



PADAM COTTON YARNS LIMITED

**25th Annual Report
2018-2019**

BOARD OF DIRECTORS**Mr. Rajev Gupta**

Director
DIN: 00172828

Mr. Vivek Gupta

Director
DIN: 00172835

Mr. Jai Kumar

Independent Director
DIN: 00530513

Mr. Harbhajan Singh

Independent Director
DIN : 00530523

Mr. Satwant Singh

Independent Director
DIN : 00530516

Mrs. Radhika Gupta

Director
DIN: 07071267

AUDIT COMMITTEE**Mr. Harbhajan Singh**

Chairman (Independent Director)

Mr. Jai Kumar

Independent Director

Mr. Satwant Singh

Independent Director

NOMINATION & REMUNERATION COMMITTEE**Mr. Harbhajan Singh**

Chairman (Independent Director)

Mr. Jai Kumar

Independent Director

Mr. Satwant Singh

Independent Director

STAKEHOLDERS' RELATIONSHIP COMMITTEE**Mr. Harbhajan Singh**

Chairman (Independent Director)

Mr. Jai Kumar

Independent Director

Mr. Satwant Singh

Independent Director

COMPLIANCE OFFICER

Miss Neha Miglani, Company Secretary

CHIEF FINANCIAL OFFICER

Mr. Narinder Kumar Chutani

AUDITORS

M/s Harjinder Singh & Co
Chartered Accountant
75, Dayal Singh Colony,
Karnal-132001

BANKERS

Punjab National Bank
Namaste Chowk
Karnal-132001

REGD. OFFICE & WORKS

196, 1st Floor, Opposite Red Cross market, G T Road, Karnal-132001

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PADAM COTTON YARNS LIMITED

(CIN No. L17112HR1994PLC033641)

REGD OFFICE: 196, 1ST FLOOR, GT ROAD, OPP. RED CROSS MARKET, KARNAL- 132001 (HARYANA)
www.padamcotton.com email:rajevoswal@yahoo.com

NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of the company will be held at the Registered Office of the Company at 196, Opposite Red Cross Market, Karnal-132001 on Monday, the 30th day of September, 2019 at 11.00 A.M. to consider and to transact the following business (s):

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the company for the year ended on 31st March, 2019 along with the reports of Directors' and Auditors' there on.
2. To appoint a Director in place of Mr. Vivek Gupta (DIN No: 00172835) who retires by rotation at this annual general meeting and being eligible offers herself for re-appointment.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or enactment (s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and upon the recommendation of the Nomination and Remuneration Committee, Mr. Harbhajan Singh (DIN: 00530523), Independent Director of the Company whose present term is coming to an end at the conclusion of the ensuing Annual General Meeting and who has given a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and the rules made there under, and in respect of whom the company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an independent director of the company for another term of 5(five) years from 30th September, 2019 to 29th September, 2024

"RESOLVED further that the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things including incidental matters in connection with the above including execution, signing and filing of the forms returns and documents with the concerned authorities.

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or enactment (s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and upon the recommendation of the Nomination and Remuneration Committee, Mr. Satwant Singh (DIN: 00530523), Independent Director of the Company whose present term is coming to an end at the conclusion of the ensuing Annual General Meeting and who has given a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and the rules made there under, and in respect of whom the company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an independent director of the company for another term of 5(five) years from 30th September, 2019 to 29th September, 2024

“RESOLVED further that the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things including incidental matters in connection with the above including execution, signing and filing of the forms returns and documents with the concerned authorities.

- 5 To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or enactment (s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and upon the recommendation of the Nomination and Remuneration Committee, Mr. Jai Kumar (DIN: 00530513), Independent Director of the Company whose present term is coming to an end at the conclusion of the ensuing Annual General Meeting and who has given a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and the rules made there under, and in respect of whom the company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an independent director of the company for another term of 5(five) years from 30th September, 2019 to 29th September, 2024

“RESOLVED further that the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things including incidental matters in connection with the above including execution, signing and filing of the forms returns and documents with the concerned authorities.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

Resolved that consent of the members of the company be and is hereby accorded for appointment of Mr. Rajev Gupta as Managing Director of the company for a period of five years i.e w.e.f 16/04/2019 to 15/04/2024 as was approved by the Board of Directors of the Company vide the resolution dated 16th April, 2019, without any remuneration.

By Order of the Board of Directors
For Padam Cotton Yarns Limited,

Place: Karnal.

Dated: 03rd August, 2019.

Sd/-
(Rajev Gupta)
Director
(DIN No: 00172828)

PADAM COTTON YARNS LIMITED
Notes

1. A member entitled to attend and vote at this Annual general Meeting of the company, is entitled to appoint a Proxy to attend and on a poll, to vote instead of himself/herself and the proxy need not be a member of the company. Proxies in order to be valid must be lodged at the registered office of the Company not less than 48 hours before the commencement of the meeting. A proxy so appointed shall have no right to speak at the meeting.
2. A person can act as a proxy on behalf of the 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.
3. Pursuant to the provisions of Section 91 of the Companies Act, 2013 read with Clause 42 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015, the company has notified the closure of the Register of Members and Share Transfer Books of the Company from Tuesday, the 24th day of September, 2019 to Monday the 30th day of September, 2019 (both days inclusive).
4. In compliance with the provisions of Section 108 of the Companies Act, 2013 (The Act) and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and revised clause 44 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the company is providing facility to its members to exercise their vote at the meeting through e-voting. Please refer to the instructions which are being sent along the Annual Report. The company has engaged the services of the Central Securities Depository Limited to provide remote electronic voting facility.
5. Members are requested to notify the change of address, if any to the Company at the Registered office immediately quoting the folio number under which the shares are held
6. In case of Joint Holders, if more than one holder intends to attend the meeting they must obtain the additional admission (s) slip on request from the Registered Office of the Company.
7. All queries relating to the accounts must be sent to the Company at its Registered Office at least ten days before the holding of the Annual General Meeting.
8. Members/proxies are requested to bring their copies of the Annual Report along with duly filled admission slip(s) for attending the meeting.
9. Members who have multiple accounts in identical names or Joint accounts in the same order are requested to intimate the company, the ledger folios of such accounts to enable the company to consolidate all such shareholdings into one account.
10. Pursuant to clause 49 of the Listing Agreement with the Stock Exchange additional information relating to Directors who are seeking appointment/re-appointment at the meeting have been added as a note to the Corporate Governance Report/notice. The directors have furnished requisite declaration for their appointment/re-appointment.
11. The members who have not yet dematerialized their shares, are recommended to get their shares dematerialized at the earliest.
12. The instructions for members for voting electronically are as under:
In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members 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> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>? Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number</p>
	in the Dividend Bank details field.

- After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (x) Click on the EVSN for Padam Cotton Yarns Limited which is 190807009 on which you choose to Vote.
 - (xi) 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.
 - (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiii) 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.
 - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- ? Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Friday, the 27th Day of September, 2019 (10.00) AM and ends on Sunday, 29th September, 2019 (5.00) PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, the 23rd September, 2019, may cast their vote by remote e-voting. The e voting module shall be disabled by CDSL for voting thereafter. Once vote on a resolution is cast by a member, the member shall not be allowed to re-cast or change it subsequently.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company at 196, Opposite Red Cross Market, Karnal-132001 during normal business hours (9.00 am to 5.00 pm) on all working days up to and including the date of the AGM of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (The Act)

ITEM NO : 3, 4 & 5

Based on the recommendation of the Nomination and remuneration Committee and pursuant to the provisions to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or enactment (s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors of the Company has proposed the re-appointment of Mr. Harbhajan Singh, Mr. Satwant Singh and Mr. Jai Kumar as an Independent directors at this Annual General Meeting of the company for second term of 5 years with effect from 30th September, 2019 to 29th September, 2024

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. They were appointed as an Independent Directors by way of Special resolution in the Annual General Meeting held on 30/09/2014.

Based on the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Harbhajan Singh, Mr. Satwant Singh and Mr. Jai Kumar being eligible for re-appointment as an Independent Directors for second consecutive term of five years from 30/09/2019 to 29/09/2024 is proposed to be re-appointed as an Independent Directors.

The Company has received declaration from them stating that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have also given their consent to continue to act as Director of the Company, if so appointed by the members.

The Board of Directors recommends the Special Resolutions as set out under item No. 3, 4 and 5 for approval of the members of the Company.

The Brief particulars of the Directors are given below:

Mr. Harbhajan Singh is an graduate and has a vast experience in the industrial finance and all round corporate management.

Mr. Satwant Singh is a graduate and has a vast experience in the field of industrial development and corporate management

Mr. Jai Kumar is a graduate and has a vast experience in the field of industrial development and corporate management

Except Mr. Harbhajan Singh, Satwant Singh and Mr. Jai Kumar, being an appointees, none of the Directors, Key Managerial Personnel or their relatives thereof, is in any way, interested or concerned in the proposed Special Resolution except to the extent of their shareholding in the Company, if any.

ITEM NO 6

Based on the recommendation of the Nomination and remuneration Committee and pursuant to the provisions to the provisions of Section 196 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or enactment (s) thereof for the time being in force) read with Schedule XIII – Appointment and Remuneration of the Companies Act, 2013,

applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors of the Company has appointed Mr. Rajev Gupta as Managing Director of the company for a period of five years i.e w.e.f 16/04/2019 to 15/04/2024 subject to the approval of the members of the company without any remuneration.

Mr. Rajev Gupta (DIN No: 00172828) aged about 55 years is a graduate and has a vast experience in the field of finance, commerce and management. None of the Directors is deemed to be interested in the resolution except Mr. Vivek Gupta (DIN No: 00172835) and Radhika Gupta, Directors.

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

Name of the Director and DIN	Mr. Harbhajan Singh (DIN: 00530523)	Mr. Satwant Singh (DIN: 00530516)	Mr. jai Kumar (DIN: 00530513)
A brief profile of the Director	Re-appointment as an Independent Director on the Board of the Company on the recommendation of the Nomination and Remuneration Committee	Re-appointment as an Independent Director on the Board of the Company on the recommendation of the Nomination and Remuneration Committee	Re-appointment as an Independent Director on the Board of the Company on the recommendation of the Nomination and Remuneration Committee
Age	46 years as on 31.03.2019	40 years as on 31.03.2019	51 years as on 31.03.2019
Qualification	B. A	B. A.	Graduate
Experience	Over 24 years experience in handling commercial activities.	. He has over 19 years experience in handling commercial activities.	actively participates in taking all the decisions of business.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	No change, as per last appointment on the Board.	No change, as per last appointment on the Board.	No change, as per last appointment on the Board.
Remuneration last drawn by such person	NA	N. A.	Nil
Date of first appointment on the Board	19.07.2001	30.12.2002	20.12.1999
Shareholding in the company	Nil	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Not related. to any Director or Key Managerial personnel of the Company	Not related to any Director or Key Managerial personnel of the Company.	Not related to any Director or Key Managerial personnel of the Company
Number of Meetings of the Board attended during the year	4	4	3
Other Directorships	3	nil	1
Membership/ Chairmanship of Committees of other Boards	Nil	Nil	Nil

By Order of the Board of Directors
For Padam Cotton Yarns Limited,
Sd/-
(Rajev Gupta)
Director
(DIN NO: 00172828)

Place: Karnal.

Dated: 03rd August, 2019.

PADAM COTTON YARNS LIMITED
Director's Report

Dear Shareholders,

Your Directors have pleasure in presenting the 25th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2019.

