

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-2023

Am. In Lakhs

S. NO.	PARTICULARS	3 months ended	Preceding 3	Corresponding 3	Year to date figures	Year to date figures
		31/03/2023	months ended	months ended in the	for current year	for previous year
		Audited	Unaudited	Audited	Audited	Audited
1	Income from Operations					
	(a) Gross Sales / Income From Operations	0.00	0.00	0.00	0.00	0.00
	(b) Other Income	6.07	326.97	0.16	333.19	0.30
	Total Income (1)	6.07	326.97	0.16	333.19	0.30
2	Expenses					
	a. Cost of materials consumed	0.00	0.00	0.00	0.00	0.00
	b. Purchase of stock in trade	0.00	0.00	0.00	0.00	0.00
	c. Changes in Inventories of Finished Goods, Work In Progress	0.00	0.00	0.00	0.00	0.00
	d. Excise Duty on sales	0.00	0.00	0.00	0.00	0.00
	e. Employee benefits expenses	1.47	1.47	1.06	5.28	4.20
	f. Finance Cost	0.00	0.00	0.00	0.00	0.00
	g. Depreciation and amortisation expense	0.00	0.00	0.00	0.00	0.00
	h. Other expenditure	1.49	2.27	1.30	9.42	11.38
	Total Expenses(2)	2.96	3.74	2.36	14.70	15.58
3	Profit from operation before exceptional items and tax (1-2)	3.11	323.23	-2.20	318.49	-15.28
4	Exceptional items	0.00	0.00	0.00	0.00	0.00
5	Profit for the period (3+4)	3.11	323.23	-2.20	318.49	-15.28
6	Tax expenses					
	(a) Current Tax	2.00	52.65	0.00	54.65	0.00
	(b) Deferred Tax	27.84	0.00	0.00	27.84	31.80
7	Net Profit for the period/year (5-6)	-26.73	270.58	-2.20	236.00	16.52
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)	-26.73	270.58	-2.20	236.00	16.52
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	114.49	141.22	-121.51	114.49	-121.51
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

 Director

PADAM COTTON YARNS LIMITED

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STATEMENT OF ASSETS AND LIABILITIES			
		Amt. Rs. Lakhs	
	PARTICULARS	AS AT 31-MAR-2023	AS AT 31-MAR-2022
		Audited	Audited
	<u>ASSETS</u>		
	<u>Non-current assets</u>		
	a) Fixed assets	0.45	-
	b) Goodwill on consolidation		
	c) Non-current investment		
	d) Deferred tax assets (net)	10.71	38.55
	e) Long-term loans and advances		
	f) Other non-current assets	-	529.51
		11.16	568.06
	<u>Current assets</u>		
	a) Current investments		
	b) Inventories		
	c) Trade receivables	119.67	133.30
	d) Cash and cash equivalents	388.22	0.30
	e) Short-term loans and advances		
	f) Other current assets	5.34	4.22
		513.23	137.82
	TOTAL-ASSETS	524.39	705.88
	<u>EQUITY AND LIABILITIES</u>		
	<u>Shareholders' funds:</u>		
	a) Share Capital	387.30	387.30
	b) Reserves and Surplus	114.48	(121.51)
	c) Money received against share warrants		
	Share application money pending allotment		
	Minority interest		
		501.78	265.79
	<u>Non-current liabilities:</u>		
	a) Long-term borrowings		
	b) Deferred Tax liabilities (Net)		
	c) Other Long term liabilities	-	439.14
	d) Long-term Provisions		
		-	439.14
	<u>Current Liabilities</u>		
	a) Short term borrowings		
	b) Trade payables	-	-
	c) Other current liabilities	1.24	0.35
	d) Short term provisions	21.37	0.60
		22.61	0.95
	TOTAL-EQUITY AND LIABILITIES	524.39	705.88

For Padam Cotton Yarns Ltd
Jivek Gupta
Director

NOTES:

- The above results were reviewed and recommended by the Audit Committee, for approval by the Board, at its Meeting held on 30.05.2023 and were approved and taken on record at the Meeting of the Board of Directors of the Company held on that date.

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- 2 The 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.
- 3 The financial results for year ended March 31, 2023 have been audited by the statutory auditors of the company. The audit report does not contain any qualifications. The audit report will be filed with the stock exchange and will also be available on the company's website - www.padamcotton.com
- 4 During the quarter ended on 31.03.2023 the company has not received any complaint.
- 5 Previous period figures have been re-grouped/re-classified wherever necessary.

Karnal
May 30, 2023

for Padam Cotton Yarns Ltd.
For Padam Cotton Yarns Ltd
(Vivek Gupta)
Director

PADAM COTTON YARNS LIMITED

(CIN : U17112HR1994PLC033641)

