

**NOTICE OF EXTRAORDINARY  
GENERAL MEETING  
OF  
PADAM COTTON YARNS LIMITED**

**PADAM COTTON YARNS LIMITED**

CIN: L17112HR1994PLC033641

Regd. Office: 196, 1<sup>st</sup> Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana)  
www.padamcotton.com, email: cspcyl6@gmail.com, Tel: 8383858860

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**NOTICE**

Notice is hereby given that the Extraordinary General Meeting (“EGM”) of the Members of M/s Padam Cotton Yarns Limited will be held on Saturday, the 23<sup>rd</sup> day of March, 2024 at 11:30 a.m. at Registered Office of the Company at 196, 1<sup>st</sup> Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana) to transact the following business:

**SPECIAL BUSINESS:**

- 1. To consider and if thought fit, to pass, the following Resolution as an ORDINARY RESOLUTION for Appointment of Statutory Auditors of the Company to fill Casual Vacancy:**

“**RESOLVED THAT** pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors Rules), 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendation made by the Audit Committee to the Board of Directors, M/s. Viney Goel & Associates, Chartered Accountants (ICAI Registration Number 012188N), be and are hereby appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Pardeep Tayal & Co., Chartered Accountants (ICAI Registration Number 002733N).”

“**RESOLVED FURTHER THAT** M/s. Viney Goel & Associates, Chartered Accountants (ICAI Registration Number 012188N), be and are hereby appointed as the Statutory Auditors of the Company from this Extraordinary General Meeting and that they shall hold the office of the Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the ensuing 30<sup>th</sup> Annual General Meeting and that they shall conduct the Statutory Audit for the period ended 31st March, 2024 and such other audit/review/certification/work as may be required and/or deemed expedient, on such remuneration and out-of-pocket expenses, as may be fixed by the Management of the Company, in consultation with them.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee thereof, which may exercise its powers, including the powers, conferred by this resolution) be and is hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

- 2. To approve the overall borrowing limits u/s 180(1)(c) of the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification the following resolution as SPECIAL RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the Articles of Association of the Company and subject to such other approvals as may be necessary, consent of the members of the Company be and is hereby

accorded to the Board of Directors of the Company ('hereinafter referred to as the 'Board', which term shall be deemed to include any Committee thereof which the Board may hereinafter constitute to exercise its powers including the powers conferred by this Resolution') to borrow any sum or sums of money by obtaining loans, overdraft facilities, lines of credit, commercial papers, convertible/ non-convertible debentures, external commercial borrowings (loans/bonds), INR denominated offshore bonds or in any other forms from Banks, Financial Institutions, other Bodies Corporate or other eligible investors, from time to time, which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid-up share capital and free reserves provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 500 Crores (Rupees Five Hundred Crores only) or equivalent amount in any other foreign currency."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

**3. To seek approval under Section 180(1)(a) of the Companies Act, 2013 Inter alia for Creation of Mortgage or Charge on the Assets, Properties, or Undertaking(s) of the Company and in this regard to consider and if thought fit, to pass, with or without modification the following resolution as SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (the "Act") and any other applicable provisions, if any of the Act, or any amendment or modifications thereof and pursuant to the provisions of the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee thereof which the Board may hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to sell, lease, or dispose of in any manner including but not limited to mortgaging, hypothecating, pledging, or in any manner creating charge on all or any part of the present and future moveable or immovable assets or properties of the Company or the whole or any part of the undertaking(s) of the Company of every nature and kind whatsoever (hereinafter referred to as the "Assets") and/or creating a floating charge on the Assets to or in favor of banks, financial institutions, investors, debenture trustees, or any other lenders to secure the amount borrowed by the company or any entity which is a subsidiary or associate or group entity, from time to time, for the due repayment of principal and/or together with interest, charges, costs, expenses, and all other monies payable by the Company or any such entity in respect of the such borrowings provided that the aggregate indebtedness so secured by the assets do not at any time exceed the value of limits approved under Section 180(1)(c) of the Act."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary in this regard for and on behalf of the Company, including but not limited to, negotiating and finalizing the terms of sale, lease, creation of security or any other dispositions, filing of necessary forms, returns, applications, submissions under the Act."