Financial Highlights	Year ended 31.3.2018 (Rs. in lacs)	Year ended 31.3.2019 (Rs. in lacs)
Sales & other income	182.92	00.00
Profit before Interest & Depreciation	-0.22	-6.07
Less : Interest	0.03	0.00
Profit/(Loss) before Depreciation	-0.19	0.00
Less : Depreciation	0.00	0.00
Profit before exceptional items and before Tax	-0.19	-6.07
Add: Exceptional Items	0.00	0.00
Profit/ (Loss) before Tax	-0.19	-6.07
Less : Provision for Taxation - Current Tax	0.00	0.00
- MAT Credit	-	-
-Deferred Tax Liability/(Assets)	-	-
-MAT Credit earlier year	-	0.00
-Tax for earlier years	0.08	-
Net Profit/ (Loss) after Tax	-0.27	-6.07
Add : Surplus brought from previous year	-	-
Total Surplus	-0.27	-6.07
Appropriations :		
Proposed Dividend	Nil	Nil
Corporate Dividend Tax	Nil	Nil
Surplus Carried to Balance Sheet	-0.27	-6.07

Financial Highlights

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, 2002 due to major fire in the factory premises. The insurance claim of Rs.5,29,51,550/- is still pending for decision with the Honorable National Consumer Dispute redressal Commission, New Delhi. However, it has received an amount of Rs.439.13 Lacs in the protest a/c against the bank guarantee.

OPERATIONAL & PERFORMANCE REVIEW

How-ever, your company has other operating revenues of Rs.nil as against Rs.182.92 Lacs during the previous year. Barring some un-foreseen circumstances, your directors are hopeful to give better results in terms of sales/ profits in the years to come.

SUBSIDIARY COMPANY

During the year ended 31st March, 2019, the Company did not have any subsidiary company.

FIXED DEPOSITS

The Company has not accepted or renewed any deposit from the public during the year under review pursuant to the provisions of Companies Act, 2013 and rules made there under.

DIVIDEND

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

APPOINTMENT OF KEY MANAGERIAL PERSONS (KMPs) AND INDEPENDENT DIRECTORS

Pursuant to provisions of Sections 2(51) and 203 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following persons are acting as Key Managerial Personnel of the Company:

- **Mr. Rajev Gupta, Managing Director**
- **Miss Neha Miglani Company secretary**
- **Mr. Narender Chutani, CFO**

None of the Key Managerial Personnel has resigned during the year ended March 31, 2019.

DIRECTORS

During the year under review, there has been no change in the composition of the Board of Directors. In accordance with the provisions of Section 152 of the Companies act, 2013 read with the Rules made there under and articles of association of the company, Mrs. Radhika Gupta, Director will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. A brief resume of and particulars relating to them are given separately under the report on Corporate Governance

STATUTORY AUDITORS

At the 23rd Annual General Meeting of Company held on 29th September 2017, M/s Harjinder Singh & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five years in accordance with the provisions of section 139 of Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014. However, there appointment for the year 2019-20 is to be ratified at the ensuing Annual general Meeting by the members.

AUDITOR'S REPORT

Observations, if any, made in the Auditor's Report are self explanatory and do not call any explanation.

COST AUDIT

Pursuant to provisions of section 148 of Companies Act 2013 & Rules made there under, your Company is not now covered under these provisions.

SECRETARIAL AUDIT

Shri Ramesh Bhatia, Practicing Company Secretary has been appointed by the Board to conduct Secretarial Audit under provisions of section 204 of the Companies Act 2013. The Secretarial Audit report is annexed with the Director's Report as Annexure – 1. There is no qualification in secretarial audit report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Energy conservation continues to be an area of major emphasis in your Company. Efforts are made to optimize the energy cost while carrying out manufacturing operations. As required by the provisions of section 134 of the Companies Act, 2013, the relevant information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in the **Annexure- 2** forming part of this report.

STATUTORY DISCLOSURES

None of the Directors of the Company are disqualified under the provisions of section 164 of the Companies Act 2013. The Directors have made the requisite disclosures, as required under the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("hereinafter referred to as Listing Regulations").

CORPORATE GOVERNANCE

The Company is committed to maintain the good standards of Corporate Governance. The Company has complied with the Corporate Governance requirements as stipulated under Listing Regulations. Pursuant to said Regulations, Report on Corporate Governance together with the Certificate issued by Practicing Company Secretary regarding compliance of Corporate Governance is annexed to this report.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 134(3)(c) of the Companies Act, 2013, it is hereby confirmed that:

- (a) In the preparation of annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed and that there are no material departures;
- (b) estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company As at 31st March, 2019 and of the profit of the Company for the year ended on that date; the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in
- (c) The Directors have selected such accounting policies and applied them consistently and made judgments and accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) The annual accounts have been prepared on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequately and operating effectively.

FRAUDS REPORTED BY AUDITORS u/s 143(12)

Your company has complied with all the provisions of Section 143 of the Companies Act, 2013. Hence, there are no frauds reported by the Auditors other than those which are reportable to the Central Government. Further, no fraud has been reported to the Central Government.

EXTRACT OF ANNUAL RETURN

The details forming part of extract of the Annual Return is given in Form MGT9 in **Annexure - 3**.

NUMBER OF BOARD MEETINGS

During the financial year 2018-19, four Board meetings were held. The meetings were held on 30th May, 2018, 09th August, 2018, 02nd November, 2018 and 01st February, 2019. The other relevant details of Board meetings and the attendance of the Directors etc. is given under Corporate Governance Report annexed with Director's Report.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act 2013 and under Listing Regulations, stating that they meet the criteria of independence as provided in sub-section (6).

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

RELATED PARTY TRANSCATIONS

All related party transactions that were entered into during the financial year were in the ordinary course of business and were at arm's length basis. No Materially significant related party transactions have been entered by the Company with Promoters, Directors or Key Managerial Personnel etc. that had potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The detail of transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee and the Board of Directors on a quarterly basis. None of the Directors has any pecuniary relationships or transactions vis-a-vis the company. The details of the same are given in Form AOC-2 and is annexed herewith.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year Calendar Year 2018:

- a) No. of Complaints received in the year: NIL
- b) No. of complaints disposed off during the year: NIL
- c) No. of cases pending for more than 90 days: NIL
- d) No. of workshops or awareness program against sexual harassment carried out: NIL
- e) Nature of action taken by the employer: NA

MATERIAL CHANGES FROM END OF FINANCIAL YEAR TILL DATE OF REPORT

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report other than those disclosed in the financial statements.

RISK MANAGEMENT POLICY

Risk management is a continuous process across the organization designed to identify, assess and frame a response to threats that affect the achievement of its objectives. It enables management to prepare for risks before they devolve to improve the operational effectiveness. Determination of the risk appetite allows management to deploy resources according to the need. The Company firmly believes that to ensure effective risk management, there ought to be risk management plans to handle the risks based on the priorities and challenges of the business. The factors involved in identified risks must be considered and the accuracy of assessment is very important. This implies, if proper risk management is implemented as a best practice then massive capital losses can be prevented. The success of the Risk Management Framework depends on the efforts taken to mitigate/ reduce either the probability or consequence of the risk/ threat. Therefore considering the same, Company's Risk Management Policy includes three key elements:

- I Risk Assessment
- I. Risk Management and Risk Mitigation
- II. Risk Monitoring

Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed effectively. Adhering the same, Company has constituted Risk Management Committee and adopted an effective Risk Management Policy in its place to assess, mitigate and to monitor the different risks exposed to the industry in which it operates. Risk management policy of the company is available at company's website www.padamcotton.com.

POLICY ON DIRECTOR'S APPOINTMENT & REMUNERATION AND OTHER PRESCRIBED MATTERS

The current policy is to have an appropriate mix of executive and non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of March 31, 2019, the Board had six members, three of whom are executive directors and three independent directors. One of the executive directors of the Board is a woman director.

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

We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY

Your Company maintains an adequate and effective Internal Control system commensurate with its size and complexity. Internal control systems provide, among other things, a reasonable assurance that transactions are executed with Management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safeguarded against significant misuse or loss.

During the year under review, the Company continued to implement their suggestions and recommendations to improve the internal financial control environment. Their scope of work inter-alia includes review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The Audit Committee actively reviews the adequacy and effectiveness of internal control system and suggests further strengthening the same, wherever required.

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 2019 comprises of 38, 73,000 equity shares of Rs. 10/- each i.e. Rs. 3,87,00,000/- . 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.

AUDIT COMMITTEE

Audit Committee constituted by the Company functions in accordance with the terms of reference as set out under the provisions of Clause 49 of Listing Agreement read with provisions of Section 177 of Companies Act, 2013 & rules made there under and additional responsibilities assigned to it by Board of Directors of the Company. The Committee reviews the internal audit reports and findings of internal auditors along with the comments of management. The functions of the Audit Committee among others include approving and implementing the audit procedures, effective supervision of financial reporting system, Whistle Blower Mechanism, internal control and procedures, recommending appointment of Statutory Auditors, Cost Auditors to Board and also ensuring compliances with regulatory guidelines. The Board has constituted the Audit Committee comprises of following:

S.NO.	NAME	DESIGNATION
1	Sh. Harbhajan Singh, Independent Director	Chairman
2	Sh. Jai Kumar Independent Director	Member
3	Sh. Satwant Singh, Independent Director	Member

The other relevant details of Audit Committee are given under Corporate Governance Report annexed with Director's Report.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a vigil mechanism named “Whistle Blower Policy/Vigil Mechanism” to deal with instance of fraud and mismanagement, if any. The detail of the Policy is explained in the Corporate Governance Report and also available at company’s website www.padamcotton.com.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS

During the year under review, the Board adopted a formal mechanism for evaluating its performance and as well as that of its committees, individual Directors, including the Chairman of the Board in compliance with the Companies Act 2013 and Listing Regulations. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board, its committee & members, their experience & competencies, performance of specific duties & obligations, governance and also in accordance with Performance Evaluation Policy of Company. Broadly the performance of Non-Independent/Executive/Whole Time Director(s) was evaluated on the basis of their own performance, expertise, intelligence, their qualitative & quantitative contribution towards operational achievements, organizational performance etc. The performance of Non-Executive Independent Directors were evaluated on the basis of their constructive participations in Board/Committee/General meetings, their informed & balanced decision-making, ability to monitor financial controls & systems, & certain allied parameters. The performance evaluation of various Board Committees constituted under Companies Act & Listing Agreement was made on the basis of their respective terms of reference, discharge of functions, governance etc.

Disclosure of information’s as required under rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs. 102 lacs per year to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of Rs. 102 lacs during the financial year 2018-19.

Disclosures pertaining to remuneration and other details 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 are provided in the Annexure forming part of the Annual Report. Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, 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 Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished free of cost.

The Nomination and Remuneration Committee of the Company has affirmed that the remuneration is as per the remuneration policy of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis report, as required by Listing Regulations, forms part of the Annual Report.

