

# **PADAM COTTON YARNS LIMITED**

## **30<sup>TH</sup> ANNUAL REPORT 2023-2024**

## **CORPORATE INFORMATION**

**Mr. Rajev Gupta**  
Director

**Mrs. Rekha Gupta**  
Additional Director

**Mr. Naresh Chand Goyal**  
Independent Director

**Mrs. Pernika Mittal**  
Additional Director

**Mr. Sachin Gupta**  
Independent Director

**Mr. Satwant Singh**  
Independent Director

**Chief Financial Officer**  
Mr. Rahul Kumar

**Company Secretary & Compliance Officer**  
Mr. Neeraj Chugh

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**Statutory Auditors**  
M/s. Viney Goel & Associates  
(Chartered Accountants)

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

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

**Registered Office**  
196, 1<sup>st</sup> Floor, G.T Road, Opp. Red Cross Market,  
Karnal- 132001 (Haryana)  
Ph- 8383858860  
**Email-** cspcy16@gmail.com  
**Website-** www.padamcotton.com  
**CIN-** L17112HR1994PLC033641

## INDEX

<b>Particulars</b>	<b>Page Nos.</b>
Notice	<b>4-20</b>
Proxy Form (Form MGT-11) & Attendance Slip	<b>21-22</b>
Route Map	<b>23</b>
Directors' Report	<b>24-36</b>
Content of Annexure to Directors' Report	<b>37</b>
Secretarial Audit Report- Annexure A	<b>38-39</b>
Management's Discussion & Analysis Report- Annexure B	<b>40-42</b>
Particulars on Conservation of Energy etc.- Annexure C	<b>43</b>
Particulars of Employees- Annexure D	<b>44-45</b>
Declaration of Compliance with the Code of Conduct- Annexure E	<b>46</b>
Certification from Chief Financial Officer- Annexure F	<b>47-48</b>
Independent Auditor's Report	<b>49-59</b>
Financial Statements	<b>60-89</b>

**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 30<sup>th</sup> Annual General Meeting (“AGM”) of the Members of M/s Padam Cotton Yarns Limited will be held on Wednesday, the 10<sup>th</sup> day of July, 2024 at 10:00 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:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2024 including Audited Balance Sheet as of 31<sup>st</sup> March, 2024 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors (“the Board”) and Auditors thereon.
2. **To appoint a director in place of Mr. Rajev Gupta (DIN: 00172828), who retires by rotation and, being eligible, offers himself for re-appointment.**

Based on terms of Appointment, Executive and Non-Executive Directors are liable to retire by rotation. Mr. Rajev Gupta (DIN: 00172828), Non-Executive, Non-Independent Director who is liable to retire by rotation being eligible, seeks re-appointment. The Board recommended his re-appointment.

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

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

**“RESOLVED THAT** pursuant to Sections 139(8)(i) and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable acts, rules and regulations, the approval of the members of the Company be and is hereby given for appointment of M/s. Viney Goel & Associates, Chartered Accountants, Karnal (FRN- 012188N), as the statutory auditors of the Company for filling the casual vacancy in the office of Statutory Auditors, who shall hold the office until the conclusion of 30<sup>th</sup> Annual General Meeting and who shall be eligible for re-appointment.”

**“RESOLVED FURTHER THAT** pursuant to Sections 139, 142 and other applicable provisions if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules) Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable acts, rules and regulations, M/s. Viney Goel & Associates, Chartered Accountants, Karnal (FRN- 012188N) who have given written consent for their re-appointment and a certificate that their re-appointment, if made, will be in accordance with the conditions of Section 141 of the Act and Rule 4 of the Rules, be and are hereby re-appointed as the statutory auditors of the Company to hold office for a period of five (5) years from the financial year 2024 until the conclusion of 35<sup>th</sup> Annual General Meeting held on year 2029, on remuneration as mentioned in the explanatory statement and as may be fixed or altered by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of audit.”

