well as in India. In the face of this extraordinary risk, the positive effects expected from the release of pent-up demand, especially for contact-intensive services, the government's thrust on infrastructure and capital expenditure, congenial financial conditions and improving capacity utilisation appear ephemeral.

INDIAN TEXTILE INDUSTRY

The market in India is majorly driven by the easy availability of abundant raw materials, such as cotton, silk and, wool, etc, across India that are. widely used for manufacturing apparel. Furthermore, the increasing investments by the government of India (GoI) in the upgradation of the textile infrastructure by the widespread integration of advanced technologies with the production processes such as the Scheme for Integrated Textile Parks and the Technology Upgradation Fund Scheme, are creating a positive outlook for the market. Moreover, the availability of cheap labor at a cheap cost is another factor contributing to market growth. Additionally, increasing penetration of high-speed internet has catalyzed tend the rapid expansion of online retail channels acrossing in the country are also , thereby providing a boost to the market growth.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Accelerated reopening of activities have re-opened opportunities for the textile market which were quiet for a long time. Further, China plus one policy by USA and Europe will lead to increase in demand for the Indian Market. With an added advantage of high quality standards and globally renowned accreditations, our Company will be forging ahead with its sustainability vision to build potential so as to grab opportunities coming its way. Currently the biggest threat is the enormous increase in cotton prices leading to high finished good prices. Consumers are therefore shifting their focus from cotton to man-made fibres. Further, increase in prices of other commodities such as coal, dyes and chemicals is also making the industry non-competitive.

OUTLOOK

India's economy rebounded quickly from a steep contraction in 2020, but a severe second wave of the coronavirus has increased risks to the outlook with potential larger-term credit implications. Risk to India's credit profile, including a persistent slow-down in growth, weak government finances and rising financial sector risk, have been exacerbated by the shock.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances.

The internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process and internal audit. The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements are undertaken, if required.

HEALTH AND SAFETY MEASURES

The Company has health and workplace safety programs in place and has established policies and procedures aimed at ensuring compliance with applicable laws/legislative requirements. The Company believes that the health and safety of the workers and the persons residing in the vicinity of its plants is fundamental to the business. Commitment to the identification and elimination or control of the workplace hazards for protection of all is utmost importance.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The permanent employee strength of Company as on 31st March 2022 was two. The Company recognizes the importance and contribution of its human resources for its growth and development and is committed to the development of its people.

The Company has been adopting methods and practices for Human Resources development. With utmost respect to human values, the Company continues to develop its human resources, through appropriate trainings, workshops, motivation/leadership techniques and employee welfare activities at regular intervals.

CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking, considering the applicable laws and regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include finished goods prices, raw materials costs and availability, global and domestic demand supply conditions, fluctuations in exchange rates, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future based on subsequent developments, information or events.

**For and on behalf of the Board of Directors
Padam Cotton Yarns Limited**

**Sd/-
(Rajev Gupta)
Director**

**Sd/-
(Shivam Gupta)
Chief Financial Officer**

**Sd/-
(Radhika Gupta)
Managing Director**

Place: Karnal

Date: 03.08.2022

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

I. CONSERVATION OF ENERGY

a) Steps taken or impact on conservation of energy: Energy conservation efforts are ongoing activities. During the year under review further efforts were made to ensure optimum utilization of electricity.

b) Steps taken by the company for utilizing alternate sources of energy: NIL

c) The Capital investment on energy conservation equipment's: NIL

II. TECHNOLOGY ABSORPTION, ADAPTION & INNOVATION AND RESEARCH & DEVELOPMENT

No research & development or technical absorption or adaption & innovation taken place in the company during the Financial Year 2021-22, the details as per rule 8(3) of The Companies (Accounts) Rules, 2014 are as follows:

i. Efforts made towards technology absorption: NIL

ii. Benefits derived like product improvement, cost reduction, product development or import substitution: NIL

iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

a. Details of technology imported: NIL

b. Year of Import: NIL

c. Whether the technology been fully absorbed: NIL

d. Areas where absorption has not taken place and the reasons there of: NIL

iv. Expenditure incurred on Research and Development: NIL

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

As your Company does not deal in Foreign Exchange, therefore the particulars relating to Foreign Exchange Earnings and Outgo are not applicable to your Company.

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

**For and on behalf of the Board of Directors
Padam Cotton Yarns Limited**

Sd/-	Sd/-	Sd/-
(Rajev Gupta)	(Shivam Gupta)	(Radhika Gupta)
Director	Chief Financial Officer	Managing Director

Place: Karnal

Date: 03.08.2022

Particulars of Employees

i. Details of Top Employees in Terms of Remuneration Drawn as Per Provisions of Section 197(12) of the Act Read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name of the Employee	Remuneration Received (Amount in Rs.)	Nature of employment whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	%of Equity Share held	Whether Related to Director or Manager
1.	Mrs. Neelu Prajapati*	4,20,000	Regular	Company Secretary	07.02.2020	NIL	N.A.
2.	Mr. Shivam Gupta	0	Regular	Chief Financial Officer	19.03.2020	NIL	YES

ii. Details Pertaining to Remuneration as Required Under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Director/KMP and designation	Remuneration of Director/KMP for financial year 2021-22	Ratio of remuneration of each Director/KMP to median remuneration of employees	% increase in Remuneration of each director CFO, CEO, CS of Manager
Mrs. Neelu Prajapati* (Company Secretary & Compliance Officer)	4,20,000	NIL	NIL
Mr. Shivam Gupta (Chief Financial Officer)	0	NIL	NIL

* Mrs. Neelu Prajapati has from the position of Company Secretary and Compliance Officer resigned w.e.f. 16.06.2022.

Note: No employees in the Company other than Directors/KMP.

iii. Other details:

A. The Number of permanent employees on the rolls of company:

There are two (2) regular employees on the rolls of Company as on 31st March, 2022.

B. The explanation on the relation between average in remuneration and Company performance:

There was no increase in the salaries of employees and managerial personnel in the financial year under review.

C. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Since there is no increase in the remuneration of Director/Key Managerial Personnel and any employee of the company, therefore percentile calculation is not required.

D. The key parameters for any variable component of remuneration availed by the Directors:

None.

E. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

None.

F. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that remuneration is as per the remuneration policy of the Company's.