ACKNOWLEDGEMENT

Your Directors wish to convey their appreciation to all of the Company’s employees for their enormous efforts as well as their collective contribution to the Company’s performance. The Directors would also like to thank shareholders, customers, dealers, suppliers, Financial Institutions, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

By order of the Board of Directors

**Sd/-
(Rajev Gupta)
Director
DIN-00172828**

**Sd/-
(Vivek Gupta)
Director
DIN-00172835**

**Place: Karnal
Dated: August, 03, 2019**

PADAM COTTON YARNS LIMITED
FORM NO. AOC.2

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 arms length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

(a)Name(s) of the related party and nature of relationship:	NIL
(b)Nature of contracts/arrangements/transactions:	NIL
(c)Duration of the contracts/arrangements/transactions:	NIL
(d)Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
(e)Justification for entering into such contracts or arrangements or transactions:	NIL
(f)date(s) of approval by the Board:	NIL
(g)Amount paid as advances, if any:	NIL
(h)Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	NIL

2.Details of material contracts or arrangement or transactions at arm's length basis

(a)Name(s) of the related party and nature of relationship:	Mr Rajev Gupta, Managing Director Mr.Vivek Gupta Brother and Mr. Radhik a Gupta Wife of Vivek Gupta.	Oswal Pumps Limited – Common Director and two relatives of Whole Time Directors are Directors and common promoter shareholders	Oswal Pumps Limited – Common Director and two relatives of Whole Time Directors are Directors and common promoter shareholders
(b)Nature of contracts/ arrangements/ transactions:	Employment without remuneration	Purchase of goods	liabilities
(c) Duration of the contracts/ arrangements/ transactions:	Permanent employment	Annual	One time
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	General terms of employment as applicable on other employees.	Purchase of goods at market value	Actual
(e)Date(s) of approval by the Board, if any:	16.04.2019	Approval on 14.02.2018	14.02.2018
(f)Amount paid as advances, if any:	Nil	Nil	Nil

By order of the Board of Directors
Sd/-
(Rajev Gupta)
Managing Director
DIN-00172828

Sd/-
(Vivek Gupta)
Director
DIN-00172835

Place:Karnal
Dated: August 03, 2019

PADAM COTTON YARNS LIMITED
Corporate Governance Report

1. Company's philosophy on code of Governance

Corporate Governance is a set of system, process and principles which ensure that a Company is governed in the best interest of all stakeholders. The objective of Good Corporate Governance is to ensure the Board's commitment towards transparent management to maximize long term value for the Company's shareholders of all stakeholders. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

2. Board of Directors

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors so as to have a balanced structure. As on 31st March 2019, the Board of Directors consists of six Directors, out of which two are Promoter Directors (Managing Director and a non executive Director), one Non – Executive Woman Director and three are Independent Non-Executive Directors. None of the Directors on the board is a member on more than 10 committees and Chairman of more than 5 committees as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("hereinafter referred to as Listing Regulations"), across all the companies in which they are Directors. The necessary disclosures regarding committee memberships have been made by all the Directors. The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 of Companies Act 2013 and rules made there under and meet with requirements of Listing Regulations.

During the financial year 2018-19, four board meetings were held. The meetings were held on 28th May, 2018, 09th August 2018, 02nd November, 2018, and 01st February, 2019. As stipulated by Code of Independent Directors under Companies Act 2013 and under Listing Agreement, a separate meeting of independent directors was held on 01st February, 2019 to review the performance of Non-Independent directors and the Boards as a whole. The Independent Directors also reviewed the quality, content and timeliness of follow of information between Management and the Board. All Independent Directors were present in the said meeting.

The names and categories of Directors on the board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships/ Committee memberships/ Chairmanship held by them in other Companies are given below:

No. of Directorship and Committee Membership/Chairmanship as on 31.03.2019:-

Name of Director	Category	Attendance Particulars		No. of Directorship	No. of Membership/ Chairmanship in Committees +		
		Board Meeting	Last AGM	Other Directorship	Membership	Chairmanship	Total
Sh Rajev Gupta	Director	4	Yes	7	-	-	-
Sh Vivek Gupta	Director	4	Yes	5	-	-	-
Sh Jai Kumar	INED	3	Yes	1	-	-	-
Sh Harbhajan Singh	INED	4	Yes	3	-	-	-
Sh Satwant Singh	INED	4	Yes	1	-	-	-
Smt. Radhika Gupta	Director	2	N.A.	1	-	-	-

None of the Directors is a director of any other listed company.

3. INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all information about the Company. All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information including minimum information as stipulated under Regulation 17(7) of Listing Regulations to the extent it is applicable & relevant and documents to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees for the information of Board. The Board reviews the declarations/reports made by the Management regarding compliance with applicable laws on quarterly basis as well as steps taken by the Company to rectify instances of non-compliances, if any. Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments.

4. MAXIMUM DIRECTORSHIP & TENURE OF INDEPENDENT DIRECTORS

The maximum tenure of Independent Directors is in compliance with the Companies Act 2013. The Company has issued formal letters of appointment to all the Independent Directors. At the time of appointment of an independent director, it was

ensured that the number of Boards on which such independent director serves is restricted to seven listed companies as an independent director and three listed companies as an independent director in case such person is serving as a whole-time (executive) director of a listed company. The terms & conditions of appointment of independent directors are available on Company's website viz. www.padamcotton.com

5. Code of Conduct

The Company is committed to conduct its business in accordance with the pertinent laws, rules and regulations and with the highest standards of business ethics. The Company has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct is posted on Company's website viz.

www.padamcotton.com. All Board members and Senior Management Personnel have affirmed compliance with the Code. A declaration signed by Sh. Rajev Gupta, DIN 00172828, and Director of the Company to this effect is enclosed at the end of this report.

6. PREVENTION OF INSIDER TRADING CODE

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. The Code is applicable to Promoters and Promoter's Group, all Directors, KMP's and such Designated Employees etc. who are expected to have access to unpublished price sensitive information relating to Company. The Code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with the shares of Company and cautioning them about the consequences of violations. The Company Secretary is responsible for implementation of this code. During the year under review, there has been due compliance with the said code. The Company has also formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The same is also posted on Company's website viz. www.padamcotton.com

7. Managing Director and CFO Certification

As per Regulation 17 of Listing Regulations, Sh. Narinder Kumar Chutani, Chief Financial Officer (CFO) & Sh. Rajev Gupta, DIN 00172828, managing Director of the Company have issued certificate pursuant to the provisions of Listing Regulations certifying that the financial statements and the cash flow statement do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is attached herewith and forms part of the Annual Report.

8. COMMITTEES OF THE BOARD

The Board of Directors have constituted various Board Committees in compliance of Companies Act as well as Listing Regulations/Listing Agreement to deal with specific areas and activities as stipulated under the Companies Act and Listing Obligations. The Board Committees meet at regular intervals, takes necessary steps to perform its duties/functions entrusted by the Board.

(A) Audit Committee

Audit Committee functions in accordance with the terms of reference as set out under Listing Regulations read with provisions of Section 177 of the Companies Act, 2013 & rules made thereunder and additional responsibilities assigned to it by Board of Directors of the Company. The Committee reviews the internal audit reports and findings of internal auditors along with the comments of management. The functions of the Audit Committee among others include approving and implementing the audit procedures, effective supervision of financial reporting system, Whistle Blower Mechanism, internal control and procedures, recommending appointment of Statutory Auditors, Cost Auditors to Board and also ensuring compliances with regulatory guidelines. The composition, names of members, chairperson, particulars of the meetings and attendance of the members during the financial year are as below:

During the financial year 2018-19, four Audit Committee meetings were held on May 30, 2018, August, 02, 2018, November, 02, 2018 and February 01, 2019.

S.NO.	NAME	DESIGNATION	NO. OF MEETINGS ATTENDED DURING THE YEAR 2018_2019
1.	Sh. Harbhajan Singh, Independent Director	Chairman	4
2.	Sh. Jai Kumar Independent Director	Member	3
3.	Sh. Satwant Singh, Independent Director	Member	4

The Statutory Auditors and Internal Auditors were invitees to the meetings.

(B) Nomination and Remuneration Committee

The Nomination and Remuneration Committee functions in accordance with the terms of reference as set out under Listing Regulations read with provisions of Section 178 of Companies Act, 2013 & rules made there under. The functions of Nomination and Remuneration Committee include formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to remuneration of directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the board of directors, devising a policy on diversity of board of directors, identifying persons who are qualified to become

directors and who may be appointed in senior management in accordance with criteria laid down and recommend to the board of directors their appointment and removal etc. During the financial year 2018-2019, two meetings of Nomination and Remuneration Committee were held on August 02, 2018 and February 01, 2019

S.NO.	NAME	DESIGNATION	NO. OF MEETINGS ATTENDED DURING THE YEAR 2018-2019
1	Sh. Harbhajan Singh, Independent Director	Chairman	2
2	Sh. Jai Kumar Independent Director	Member	2
3	Sh. Satwant Singh, Independent Director	Member	2

Remuneration Policy

The objective of this Policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Company has adopted and implemented the provisions of Section 178 of the Companies Act, 2013 on the requirement of the Committee to recommend to the Board a policy, relating to the remuneration for the directors, KMPs and other employees.

i) Remuneration of Non-Executive Directors

No remuneration was paid to the Non-Executive Directors during the year 2018-19.

ii) Remuneration of CEO/Executive Directors

No remuneration was paid to the CEO/Non-Executive Directors during the year 2018-19.

There is no Employee Stock Option Scheme (ESOP) in the Company as on 31st March 2019. Further, there are no pecuniary relationships or transactions of Non-Executive Director vis-a vis the Company which has potential conflict with the interest of the Company at large.

(C). Stakeholders Relationship Committee

The Stakeholders Relationship Committee functions in accordance with the terms of reference as set out under provisions of Listing Regulations read with provisions of Section 178 of the Companies Act, 2013 & rules made thereunder i.e. redressing of Shareholders/Investors complaints, regarding to share transfers, non-receipt of balance sheet/dividend by the shareholders etc. During the financial year 2018-19, four Stakeholders Relationship Committee meetings were held on May 30, 2018, August, 09, 2018, November, 02, 2018 and February 01, 2019.

The composition, names of the members, chairperson, particulars of the meetings and attendance of the members during the year are as below:

S.NO	NAME OF MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED DURING THE YEAR 2018-2019
1.	Sh. Harbhajan Singh, Independent Director	Chairman	4
2.	Sh. Jai Kumar Independent Director	Member	4
3.	Sh. Satwant Singh, Independent Director	Member	4

During the financial year, the request for transfer/demat/remat of shares, change of address etc have been duly effected. During the year, no complaint from any shareholder was received. Hence no grievance was pending at the end of the financial year. Mr. Rajev Gupta, Director was the Compliance Officer of the Company for SEBI/ Stock Exchange/ROC related issues etc upto 09/08/2019 and Miss neha Miglani Company secretary thereafter.

(D). Risk Management Committee:

The Listing Regulations in this respect are not applicable to the company.

9. General Body Meetings

The last three Annual General Meetings of the Company were held as under :-

Year	Venue	Date & time	Whether any special resolutions passed in the previous three annual general meetings
2017-2018	196 opp Red Cross Market GT Road Kamal	28/09/18 11.00 A.M.	No
2016-2017	196 opp Red Cross Market GT Road Kamal	30/09/17 11.00 A.M.	No
2015-2016	196 opp Red Cross Market GT Road Kamal	30/09/16 11.00 A.M.	No

E-Voting facility through CDSL was provided in the last AGM.

No Postal ballots were used for voting in these meetings. At the forthcoming AGM, there is no item on the agenda that needs approval by Postal ballots.

10. Subsidiary Company

During the year ended 31st March, 2019, neither the Company has any subsidiary nor any material listed/unlisted subsidiary company.

11. RISK MANAGEMENT POLICY

The Company's Risk Management Policy is available at company's website www.padamcotton.com.

12. Disclosures

a) Related Party Transactions

The company has formulated the policy on dealing with Related Party Transactions in pursuance to the provisions of clause 23 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 six months from the related party company (Oswal Pumps Ltd). Details shown at note no: 4 of the Balance sheet.

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital markets.