**SPECIAL BUSINESS:**

4. **To approve regularisation of Additional Director, Mrs. Rekha Gupta (DIN: 08194155) and in this regard to consider and if thought fit, to pass, with or without modification the following resolution as ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 160, and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), the Rules framed thereunder as amended and notified from time to time, Mrs. Rekha Gupta (DIN: 08194155), who was appointed as an Additional Director in the meeting of Board of Directors held on 30<sup>th</sup> May, 2024, whose term expires at the ensuing Annual General Meeting of the Company, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby re-appointed as a Director of the Company who shall be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and are hereby severally authorised to file the relevant forms, documents and returns with the office of the Registrar of Companies as per the applicable provisions of the Companies Act, 2013 and to do all acts, deeds, matters and things as may be required or considered necessary, appropriate or expedient in this regard to give effect to the above resolution.”

5. **To approve Regularisation of Additional Director, Mrs. Pernika Mittal (DIN: 08194164), by appointing her as Managing Director (Executive Non-Independent Director) of the Company and in this regard to consider and if thought fit, to pass, with or without modification the following resolution as ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), Mrs. Pernika Mittal (DIN: 08194164), who was appointed as an Additional Director effective from May 30, 2024 and who holds office upto the date of this 30<sup>th</sup> Annual General Meeting, be and is hereby appointed as Director of the Company.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 196 and other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), the appointment of Mrs. Pernika Mittal (DIN: 08194164), as Managing Director of the Company for a period of 5 (five) years from 30<sup>th</sup> May, 2024 to 29<sup>th</sup> May, 2029, without remuneration and she shall not be liable to retirement by rotation.”

**“RESOLVED FURTHER THAT** based on the recommendation of Nomination and Remuneration Committee, the Board be and is hereby authorised to alter and vary the terms and conditions of such appointment including remuneration and incremental thereof from time to time, but such remuneration shall not exceed the limits specified in the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things which may be necessary for appointment of Mrs. Pernika Mittal (DIN: 08194164) as the Managing Director of the Company.”

**6. To approve the appointment of Mr. Sanjay Kumar Bansal (DIN: 10600836) as a Non-Executive Independent Director 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 Sections 149, 152, 160 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), in accordance with the provisions of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, Mr. Sanjay Kumar Bansal (DIN: 10600836), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company by the Board of Directors with effect from June 6, 2024 and who holds office till the conclusion of this 30<sup>th</sup> Annual General Meeting (AGM) in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from date of Board’s approval i.e. June 6, 2024 for term of five (5) years till the conclusion of 35<sup>th</sup> Annual General Meeting to be held in the year 2029 in the place of Mr. Satwant Singh (DIN: 00530516), who has completed his second term of five (5) years and he is not eligible for re-appointment.”

**“RESOLVED FURTHER THAT** any Director or the Key Managerial Personnel of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for appointment of Mr. Sanjay Kumar Bansal (DIN: 10600836), as a Non-Executive Independent Director of the Company.”

**7. Reclassification of persons forming part of the Promoter / Promoter Group from ‘Promoter & Promoter Group Category’ to ‘Public Category’ and in this regard to consider and if thought fit, to pass, with or without modification the following resolution as ORDINARY RESOLUTION:**

**“RESOLVED THAT** in accordance with Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI (LODR) Regulations’), including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals from the Stock Exchanges and other appropriate statutory authorities as may be necessary, the approval of the Members of the Company be and is hereby accorded to reclassify the following promoter / persons related to promoter(s) (hereinafter individually and jointly referred to as the (*“Outgoing Promoters”*)) from ‘Promoter & Promoter Group Category’ to ‘Public Category’.

