

# Annexure - A

## PADAM COTTON YARNS LIMITED

Regd. Office : 196, 1st Floor, G.T. Road,  
Opp. Red Cross Market, Karnal - 132001  
CIN :- L17112HR1994PLC033641

### STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER/ YEAR ENDED 31-MARCH-2020

Amt. Rs. Lakhs

S. NO.	PARTICULARS	3 months ended 31/03/2020	Preceding 3 months ended 31/12/2019	Corresponding 3 months ended in the previous year 31/03/2019	Year to date figures for current year ended 31/03/2019	Year to date figures for previous year ended 31/03/2020
		Audited	Unaudited	Audited	Audited	Audited
1	<b>Income from Operations</b>					
	(a) Gross Sales / Income From Operations	0.00	0.00	0.00	0.00	0.00
	(b) Other Income	0.15	0.08	0.00	0.00	0.48
	<b>Total Income (1)</b>	<b>0.15</b>	<b>0.08</b>	<b>0.00</b>	<b>0.00</b>	<b>0.48</b>
2	<b>Expenses</b>					
	a. Cost of materials consumed	0.00	0.00	0.00	0.00	0.00
	b. Purchase of stock in trade	0.00	0.00	0.00	0.00	0.00
	c. Changes in inventories of Finished Goods, Work In Progress	0.00	0.00	0.00	0.00	0.00
	d. Excise Duty on sales	0.00	0.00	0.00	0.00	0.00
	e. Employee benefits expenses	0.00	0.00	0.00	0.75	2.05
	f. Finance Cost	0.00	0.00	0.75	0.00	0.00
	g. Depreciation and amortisation expense	0.00	0.00	0.00	0.00	0.00
	h. Other expenditure	3.22	0.94	0.77	5.32	8.73
	<b>Total Expenses(2)</b>	<b>3.22</b>	<b>0.94</b>	<b>1.52</b>	<b>6.07</b>	<b>10.78</b>
3	Profit from operation before exceptional items and tax (1-2)	-3.07	-0.86	-1.52	-6.07	-10.30
4	Exceptional items	0.00	0.00	0.00	0.00	0.00
5	Profit for the period (3+4)	-3.07	-0.86	-1.52	-6.07	-10.30
6	Tax expenses					
	(a) Current Tax	0.00	0.00	0.00	0.00	0.00
	(b) Deferred Tax	4.31	0.00	0.00	0.00	4.31
7	Net Profit for the period/year (5-6)	1.24	-0.86	-1.52	-6.07	-5.99
8	Other Comprehensive income/(Expenses) (Net of Tax)	0.00	0.00	0.00	0.00	0.00
9	Total Comprehensive income for the period (7+8)	1.24	-0.86	-1.52	-6.07	-5.99
10	Paid-up equity share capital ( Face Value of Rs.10/- each)	387.30	387.30	387.30	387.30	387.30
11	Other equity	0.00	0.00	0.00	0.00	0.00
12	Earnings Per Share-Basic and Diluted ( of Rs.10/- each) (not annualised) Computed on the basis of profit for the period/year					
	(i) before exceptional items(net of tax)	0.00	0.00	0.00	0.00	0.00
	(ii)after exceptional items	0.00	0.00	0.00	0.00	0.00

For Padam Cotton Yarns Ltd  
*Rajesh Chandra*  
Director

**PADAM COTTON YARNS LIMITED**

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**STATEMENT OF ASSETS AND LIABILITIES**

Amt. Rs. Lakhs

PARTICULARS	AS AT 31-MAR-2020	AS AT 31-MAR-2019
	Audited	Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
a) Fixed assets		
b) Goodwill on consolidation		
c) Non-current investment		
d) Deferred tax assets (net)	4.31	
e) Long-term loans and advances		
f) Other non-current assets	529.51	529.51
	533.82	529.51
<b>Current assets</b>		
a) Current investments		
b) Inventories		
c) Trade receivables	160.34	171.30
d) Cash and cash equivalents	0.25	0.16
e) Short-term loans and advances		
f) Other current assets	1.73	0.79
	162.32	172.25
<b>TOTAL-ASSETS</b>	<b>696.14</b>	<b>701.76</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds:</b>		
a) Share Capital	387.30	387.30
b) Reserves and Surplus	(131.08)	(125.09)
c) Money received against share warrants		
Share application money pending allotment		
Minority Interest		
	256.22	262.21
<b>Non-current liabilities:</b>		
a) Long-term borrowings		
b) Deferred Tax liabilities (Net)		
c) Other Long term liabilities	439.14	439.14
d) Long-term Provisions		
	439.14	439.14
<b>Current Liabilities</b>		
a) Short term borrowings		
b) Trade payables	0.24	0.01
c) Other current liabilities	0.24	0.10
d) Short term provisions	0.30	0.30
	0.78	0.41
<b>TOTAL-EQUITY AND LIABILITIES</b>	<b>696.14</b>	<b>701.76</b>

**NOTES:**

- The above results were reviewed and recommended by the Audit Committee, for approval by the Board, at its Meeting held on 21.07.2020 and were approved and taken on record at the Meeting of the Board of Directors of the Company held on that date.