Suitable disclosures as required by the Accounting Standards (AS 18) are disclosed in Notes to Accounts in the Annual Report. The Related Party Transactions Policy of Company available on the Company's website: www.padamcotton.com.

b) Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has followed all relevant Accounting Standards referred to in Section 133 of Companies Act 2013 & rules made there under and laid down by Institute of Chartered Accountants of India, while preparing Financial Statements.

c) Details of non-compliance by the listed entity, penalties, strictures imposed by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital markets.

d) Whistle Blower Policy/Vigil Mechanism

The Company has adopted Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. This policy is reviewed quarterly by the Audit Committee to check the effectiveness of the policy & related matters. No personnel have been denied access to the Audit Committee. The relevant details of Whistle Blower Policy are given under the Director's Report and same is available on the Company's website: www.padamcotton.com.

e) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all applicable mandatory requirements. The Company has not adopted non-mandatory requirements.

f) Subsidiary Company

During the year ended 31st March, 2019, neither the Company has any subsidiary nor any material listed/unlisted subsidiary company.

g) Independent Director's Declarations

All Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under the Companies Act, 2013 and Listing Regulations.

h) Disclosures by Senior Management & Key Managerial Personnel

Senior Management and Key Managerial Personnel have made disclosure to the Board relating to all material, financial and other transactions stating that they did not have any personal interest that could result in a conflict with the interest of the Company at large. The material, financial and commercial transactions where Key Managerial Personnel have personal interest forms part of the disclosure on related parties referred to in Notes to Annual Accounts.

13. Performance evaluation of Board of Directors

During the year, the Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. For Board and its Committees, the exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. The Performance evaluation of Non-Independent directors including the Chairman was carried out by Independent Directors in their separate meeting. The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees. The necessary details regarding criteria of performance evaluation is mentioned under Director's Report. The Performance Evaluation Policy of Board of Directors is available on Company's website viz. www.padamcotton.com.

14. Familiarization Programme / Induction for Independent Directors

At the Board Meetings, apart from the regular agenda items, it is ensured that the Board members are provided a deep and thorough insight into the business model of the Company and updates either by way of presentation of business units or otherwise. The Board members get an open forum for discussion and share their experience. At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which *inter alia* explains the role, function, duties, responsibilities expected of him/her as a Director of the Company and expected time commitments. As required under Listing Regulations, Company has conducted a familiarization programme for its independent directors under which the necessary information was provided to familiarize them with the nature, activities, products of the Company and also about their roles, rights, responsibilities in the Company.

15. Skills/ Expertise/ Competence of the Board of Directors

Core skills /expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board along with the Directors who possess such skills / expertise/ competencies is as follows:

Names of Directors/ Skills	Creative eye	Leadership	Technical knowledge of the product	Managing Staff	Marketing
Sh Rajev Gupta	10	10	10	10	10
Sh Vivek Gupta	10	10	10	10	10
Smt. Radhika Gupta	10	8	10	10	10
Sh Jai Kumar	8	8	8	10	10
Sh Harbhajan Singh	8	6	7	8	8
Sh Satwant Singh	8	6	6.5	8	8

The above points are allotted to the directors out of 10 basis points.

16. Confirmation of Independence of Independent Directors

The Board of Directors has confirmed that in their opinion, the independent directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

17. Resignation of Independent Director(s)

No Independent Director resigned from the Board of the Company during the year under review.

18. Board Diversity Policy

The Nomination and Remuneration Committee have formulated Board Diversity Policy in accordance with the Listing Regulations. Under the said policy, it is recognized that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall while selecting the Board Members consider a number of factors, including but not limited to age, culture, functional skills, industry/professional experience, financial literate and integrity etc..The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

19. Means of Communications

The quarterly, half yearly & annual financial results, notices etc. are published in widely circulating national & local dailies newspaper The Statesman / The Pioneer in English editions and Vyapar Bharti in Hindi Edition. The same are also being posted on the website of BSE www.bseindia.com under Scrip Code 521068 and also on the website of the company. The Management Discussion and Analysis report forms a part of this Annual Report.

20. General Shareholder information's

Annual General Meeting at 11:00 A.M. on Monday, the 30th September 2019 at Registered Office of the Company at 196, Opposite Red Cross Market, GT Road, Karnal.

Financial Calendar	: 1st April, 2018 to 31 st March, 2019
Date of Book Closure	: 24/09/2019 to 30/09/2019 (both days inclusive)
Dividend Payment Date	: N.A.
Listing on Stock Exchange	: Bombay Stock Exchange Limited (BSE)
Scrip Code	: 531395
Global Depository Receipts (GDRs)	: NA
ISIN & Trading Code of GDRs	: NA
Demat ISIN Number in NSDL & CDSL	: INE

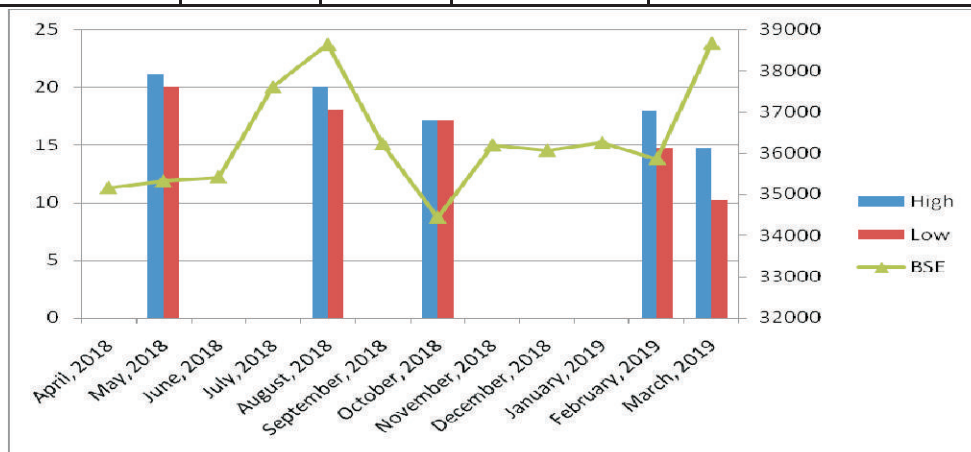
Corporate Identity Number (CIN) : L17112HR1994PLC033641

Annual listing fee for the year 2019-2020 has duly been paid to Bombay Stock Exchange(BSE). The Company has also paid the Annual Custodial Fee to NSDL & CDSL for the year 2019-2020.

Market price data – High and Low during each month on BSE in the financial year 2018-19. Stock code - 531395

(Source: www.bseindia.com) Months	High	Low	Closed	Shares
April, 2018	NIL	NIL	NIL	NIL
May, 2018	21.1	20.05	20.05	419
June, 2018	NIL	NIL	NIL	NIL
July, 2018	NIL	NIL	NIL	NIL
August, 2018	20	18.05	18.05	17
September, 2018	NIL	NIL	NIL	NIL
October, 2018	17.15	17.15	17.15	439
November, 2018	NIL	NIL	NIL	NIL
December, 2018	NIL	NIL	NIL	NIL
January, 2019	NIL	NIL	NIL	NIL
February, 2019	18	14.70	10.27	32

Months	High	Low	Closed	Shares
March, 2019	14.7	10.22	10.22	3622



- Registrar and Share Transfer Agent : Beetal Financial & Computer Services Pvt. Ltd.
99, Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi - 110062
Tele. No. 011-29961281-83 Fax No: 011-29961284
E-mail : beetal@beetalfinancial.com
- Share Transfer System : Shares lodged in physical form with the RTA directly
or through Company, are processed and returned,
duly transferred, within fifteen days normally, except
in cases which are under objection.
In respect of shares held in dematerialized mode, the
transfer takes place instantaneously between the
transferor, transferee and the Depository Participant
through electronic debit/credit of the accounts involved.
- Compliance Officer : Sh. Rajev Gupta.
E-mail ID's : rajevoswal@yahoo.com

Distribution of shareholding as on 31st March, 2019.

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
001 - 500	350	32.40	78789	2.03
501 - 1000	627	58.06	440241	11.37
1001 - 2000	29	2.68	40290	1.04
2001 - 3000	26	2.40	62300	1.61
3001 - 4000	4	0.37	14225	0.37
4001 - 5000	1	0.09	4200	0.11
5001 - 10000	8	0.76	69055	1.78
10001 and above	35	3.24	3163900	81.69
Total	1080	100	3873000	100

Shareholding Pattern as on 31st March, 2019.

Category	No. of shares	Percentage
Promoters/Promoter Group	1998300	51.60
FI's/FII's/ Banks/ Mutual Funds	0	00.00
NRIs	0	0
Bodies Corporates	79751	02.06
Indian Public	1789930	46.22
Shares held by Custodian & against which Depository Receipts have been issued	0	00.00
Clearing Member	17	0
Resident Individuals HUF	5002	0.12
Total	3873000	100.00

Details of shareholding of Directors in the Company as on 31.03.2019.

Name of Director	No. of shares held
Sh Rajev Gupta	609750
Sh Vivek Gupta	746600
Sh. Jai Kumar	0
Sh. Satwant Singh	0
Sh. Harbhajan Singh	0
Smt Radhika Gupta	44500*

Dematerialisation of shares and liquidity.	:	54.185% of the shares issued by the Company have been dematerialized up to 31 st March, 2019.
Plant(s) Location	:	NIL
Address for correspondence	:	196, Opposite Red Cross Market, G T Road, Karnal -132001
Credit Ratings	:	Not applicable

OTHER DISCLOSURES

- Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**
There is no such related party transaction that may have potential conflict with the interests of the listed entity at large except outstanding amount of trade receivables from enterprises over which KMP exercises significant control.
- Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange (s) or the board or any statutory authority, on any matter related to capital markets, during last three years**
No major penalty was levied on the company by any statutory authority.
- Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel was denied access to the Audit Committee**
The company has revised the vigil mechanism / whistle blower policy and the same is also disclosed on the website of the company at www.padamcotton.com and displayed at the conspicuous place in the company. Further, we hereby affirm that no personnel were denied access to the Audit Committee.
- Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**
All the mandatory and non-mandatory requirements have been duly complied with by the company to the extent applicable to the company.
- Web link where policy for determining 'material' subsidiaries is disclosed**

The company does not have any subsidiary / associate / joint ventures within the meaning of Companies Act, 2013 and Accounting Standards.

- f) **Web link where policy on dealing with related party transactions**
www.padamcotton.com.
- g) **Disclosure of commodity price risks and commodity hedging activities**
At present there is no commodity price risk in the company.
- (h) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**
Not applicable
- (i) **A certificate from a practicing company secretary that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is appended hereunder:**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Padam Cotton Yarns Limited
(CIN: L17112HR1994PLC033641)
196, Opposite Red Cross Market, G T Road,
Karnal-132001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Padam Cotton Yarns Limited having CIN: L17112HR1994PLC033641 and having registered office at 196, Opposite Red Cross Market, G T Road, Karnal-132001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Rajev Gupta	00172828	02/11/1994
2	Mr. Harbhajan Singh	00530523	19/07/2001
3	Mr. Vivek Gupta	00172835	02/11/1994
4	Mr. Satwant Singh	00530516	30/12/2002
5	Mr. Jai Kumar	00530513	20/12/1999
6	Mrs. Radhika Gupta	07071267	21/01/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chandigarh

Date: 28/05/2019

SD/-

Name of Company Secretary in practice : (Ramesh Bhatia)

FCS No. 2483

C P No. 1917

(j) where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:

There was no such instance during the financial year under review.

(k) The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

M/s Harjinder Singh & Co were paid a total sum of Rs. 30,000 during the financial year under review.

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year: Nil

b. number of complaints disposed of during the financial year: Nil

c. number of complaints pending as on end of the financial year: Nil

DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

No physical shares are lying as undelivered / unclaimed.

By order of the Board

Place: Karanal

Dated: 03.08.2019

Sd/-

(Rajev Gupta)

Director

DIN-00172828

Sd/-

(Vivek Gupta)

Director

DIN-00172835

DECLARATION ON CODE OF CONDUCT

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, it is hereby declared that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Company for the year ended 31st March 2019.