**4. To Approve Payment of Managerial Remuneration in case of Inadequate Profits excess of the limits prescribed under Sec 197 and in this regard to consider and if thought fit, to pass, with or without modification the following resolution as SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 197, Schedule V and other applicable provisions of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, the members do hereby accord their approval to pay the remuneration to the Managerial Persons of the Company notwithstanding that the remuneration payable exceeds the limits prescribed under the provisions of Section 197 read with Schedule V of the Act and Reg 17(6)(e) of SEBI Listing Regulations, 2015 in the event of inadequacy of profits or no profits in the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof, be and is hereby, authorized to take such steps as may be necessary- statutory, contractual or otherwise, in relation to the above, to settle all matters arising out of and incidental thereto, to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

**5. To Approve the Payment of Remuneration to Non-Executive Directors of the Company and in this regard to consider and if thought fit, to pass, with or without modification the following resolution as SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to Section 197, 198 read with the provisions of Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such necessary approval(s), consent(s) or permission(s), as may be required, approval of the Members of the Company be and is hereby accorded to pay remuneration exceeds the limits prescribed under the provisions of Section 197 read with Schedule V of the Act to each non-executive director including independent directors of the Company in a financial year, as the Board may determine from time to time, in the event of inadequacy of profits or no profits in the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including any committee/official authorized by the Board of Directors for this purpose) be and is hereby authorized to decide the manner of payment of remuneration and other benefits, to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient in order to give effect to the above resolution and for matters connected therewith or incidental thereto including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

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

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

**Date: 31.01.2024**

**Place: Karnal**

## Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. PROXY IN FORM NO MGT-11 TO BE EFFECTIVE SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. Member/proxies are required to bring their copy of Attendance Slip send herewith to attend the Extra Ordinary General Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members desiring any information on Accounts are requested to write to the Company at least one week before the meeting so as to enable the management to keep the information ready. Replies will be provided at the meeting.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting.
7. The Registers under the Companies Act, 2013 will be available for inspection at the Registered Office of the Company during business hours between 11.00 am to 1.00 pm on all working days except holidays. The said Registers will also be available for inspection by the members at the EGM.
8. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business under item number 1 to 5 is annexed.
9. The Notice is also uploaded on the Company's website <https://www.padamcotton.com/> which may be accessed by the members.
10. The Board of Directors has appointed Mr. Ashish Goyal, Practicing Company Secretary as the Scrutinizer for conducting the voting and remote e-voting process in accordance with the law and in a fair and transparent manner and he has consented to act as scrutinizer.
11. The Scrutinizer shall, immediately after the conclusion of voting at the EGM, first count the votes cast at the EGM by Ballot papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within 24 hours from the conclusion of the EGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman or any other Key Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Extraordinary General Meeting.

12. The results declared along with the report of Scrutinizer shall be placed on the website of the Company [www.padamcotton.com](http://www.padamcotton.com) and on the website of CDSL immediately after the declaration of results by the Chairman or any other Key Managerial Personnel. The results shall also be forwarded to the Stock Exchange within 48 hours of the conclusion of the Extraordinary General Meeting.
13. The business set out in this Notice shall be conducted through e-voting. In compliance with the provisions of the Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to cast their votes electronically instead of casting their vote at the Meeting. Please note that voting through electronic means is optional.
14. Members, who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company at the Registered Office of the Company.
16. Route Map for easy location of Venue of Extraordinary General Meeting General Meeting is attached herewith the Notice of Extraordinary General Meeting.

1. Voting through electronic means:

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

- (i) The voting period begins on Wednesday, 20<sup>th</sup> March, 2024 at 10:00 a.m. and ends on Friday, 22<sup>nd</sup> March, 2024 at 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 16<sup>th</sup> March, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

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

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first-time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company, Padam Cotton Yarns Limited which is 240210002 on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.
- (xx) **Note for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [rajevoswal@yahoo.com](mailto:rajevoswal@yahoo.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Bhavesh Pimputkar (022- 23058543) or Mr. Anand Tirodkar (022- 23058615) or Mr. Deborshi Choudhury (022- 23058634) or Mr. Rakesh Dalvi (022-23058542).