**For and on behalf of the Board of Directors
Padam Cotton Yarns Limited**

**Sd/-
(Rajev Gupta)
Director**

**Sd/-
(Shivam Gupta)
Chief Financial Officer**

**Sd/-
(Radhika Gupta)
Managing Director**

Place: Karnal

Date: 03.08.2022

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022 which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

The material transactions entered into by the company with related party were at arm's length price and are in the normal course of the business of the company:

a) Name(s) of the related party and nature of relationship:	Mrs. Radhika Gupta, Managing Director Mr. Vivek Gupta (Husband) and Mr. Shivam Gupta (Son).	Mr. Vivek Gupta, Director Mr. Rajev Gupta (Brother), Mrs. Radhika Gupta (Wife) and Mr. Shivam Gupta (Son).
b) Nature of contracts/arrangements/transactions:	Employment without remuneration	Employment without remuneration
c) Duration of the contracts/arrangements/transactions:	Permanent employment	Permanent employment
d) Salient terms of the contracts or arrangements or transactions including the value, if any:	General terms of employment as applicable on other employees.	General terms of employment as applicable on other employees.
e) Date(s) of approval by the Board, if any:	19.03.2022	19.03.2022
f) Amount paid as advances, if any:	NIL	NIL

**For and on behalf of the Board of Directors
Padam Cotton Yarns Limited**

**Sd/-
(Rajev Gupta)
Director**

**Sd/-
(Shivam Gupta)
Chief Financial Officer**

**Sd/-
(Radhika Gupta)
Managing Director**

**Place: Karnal
Date: 03.08.2022**

ANNEXURE-F

**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT REGULATION 34(3)
READ WITH SCHEDULE V (D) OF THE SEBI (LODR), 2015**

I do hereby declare that pursuant to Schedule V (D) read with Regulation 34(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2022.

**For and on behalf of the Board of Directors
Padam Cotton Yarns Limited**

**Sd/-
(Radhika Gupta)
Managing Director**

**Sd/-
(Shivam Gupta)
Chief Financial Officer**

**Place: Karnal
Date: 03.08.2022**

CFO Certification

The Board of Directors
Padam Cotton Yarns Limited
196, 1st Floor, G.T. Road,
Opp. Red Cross Market, Karnal- 132001

I, Shivam Gupta, Chief Financial Officer of Padam Cotton Yarns Limited to the best of my knowledge and belief, certify that:

We have reviewed the Balance Sheet as on 31st March, 2022, Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information of the Company, and the Board's report for the year ended 31st March, 2022.

These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

The financial statements and other financial information included in this report, present in all material respect a true and fair view of the Company's affairs, the financial condition, result of operations and cash flows of the Company as at and for the period presented in this report and are in compliance with the existing accounting standards and/or applicable laws and regulation.

There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.

We are responsibility for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:

- a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company is made known to us by others particularly during the period in which this report is being prepared.
- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standards (Ind AS).
- c) Evaluate the effectiveness of the Company's disclosure, controls and procedures.
- d) Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected or is reasonably likely to materially effect, the Company's internal control over financial reporting.

- e) We have disclosed, based on our most recent evaluation of the Company's internal over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions).
- f) Any deficiencies in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there has been no material weakness in internal controls over financial reporting including any corrective actions with regard to deficiencies.
- g) Any significant changes in the internal controls during the year covered by this report.
- h) All significant changes in accounting policies during the year, if any and the same have been disclosed in the notes to the financial statements.
- i) Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.

We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

**For and on behalf of the Board of Directors
Padam Cotton Yarns Limited**

**Sd/-
(Shivam Gupta)
Chief Financial Officer**

**Place: Karnal
Date: 03.08.2022**

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31st March, 2022
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L17112HR1994PLC033641
2.	Registration Date	2 nd November, 1994
3.	Name of the Company	Padam Cotton Yarns Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	196, 1 st Floor, G.T. Road, Opp. Red Cross Market, Karnal- 132001 Email Id: rajevoswal@yahoo.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services (P) Ltd. Reg Off.: Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi – 110062 Phone No.: 011-29961281-83 Fax: 011-29961284 Email: beetal@beetalfinancial.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Spinning	99625312	NIL
2.	Dyeing	NIL	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL**IV. SHARE HOLDING PATTERN** (Equity Share Capital Breakup as percentage of Total Equity):**A) Category-wise Share Holding:**

S. No.	Category of Shareholders	Shareholding at the beginning of the year - 2021				Shareholding at the end of the year - 2022				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu	1998300	---	1998300	51.60	1998300	---	1998300	51.60	0.00

	Undivided Family									
(b)	Central Government / State Government (s)	---	---	---	---	---	---	---	---	---
(c)	Financial Institutions / Banks	---	---	---	---	---	---	---	---	---
(d)	Any Other (Specify)	---	---	---	---	---	---	---	---	---
	Bodies Corporate	---	---	---	---	---	---	---	---	---
	Sub Total (A)(1)	1998300	---	1998300	51.60	1998300	---	1998300	51.60	0.00
[2]	Foreign	---	---	---	---	---	---	---	---	---
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	---	---	---	---	---	---	---	---	---
(b)	Government	---	---	---	---	---	---	---	---	---
(c)	Institutions	---	---	---	---	---	---	---	---	---
(d)	Foreign Portfolio Investor	---	---	---	---	---	---	---	---	---
(e)	Any Other (Specify)	---	---	---	---	---	---	---	---	---
	Sub Total (A)(2)	---	---	---	---	---	---	---	---	---
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	1998300	---	1998300	51.60	1998300	---	1998300	51.60	0.00
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	---	---	---	---	---	---	---	---	---
(b)	Venture Capital Funds	---	---	---	---	---	---	---	---	---
(c)	Alternate Investment Funds	---	---	---	---	---	---	---	---	---
(d)	Foreign Venture Capital Investors	---	---	---	---	---	---	---	---	---

(e)	Foreign Portfolio Investor	---	---	---	---	---	---	---	---	---
(f)	Financial Institutions / Banks	---	---	---	---	---	---	---	---	---
(g)	Insurance Companies	---	---	---	---	---	---	---	---	---
(h)	Provident Funds/ Pension Funds	---	---	---	---	---	---	---	---	---
(i)	Any Other (Specify)	---	---	---	---	---	---	---	---	---
	Sub Total (B)(1)	---	---	---	---	---	---	---	---	---
[2]	Central Government/ State Government(s)/ President of India	---	---	---	---	---	---	---	---	---
	Sub Total (B)(2)	---	---	---	---	---	---	---	---	---
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 2 lakhs	75979	668587	744566	19.22	79187	668287	747474	19.30	-0.08
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	---	1034100	1034100	26.70	---	1034100	1034100	26.70	0.00
(b)	NBFCs registered with RBI	---	---	---	---	---	---	---	---	---
(d)	Overseas Depositories (holding DRs) (balancing figure)	---	---	---	---	---	---	---	---	---
(e)	Any Other (Specify)									
	Hindu Undivided Family	3832	---	3832	0.0989	4149	---	4149	0.1083	-0.0094
	Non Resident Indians (Non	---	---	---	---	---	---	---	---	---