By order of the Board

Place: Karanal

Dated : 03.08.2019

Sd/-

(Rajev Gupta)

Director

DIN 00172828

Sd/-

(Vivek Gupta)

Director

DIN 00172835

PADAM COTTON YARNS LIMITED
CEO/CFO CERTIFICATION

To
The Board of Directors
Padam Cotton yarns Limited

- (a) We have reviewed the financial statements and the cash flow statement of Padam Cotton yarns Limited for the year ended 31st March, 2019 and to the best of our knowledge and belief, we state that;
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) that there are no significant changes in internal control over financial reporting during the year;
- (ii) that there are no significant changes in accounting policies during the year; and
- (iii) that there are no instances of significant fraud of which we have become aware.

Yours sincerely,

Sd/-
(Rajev Gupta)
CEO/Director
DIN 00172828

Sd/-
(Nariender Kumar Chutani)
Chief Finance Officer

Place: Karnal
Dated : 03.08.2019

PADAM COTTON YARNS LIMITED

CERTIFICATE OF PRACTICING COMPANY SECRETARY ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER REGULATION E of SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015.

To the Members of PADAM COTTON YARNS Limited

I have examined the compliance of the conditions of Corporate Governance by Padam Cotton yarns Limited, Karnal (Haryana) for the year ended March 31, 2019 as stipulated in Regulation E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of an opinion on the financial statements of the company.

In my opinion and to the best of my information and according to the explanations given to me, and the information given by the management, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned regulations.

I state that in respect of investor grievance received during the year ended March, 31, 2019, no investor grievances were pending against the Company, as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

I further state that compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company

Place: Chandigarh
Dated : 03.08.2019

Sd/-
(Ramesh Bhatia)
Practicing Company Secretary
FCS No. 2483
C P No. 1917

PADAM COTTON YARNS LIMITED
ANNEXURE1' TOTHE DIRECTORS' REPORT
FORM NO. MR-3

SECRETARIAL AUDIT REPORT

Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

To,
The Members,
Padam Cotton Yarns Limited
196, Opposite Red Cross Bhawan, G.T. Road,
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, Karnal. (Hereinafter, called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon. Based on my verification of the company's books, papers, minutes 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 31/03/2019(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 Padam Cotton Yarns Limited for the financial year ended on 31/03/2019 according to the provisions of:

2. The companies Act, 2013 (the Act) and the rules made there under ;
3. The Securities Contracts (Regulations) Act, 1956 (SCRA) and the rules made there under;
4. The Depositories Act, 1996 and the Regulations and Bye Laws framed there under
5. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of 5.Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 ;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2011 ;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2011 ;
- (d) The Securities and Exchange Board of India (Registrars to an 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 Agreements entered into by the company with Bombay Stock Exchange Limited, during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above .

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.

Place: Chandigarh
Date: 28/05/2019

Sd/ -
Name of Company Secretary in practice : (Ramesh Bhatia)
FCS No. 2483
C P No. 1917

PADAM COTTON YARNS LIMITED
Annexure '2' to THE DIRECTORS' REPORT

Information as per section 217(1)(e) read with companies (Disclosure of Particulars in the Report of Directors) Rules 1988 and forming part of the Director's Report for the period ended 31st March, 2019.

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

The Company has been giving high priority to conservation of energy by close monitoring of energy consuming equipments. All efforts are made for installing energy saving devices wherever required.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

New equipments, whenever required, are purchased from time to time.

c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The measures taken to conserve energy resulted in more production. However, there was no savings in consumption due to increased production and increase in rates of power.

d) Total energy consumption and energy consumption per unit of production as per Form-A of the annexure to the rules in respect of industries specified in the schedule thereto:

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
A) Power and Fuel consumption		
a) Purchased Unit (KW)	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Rate/Unit (Rs)	Nil	Nil
b) Through Diesel Generator	Nil	Nil
Units(KW)	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Rate/Unit (Rs/KW)	Nil	Nil
B) Consumption Per Unit Of Production	Nil	Nil
	Nil	Nil
Furnace Oil	Nil	Nil
Others/Internal Generators	Nil	Nil
Cotton Yarn Production In MT	Nil	Nil
Total Units Consumed	Nil	Nil

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to the Rules.

1) Research & Development (R & D)

- a) Specific area in which R & D carried by the Company: **Nil**
 b) Benefits derived as a result of the above R & D: **Nil**
 c) Future plan of Action: **Nil**

d) Expenditure on R & D (Rs. In Lacs)

Capital	NIL
Revenue	NIL
Total	NIL

Total R & D expenditure as a percentage of Total Turnover = NIL

2) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- a) Efforts, in brief, made towards technology absorption, adaptation and innovation: **Nil**
 b) Benefits derived as a result of the above efforts e. g. product improvement, cost reduction, product development, import substitution etc: **Nil**
 c) In case of imported technology (imported during the last 5 year reckoned from the beginning of the financial year) -- **Nil**

3) FOREIGN EXCHANGE EARNINGS AND OUTGO

- III. Activities relating to export, initiatives taken to increase export, development of new export markets for products and services and export plans: **Nil**

Value of imports calculated on C.I.F. basis:**Amount (in Rs.)**

Particulars	For the Year ended 31.03.2019
Stores & Spares parts	Nil
Capital Goods	Nil
Total	Nil

Expenditure in foreign currency during the financial year on account:**Amount (in Rs.)**

Particulars	For the Year ended 31.03.2019
Commission on sales	Nil
Total	Nil

Earnings in foreign exchange:

Export of goods calculated on FOB basis

Amount (in Rs.)

Particulars	For the Year ended 31.03.2019
Manufactured Goods	Nil
Total	Nil

Place: Karanal
 Dated: 03.08.2019

By order of the Board
 Sd/- Sd/-
 (Rajev Gupta) (Vivek Gupta)
 Director Director
 DIN-00172828 DIN-00172835

PADAM COTTON YARNS LIMITED
Form No. MGT 9
Annexure '3' to THE DIRECTORS' REPORT
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L17112HR1994PLC033641
- ii) Registration Date : 02.11.1994
- iii) Name of the Company : PADAM COTTON YARNS LIMITED
- iv) Category / Sub-Category of the Company : Public Company limited by shares
- v) Address of the Registered office and contact details : # 196, 1st Floor, Opposite Red Cross Market, GT Road, Karnal PIN 132001
TELEPHONE 0184-6616601-09
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Beetal Financial & Computer Services Private Limited
99, Madangir, Behind Local Shopping Centre, New Delhi – 110062
TELE :91-11-29961281
mail-id : 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:-

Sl. 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)

(g) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	1998300	-	1998300	51.60	1998300	NIL	1998300	51.60	-

b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	Nil	Nil	NIL	-	Nil	Nil	Nil	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
1. NRI - Individuals	-	-	-	-	-	-	-	-	-
2. Other- Individuals	-	-	-	-	-	-	-	-	-
3. Bodies Corp.	-	-	-	-	-	-	-	-	-
4. Banks / F I	-	-	-	-	-	-	-	-	-
5. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1998300	Nil	1998300	51.60	1998300	NIL	1998300	51.60	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.									-
i) Indian	10235	70000	80235	2.07	9751	70000	79751	2.059	0.011
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	85762	671742	757504	19.57	85543	670287	755830	19.52	0.256

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	1034100	1034100	26.70	0	1034100	1034100	26.70	0
c) Others (specify)	0	2861	2861	0.06	0	0	059	1.295	1.235
Sub-total (B)(2):-	85762	1708703	1794465	46.33	85543	1704387	1794949	46.33	0.21
Total Public Shareholding (B)=(B)(1)+ (B)(2)	95997	1778703	1874700	48.40	95297	1774387	1874700	48.40	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2094297	1778703	3873000	100	2093594	1774387	3873000	100	-

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Radhika Gupta (AAPPG4042H)	44500	1.15	0	44500	1.15	0	0
2	Prem Lata(AADPL3023F)	48500	1.25	0	48500	1.25	0	0
3	Rekha Gupta (AAPPG4033J)	53500	1.38	0	53500	1.38	0	0
4	Padam Sain Gupta (AAPPG4043G)	474500	12.25	0	474500	12.25	0	0
5	Vivek Gupta (AACHV1673G)	10475	0.27	0	10475	0.27	0	0
6	Rajev Gupta (AAFHR4485P)	10475	0.27	0	10475	0.27	0	0
7	Rajev Gupta (AAPPG4046D)	609750	15.74	0	609750	15.74	0	0
8	Vivek Gupta (AAPPG4029A)	746600	19.28	0	746600	19.28	0	0
	TOTAL	19983000	51.60	0	1998300	51.60	0	0

• Change in Promoters' Shareholding (please specify, if there is no change) There has been no change in the Promoters shareholding.

SN		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	1998300	51.60	1998300	51.60
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/	0	0	0	0

	transfer / bonus/ sweat equity etc):				
	At the end of the year	1998300	51.60	1998300	51.60

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

SN	For Each of the Top 10 Shareholders	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	595600	15.38	595600	15.38
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	595600	15.38	595600	15.38

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		% change in share holding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	Ashwani Kumar	63400	1.6370	63400	1.6370	-
2	Sunil Kumar	60000	1.5492	60000	1.5492	-
3	Rakesh Kumar	61200	1.5802	61200	1.5802	-
4	Gulshan Kumar	65200	1.6834	65200	1.6834	-
5	Rajinder Kumar	61100	1.5776	61100	1.5776	-
6	Renu Bala	61500	1.5879	61500	1.5879	-
7	Rajiv Kumar	57400	1.4821	57400	1.4821	-
8	Banarsi lal	55000	1.4201	55000	1.4201	-
9	Sanjay Kumar	56000	1.4459	56000	1.4459	-
10	Poonam Rani	54800	1.4149	54800	1.4149	-

E) Shareholding of Directors and Key Managerial Personnel:

SN	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. Vivek Gupta 2. Rajev Gupta 3. Radhika Gupta	609750 746600 44500	15.74 19.28 01.15	609750 746600 44500	15.74 19.28 01.15
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):	0	0	0	0
	At the end of the year 1. Vivek Gupta 2. Rajev Gupta 3. Radhika Gupta	609750 746600 44500	15.74 19.28 01.15	609750 746600 44500	15.74 19.28 01.15

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	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

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :- Nil

➤ **Company**

Penalty, Punishment, compounding Nil

➤ **Directors**

Penalty, Punishment, compounding Nil

➤ **Other officers in default**

Penalty, Punishment, compounding Nil

B. Remuneration to other directors:

Nil

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. in, 000)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Sh. Rajev Gupta (MD)	Sh. Narinder Chutani (CFO)	Ms Neha Miglani CS	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	0.70	0.70
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify (Provident fund)	Nil	Nil	Nil	Nil
	Total	Nil	Nil	0.70	0.70

By order of the Board

Place: Karnal
Dated: 03.08.2019

Sd/-
(Rajev Gupta)
Director
DIN 00172828

Sd/-
(Vivek Gupta)
Director
DIN 00172835

PADAM COTTON YARNS LIMITED
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDIAN ECONOMY WITH REGARD TO COTTON & TEXTILE INDUSTRIES

India has the largest area under cotton cultivation in the world, covering 12.7 million hectares of cultivated land, which constitute about 37% of the total area under cotton in the world. India has been a major exporter since 2005-06 and is currently the world's second largest exporter. Apart from these, cotton is a major component of the Indian textiles industry, which consumes over 70% of domestically produced cotton. Cotton is an important cash crop. India is a major player in global textiles market and garments. It is one of the few nations having strong presence across the textile value chain from natural and synthetic fibers to yarn, fabrics, blends and finished products.