S. No.	Name of Promoter/ Promoter Group	Type	No. of shares held	% of Paid up Capital
1.	Padam Sain Gupta	Promoter	0	0
2.	Prem Lata	Promoter	0	0
3.	Radhika Gupta	Promoter	0	0
4.	Vivek Gupta	Promoter	0	0
5.	Vivek Gupta HUF	Promoter	0	0
<b>Total</b>			<b>0</b>	<b>0</b>

**RESOLVED FURTHER THAT** pursuant to provisions of Regulation 31(A)(3)(b) of SEBI LODR Regulations, Outgoing Promoters have confirmed that they shall not and does not:

- hold more than 10% of the fully paid-up equity share capital and voting capital of the Company;

- have any special rights through formal or informal agreements and shareholding agreements;
- be represented on the Board of Directors (including as a nominee director) of the Company for a period of more than 3 years from the date of shareholders' approval;
- act as a key managerial persons for a period of more than 3 years from the date of shareholders' approval;
- directly or indirectly exercise control over the affairs of the Company;
- 'wilful defaulter' as per the Reserve Bank of India Guidelines;
- fugitive economic offender.

and shall at all times from the date of such reclassification, shall continue to comply with conditions mentioned under sub regulation (4) of Regulation 31A of SEBI (LODR) Regulations, 2015 post reclassification from "Promoter & Promoter Group" to "Public".

**RESOLVED FURTHER THAT** upon receipt of the necessary approval(s) from the Stock Exchange(s) for reclassification of the above promoter/ promoter group, the Company shall effect such reclassification in the statement of shareholding pattern from the immediate succeeding quarter under Regulation 31 of the SEBI LODR Regulations, and shall ensure necessary compliance under Securities and Exchange Board of India ((Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other laws, as may be applicable.

**RESOLVED FURTHER THAT** Mrs. Neeraj Chugh, Company Secretary and Compliance Officer of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient and make all necessary filings including but not limited to making applications to the Stock Exchanges to seek their approval for the re-classification in accordance with the SEBI LODR Regulations and other applicable laws, if any, and to execute all such deeds, documents or writings as are necessary or expedient, to settle any questions, difficulties or doubt that may arise in this behalf and to represent before such authorities as may be required and to do and perform all such acts, deeds and things as may be required to give effect to the above resolution."

**8. To approve Loans, Investments or Guarantee or Security under Section 186 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 186 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 30 Crores (Rupees Thirty Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the

Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, any Director and/or Company Secretary of the Company, be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file returns with Registrar of Companies, that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

**9. Approval to advance any loan, give guarantee or provide any security under Section 185 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 185 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Amendment) Act, 2017 and Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company or any other person in whom any of the Directors of the Company is interested/deemed to be interested, up to limits approved by the shareholders of the Company u/s 186 of the Companies Act, 2013, from time to time, in their absolute discretion as may be deemed beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, any Director and/or Company Secretary of the Company, be and are hereby authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file returns with Registrar of Companies, that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

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

**Sd/-  
(Rajev Gupta)  
Chairman  
DIN: 00172828**

**Date: 06.06.2024**

**Place: Karnal**



## Notes:

As Padam Cotton Yarns Limited, being a listed company and having more than 1000 shareholders, is compulsorily required to provide remote e-voting facility or postal ballot to members in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting by show of hands will not be available to the members at the 30<sup>th</sup> AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

This notice is sent to all the members whose name appears as on 6<sup>th</sup> June, 2024 in the Register of Members.

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

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

2. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the company.
4. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
5. The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
6. Route Map for easy location of Venue of Annual General Meeting is attached herewith the Notice of Annual General Meeting.
7. No gifts, gifts coupons, or cash in lieu of gifts is distributed in the Meeting.
8. Additional Information, pursuant to regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, In respect of the directors seeking appointment/ re-appointment at the AGM, is furnished as an annexure to the Notice.
9. Members are requested to bring their attendance slip along with Note that copies of Annual Report will not be distributed at the Annual General Meeting.