	Repat)									
	Non Resident Indians (Repat)	---	---	---	---	---	---	---	---	---
	Clearing Member	---	---	---	---	---	---	---	---	---
	Bodies Corporate	22202	70000	92202	2.3806	18877	70000	88877	2.2948	0.0858
	Sub Total (B)(3)									
	Total Public Shareholding(B)= (B)(1)+(B)(2) +(B)(3)	102013	1772687	1874700	48.404	102013	1772687	1874700	48.404	0.00
	Total (A)+(B)	2100313	1772687	3873000	100	2100313	1772687	3873000	100	0.00
(C)	Non Promoter - Non Public	---	---	---	---	---	---	---	---	---
[1]	Custodian/DR Holder	---	---	---	---	---	---	---	---	---
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	---	---	---	---	---	---	---	---	---
	Total (A)+(B)+(C)	2100313	1772687	3873000	100	2100613	1772387	3873000	100	0.00

B) Shareholding of Promoter:

S. No.	Shareholder's Name	Shareholding at the beginning of the year- 2021			Shareholding at the end of the year- 2022			% change in Share holding during the year
		No. of Shares Held	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	Radhika Gupta	44500	1.15	0.00	44500	1.15	0.00	0.00
2	Prem Lata	48500	1.25	0.00	48500	1.25	0.00	0.00
3	Rekha Gupta	53500	1.38	0.00	53500	1.38	0.00	0.00
4	Padam Sain Gupta	474500	12.25	0.00	474500	12.25	0.00	0.00
5	Vivek Gupta	746600	19.28	0.00	746600	19.28	0.00	0.00
6	Rajev Gupta	609750	15.74	0.00	609750	15.74	0.00	0.00
7	Vivek Gupta (HUF)	10475	0.27	0.00	10475	0.27	0.00	0.00
8	Rajev Gupta (HUF)	10475	0.27	0.00	10475	0.27	0.00	0.00
Total		19983000	51.60	0.00	19983000	51.60	0.00	0.00

C) Change in Promoters' Shareholding (please specify, if there is no change): **No Change**

Particulars	Shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	19983000	51.60	19983000	51.60
Date wise Increase/ Decrease in Shareholding during the year (Change in category of shareholder)	NIL	NIL	NIL	NIL
At the end of the year	19983000	51.60	19983000	51.60

D) **Shareholding Pattern of top ten Shareholders:**
(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year:				
1.	Gulshan Kumar	65200	1.6834	65200	1.6834
2.	Ashwani Kumar Sood	63400	1.6370	63400	1.6370
3.	Renu Bala	61500	1.5879	61500	1.5879
4.	Rakesh Kumar	61200	1.5802	61200	1.5802
5.	Rajinder Kumar	61100	1.5776	61100	1.5776
6.	Sunil Kumar	60000	1.5492	60000	1.5492
7.	Rajiv Kumar	57400	1.4821	57400	1.4821
8.	Sanjay Kumar	56000	1.4459	56000	1.4459
9.	Banarsi Lal	55000	1.4201	55000	1.4201
10.	Poonam Rani	54800	1.4149	54800	1.4149
	Date wise Increase/ Decrease in Shareholding during the year	NIL	NIL	NIL	NIL
	At the end of the year:				
1.	Gulshan Kumar	65200	1.6834	65200	1.6834
2.	Ashwani Kumar Sood	63400	1.6370	63400	1.6370
3.	Renu Bala	61500	1.5879	61500	1.5879
4.	Rakesh Kumar	61200	1.5802	61200	1.5802
5.	Rajinder Kumar	61100	1.5776	61100	1.5776
6.	Sunil Kumar	60000	1.5492	60000	1.5492
7.	Rajiv Kumar	57400	1.4821	57400	1.4821
8.	Sanjay Kumar	56000	1.4459	56000	1.4459
9.	Banarsi Lal	55000	1.4201	55000	1.4201
10.	Poonam Rani	54800	1.4149	54800	1.4149

E) **Shareholding of Directors and Key Managerial Personnel:**

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year:				
1. Mr. Rajev Gupta	609750	15.74	609750	15.74
2. Mr. Vivek Gupta	746600	19.28	746600	19.28
3. Mrs. Radhika Gupta	44500	1.15	44500	1.15

Date wise Increase/Decrease in Director's and/or KMP's Shareholding during the year	NIL	NIL	NIL	NIL
At the end of the year:				
1. Mr. Rajev Gupta	609750	15.74	609750	15.74
2. Mr. Vivek Gupta	746600	19.28	746600	19.28
3. Mrs. Radhika Gupta	44500	1.15	44500	1.15

V) INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment.
(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year				
* Addition	--	--	--	--
* Reduction	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A) Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

B) Remuneration to Other Director: NIL

C) Remuneration to Key Managerial Personnel other than MD/Manager/ WTD

(Amount in Rs.)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary & Compliance Officer	Chief Financial Officer	
		Mrs. Neelu Prajapati	Mr. Shivam Gupta	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,20,000	NIL	4,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL

4.	Commission			
	- as % of profit	NIL	NIL	NIL
	Others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total	4,20,000	NIL	4,20,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any(give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

**For and on behalf of the Board of Directors
Padam Cotton Yarns Limited**

Sd/-
(Rajev Gupta)
Director

Sd/-
(Shivam Gupta)
Chief Financial Officer

Sd/-
(Radhika Gupta)
Managing Director

Place: Karnal
Date: 03.08.2022

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, 2022, 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, 2022, 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.