OVERVIEW

The Indian textile industry is the second largest sector in the country after agriculture and in 2015-16, this sector employed 51 million people directly and 68 million indirectly. The Indian textile industry is export-oriented, facing many challenges, which can be primarily attributed to sluggish global demand and lower production of Indian textile industries than global parameters as well as deteriorating global competitiveness of the domestic textile industry. Despite falling prices, exports to neighboring countries like Pakistan and export to Europe seems to rise at a steady pace. The Indian textile industry is expected to grow further.

SWOT ANALYSIS

STRENGTHS & OPPORTUNITIES

India emerges as the second largest exporter after China having approximately 6% share in the global trade. The industry is taking all steps to promote textile exports, which is the need of the hour. The shift from China to India is expected to happen in the long run, to make India a dependable source of supply for the World. Your Company is exploring this opportunity as a long term impact. India's business environment is gradually becoming attractive and industry is expecting more investment in this section as many of the states are now focusing on their state policies to support textile and clothing industry. This will help them to bring in more investment from outside the state in their clusters which are suitable for textile industry. Our core strength is Regenerated colored cotton yarn. It is in great demand in world market as well as in domestic market. Your company is a leading manufacturer of regenerated colored cotton yarn. It is expected that scope of regenerated yarn will continue to grow further.

WEAKNESS AND THREATS

India has enough potential to double its market size in the long run. Yet, increasing competition from countries like Bangladesh, Vietnam, Pakistan and Sri Lanka due to favorable tariff structures on exports to developed markets like the US, EU, Canada, Australia, etc poses a significant challenge to Indian exports. Volatility in foreign currencies/dollar prices, fluctuation in demand from overseas market are also considerable factors in textile business.

Continuous increase in input cost such as labour, power, raw materials are some of the main factors which affect the profit margins. Further shortage of skilled manpower, is also major area of concern for textile industries.

FUTURE OUTLOOK

Since the government is keen to provide boost to investments in different sectors through its 'Ease of doing business' mission and policies, it is a long term initiative which will finally improve the GDP in coming years while increase in foreign exchange. It is expected that this shall drive investment and further growth in the textile industry as well. GST is also one of the important step in this direction which will encourage investors to take up the projects in states where they feel suitable. GST will unify the geographically and administratively fragment India's domestic market. GST is expected to create level playing field for all sub-sectors of textile including cotton and MMF. It is expected that that this will bring uniformity in taxes across all fibers of textiles.

The fundamental strength of your Company flows from its strong production base of regenerated colored cotton yarns/man-made fibers like polyesters etc. The Company has a robust framework for providing quality products at competitive prices by ensuring proper timeline.

INTERNAL CONTROL SYSTEM

A strong internal control is pervasive in the Company. The Company has a well established framework of internal control in all areas of its operations, including suitable monitoring procedures, competent and qualified personnel. The Internal Audit department also assesses the opportunities for improvement in business processes, systems and controls, provides recommendations, designed to add value to the Company. In addition to statutory audit, the financial controls of the Company at various locations are reviewed by the Internal Auditors, who report their findings to the Audit Committee of the Board. The

Audit Committee actively reviews the adequacy and effectiveness of internal control system and suggests furthering strengthening the same, if so required. The Committee meets to review the progress of the internal audit initiatives, significant audit observations, planning and implementation of follow up action required. The Company conducts its business with integrity and high standard of ethical behavior and in compliance with the applicable laws and regulations that govern its business.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACES

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Management of the Company has also constituted Internal Complaint Committees at its workplaces to consider and redress the complaints of Sexual Harassment. During the year under review, the Company has not received any complaint on sexual harassment.

RISK MANAGEMENT FRAMEWORK

Business risks exist for every Company having national and international exposure. Your Company also faces some such risks, the key ones are unfavorable raw material price, financial & liquidity & unexpected changes in regulatory framework. To ensure long-term success, it is therefore essential that risks be effectively identified, analyzed and then mitigated by means of appropriate control measures.

We have a comprehensive risk management system/policy in place, which enables us to assess, mitigate and to monitor the different risks exposed to the industry in which the Company operates and to take the appropriate action, where ever 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 2019 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 the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and yarn prices in the domestic and overseas markets, changes in government regulations, tax laws and economic developments.

SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars	FY 2017-18	FY 2018-19	YoY Change
Debtors Turnover (times)	1.03 times	NA	-1.03
Inventory Turnover (times)	NA	NA	NA
Interest Coverage Ratio (times)	NA	NA	NA
Current Ratio	2579.29	419.88	- 2159.41
Debt Equity Ratio	NA	NA	NA
Operating Profit Margin (%)	- 0.090%	NA	- 0.090%
Net Profit Margin (%)	- 0.15%	NA	- 0.15%

Reasons for significant changes: No Sale, Purchase During The Year

CHANGE IN RETURN ON NET WORTH

Particulars	FY 2017-18	FY 2018-19	YoY Change
Return on Net Worth (times)	-0.001 TIMES	-0.023 TIMES	-0.022

Detailed explanation:

Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results. : NA

By order of the Board

**Place: Karnal
Dated: 03.08.2019**

Sd/-	Sd/-
(Rajev Gupta)	(Vivek Gupta)
Director	Director
DIN 00172828	DIN 00172835

**ACTIVITY SCHEDULE FOR AGM
COMPANY PADAM COTTON YARNS LIMITED**

S.No.	Activities	Date/Time
1.	Date of AGM (DATE & TIME)	30.09.2019 (11:00 AM)
2.	Books Closure Start Date	24.09.2019
3.	Book Closure End Date	30.09.2019
4.	Date to whom AGM Notice to be dispatched	22.08.2019
5.	Dispatch Date of Notice	05.09.2019
6.	E-Voting advertisement in Newspaper (21 days prior) AGM	09.09.2019
7.	Cut-off Date for Cast for E-Voting (the Cut-off date not earlier than seven days before the date of general meeting.)	23.09.2019
8.	E-Voting Start Date & Time	27.09.2019 AT 10:00 AM
9.	E-Voting End Date & Time	29.09.2019 AT 5:00 PM
10.	Last Date of submission of report by Scrutinizer	02.10.2019
11.	Date of Declaration of results of E-Voting by the Chairman	03.10.2019
12.	EVSNO NO. (ONLY FOR CDSL-GENERATE EVSN ON CDSL EVOTING SITE)	190807009

By Order of the Board of Directors
For Padam Cotton yarns Limited

Place: Karnal
Dated: 03.08.2019

Sd/- **Sd/-**
(Rajev Gupta) (Vivek Gupta)
Director **Director**
DIN-00172828 **DIN-00172835**

PADAM COTTON YARNS LIMITED
INDEPENDENT AUDITOR'S REPORT

**To the Members of
Padam Cotton Yarns Limited
Karnal**

Report on the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

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 address in the context of our audit of the financial statements as a whole, and informing 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
<p>Recoverability of Insurance Claim Receivable (Non Current Assests)</p> <p>The company has material uncertain legal matter of Insurance Claim under dispute. Refer to note 3.01 to financial statements</p>	<p>Principal Audit Procedure</p> <p>We have involved our internal experts to review the nature of the amount recoverable, the sustainability and the likelihood of recoverability upon final resolution.</p>

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 there under.

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 estimate 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 misstatements, 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 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 the 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 disclosure 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 misstatement in the standalone financial statement that, individually or in aggregate, make 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 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 described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Governments 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 accounts as required and By Law have been kept which by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the statements of profit and loss including other comprehensive income, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such Control, refer to our separate report in "Annexure B"
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements - Refer Note 3.01 to the Standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Karnal
Date : 28.05.2019

For Harjinder Singh & Co.
Chartered Accountants
(FRN : 014119N)
Sd/-
(Harjinder Singh)
(Prop.)
M.No. 092290

"Annexure A" to the Independent Auditor' Report

Referred to in paragraph I under the heading ' Report on other Legal & Regulatory Requirement' of our report of even date to the financial statement of the Company for the year ended March 31, 2019, 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) The management has conducted the physical verification of inventory at reasonable intervals
 (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 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 in 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 explanation given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of morethan six months from the date on when they become payable
 (b) Detail of dues of Income Tax, Sales ax, Wealth Tax, Service Tax, Custom Duty, Excise Duty & Cess which have not been deposited as on March 31st, 2019 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	Income Tax	u/s 154	AY 2018-19	1620.00

- 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 : 28.05.2019

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

Report on the Internal Financial Control 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, 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control 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 policies, the safeguarding of its asset 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 Control 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 control 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 purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company. (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company. and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

**Place : Karnal
Date : 28.05.2019**

**For Harjinder Singh & Co.
Chartered Accountants
(FRN : 014119N)
Sd/-
(Harjinder Singh)
(Prop.)
M.No. 092290**

PADAM COTTON YEARS LIMITED				
(CIN : U17112HR1994PLC033641)				
BALANCE SHEET AS ON 31ST MARCH 2019				
(Amount In Rs.)				
	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
			INR	INR
A	ASSETS			
1	Non-current assets			
	Other non-current assets	3	52,951,550.55	52,951,550.55
	Total Non-Current Assets		52,951,550.55	52,951,550.55
2	Current assets			
	(a) Inventories			
	(b) Financial Assets			
	(i) Trade receivables	4	17,130,228.48	17,648,273.48
	(ii) Cash and Cash equivalents	5	15,247.30	129,234.42
	(c) Other Current Assets	6	78,611.00	19,595.00
	Total current Assets		17,224,086.78	17,797,102.90
	Total Assets (1+2)		70,175,637.33	70,748,653.45
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Share capital	7	38,730,000.00	38,730,000.00
	(b) Other Equity	8	(12,508,898.67)	(11,901,761.55)
	Total Equity		26,221,101.33	26,828,238.45
2	LIABILITIES			
	Non-current liabilities			
	(a) Non-Financial Liabilities			
	(i) Other non-current liabilities	9	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	10	1,021.00	5,900.00
	(ii) Salary payable	11	10,000.00	-
	(b) Non-Financial Liabilities			
	(i) Short Term Provisions		30,000.00	1,000.00
	(ii) Other Non Financial Liabilities	12	-	-
	Total Current Liabilities		41,021.00	6,900.00
	Total Equity and Liabilities		70,175,637.33	70,748,653.45
	Notes form an integral part of the standalone financial statements	1-24		

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

For HARJINDER SINGH & CO
Chartered Accountants
FRN : 014119N

Sd/-
(Harjinder Singh)
(Prop.)
M.No. 092290
Place : Karnal
Date : 28.05.2019

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)
Sd/-
NARINDER KUMAR CHUTANI
(CHIEF FINANCIAL OFFICER)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

PADAM COTTON YEARNS LIMITED				
(CIN : U17112HR1994PLC033641)				
PROFILE & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2019				
(Amount In Rs.)				
	PARTICULARS	Note No.	For the Year Ended	For the Year Ended
			March 31, 2019	March 31, 2018
			INR	INR
I	Income			
II	Revenue from operations	13	-	18,292,348.48
	Other Income		-	-
III			-	18,292,348.48
IV	Total Income (I+II)			
	Expenses			
	(a) Cost of Materials Consumed		-	-
	(b) Purchase of Stock in Trade		-	-
	(c) Changes in stock of finished goods, Work in progress and stock-in trade	14	-	17,798,748.17
	(d) Employee benefits expenses	15	75,161.00	-
	(e) Financial Costs	16	702.12	3,055.18
	(f) Depreciation expenses			
	(g) Other expenses	17	531,274.00	509,537.95
	Total Expenses		607,137.12	18,311,341.30
V	Profit before tax (III-IV)		(607,137.12)	(18,992.82)
VI	Tax expenses			
	(1) Tax adjustment of earlier years		-	8,491.00
	(2) Current tax			-
	(3) Deferred tax			
VII	Profit/(Loss) for the year (V-VI)		(607,137.12)	(27,483.82)
VIII	Other Comprehensive Income			
	- Item which will not be reclassified to Profit and loss a/c and its related income tax effects.		-	-
	-Item 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)		(607,137.12)	(27,483.82)
X	Earnings per equity share (Nominal Value of Share Rs. 10 each)	18		
	(1) Basic (in Rs)		(0.16)	(0.01)
	(2) Diluted (in Rs)		(0.16)	(0.01)
	See accompanying notes forming part of financial statements	1-24		