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

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

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

**Date: 31.01.2024**

**Place: Karnal**

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

**Item No. 1:**

M/s. Pardeep Tayal & Co., Chartered Accountants (ICAI Registration Number 002733N) have tendered their resignation as Statutory Auditors w.e.f. 13<sup>th</sup> November, 2023 citing reasons that pursuant to their other commitments and other assignments they were not able to continue the position of Statutory Auditors in the company. This has resulted into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by Section 139(8) of the Companies Act, 2013. Casual vacancy caused by the resignation of auditor shall be approved by the shareholders in General Meeting within three months from the date of recommendation of the Board of Directors of the Company. The Audit Committee of the company has made recommendation to the Board of Directors for the appointment of M/s. Viney Goel & Associates, Chartered Accountants, Karnal (FRN-012188N) as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Pardeep Tayal & Co. accordingly, shareholders' approval by way of ordinary resolution is sought.

M/s. Viney Goel & Associates, Chartered Accountants, Karnal (FRN- 012188N), have conveyed their consent for being appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within the limits prescribed under the Companies Act, 2013 and shall satisfy the criteria as provided under section 141 of the Companies Act, 2013.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 01 of the notice as an ordinary resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

**Item No. 2 & 3:**

Keeping in view the Company's long-term strategic and business objectives, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company. Pursuant to Section 180(1) (c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any time except with the consent of the members of the Company in a general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create a charge on the assets or whole or part of the undertaking of the Company. Further, Section 180(1) (a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item nos. 2 & 3 for approval by the members of the Company as Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

**Item No. 4:**

In absence of profit and/or inadequacy of profit calculated as per provisions of Section 197 read with Section 198 of the Act, the company may pay remuneration over the ceiling limit specified in Schedule V of the Act, subject to approval of members by way of Special Resolution.

Further, in terms of Regulation 17(6)(e) of SEBI Listing Regulations, 2015, approval of members by way of Special Resolution is required where the overall remuneration payable to executive directors being promoter or part of promoter group exceeds ₹5 crore or 2.5% of the net profits of the company, whichever is higher.

Historically, no remuneration has been paid to any managerial person(s) of the Company. Now, Company decides to pay remuneration any managerial person(s) with recommendation of Nomination and Remuneration Committee exceeding the limit specified in Schedule V of the Act and limit prescribed in terms of Regulation 17(6)(e) of the Listing Regulations.

The entire Plant & Machinery and major part of the building had got damaged in July, 2001 due to major fire in the factory premises. However, the Company is hopeful about the recovery, regaining normalization and to commence production soon.

Considering the above facts, the Nomination and Remuneration Committee and the Board recommended the payment of managerial remuneration exceeding the limits prescribed under Section 197 of the Act and Regulation 17(6)(e) of the Listing Regulations. In view of the inadequate profits for FY 2022-23, approval is being sought from the Members vide a Special Resolution under Section 197 of the Act read with Schedule V and Regulation 17(6)(e) of the Listing Regulations.

The other Information as required under Section II of Part II of Schedule V of the Companies Act, 2013 is provided in this Notice. All the Executive Directors and/or Key Managerial Personnel or their relatives shall be deemed to be concerned or interested in this resolution.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution set out at Item No. 4 of this Notice.

The Board recommends the Special Resolution for approval of the Members, as set out at item no. 4 of this Notice.

**Information as required under Section II of Part II of Schedule V of the Companies Act, 2013 for Item Nos. 4****GENERAL INFORMATION****i. Nature of Industry**

Manufacture of textiles

**ii. Date or expected date of commencement of commercial Production**

Not Applicable.

**iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**

Not Applicable.

**iv. Financial performance based on indicators:**

**Standalone Financial Performance based on given indicator (₹ in Lakhs)**

Particulars	2022-2023	2021-2022	2020-2021
Total Income	333.19	0.30	0.51
Profit/(Loss) Before Tax	318.49	(15.28)	(9.39)
Profit/(Loss) After Tax	236.00	(16.52)	(6.95)

**v. Foreign Investments or Collaborations, if any** – At present, the Company does not have foreign collaborators and thus does not have equity participation by foreign collaborators in the Company.