Cash flow statement for the year ended 31st March 2023

Rs. In Lacs

	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
	INR	INR
A. Cash flow from operating activities		
Net profit before tax but after exceptional / extraordinary items	318.49	(15.28)
Adjustments for non-cash items:		
Preliminary Expenses Written off	-	-
Depreciation / amortization	0.05	-
Interest & finance expense	0.01	0.01
Operating profit before working capital changes	318.55	(15.27)
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	13.63	-
(Increase)/decrease in other current assets	(389.21)	(1.82)
(Increase)/decrease in other non-current assets	529.52	16.94
(Increase)/decrease in long-term loans & advances	-	-
(Increase)/decrease in short-term loans & advances	-	-
(Increase)/decrease in inventories	-	-
Increase/(decrease) in trade payables	0.28	(0.02)
Increase /(decrease) in other long-term liabilities	(439.14)	-
Increase /(decrease) in other current liabilities	21.37	0.30
Increase /(decrease) in long-term provisions	-	-
Increase /(decrease) in short-term provisions	-	-
Cash generated from/(used in) operations	55.00	0.13
Taxes (paid) / received (net of withholding taxes TDS)	54.65	-
Prior period (expenses)/Income (net)	-	-
Net cash from/(used in) operating activities	0.35	0.13
B. Cash flow from investing activities		
Purchase of fixed assets	(0.50)	-
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	(0.50)	-
C. Cash flow from financing activities		
Proceeds from issue of share capital	-	-
Raising of unsecured loans	-	-
Repayment of unsecured loans	-	-
Raising Of Secured Loans	-	-
Interest & finance charges paid	(0.01)	(0.01)



Net cash from/(used in) financing activities	(0.01)	(0.01)
Net increase/(decrease) in cash & cash equivalents	(0.16)	0.12
Cash & cash equivalents - opening balance	0.29	0.17
Cash & cash equivalents - closing balance	0.13	0.29
Net increase/(decrease) in cash & cash equivalents	0.00	-
NOTES:		

1 The above cash flow statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard (Ind AS-7)-" Statement of Cash Flows"

2 Cash and cash equivalents at the end of the year consist of cash in hand and balance with banks as follows:

	31st March 2023	31st March 2022
Cash, cheques & drafts (in hand) and remittances in transit	0.04	0.15
Balance with banks		
Current account	0.09	0.14
Deposit account	-	-
	0.13	0.29

For and on behalf of
In terms of our report attached
For VINEY GOEL & ASSOCIATES
Chartered Accountants
FRN : 012188N



(VINEYA GOEL)
PARTNER
M.No. 090739
Place:- Karnal
Date:- 30.05.2023

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

Rajev Gupta
RAJEV GUPTA
(DIRECTOR)
(DIN : 00172828)

Radhika Gupta
RADHIKA GUPTA
(MANAGING DIRECTOR)
(DIN : 07071267)

Shivam Gupta
SHIVAM GUPTA
(CHIEF FINANCIAL
OFFICER)

Vivek Gupta
VIVEK GUPTA
DIRECTOR
DIN: 00172835

VINEY GOEL & ASSOCIATES

Chartered Accountants

19, Sector 12, Part - II, Urban Estate, KARNAL - 132 001

e-mail : vineyagoel@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
Padam Cotton Yarns Limited
Karnal

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of Padam Cotton Yarns Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2023, 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, 2023, the profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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



Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. As per our audit and verification of books and records, we have determined that there are no separate key audit matters applied to this Company which is communicated to the audit report. Our audit report is unmodified.

Information Other than the Financial Statements and Auditor's Report

Thereon The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

-Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists,



we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order..



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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.";
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) 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, as amended, 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 22 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 30 to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.



- v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Place: Karnal
Date: 30.05.2023

For Viney Goel & Associates
Chartered Accountants
(ERN: 012188N)



M. No. 090739
UDIN : 23090739BGRIBI3808

“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, 2023, we report that:

- i. In respect of the Company’s property, plant and equipment, right-of-use assets and intangible assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of property, plant and equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination the company does not own any immoveable property as at the balance sheet date.
 - (d) The Company has not revalued any of its property, plant and equipment (including right of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) As explained to us, the company had no inventory during the year which need physical verification consequently no material discrepancies was noticed.
 - (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. 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.
- iv. 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.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company..
- vii. (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, 2023 for a period of more than six months from the date on when they become payable.
- (b) Detail of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty & Cess which have not been deposited as on March 31st, 2023 on account of disputes are given below:-

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



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

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on shortterm basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or



- optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.



- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion, the profits and turnover of the company does require compliance of provisions of CSR accordingly reporting under clause 3(XX) of the Order is not applicable .
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

Place: Karnal
Date: 30.05.2023

For Viney Goel & Associates
Chartered Accountants
(FIRN: 012188N)



Viney Goel
(Partner)

M. No. 090739

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

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

We have audited the internal financial controls over financial reporting of **Padam Cotton Yarns Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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



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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Karnal
Date: 30.05.2023

For Viney Goel & Associates
Chartered Accountants
(ERN: 012188N)



(Vineya Goel)
(Partner)
M. No. 090739

PADAM COTTON YARNS LIMITED

CIN: L17112HR1994PLC033641

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

www.padamcotton.com, email: rajevoswal@yahoo.com

Annexure-C

BSE Ltd.

May 30, 2023

Department of Corporate Services
Corporate Relationship Department
Phiroze Jee Jeebhoy, 25th Floor,
Dalal Street, Mumbai- 400001

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 31st March, 2023

Declaration

Dear Sir,


Pursuant to SEBI Circular no. CIR/CFD/CMD/56/2016 dated 27th May, 2016, I, Shivam Gupta, Chief Financial Officer of M/s Padam Cotton Yarns Limited, do hereby declare that Statutory Auditors of the company M/s Viney Goel & Associates, Chartered Accountants have issued an Audit Report with unqualified/unmodified opinion on Audited Financial Results of the company for financial year ended March 31, 2023.

Kindly take this declaration on your records.

Thanking you.

Yours Sincerely,

For Padam Cotton Yarns Limited



Shivam Gupta
(Chief Financial Officer)