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
<i>Recoverability of Insurance Claim Receivable (Non Current Assets)</i> The company has material uncertain legal matter of Insurance Claim under dispute. Refer to note 3.01 to financial statements	<i>Principal Audit Procedure</i> 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, 2020 ("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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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.
- (h) With respect to the matter to be included in the Auditors’ Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

**Sd/-
(Harjinder Singh)
(Prop.)**

**Place: Karnal
Date: 28.05.2022**

**M. No. 092290
UDIN : 22092290AJUBLJ4480**

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2022, we report that:

- 1) The company is not having any fixed assets. Accordingly, the provisions of clause 3(i) (a) to (c) of the order are not applicable to the company and hence not commented upon.
- 2) (a) As explained to us, the company had no inventory during the year which need physical verification consequently no material discrepancies was noticed.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.
(b) Detail of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty & Cess which have not been deposited as on March 31st, 2022 on account of disputes are given below:-

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved
Income Tax Act 1961	Income Tax	Rectification u/s 154 with A.O	AY 2013-14	30600.00
Income Tax Act 1961	Income Tax	Rectification u/s 154 with A.O	AY 2014-15	116430.00
Income Tax Act	Income Tax	Rectification u/s 154 with	AY 2017-18	55180.00

1961		A.O		
Income Tax Act 1961	Income Tax	Rectification u/s 154 with A.O	AY 2018-19	75900.00
Income Tax Act 1961	Income Tax	Rectification u/s 154 with A.O	AY 2015-16	43560.00

- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the company has not paid any managerial remuneration during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company and hence not commented upon.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

Sd/-
(Harjinder Singh)
(Prop.)
M. No. 092290

Place: Karnal
Date: 28.05.2022

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 (i) 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, 2022 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, 2022, 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.

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

**Sd/-
(Harjinder Singh)
(Prop.)
M. No. 092290**

**Place: Karnal
Date: 28.05.2022**

PADAM COTTON YARNS LIMITED				
(CIN : L17112HR1994PLC033641)				
BALANCE SHEET AS ON 31ST MARCH 2022				
(Amount in Rs.)				
	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
			INR	INR
A	ASSETS			
1	Non-current assets			
	Other non-current assets	3	52,951,550.55	52,951,550.55
	Deferred Tax Assets	4	3,854,953.38	674,830.20
	Total Non- Current Assets		56,806,503.93	53,626,380.75
2	Current assets			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Trade receivables	5	13,329,997.48	15,023,997.48
	(ii) Cash and cash equivalents	6	29,398.71	16,901.54
	(c)Other Current Assets	7	421,766.94	240,046.00
	Total current assets		13,781,163.13	15,280,945.02
	Total Assets (1+2)		70,587,667.06	68,907,325.77
B	EQUITY AND LIABILITIES			
1	Equity			
	(a)Share capital	8	38,730,000.00	38,730,000.00
	(b) Other Equity	9	(12,151,488.94)	(13,803,439.23)
	Total Equity		26,578,511.06	24,926,560.77
2	LIABILITIES			
	Non-current liabilities			
	(a) Non- Financial Liabilities			
	(i) Other non-current liabilities	10	43,913,515.00	43,913,515.00
	Total Non Current Liabilities		43,913,515.00	43,913,515.00
	Current liabilities			
	(a)Financial Liabilities			
	(i) Trade payables		-	-
	(ii) Other Current Liabilities	11	35,641.00	37,250.00
	(b) Non-Financial Liabilities			
	(i) Short Term Provisions	12	60,000.00	30,000.00
	(ii) Other Non Financial Liabilities		-	-
	Total Current Liabilities		95,641.00	67,250.00
	Total Equity and Liabilities		70,587,667.06	68,907,325.77
			(0.00)	(0.00)
	Notes form an integral part of the standalone financial statements	1-23		
This is the balance sheet referred to in our audit report of even date				
For HARJINDER SINGH & CO		FOR AND ON BEHALF OF THE		
Chartered Accountants		BOARD OF DIRECTORS		
FRN : 014119N				
(HARJINDER SINGH)		RAJEV GUPTA	RADHIKA GUPTA	
(PROP.)		(DIRECTOR)	(MANAGING DIRECTOR)	
M.No. 092290		(DIN : 00172828)	(DIN : 07071267)	
Place:- Karnal		SHIVAM GUPTA	VIVEK GUPTA	
Date:- 28.05.2022		(CHIEF FINANCIAL	DIRECTOR	
UDIN : 22092290AJUBLJ4480		OFFICER)	DIN: 00172835	

PADAM COTTON YARNS LIMITED				
(CIN : L17112HR1994PLC033641)				
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2022				
(Amount in Rs.)				
	PARTICULARS	Note No.	For the Year Ended March 31, 2022 INR	For the Year Ended March 31, 2021 INR
I	Income			
	Revenue from operations	13	29,800.00	51,000.00
II	Other Income		-	-
III	Total Income (I + II)		29,800.00	51,000.00
IV	Expenses			
	(a) Cost of Materials Consumed			-
	(b) Purchases of Stock in Trade			-
	(c) Changes in stock of finished goods, Work in progress and Stock-in-trade		-	-
	(d) Employee benefits expense	14	420,000.00	400,000.00
	(e) Finance Costs	15	929.84	831.90
	(f) Depreciation expense			
	(g) Other expenses	16	1,137,043.05	589,826.51
	Total Expense		1,557,972.89	990,658.41
V	Profit before tax (III-IV)		(1,528,172.89)	(939,658.41)
VI	Tax expense:			
	(1) Tax adjustment of earlier years		-	-
	(2) Current tax		-	-
	(3) Deferred tax		(3,180,123.18)	(244,311.19)
VII	Profit/(Loss) for the year (V-VI)		1,651,950.29	(695,347.22)
VIII	Other Comprehensive Income			
	- items which will not be reclassified to Profit and loss a/c and its related income tax effects		-	-
	- items that will be reclassified to profit and loss a/c and its related income tax effects		-	-
IX	Total Comprehensive income for the year (VII+ VIII)		1,651,950.29	(695,347.22)
X	Earnings per equity share (Nominal Value of Share Rs 10 each)	17		
	(1) Basic(in Rs)		0.43	(0.18)
	(2) Diluted(in Rs)		0.43	(0.18)
	Notes form an integral part of the standalone financial statements	1-23		
This is the balance sheet referred to in our audit report of even date For HARJINDER SINGH & CO Chartered Accountants FRN : 014119N (HARJINDER SINGH) (PROP.) M.No. 092290 Place:- Karnal Date:- 28.05.2022			FOR AND ON BEHALF OF THE BOARD OF DIRECTORS RAJEV GUPTA RADHIKA GUPTA (DIRECTOR) (MANAGING DIRECTOR) (DIN : 00172828) (DIN : 07071267) SHIVAM GUPTA VIVEK GUPTA (CHIEF FINANCIAL DIRECTOR OFFICER) DIN: 00172835	

PADAM COTTON YARNS LIMITED
(CIN : L17112HR1994PLC033641)

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the period ended 31.03.2022

A. Equity Share Capital

1) Current reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period	Restated balance at the beginning of the current reporting	Changes in equity share capital during the current year	Balance at the end of the current reporting period
38730000	0	38730000	0	38730000