10. Members/Proxies/Authorized Representatives are requested to deposit the attendance slip duly filed in and signed for attending the Meeting. Members who hold shares in dematerialization form are requested to write their client ID and DP ID numbers for identification.
11. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
12. Members, who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held in electronic form and in case the shares are held in physical form to the Company's Registrar and Share Transfer Agents,
13. The Notice for the Annual General Meeting and the Annual Report will be available for inspection at the Registered Office of the Company on all working days in business hours up to the date of the Annual General Meeting. The above said shall also be available on the Company's website at [www.padamcotton.com](http://www.padamcotton.com) and on the website of the CDSL//[www.cdslindia.com/](http://www.cdslindia.com/) for inspection and downloading by the shareholders of the company.
14. Members seeking further information on the Accounts, or any other matter contained in the Notice, are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
15. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during the office hours on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 A.M. to 01:00 P.M up to the date of this Annual General Meeting.
16. 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.
17. 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.
18. The Register of Members and Share Transfer Books shall remain closed from Thursday, 4<sup>th</sup> July, 2024 to Wednesday, 10<sup>th</sup> July, 2024 (Both days inclusive).
19. The Board of Directors has appointed Mr. Ashish Goyal, Practicing Company Secretary as the Scrutinizer for conducting the voting and remote e-voting process in accordance with the law and in a fair and transparent manner and he has consented to act as scrutinizer.
20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within 24 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes

cast in favour or against, if any, to the Chairman or any other Key Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Annual General Meeting.

21. The results declared along with the report of Scrutinizer shall be placed on the website of the Company [www.padamcotton.com](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 Annual General Meeting.
22. The business set out in this Notice shall be conducted through e-voting. In compliance with the provisions of the Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to cast their votes electronically instead of casting their vote at the Meeting. Please note that voting through electronic means is optional.
23. Voting through electronic means:

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

- (i) The voting period begins on Sunday, 7<sup>th</sup> July, 2024 at 10:00 a.m. and ends on Tuesday, 9<sup>th</sup> July, 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 Wednesday, of 3<sup>rd</sup> July, 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 240607001 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; [cspcyl6@gmail.com](mailto:cspcyl6@gmail.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/-  
(Rajev Gupta)  
Chairman  
DIN: 00172828**

**Date: 06.06.2024**

**Place: Karnal**

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

**Item No. 3:**

M/s. Pardeep Tayal & Co., Chartered Accountants (ICAI Registration Number 002733N) who were appointed as the Statutory Auditors of the Company at the 29<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September, 2023, resigned w.e.f. 13<sup>th</sup> November, 2023 from the office of statutory auditors due to other pre-occupation.

To fill the casual vacancy caused by resignation of the statutory auditor, the Board of Directors of the Company at its meeting held on 13<sup>th</sup> December, 2023 on recommendations of the Audit Committee, appointed M/s. Viney Goel & Associates, Chartered Accountants, Karnal (FRN- 012188N) as the Statutory Auditors of the Company pursuant to Section 139(8) of the Companies Act, 2013 and shareholders has approved the said appointment in the Extraordinary General Meeting of the Company held on 23<sup>rd</sup> March, 2024 to hold the office as such up to this Annual General meeting, subject to the approval of the members. The approval of members for the said appointment is proposed in this meeting.

M/s. Viney Goel & Associates, Chartered Accountants, Karnal (FRN- 012188N) holds the office until the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Company has received consent and a certificate from the Auditors to the effect that their reappointment, if made, would be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013. The Audit Committee and the Board of Directors at their respective meetings held on 6<sup>th</sup> June, 2024 have recommended their re-appointment as the Statutory Auditors for a period of five (5) years from the conclusion of this 30<sup>th</sup> Annual General Meeting till the conclusion of the 35<sup>th</sup> Annual General Meeting.

The Board, based on the recommendation of the Audit Committee, recommends the resolution as set out in item no. 3 of this notice to be passed as an ordinary resolution.

None of the directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 3 of this notice.

**Item No. 4:**

On recommendation of Nomination and Remuneration Committee, Mrs. Rekha Gupta (DIN: 08194155) was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> May, 2024 by the Board of Directors under Section 161 of the Act and applicable provisions of the Company's Articles of Association.