For and on behalf of
In terms of our report attached
For HARJINDER SINGH & CO
Chartered Accountants
FRN : 014119N

Sd/-
(Harjinder Singh)
(Prop.)
M.No. 092290
Place : Karnal
Date : 28.05.2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
(CHIEF FINANCIAL OFFICER)

PADAM COTTON YEARS LIMITED
(CIN : U17112HR1994PLC033641)

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the Period ended 31.03.2019

A. Equity Share Capital

	Number of Equity Share	Amount (In Rs.)
Equity share of Rs. 10/- each issued, subscribed and paid	-	
As at 1st April, 2017	3,873,000	38,730,000.00
Changes in equity Share Capital	-	-
As at 31st March, 2018	3,873,000	38,730,000.00
Changes in equity Share Capital	-	-
As at 31st March, 2019	3,873,000	38,730,000.00

B. Other's Equity

	Reserve & Surplus		Other Comprehensive Income			Total equity attributable to equity holders
	Capital Redemption Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of cash flow hedges	Other Item of Other Comprehensive Income	
As at April 1, 2017	8,558,684.00	(20,432,961.73)				(11,874,277.73)
Total Comprehensive Income for the year						-
Profit for the Period		(27,483.82)				(27,483.82)
As at March 31, 2018	8,558,684.00	(20,460,445.55)	-	-	-	(11,901,761.55)
Changes in accounting policy or prior period errors						-
Total Comprehensive Income for the year						-
Profit for the Period		(607,137.12)				(607,137.12)
As at March 31, 2019	8,558,684.00	(21,067,582.67)	-	-	-	(12,508,898.67)

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

For HARJINDER SINGH & CO
Chartered Accountants
FRN : 014119N

Sd/-
(Harjinder Singh)
(Prop.)
M.No. 092290
Place : Karnal
Date : 28.05.2019

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)
Sd/-
NARINDER KUMAR CHUTANI
(CHIEF FINANCIAL OFFICER)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS
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 U17112HR1994PLCO33641 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 recognized stock exchange in India- the BSE limited. The Registered Office of the company is located at 196, 1st Floor, G.T. Road, Opp Red Cross Market, Karnal-132001 & Corporate Office At C-5/2A, Rana Pratap Bagh, Opp CC Colony, New Delhi

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.

Up to the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirements of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS financial statements and as covered by Ind AS 101 - First time adoption of Indian Accounting Standards.

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 accumulates 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 recognized 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

(b) Intangible assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization 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.

FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
Chief Financial Officer

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

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.

FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
Chief Financial Officer

**PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS**

(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.

FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED

**Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)**

**Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)**

**Sd/-
NARINDER KUMAR CHUTANI
Chief Financial Officer**

**PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS**

(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.

FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED

**Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)**

**Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)**

**Sd/-
NARINDER KUMAR CHUTANI
Chief Financial Officer**

**PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS**

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 period.

FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
Chief Financial Officer

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

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 amortized 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/ amortization 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/ amortization 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.

2.4 FIRST TIME ADOPTION OF IND AS:

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly, the impact of transition differences has been provided in the Opening Reserve as at 1st April 2016 and all the periods presented have been restated accordingly.

1. Under Previous GAAP, cash discounts and other discounts directly attributable to sales was recognised as part of "Other expenses"-which has been adjusted against the revenue under Ind AS during the year ended March 31, 2017.

FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
Chief Financial Officer

**PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS**

Particulars	On 31/03/19 Rs.	On 31/03/18 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 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 of the verdict of Hon'ble Supreme court.

NOTE '4'

TRADE RECEIVABLES

(i) Trade Receivables outstanding for a period of more than 6 months	17,130,228.48	-
(a) Unsecured, considered Good	-	-
(b) Unsecured, Considered Doubtful		
Less: Provision for Doubtful Debts		
(ii) Other Trade Receivables		
Unsecured, considered good	-	17,648,273.48
TOTAL	<u>17,130,228.48</u>	<u>17,648,273.48</u>

4.01 Trade receivable includes Rs. 17130228.48 due to associate company M/s Oswal Pumps Limited. The amount is overdue.

NOTE '5'

CASH AND CASH EQUIVALENTS

Cash and Bank Balances

Cash in Hand	7,689.65	109,690.65
Balance with banks:		
-In Current Accounts		
-In Deposit Accounts(with original maturity of 3 months or less)	7,557.65	19,543.77
TOTAL Cash and Cash Equivalent	<u>-</u>	<u>-</u>
	<u>15,247.30</u>	<u>129,234.42</u>

NOTE '6'

OTHER CURRENT ASSETS

Balance with Government authorities (other than Income Taxes)		
Deposit with Government Authorities	78,611.00	19,595.00
TOTAL	<u>78,611.00</u>	<u>19,595.00</u>

FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED

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(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
Chief Financial Officer

**PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS**

Particulars	On 31/03/19 Rs.		On 31/03/18 Rs.	
-------------	--------------------	--	--------------------	--

NOTE '7'

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

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

	Nos	Amt (Rs)	Nos	Amt (R)
Authorised Share Capital				
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
Issued Share Capital				
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
Paid up Capital				
Opening Share Capital	3,873,000	38,730,000.00	3,873,200	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
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

FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
Chief Financial Officer

**PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS**

Particulars	On 31/03/19 Rs.	On 31/03/18 Rs.
-------------	--------------------	--------------------

7.2 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 2019, the amount of per share dividend recognized as distribution to equity shareholders was Rs 0/- (Previous Year Rs 0.1-). 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.

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

Name of Shareholders	Number of shares hold	% 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

7.4 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.

7.5 There are no calls unpaid/forfeited shares issued during the year ending 31 March 2019 or in previous year

NOTE '8'

OTHER EQUITY

(a) Share Forefeiture Reserve	8,558,684000	8,558,684000
Opening Balance	<u>8,558,684000</u>	<u>8,558,684000</u>
Closing Balance		
(b) Retained Earnings	(20,460,445.55)	(20,432,961.73)
Opening Balance	(607,137.12)	(27,483.82)
Add: (Loss) Profit for the Year	<u>(21,067,582.67)</u>	<u>(20,460,445.55)</u>
Closing Balance	<u>(12,508,898.67)</u>	<u>(11,901,761.55)</u>
TOTAL OTHER EQUITY (a+b)	<u>(12,508,898.67)</u>	<u>(11,901,761.55)</u>

Note:-

(i) Share Forfeiture Reserve

Share Forefeiture reserve is created out of money collected on forfeiture of equity shares by the company. The reserve is 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

FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
Chief Financial Officer

**PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS**

Particulars	On 31/03/19 Rs.	On 31/03/18 Rs.
NOTE '9'		
OTHER NON CURRENT FINANCIAL LIABILITIES		
Non Current		
-Legal Claims Outstanding		
New India Assurance Co Limited-Proteted Calim A/c	43,913,515.00	43,913,515.00
TOTAL	<u>43,913,515.00</u>	<u>43,913,515.00</u>

9.1 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, the same is shown as non current liabilities as the matter is contingent and is sub judiced. The same has not been adjusted against the insurance claim receiveable account, due to its contingent nature as a matter of abundant precaution and sheer uncertainty of the verdict of Hon'ble Supreme court. In case the Company lose its case in Supreme court, the amount shall become payable.

NOTE '10'
TRADE PAYABLES
CURRENT

Trade Payable for goods and services	1,021.00	5,900.00
Total Trade Payable	<u>1,021.00</u>	<u>5,900.00</u>

10.1 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2019, March 31 2018 and march 31, 2017 which is on the basis of such parties having been identified by the management and relied upon the auditors.

NOTE '11'
OTHER LIABILITIES

Salary Payable	10,000.00	-
	<u>10,000.00</u>	<u>-</u>

NOTE '12'
SHORT TERM PROVISIONS
Current

Statutory Remittences (Withholding Taxes)	-	1,000.00
Audit Fee Payable	30,000.00	-
Total Current other Non Financial Liabilities	<u>30,000.00</u>	<u>1,000.00</u>

FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
Chief Financial Officer

**PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS**

Particulars	On 31/03/19 Rs.	On 31/03/18 Rs.
NOTE '13'		
REVENUE FROM OPERATION		
a) Sale of Products	-	17,798,748.48
b) Other Operating Revenues	-	493,600.00
Consultancy Charges	-	-
TOTAL	<u>-</u>	<u>18,292,348.48</u>
NOTE '14'		
Changes in Inventory of Finished Goods, Work In Progress and Stock In Trade		
Inventories at the end of the year	-	17,798,748.17
Stock in Trade	-	17,798,748.17
Inventories at the beginning of the year	-	-
Stock in Trade	-	-
Stock Decreased /(Increased) by	-	17,798,748.17
NOTE '15'		
EMPLOYEES BENEFIT EXPENSE		
Salary	75,161.00	-
	<u>75,161.00</u>	<u>-</u>
NOTE '16'		
FINANCE COST		
Bank Charges	702.12	492.18
Interest on TDS/GST Late Deposits	-	2,563.00
TOTAL	<u>702.12</u>	<u>3,055.18</u>
NOTE '17'		
OTHER EXPENSES		
Accounting Charges	66,000.00	6,000.00
AGM Exp	29,980.00	27,232.00
Annual Listing Fee	286,630.00	325,281.95
Audit Fees	30,000.00	30,000.00
Fees & Taxes	26,297.00	17,095.00
Legal & Professional Exp	80,000.00	92,557.00
Postage/Postal Exp.	1,183.00	168.00
Office/General Exp	1,153.00	798.00
Photostate Exp	-	979.00
Printing and Stationery	1,585.00	531.00
Website Exp	6,600.00	6,600.00
Telephone Exp	786.00	689.00
Travelling Exp.	1,060.00	1,607.00
TOTAL	<u>531,274.00</u>	<u>509,537.95</u>
Notes		
Payment to the auditors comprises	30,000.00	30,000.00
As Auditors- Statutory Audit	-	-
For Taxation Matters For Company Law Matters	<u>30,000.00</u>	<u>30,000.00</u>

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
(Chief Financial Officer)

**PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS**

Paticulars	On 31/03/19 Rs.	On 31/03/18 Rs.
NOTE '18' EARNING PER SHARE (EPS)		
i) Net porfit after Tax Attributable to Equity Shareholders	(607,137.12)	(27,483.82)
ii) Weighted Average number of Equity Share used as denominator for calculating EPS	3,873,000	3,873,000
iii) Basic and Diluted Earning Per Share	(0.1568)	(0.0071)
iv) Face Value per E	10.00	10.00

NOTE '19' RELATED PARTY DISCLOSURES AS REQUIRED UNDER IND AS 24 ARE GIVEN BELOW:

i) List of related partes where control exists and related parties with whom transactions have taken place and relationship:			
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		-	17,798,748.48
Purchase during the year			-
iii) Balance Outstanding as on 31st March 2018			
Trade Receivables			
1. Oswal Pumps Limited		17,130,228.48	17,648,273.48

NOTE '20' CONTINGENT LIABILITIES AND COMMITMENTS

Paticulars	As at 31 March 2019	As at 31 March 2018
	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
* Future cash outflows in respect of the above matters are determinable only on receipt of judgement/decision pending at Superme Court of India		

FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
Chief Financial Officer

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS
NOTE '21' 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 "Unallowable."
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 unallowable