2) Previous Reporting Period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
38730000	0	38730000	0	38730000

PADAM COTTON YARNS LIMITED
(CIN : L17112HR1994PLC033641)

B. Other Equity

(1) Current reporting period

	Share applicatio n money pending allotment	Equity componen t of compoun d financial instrumen ts	Reserves and Surplus										Money receive d against share warrant	Totals
			Capital Reserve	Securities Premium	Other Reserve s	Retaine d Earning s	Debt instrumen ts through Other Comprehe nsi ve Income	Equity Instrumen ts through Other Comprehe nsi ve Income	Effective portion of Cash Flow Hedges	Revaluati on Surplus	Exchange difference s on translating the financial statement s of a foreign operation	Other items of Other Comprehe ns ive Income (specify nature)		
Balance at the beginning of the current reporting period			8558684.00			-22362123.23								-13803439.23
Changes in accounting policy or prior period errors			-			-								
Restated balance at the beginning of the current reporting period			8558684.00			-22362123.23								-13803439.23
Total Comprehensive Income for the current year						1651950.288								1651950.288
Dividends														
Transfer to retained earnings														
Any other change (to be specified)														
Balance at the end of the current reporting period			8558684.00			-20710172.94								-12151488.94

(1) Previous reporting period

		Equity component of compound financial instruments	Reserves and Surplus										Money received against share warrant	Totals
			Capital Reserve	Securities Premium	Other Reserves	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Comprehensive Income (specify nature)		
Balance at the beginning of the previous reporting period			8558684.00			-21666776.01								-13108092.01
Changes in accounting policy or prior period errors			0.00											
Restated balance at the beginning of the previous			8558684.00			-21666776.01								-13108092.01
Total Comprehensive Income for the previous year						-695347.22								-695347.22
Dividends														
Transfer to retained earnings														
Any other change (to be specified)														
Balance at the end of the previous reporting period			8558684.00			-22362123.23								-13803439.23

This is the balance sheet referred to in our audit report of even date

For HARJINDER SINGH & CO
Chartered Accountants FRN : 014119N

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

(HARJINDER SINGH) (PROP.)
M.No.092290
Place:- Karnal
Date:-28.05.2022

RADHIKA GUPTA
(MANAGING DIRECTOR)
(DIN : 07071267)

SHIVAM GUPTA
(CHIEF FINANCIAL OFFICER)

NOTE '1'

Corporate Information

Padam Cotton Yarns Limited ("the Company") is a public company domiciled in India and was incorporated in 1994 under the provisions of the erstwhile Companies Act, 1956. The company having CIN U17112HR1994PLC033641 is engaged in the business of providing consultation relating to textile industry and wholesale trading in Agricultural Pumping Sets and Implements during the year. The activities of the company comprises only two business segment viz wholesale trading and consultancy . Its shares are listed on recognised stock exchange in india- the BSE limited. The Registered & Corporate Office of the company is located at 196, 1st Floor, G.T.Road, Opp Red Cross Market, Karnal-132001.

NOTE '2' Significant Accounting Policies

CHANGED

2. ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (INR), which is its functional currency.

2.2 Summary of significant accounting policies

(a) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using Written down method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(b) Intangible assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(c) Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

(d) Borrowings Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

(e) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of purchase cost and other overheads, net of recoverable taxes, incurred in bringing them to their respective present location and condition.

(f) Impairment of non-financial assets

At each balance sheet date, the Company assesses whether there is an indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit or loss.

(g) Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

(h) Employee Benefits

(i) Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee render the services.

(ii) Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date on the basis of actuarial valuation.

(iii) Post-Employment Benefits

Defined Contribution Plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.

(i) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.

- Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

- Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution, repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

(k) Foreign currencies

Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised only if the following conditions are satisfied:

- The Company has transferred risks and rewards incidental to ownership to the customer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
- it can be reliably measured and it is reasonable to expect ultimate collection.

Revenue from operations includes sale of goods and services measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends Income is recognised when the Company's right to receive the payment has been established.

(m) Earning Per share

The Company presents basic and diluted earnings / (loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. To the extent that partly paid shares are not entitled to participate in dividends during the period they are treated as the equivalent of warrants or options in the calculation of diluted earnings per share.

(n) Financial instruments

1) Financial assets

1.a Initial recognition and measurement:

Financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

1.b Subsequent measurement

i) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

1.c Equity Investments:

Equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

1.d Investment in subsidiaries, associates and joint ventures

The Company has accounted for its investments in subsidiary, at cost.

1.e Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

- a. Financial assets at amortised cost
- b. Financial assets measured at fair value through Other Comprehensive income

The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Historical loss experience used to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

2 Financial liabilities

2.1 Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

2.2 Subsequent measurement:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

2.3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2.3.1 Depreciation and useful lives of Property, Plant and Equipments :

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortised over its estimated useful lives. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortisation for future periods is adjusted if there are significant changes from previous estimates.

2.3.2 Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

2.3.3 Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

2.3.4 Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

2.3.5 Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Particulars	On 31/03/22 Rs.	On 31/03/21 Rs.
NOTE `3'		
OTHER NON CURRENT ASSETS		
Insurance Claim Receivable	52,951,550.55	52,951,550.55
TOTAL	<u>52,951,550.55</u>	<u>52,951,550.55</u>

3.01 The Company's unit for manufacturing of cotton yarns was destroyed in fire on 13/06/2001. The Insurance claim of the company was repudiated by the Insurance Company. The Hon'ble National Consumer has decided the case of issuance of insurance claim in favour of the company against which the insurance company has filed an appeal before Hon'ble Supreme Court. Though Company was allowed 50% claim by the Supreme Court against security which was provided by the director of the company, the same is shown as non current liabilities as the matter is contingent and is sub judiced. The Supreme Court has dismiss the appeal filed by Insurance Company on 15.12.2021 against which Insurance company filed a review petition which was also dismissed on 19.04.2022, The Insurance company has further filed a curative petition before Hon'ble Supreme Court which is still under process so the same has not been adjusted against the insurance claim receivable account, due to its contingent nature as a matter of abundant precaution and sheer uncertainty.

NOTE `4'

DEFERRED TAX LIABILITY/ASSETS

Gross deferred tax Assets

Brought Forward Loss/Unabsorbed Depreciation	14,826,743.76	14,826,743.76	2,595,500.76	2,595,500.76
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Net deferred tax Liability/(Assets)		<u>3,854,953.38</u>		<u>674,830</u>
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NOTE `5'

TRADE RECEIVABLES

(i) Trade Receivables outstanding for a period of more than 6 months

(a) Unsecured, considered Good	13,329,997.48	15,023,997.48
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(b) Unsecured, Considered Doubtful	-	-
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Less: Provision for Doubtful Debts

(ii) Other Trade Receivables

Unsecured, considered good	-	-
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TOTAL	<u>13,329,997.48</u>	<u>15,023,997.48</u>
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5.01 Trade receivable includes Rs. 13329997.48 due to associate company M/s Oswal Pumps Limited. The amount is overdue.