**OTHER INFORMATION**

**i. Reason for loss or inadequate Profits:**

The entire Plant & Machinery and major part of the building had got damaged in July, 2001 due to major fire in the factory premises. Company is planning on commencing the production soon. Thus, resulting in inadequate profits for payment of managerial remuneration within the limits prescribed by the provisions of the Act. Therefore, members' approval is being sought for payment of remuneration, in the event of loss or inadequate profit in the standalone financials, as defined in the said respective resolutions read with their explanatory statements.

The members may note that financial performance is indicated in Point (iv) of GENERAL INFORMATION on standalone basis for the financial year ended March 31, 2023 for reference.

**ii. Steps taken or proposed to be taken for improvement:**

The Company will continue to take actions for improvement in its performance. Given the difficult external environment, the management has aggressively focused on cost reduction initiatives.

**Expected increase in productivity and profits in measurable terms:**

The Company sees a large headroom for growth and plans to continue cost efficient operations and capacities to quickly ramp up the sales. With the initiatives being undertaken by the Company, the Company is hopeful of turnaround in performance in the medium term.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

**Item No. 5:**

The Company needs to have an optimum Board structure comprising Executive and Non-Executive (including Independent) Directors. Considering the fact that to have qualified Directors on the Board and their valuable business and professional advice and in view of nature of work and responsibilities entrusted upon Non-Executive Directors and also time devoted and the contribution made by them, it is proposed to pay the remuneration, for an amount as may be decided by the Board of Directors/ Committee of Directors, from time to time, in terms of the provisions of Section 197 read with Schedule V of the Act. Such remuneration shall be divided amongst Non-Executive Directors in such manner as the Board of Directors (or the authorised Committee of the Board) may from time to time determine and the same may be paid to Non-Executive Directors on a pro-rata basis every month or on an annual basis or partly monthly and partly on an annual basis as the Board of Directors/ Committee of Directors deem fit, subject to such necessary approval(s), consent(s) or permission(s), as may be required.

Pursuant to the provisions of Section 197 read with Schedule V of the Act, a company can pay remuneration to non-executive directors including independent directors, in the event of profits in the company as well as in the event of no profits or inadequacy of profits on the basis of limits provided in Schedule V, with the approval of members. Schedule V of the Act, provides the monetary limits applicable to a company on the basis of effective capital and limits shall be pro-rated for a period being less than a year. A company may pay remuneration within the applicable limits/slabs with the approval of members by passing an ordinary resolution and in excess of the applicable limits with the approval of members by passing a special resolution.

Further, as per Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all fees and compensation paid to non-executive directors (including independent directors) need to be approved by the members of the company.

The Board of Directors of the Company, on the basis of recommendation of Nomination & Remuneration Committee, had considered and recommended to the members for approval, for payment of remuneration exceeds the limits prescribed under the provisions of Section 197 read with Schedule V of the Act to each non-executive director of the Company (including independent directors) in a financial year, as the Board may determine from time to time, in the event of inadequacy of profits or no profits in the Company.

The actual amount of payment of remuneration to Non-Executive Directors for any financial year shall be determined by the Nomination & Remuneration Committee and Board within the aforesaid limits after consideration of the following criteria:

- the overall performance of the Company
- Directors' attendance, contribution at the Board and the Committee meetings, Chairmanship of Committees etc.
- Proposed remuneration with reference to net profits of the Company, subject to overall ceilings under Section 197 and Schedule V of the Act.

The aforesaid limits shall not include payment of sitting fees to non-executive directors if made within the limits prescribed under the Act.

The other Information as required under Section II of Part II of Schedule V of the Companies Act, 2013 is provided in this Notice. All the Non-Executive Directors or their relatives shall be deemed to be concerned or interested in this resolution.

None of the other Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise in the resolution set out at Item No. 5 of this Notice.

The Board recommends the Special Resolution for approval of the Members, as set out at item no. 5 of this Notice.

**Information as required under Section II of Part II of Schedule V of the Companies Act, 2013 for Item Nos. 5**

**GENERAL INFORMATION**

**j. Nature of Industry**

Manufacture of textiles

**ii. Date or expected date of commencement of commercial Production**

Not Applicable.

**iii. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**

Not Applicable.