# PADAM COTTON YARNS LIMITED

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

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

Particulars	Quarter Ended 31.03.2019 (Rs.In lacs)	Year Ended 31.03.2019 (Rs. In lacs)
Net profit as reported earlier under erstwhile IGAAP	(1.52)	(6.07)
Finance income recognised based on the effective	0.00	0.00
Lease rental recognised as per Ind-AS	0.00	0.00
Finance cost recognised based on the effective interest	0.00	0.00
Provision/Reversal for expected credit loss	0.00	0.00
Deferred tax impact	0.00	0.00
Net profit now reported under Ind-AS	(1.52)	(6.07)
Other Comprehensive income/(Expenses) (Net of Tax)	0.00	0.00
Total Comprehensive income	(1.52)	(6.07)

- (B) Equity as at 31st March, 2019

Particulars	Year Ended 31.03.2019 (Rs. In Lacs)
Equity under previous GAAP	387.30
Adjustments:-	
Change in Fair valuation of Financial Instruments	0.00
Capital Subsidy under Tuff	0.00
Provision for Doubtful Debts	0.00
Depreciation	0.00
Profit on sale of Fixed Assets	0.00
Deferred Tax Adjustments	0.00
Equity Under Ind AS	387.30

For Padam Cotton Yarns Lt  
*Rajeev Gupta*  
Director

- 4 The financial results for years ended March 31, 2020 have been audited by the statutory auditors of the company. The audit report does not contain any qualifications. The audit report will be filled with the stock Exchange and will also be available on the company's website-

[www.padamcotton.com](http://www.padamcotton.com)



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- 5 The Audit of financial results for the year ended March 31, 2019 and the review of unaudited financial results for the quarter ended March 31, 2019 was carried out and reported by M/s Harjinder Singh & Co., Chartered Accountants, vide their unqualified audit report dated 28th May, 2019.
- 6 Figures for the quarter ended March 31, 2020 and March 31, 2019 represent the difference between the audited figures in respect of the full financial year and published figures of nine months ended December, 31, 2019 and December 31, 2018 respectively which were subject to a limited review by the statutory auditors.
- 7 The Company was earlier operating in only one segment i.e. manufacturing of yarns, but due to major fire in the factory in the night of 13th July, 2002 in which major plant & machinery, raw materials godowns and other building was completely destroyed resulting in the discontinuance of the production till date.
- 8 During the quarter ended on 31.03.2020 the company has not received any complaint.
- 9 Previous period figures have been re-grouped/re-classified wherever necessary.

Karnal  
July, 21, 2020

for Padam Cotton Yarns Ltd.  
For Padam Cotton Yarns Ltd.  
  
Director  
Rajev Gupta  
Managing Director



# Harjinder Singh & Co.

Chartered Accountants

## 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, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2020, 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.



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## Key Audit Matters

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

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

## Management's Responsibility for the Standalone Financial Statements

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

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

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

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





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

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

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

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

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

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

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

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





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

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

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

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

#### **Report on Other Legal and Regulatory Requirements:**

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




- (d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 3.01 to the Standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- h. With respect to the matter to be included in the Auditors' Report under section 197(16):

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

Place: Karnal  
Date: 21.07.2020

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

  
(Harjinder Singh)  
(Prop.)  
M. No. 092290



**"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020, we report that:

- 1) The company is not having any fixed assets. Accordingly the provisions of clause 3(i) (a) to (c) of the order are not applicable to the company and hence not commented upon.
- 2) (a) As explained to us, the company had no inventory during the year which need physical verification consequently no material discrepancies was noticed.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.  
(b) Detail of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty & Cess which have not been deposited as on March 31<sup>st</sup>, 2020 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	Rectification u/s 154 pending with department	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.

Place: Karnal  
Date: 21.07.2020

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

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

**Report on the Internal Financial Controls under Clause (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, 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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





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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

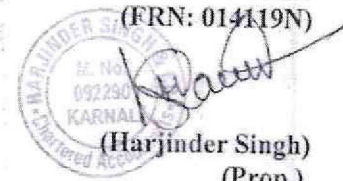


### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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: 21.07.2020

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



(Harjinder Singh)  
(Prop.)

M. No. 092290

UDIN : 20092290AAAABR7176

# PADAM COTTON YARNS LIMITED

Regd. Office : 196, 1st Floor, G.T. Road,  
Opp. Red Cross Market, Karnal- 132001  
CIN :- L17112HR1994PLC033641

## Annexure C

The Department of Corporate Services,  
**Bombay Stock Exchange Ltd.**  
Phiroze Jee Jee bhoy Towers,  
25<sup>th</sup> Floor, Dalal Street, Mumbai- 400023

July 21<sup>st</sup>, 2020

**Ref. : Company Code no. 531395 PADAMCO**

**Sub.: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Declaration in respect of Audit Reports with unmodified opinion for the financial year ended 31<sup>st</sup> March, 2020**

### Declaration

Dear Sir,

Pursuant to SEBI Circular no. CIR/CFD/CMD/56/2016 dated 27<sup>th</sup> May, 2016, I, Rajev Gupta, Managing Director of Padam Cotton Yarns Limited, do hereby declare that Statutory Auditors of the company M/s Harjinder Singh & Co., Chartered Accountants have issued an audit report with unqualified/unmodified opinion on Audited Financial Results of the company for Quarter & Financial year ended March 31<sup>st</sup>, 2020.

Kindly take this declaration on your records.

Thanking you.

Yours Sincerely,

**For Padam Cotton Yarns Limited**



**Rajev Gupta**  
(Managing Director)