Trade Receivables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i) Undisputed Trade Receivables Considered Good	-	-	-		13,329,997.48	13,329,997.48

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Particulars	On 31/03/22 Rs.	On 31/03/21 Rs.
NOTE `6'		
CASH AND CASH EQUIVALENTS		
Cash and Bank Balances		
Cash in Hand	15,114.86	5,158.85
Balance with banks:		
-In Current Accounts	14,283.85	11,742.69
TOTAL Cash and Cash Equivalent	29,398.71	16,901.54

NOTE `7'		
OTHER CURRENT ASSETS		
Balance with Government authorities (other than Income Taxes)		
GST Receivable	415,866.94	240,046.00
Central Depository Services Ltd	5,900.00	
TOTAL	421,766.94	240,046.00

NOTE `8'				
EQUITY SHARE CAPITAL				
	No of shares	Amount	No of shares	Amount
-Authorised				
Equity Shares of Rs. 10/- each	7000000	70,000,000.00	7000000	70,000,000.00
-Issued and Subscribed Capital				
Equity Shares of Rs10/- each	5975200	59,752,000.00	5975200	59,752,000.00
-Paid up Capital				
Equity Shares of Rs10/- each fully paid-up.	3873000	38,730,000.00	3873000	38,730,000.00
TOTAL	3873000	38,730,000.00	3873000	38,730,000.00

8.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the period:

	Nos	Amt(Rs)	Nos	Amt(Rs)
<u>Authorised Share Capital</u>				
Opening Share Capital	7,000,000	70,000,000.00	7,000,000	70,000,000.00
Add: Increased during the year	-	-	-	-
Closing Share Capital	7,000,000	70,000,000.00	7,000,000	70,000,000.00
<u>Issued Share Capital</u>				
Opening Share Capital	5,975,200	59,752,000.00	5,975,200	59,752,000.00
Add: Shares issued During the year	-	-	-	-
Add: Rights/Bonus Shares Issued	-	-	-	-
Total	5,975,200	59,752,000.00	5,975,200	59,752,000.00
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Closing Share Capital	5,975,200	59,752,000.00	5,975,200	59,752,000.00
<u>Paid up Capital</u>				
Opening Share Capital	3,873,000	38,730,000.00	3,873,000	38,730,000.00
Add: Shares issued During the year	-	-	-	-
Add: Rights/Bonus Shares Issued	-	-	-	-
Total	3,873,000	38,730,000.00	3,873,000	38,730,000.00

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Particulars	On 31/03/22		On 31/03/21	
	Rs.		Rs.	
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Closing Share Capital	3,873,000	38,730,000.00	3,873,000	38,730,000.00

8.2 Rights, Preference and restrictions attaching to each class of shares

Equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2022, the amount of per share dividend recognized as distribution to equity shareholders was Rs 0/- (Previous Year Rs 0/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

8.3 Details of shares held by each Share holders holding more than 5% Shares (In Nos)

Name Of Shareholders	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Vivek Gupta	746600	19.28	746600	19.28
Rajev Gupta	609750	15.74	609750	15.74
Padam Sain Gupta	474500	12.25	474500	12.25

8.4 No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back during the period of 5 years immediately preceding the balance sheet date.

8.5 There are no calls unpaid/forfeited shares issued during the year ending 31 March 2022 or in previous year.

8.6 Details of shares held by Promoters and changes during the year ending 31st March 2022

Shares held by Promoters at the end of the year			% change during the year
Promoters Name	No. of Shares	% of total Shares	
Vivek Gupta	746600	19.28	0.00%
Rajev Gupta	609750	15.74	0.00%
Padam Sain Gupta	474500	12.25	0.00%
Prem Lata	48500	1.25	0.00%
Radhika Gupta	44500	1.15	0.00%
Rekha Gupta	53500	1.38	0.00%
Rajev Gupta HUF	10475	0.27	0.00%
Vivek Gupta HUF	10475	0.27	0.00%

NOTE '9'

OTHER EQUITY

(a) Share Forfeiture Reserve

Opening Balance	8,558,684.00	8,558,684.00
Closing Balance	8,558,684.00	8,558,684.00

(b) Retained Earnings

Opening Balance	(22,362,123.23)	(21,666,776.01)
Add: (Loss) Profit for the Year	1,651,950.29	(695,347.22)
Closing Balance	(20,710,172.95)	(22,362,123.23)
TOTAL OTHER EQUITY (a+b)	(12,151,488.95)	(13,803,439.23)

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Particulars	On 31/03/22 Rs.	On 31/03/21 Rs.
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Note:-

(i) Share Forfeiture Reserve

Share Forfeiture reserve is created out of money collected on forfeiture of equity shares by the company. The reserve can be utilised in accordance with the provisions of Companies Act, 2013

(ii) Retained Earnings

The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013

NOTE `10'

OTHER NON CURRENT FINANCIAL LIABILITIES

Non Current

-Legal Claims Outstanding

New India Assurance Co Limited-Contested Claim A/c	43,913,515.00	43,913,515.00
TOTAL	43,913,515.00	43,913,515.00

10.01 The Company's unit for manufacturing of cotton yarns was destroyed in fire on 13/06/2001. The Insurance claim of the company was repudiated by the Insurance Company. The Hon'ble National Consumer has decided the case of issuance of insurance claim in favour of the company against which the insurance company has filed an appeal before Hon'ble Supreme Court. Though Company was allowed 50% claim by the Supreme Court against security which was provided by the director of the company, the same is shown as non current liabilities as the matter is contingent and is sub judice. The Supreme Court has dismissed the appeal filed by Insurance Company on 15.12.2021 against which Insurance company filed a review petition which was also dismissed on 19.04.2022, The Insurance company has further filed a curative petition before Hon'ble Supreme Court which is still under process so the same has not been adjusted against the insurance claim receivable account, due to its contingent nature as a matter of abundant precaution and sheer uncertainty.