**iv. Financial performance based on indicators:**

**Standalone Financial Performance based on given indicator (₹ in Lakhs)**

Particulars	2022-2023	2021-2022	2020-2021
Total Income	333.19	0.30	0.51
Profit/(Loss) Before Tax	318.49	(15.28)	(9.39)
Profit/(Loss) After Tax	236.00	(16.52)	(6.95)

**v. Foreign Investments or Collaborations, if any** - At present, the Company does not have foreign collaborators and thus does not have equity participation by foreign collaborators in the Company.

**OTHER INFORMATION**

**iii. Reason for loss or inadequate Profits:**

The entire Plant & Machinery and major part of the building had got damaged in July, 2001 due to major fire in the factory premises. Company is planning on commencing the production soon. Thus, resulting in inadequate profits for payment of managerial remuneration within the limits prescribed by the provisions of the Act. Therefore, members' approval is being sought for payment of remuneration, in the event of loss or inadequate profit in the standalone financials, as defined in the said respective resolutions read with their explanatory statements.

The members may note that financial performance is indicated in Point (iv) of GENERAL INFORMATION on standalone basis for the financial year ended March 31, 2023 for reference.

**iv. Steps taken or proposed to be taken for improvement:**

The Company will continue to take actions for improvement in its performance. Given the difficult external environment, the management has aggressively focused on cost reduction initiatives.

**Expected increase in productivity and profits in measurable terms:**

The Company sees a large headroom for growth and plans to continue cost efficient operations and capacities to quickly ramp up the sales. With the initiatives being undertaken by the Company, the Company is hopeful of turnaround in performance in the medium term.

The Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or other secured creditor, if any.

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

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

**Date: 31.01.2024**

**Place: Karnal**

**PADAM COTTON YARNS LIMITED**

CIN: L17112HR1994PLC033641

Regd. Office: 196, 1<sup>st</sup> Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana)  
www.padamcotton.com, email: cspcy16@gmail.com, Tel: 8383858860

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Extraordinary General Meeting** of the company to be held on **Saturday, the 23<sup>rd</sup> day of March, 2024 at 11:30 a.m. at Registered Office of the Company at 196, 1<sup>st</sup> Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana)** and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.:**

S. No.	Particulars of Resolution	For	Against
1.	To approve the Appointment of Statutory Auditors of the Company to fill Casual Vacancy.		
2.	To approve the overall borrowing limits u/s 180(1)(c) of the Companies Act, 2013.		
3.	To seek approval under Section 180(1)(a) of the Companies Act, 2013 inter alia for Creation of Mortgage or Charge on the Assets, Properties, or Undertaking(s) of the Company.		
4.	To Approve Payment of Managerial Remuneration in case of Inadequate Profits excess of the limits prescribed under Sec 197		
5.	To Approve the Payment of Remuneration to Non-Executive Directors of the Company in case of Inadequate Profits excess of the limits prescribed under Sec 197		

Signed this.....day of..... 20.....  
Signature of shareholder .....  
Signature of Proxy holder(s) .....

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

- 2. A proxy need not be a member of the Company.
- 3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

Affix Revenue Stamp of Re. 1
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**PADAM COTTON YARNS LIMITED**

CIN: L17112HR1994PLC033641

Regd. Office: 196, 1<sup>st</sup> Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana)  
www.padamcotton.com, email: cspcyl6@gmail.com, Tel: 8383858860

**ATTENDANCE SLIP**

**Extraordinary General Meeting on Saturday, the 23<sup>rd</sup> day of March, 2024 at 11:30 a.m.**

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

Day: .....

Date: .....

Time: .....

Place: .....

Member's Folio No.: .....

DP ID: .....

No of shares Hold: .....

Client ID: .....

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

.....

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

.....

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

I hereby record my presence at the Extraordinary General Meeting of the Company held on **Saturday, the 23<sup>rd</sup> day of March, 2024 at 11:30 a.m.** at the Registered Office of the Company at **196, 1<sup>st</sup> Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana).**

.....

Signature of Shareholder/Proxy  
(To be signed at the time of handing over this slip)

Route Map for Extraordinary General Meeting (EGM) of the Company to be held on Saturday, the 23<sup>rd</sup> day of March, 2024 at 11:30 a.m. at the Registered Office of the Company at **196, 1<sup>st</sup> Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana).**