Particulars	(Rs. In Lacs)							
	Consulting		Wholesale Trading		Unallocable		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1. Segment Revenue								
External Turnover	-	4.93	-	177.98	-	-	-	182.91
Inter Segment Turnover	-	-	-	-	-	-	-	-
Gross Turnover	-	4.93	-	177.98	-	-	-	182.91
Less: Excise duty/Service Tax	-	-	-	-	-	-	-	-
Net Turnover	-	4.93	-	177.98	-	-	-	182.91
2. Segment Results before								
Interest and Taxes	-	-	-	-	-	-	-	-
Less; Interest Expenses	-	-	-	-	-	-	-	-
Add: Interest Income	-	-	-	-	-	-	-	-
Profit Before Tax	-	4.93	(5.77)	(5.12)	-	-	(5.77)	(0.19)
Current Tax	-	-	-	-	-	-	-	-
Deferred Tax	-	-	-	-	-	-	-	-
Profit after Tax	-	4.93	(6)	(5.00)	(6.00)	-	(5.77)	(0.19)
3. Other Information								
Segment Assets	-	-	-	-	701.75	707.48	701.75	707.48
Segment Liabilities	-	-	-	-	439.25	439.20	439.25	439.20
Capital Expenditure	-	-	-	-	-	-	-	-
Depreciation/Amortisation and	-	-	-	-	-	-	-	-
Depletion expense	-	-	-	-	-	-	-	-
Non Cash Expenses other than	-	-	-	-	-	-	-	-
depreciation and Amortization	-	-	-	-	-	-	-	-

NOTE '22' Explanation of Transition to Ind AS

As stated in Note 2.1, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended March 31, 2018, the Company has prepared it's financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP'). The accounting policies set out in Note 2 have been applied in preparing these financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet as on the date of transition i.e. April 1, 2016. In preparing the Company's Ind AS balance sheet as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating it's Previous GAAP financial statements, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(A) Exemptions availed Ind AS 101

"First-time Adoption of Indian Accounting Standards" allows first-time adopters certain optional /mandatory exemptions. The Company has accordingly availed the following exemptions: (i) The estimates as at April 1, 2016 and March 31, 2017, are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies)

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

(B) Reconciliations between previous reported Previous GAAP and Ind AS

The transition from Previous GAAP to Ind AS does not have any material impact on the equity, total comprehensive Income and cash flows for prior Periods.

Notes :

1. Under Previous GAAP, cash discounts and other discounts directly attributable to sales was recognized as part of "Other expenses" which has been adjusted against the revenue under Ind AS during the year ended March 31,2019

Note 23 : Financial Instruments

A) Accounting classification

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

Financial Assets instruments category	Carrying value / Fair value	
Financial Assets	As at March 31,2019	As at March 31,2018
a) Measured at fair value through Profit or Loss (FVTPL)		
b) Measured at fair value through other Comprehensive Income (OCI)		
c) Measurement at amortised cost:		
Trade receivables	17,130,228.48	17,648,273.48
Cash and Cash equivalents	15,247.30	129,234.42
Other financial assets	-	-
Total Financial Assets	<u>17,145,475.78</u>	<u>17,777,507.90</u>
Financial Liabilities		
a) Measured at fair value through Profit or Loss (FVTPL)		
b) Measured at fair value through		
Other financial liabilities	41,021.00	6,900.00
Total Financial Liabilities	<u>41,021.00</u>	<u>6,900.00</u>

Note '24'

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

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

For HARJINDER SINGH & CO
Chartered Accountants
FRN : 014119N

Sd/-
(Harjinder Singh)
(Prop.)
M.No. 092290
Place : Karnal
Date : 28.05.2019

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
(CHIEF FINANCIAL OFFICER)

M/S PADAM COTTON YARNS LIMITED
ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF
COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
1. REGISTRATION DETAILS

Registration Number	-
State Code	-
Balance Sheet Date	31.03.2019

2. CAPITAL RAISED DURING THE YEAR (Amount in Rs. 000)

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

3. POSITION OF MOBILISATION & DEPARTMENT OF FUNDS (Amount in Rs. 000)

Total Liabilities	70176
Total Assets	70176
Sources of Funds	
Paid up Capital	38730
Reserve & Surplus	(12508.90)
Second Loans	Nil
Unsecured Loans	Nil
Application of Fund	
Net Fixed Assets	Nil
Investments	Nil
Net Current Assets	17183.06
Miscellaneous Exp.	Nil
Accumulated Losses	Nil

4. PERFORMANCE OF THE COMPANY (Amount is Rs. 000)

Turnover	Nil
Total Expenditure	607.14
Profit (Loss) Before Tax	(607.14)
Profit After Tax	(607.14)
Earning Per Share	(0.16)
Dividend Rate (%)	N.A.

5. GENERIC NAMES OF PRINCIPAL PRODUCTS, SERVICES OF THE COMPANY

Item Code No.	
Product Description	Whole Sale Trading

By Order of the Board of Directors
For Padam Cotton yarns Limited

Sd/- **Sd/-**
(Rajev Gupta) (Vivek Gupta)
Director **Director**
DIN-00172828 **DIN-00172835**

PADAM COTTON YARNS LIMITED
(CIN : U17112HR1994PLC033641)
Cash flow statement for the year ended 31st March 2019
(Amount in Rs.)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
	INR	INR
A. Cash flow from operating activities		
Net profit before tax but after exceptional / extraordinary items	(607,137.12)	(18,992.82)
Adjustments for non-cash items:		
Preliminary Expenses Written off	-	-
Depreciation / amortization	-	-
Interest & finance expense	702.12	3,055.18
Operating profit before working capital changes	(606,435.00)	(15,937.64)
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	518,045.00	(17,648,273.48)
(Increase)/decrease in other current assets	(59,016.00)	(19,595.00)
(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	-	17,798,748.17
Increase/(decrease) in trade payables	5,121.00	(40,066.00)
Increase /(decrease) in other long-term liabilities	-	-
Increase /(decrease) in other current liabilities	29,000.00	(3,000.00)
Increase /(decrease) in long-term provisions	-	-
Increase/(decrease) /(decrease) in short-term provisions	-	(386.00)
Cash generated from/(used in) operations	(113,285.00)	71,490.05
Taxes (paid) / received (net of withholding taxes TDS)	-	8,491.00
Prior period (expenses)/income (net)		
Net cash from/(used in) operating activities		
B. Cash flow from investing activities	(113,285.00)	62,999.05
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	(702.12)	(3,055.18)
Interest & finance charges paid	(702.12)	(3,055.18)
Net cash from/(used in) financing activities		
Net increase/(decrease) in cash & cash equivalents	(113,987.12)	59,943.87

	Cash & Cash equivalents - opening balance	129,234.42	69,290.55
	Cash & Cash equivalents - closing balance	15,247.30	129,234.42
	Net increase/(decrease) in cash & cash equivalents	-	0.00
	NOTED :		
1.	The above cash flow statements has been prepared under the "Indirect method" as set out in the 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 balance in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has effective from 1 April 2017 and the required disclosure is mad below: There is no other impact on the financial statements 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 2019	31st March 2018
	Cash, Cheques & Drafts (in hand) and remittances in transit	7,689.65	109,690.65
	Balance with Banks		
	Current Account	7,557.65	19,543.77
	Deposit Account	-	-
		15,247.30	129,234.42

For HARJINDER SINGH & CO.
Chartered Accountants
FRN : 014119N

Sd/-
(HARJINDER SINGH)
PROP
M.NO. 092290
Place : Karnal
Date : 28.05.2019

For AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Sd/-
VIVEK GUPTA
(DIRECTOR)
(DIN : 00172835)

Sd/-
NARINDER KUMAR CHUTANI
(CHIEF FINANCIAL OFFICER)

PADAM COTTON YARNS LIMITED
Form MGT - 11
PROXY FORM

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

CIN : L17112HR1994PLC033641

Name of the Company : PADAM COTTON YARNS LIMITED

Registered Office : 196, OPPOSITE RED CROSS MARKET, GT ROAD, KARNAL-132001

I/We, being the Member (s) of.....Shares of the above named company, hereby appoint Name :

Address :

Email ID :

Signature:....., or failing him

Name :

Address :

Email ID :

Signature:....., or failing him

Name :

Address :

Email ID :

Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, the 30th day of September, 2019 at 11:00 A.M. at 196, Opposite Red Cross Market, GT Road, Karnal-132001 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

Ordinary Business	
S. No.	Item No.
1	Consider and adopt the Audited Financial Statements, Reports of the Board of Directors and Auditors.
2	Re-appointment of Mrs Radhika Gupta , Director, (DIN: 07071267) retiring by rotation.
Special Business	
3	To re- appoint Mr. Harbhajan Singh (DIN No: 00530523) as an Independent Director
4	To re-appoint of Mr Satwant Singh (DIN 00530516) as an Independent Director.
5	To re- appoint Mr. jai Kumar (DIN No: 00530513) as an Independent Director
6	To approve the appointment of Mr Rajev Gupta (DIN No: 00172828)as Managing Director for five years

Signed this.....day of.....,2019

Signature of Shareholder :

Signature of Proxy Holder (s) :

Note : 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.

PADAM COTTON YARNS LIMITED

(CIN No. L17112HR1994PLC033641)

REGD. OFFICE : 196, 1st Floor, GT ROAD, OPP. RED CROSS MARKET KARNAL-132001 (HARYANA)
www.padamcotton.com email : rajevoswal@yahoo.com

ATTENDANCE SLIP

Attendance Slip for 25th Annual General Meeting
(to be handed over at the Registration Counter)

Folio No. : _____ DP ID : _____
No. of Share (s) Held : _____ Client ID : _____
Full Name of Member / Proxy attending the meeting

First Name

Second Name

(Surname)

I/We hereby record my/our presence at the 25th Annual general Meeting of the company at 196, 1st FLOOR, G.T. ROAD, OPP. RED CROSS MARKET, KARNAL-132001 (HARYANA) on 30th day of September, 2019 at 11:00 A.M.

Signature of the Member/Proxy Present

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP AT THE MEETING

PADAM COTTON YARNS LIMITED

(CIN No. L17112HR1994PLC033641)

REGD. OFFICE : 196, 1st Floor, GT ROAD, OPP. RED CROSS MARKET KARNAL-132001 (HARYANA)
www.padamcotton.com email : rajevoswal@yahoo.com

Dear Sir,

Pursuant to provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies(Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, the company is pleased to provide remote e-voting facility to the members to cast their votes electronically on all the resolutions set forth in the Notice convening the 25th Annual General meeting to be held on Monday, 30th day of September, 2019 at 11:00 A.M. The company has engaged the Central Depository Services Limited (CDSL) to provide the remote e-voting facility : Your electronic voting particulars are set out below.

ELECTRONIC VOTING PARTICULARS

EVEN	User ID	Password
(Electronic Voting Event Number)		
190807009		

The remote-e-voting facility will be available during the voting period as indicate herein below :

Commencement of remote e-voting period	End of remote e-voting period
From 10:00 A.M. IST o Friday 27th September, 2019	Till 05:00 P.M. IST o Sunday 29th September, 2019

Note : 1. Please read the instructions printed overleaf before exercising your vote.

2. These details and instructions from an integral part of the notice for the 25th Annual General Meeting to be held on 30th day of September, 2019.

3. The voting rights of the members shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on cut of date of Monday, 23rd September, 2019, being the record date for the purpose of voting.

REGISTERED POST/COURIER

If undelivered please return to :
PADAM COTTON YARNS LIMITED
Regd. Office : 196, 1st Floor, G.T. Road,
Opp. Red Cross Market,
KARNAL - 132 001
www.padamcotton.com