NOTE `11'

OTHER CURRENT LIABILITIES

Salary Payable	35,000.00	35,000.00
Expenses Payable	641.00	-
Tds Payable	-	2,250.00
	35,641.00	37,250.00

NOTE `12'

SHORT TERM PROVISIONS

Current

Audit Fee Payable	60,000.00	30,000.00
Total Current other Non Financial Liabilities	60,000.00	30,000.00

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Particulars	On 31/03/22 Rs.	On 31/03/21 Rs.
NOTE `13'		
REVENUE FROM OPERATION		
Other Operating Revenues		
Consultancy Charges	29,800.00	51,000.00
TOTAL	<u>29,800.00</u>	<u>51,000.00</u>
NOTE `14'		
EMPLOYEES BENEFIT EXPENSE		
Salary	420,000.00	400,000.00
	<u>420,000.00</u>	<u>400,000.00</u>
NOTE `15'		
FINANCE COST		
Bank Charges	929.84	831.90
TOTAL	<u>929.84</u>	<u>831.90</u>
NOTE `16'		
OTHER EXPENSES		
Accounting Charges	12,000.00	12,000.00
AGM Exp	10,000.00	37,070.00
Annual Listing Fee	366,500.00	346,500.00
Audit Fees	30,000.00	30,000.00
RTA Beetal exp	55,916.00	
Fees & Taxes	10,950.00	11,245.00
Legal & Professional Exp	587,500.00	75,042.00
Postage/Postal Exp.	523.00	464.00
Office/General Exp	952.00	10,694.74
Advertisement Exp	48,119.05	53,404.77
Photostate Exp	761.00	621.00
Printing and Stationery	842.00	645.00
Website Exp	10,800.00	10,800.00
Telephone Exp	1,130.00	580.00
Travelling Exp.	1,050.00	760.00
TOTAL	<u>1,137,043.05</u>	<u>589,826.51</u>
Notes		
Payment to the auditors comprises		
As Auditors- Statutory Audit	30,000.00	30,000.00
For Taxation Matters	-	-
For Company Law Matters	-	-
Total	<u>30,000.00</u>	<u>30,000.00</u>

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Particulars	On 31/03/22 Rs.	On 31/03/21 Rs.
NOTE '17' EARNING PER SHARE (EPS)		
i) Net profit after Tax Attributable to Equity Shareholders	1,651,950.29	(695,347.22)
ii) Weighted Average number of Equity Shares used as denominator for calculating EPS	3,873,000	3,873,000
iii) Basic and Diluted Earning Per Share	0.4265	(0.1795)
iv) Face Value per Equity Share	10.00	10.00

NOTE '18' RELATED PARTY DISCLOSURES AS REQUIRED UNDER IND AS 24 ARE GIVEN BELOW:

i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:			
Enterprises Over Which Key Management Personnel Exercise Significant Influence			
1. Oswal Pumps Limited			
Key Management Personnel			
1. Rajev Gupta (Key Managerial Person)			
2. Vivek Gupta (Key Managerial Person)			
ii) Transactions During the year with related Parties:			
1. Oswal Pumps Limited			
Sales during the year		-	-
Purchases during the year			-
iii) Balance Outstanding as on 31st March 2021			
Trade Receivables			
1. Oswal Pumps Limited		13,329,997.48	15,023,997.48

NOTE '19' CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	As at 31 March 2022	As at 31 March 2021
	INR in lakhs	INR in lakhs
Contingent Liabilities		
Disputed Insurance Claim under appeal by insurance company (50% recd) against security of director of Company Sh. Rajev Gupta *	439.14	439.14
Income Tax demand AY 2013-14 to AY 2018-19	3.21	-
* Future cash outflows in respect of the above matters are determinable only on receipt of judgement/ decision pending in Curative Petition		

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

NOTE '20' Operating Segments :

The Managing Director of the company has been identified as the Chief Operating decision maker(CODM) as defined by IND AS-108, Operating Segments . The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in two segments viz. Consultation & Whole Sale Trading and that most of the operations are in India.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenues and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable."

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallocable.

(Rs. In Lacs)

Particulars	Consulting		Wholesale Trading		Unallocable		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1. Segment Revenue								
External Income	0.30	0.51	-	-	-	-	0.30	0.51
Inter Segment Income	-	-	-	-	-	-	-	-
Gross Income	0.30	0.51	-	-	-	-	0.30	0.51
Less: Excise duty/Service Tax				-	-	-	-	-
Net Income	0.30	0.51	-	-	-	-	0.30	0.51
2. Segment Results before								
Interest and Taxes	0.30	0.51	-	-	-	-	0.30	0.51
Less; Interest Expenses							-	-
Add: Interest Income							-	-
Profit Before Tax	0.30	0.51	-	-	(15.58)	(9.91)	(15.28)	(9.40)
Current Tax					-	-	-	-
Deferred Tax					31.80	2.44	31.80	2.44
Profit after Tax	0.30	0.51	-	-	16.22	(7.46)	16.52	(6.96)
3. Other Information								
Segment Assets	-	-		-	705.88	689.07	705.88	689.07
Segment Liabilities	-	-	-	-	440.09	439.81	440.09	439.81
Capital Expenditure	-	-	-	-	-	-	-	-
Depreciation/Amortisation and Depletion expnese	-	-	-	-	-	-	-	-
Non-Cash Expenses other than depreciation and Amortisation	-	-	-	-	-	-	-	-

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Note 21: Financial instruments

A) Accounting classifications

The following tables shows the carrying amount / fair values of financial assets and financial liabilities:

Fair value measurements

a) Financial instruments by category

	31 March, 2022		31 March, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Trade receivables		13,329,997		15,023,997
Loans				
Cash & Bank Balances		29,399		16,902
Other Financial Assets		-		-
Total Financial Assets		<u>13,359,396.19</u>		<u>15,040,899.02</u>
Financial Liabilities				
Borrowings				
Trade Payables		-		-
Other Financial Liabilities		95,641		67,250
Total Financial Assets		<u>95,641.00</u>		<u>67,250.00</u>

(b) Fair Value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determined fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath.

i) Assets and Liabilities which are measured at amortised Cost.

	Level 1	Level 2	Level 3	Total
As At 31 March, 2022				
Financial Assets				
Trade receivables	-	-	13,329,997	13,329,997
Loans	-	-	-	-
Cash & Bank Balances	-	-	29,399	29,399
Other Financial Assets	-	-	-	-
Total Financial Assets	-	-	13,359,396.19	13,359,396.19
Financial Liabilities				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Other Financial Liabilities	-	-	95,641	95,641
Total Financial Liabilities	-	-	95,641.00	95,641.00

PADAM COTTON YARNS LIMITED

NOTES FORMING PART OF ACCOUNTS

As At 31 March, 2021

Financial Assets

Trade receivables	-	-	15,023,997	15,023,997
Loans	-	-	-	-
Cash & Bank Balances	-	-	16,902	16,902
Other Financial Assets	-	-	-	-
Total Financial Assets	-	-	15,040,899.02	15,040,899.02

Financial Liabilities

Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Other Financial Liabilities	-	-	67,250	67,250
Total Financial Liabilities	-	-	67,250.00	67,250.00

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example foreign exchange forward contracts) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfer of levels during the year.

a. As of 31 March, 2022 and 31 March 2021, the fair value of cash and bank balances, trade receivables, other current financial assets and liabilities, borrowings, trade payables approximate their carrying amount largely due to the short-term nature of these instruments.

b. For other financial assets and liabilities that are measured at amortised cost, the carrying amounts approximate the fair value.

Note `22'

Previous year figures have been regrouped/reclassified where necessary to correspond with the current year's classification/disclosure.

Note `23' Ratios Disclosure

	31 March, 2022			31 March, 2021
a) Current ratio	13781163.13/95641	144.09	15280945.02/67250	227.23
b) Debt Equity Ratio	Nil	0	Nil	0
c) Debt Service Coverage Ratio	Nil	0	Nil	0
d) Return on Equity Ratio	1651950.29/26578511.06	6.22%	`-695347.22/24926560.77	-2.79%
e) Inventory Turnover ratio	Nil	0	Nil	0
f) Trade Receivable turnover rat	Nil	0	Nil	0
g) Trade payable turover ratio	Nil	0	Nil	0
h) Net capital turnover ratio	29800/14449608.58	0.00	51000/15213695.02	0.00335
i) Net Profit Ratio	`-1528172.89/29800	-5128%	`-939658.41/51000	-1842.47%
j) Return on Capital Employed	`-1528172.89/26578511.06	-5.75%	`-939658.41/24926560.77	-3.77%
k) return on investment	`-1528172.89/26578511.06	-5.75%	`-939658.41/24926560.77	-3.77%

23.1 The changes in current ratio of the company as compared to previous year is due to decrease in Numerator marginally.

23.2 The changes in return on equity of the company increased due to deferred tax created on Unabsorbed Depreciation claimed by the company before Income tax authorities for previous years.

23.3 The changes in Net profit ratio of the company is due to huge legal expenses on account of litigation pending in supreme court on Insurance matter.

23.4 The changes in Return on capital employed of the company is due to reasons stated in Para 23.3 above

23.5 The change in return on investment of the company is due to reasons stated in Para 23.3 above.

PADAM COTTON YARNS LIMITED
(CIN : L17112HR1994PLC033641)
Cash flow statement for the year ended 31st March 2022

		(Amount in Rs.)	
		For the Year Ended	For the Year Ended
		March 31, 2022	March 31, 2021
		INR	INR
A.	Cash flow from operating activities		
	Net profit before tax but after exceptional / extraordinary items	(1,528,172.89)	(939,658.41)
	Adjustments for non-cash items:		
	Preliminary Expenses Written off	-	-
	Depreciation / amortization	-	-
	Interest & finance expense	929.84	831.90
	Operating profit before working capital changes	(1,527,243.05)	(938,826.51)
	Adjustments for changes in working capital :		
	(Increase)/decrease in trade receivables	1,694,000.00	1,010,526.00
	(Increase)/decrease in other current assets	(181,720.94)	(67,374.59)
	(Increase)/decrease in other non-current assets	-	-
	(Increase)/decrease in long-term loans & advances	-	-
	(Increase)/decrease in short-term loans & advances	-	-
	(Increase)/decrease in inventories	-	-
	Increase/(decrease) in trade payables	(1,609.00)	(11,372.00)
	Increase /(decrease) in other long-term liabilities	-	-
	Increase /(decrease) in other current liabilities	30,000.00	-
	Increase /(decrease) in long-term provisions	-	-
	Increase /(decrease) in short-term provisions	-	-
	Cash generated from/(used in) operations	13,427.01	(7,047.10)
	Taxes (paid) / received (net of withholding taxes TDS)	-	-
	Prior period (expenses)/income (net)	-	-
	Net cash from/(used in) operating activities	13,427.01	(7,047.10)
B.	Cash flow from investing activities		
	Purchase of fixed assets		
	Proceeds from sale of fixed assets	-	-
	Sale of non-current investments	-	-
	Purchase of current investments	-	-
	Share application money	-	-
	Net cash from/(used in) investing activities	-	-
C.	Cash flow from financing activities		
	Proceeds from issue of share capital	-	-
	Raising of unsecured loans		
	Repayment of unsecured loans	-	-
	Raising Of Secured Loans	-	-
	Interest & finance charges paid	(929.84)	(831.90)

	Net cash from/(used in) financing activities	(929.84)	(831.90)
	Net increase/(decrease) in cash & cash equivalents	12,497.17	(7,879.00)
	Cash & cash equivalents - opening balance	16,901.54	24,780.54
	Cash & cash equivalents - closing balance	29,398.71	16,901.54
	Net increase/(decrease) in cash & cash equivalents	(0.00)	-
	NOTES:		
1	The above cash flow statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard (Ind AS-7)-" Statement of Cash Flows"		
2	The amendment to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1 April 2017 and the required disclosure is made below: There is no other impact on the financial statement due to this amendment.		
3	Cash and cash equivalents at the end of the year consist of cash in hand and		
	balance with banks as follows:		
		31st March 2022	31st March 2021
	Cash, cheques & drafts (in hand) and remittances in transit	15,114.86	5,158.85
	Balance with banks		
	Current account	14,283.85	11,742.69
	Deposit account	-	-
		29,398.71	16,901.54
<div> <div> For and on behalf of In terms of our report attached For HARJINDER SINGH & CO Chartered Accountants FRN : 014119N (HARJINDER SINGH) (PROP.) M. No. 092290 Place:- Karnal Date:- 28.05.2022 </div> <div> FOR AND ON BEHALF OF THE BOARD OF DIRECTORS RAJEV GUPTA (DIRECTOR) (DIN : 00172828) SHIVAM GUPTA (CHIEF FINANCIAL OFFICER) </div> <div> RADHIKA GUPTA (MANAGING DIRECTOR) (DIN : 07071267) VIVEK GUPTA DIRECTOR DIN: 00172835 </div> </div>			

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PADAM COTTON YARNS LIMITED
Regd. Office: 196, 1stFloor, G.T. Road, Opp. Red Cross Market,
Karnal- 132001, Haryana
www.padamcotton.com