In terms of Section 161(1) of the Act, Mrs. Rekha Gupta holds office upto the date of the forthcoming 30<sup>th</sup> AGM of the Company and is eligible for appointment as a Director. Mrs. Rekha Gupta has given her consent to the Board to act as director under Section 152(5) of the Act and Rule 8 of the Companies (Appointment and Qualification of Director) Rules, 2014. She further informed that, she is also not disqualified from being appointed as a Director in terms of Section 164 of the Act.

As required under the Secretarial Standard at the General Meeting, her brief resume is furnished and forms a part of this Notice. Mrs. Gupta fulfills the conditions for her appointment as a Director as specified in the Act and the Rules made thereunder. The Board considers that the proposed appointment of Mrs. Rekha Gupta as a Director, given her vast experience and knowledge in diverse areas, will be in the best interest of the Company.

The Board recommends Resolution in Item No. 4 of the accompanying Notice for approval by the members of the Company.

Except Mrs. Rekha Gupta, none of the Directors, the Key Managerial Personnel of the Company and their relatives, have any concern or interest, financial or otherwise, in this Resolution.

**Item No. 5:**

On recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 30<sup>th</sup> May, 2024. appointed Mrs. Pernika Mittal (DIN: 08194164), as an Additional Director of the company, pursuant to section 161 of the Companies Act, 2013. Hence she will hold office upto the date of ensuing 30<sup>th</sup> AGM.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying intention to propose the candidature of Mrs. Pernika Mittal as the Managing Director of the Company under the provisions of Section 196 of the Companies Act, 2013, for a period of 5 (five) years from 30<sup>th</sup> May, 2024 to 29<sup>th</sup> May, 2029, without remuneration and she shall not be liable to retirement by rotation to be appointed.

The Company has received requisite consent/declarations for the appointment of Mrs. Pernika Mittal as required under the Act and rules made thereunder.

The Board recommends the resolution set forth in Item No. 5 relating to the appointment of Mrs. Pernika Mittal as the Managing Director of the Company, for the approval by the Members by way of an Ordinary Resolution.

A brief profile and other information as required under Regulation 36 of SEBI Listing Regulations and Secretarial Standard-2 issued by ICSI is provided as Annexure to this Notice.

No other director and Key Managerial Personnel or their relatives, except Mrs. Pernika Mittal to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in this resolution.

**Item No. 6:**

Mr. Satwant Singh (DIN: 00530516), currently an Independent Director of the company was re-appointed as Independent Director for the second term of five (5) years at the 25<sup>th</sup> AGM of the Company held in year 2019 till the conclusion of 30<sup>th</sup> AGM of the Company.

Now, at the forthcoming 30<sup>th</sup> AGM the second term Mr. Satwant Singh will be completed and he is not eligible for re-appointment, therefore, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company through resolution passed on June 06, 2024, appointed Mr. Sanjay Kumar Bansal (DIN: 10600836) as an Additional Director (Non-Executive & Independent) of the Company w.e.f. June 06, 2024. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act"), Mr. Sanjay Kumar Bansal holds office as an Additional Director till the date of the ensuing 30<sup>th</sup> Annual General Meeting (AGM) scheduled on July 10, 2024.

Further, pursuant to the provisions of Regulation 17(1C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company is required to obtain approval of shareholders for the appointment of an Independent Director at the next general meeting or within a time period of 3 (three) months from the date of appointment, whichever is earlier.

The Company has received a notice in writing pursuant to Section 160 of the Act from a Member signifying their intention to propose the candidature of Mr. Sanjay Kumar Bansal as an Independent Director of the Company.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company through resolution passed on June 06, 2024, recommended the appointment of Mr. Sanjay Kumar Bansal as an Independent Director on the Board of the Company, not liable to retire by rotation, for a term commencing from the date of Board's approval i.e. June 06, 2024 till the conclusion of 35<sup>th</sup> AGM to be held in the year 2029.

Mr. Sanjay Kumar Bansal is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has received the consent and requisite declarations from Mr. Sanjay Kumar Bansal as per the provisions of the Act and SEBI Listing Regulations including the declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. Further, in terms of Regulation 25(8) of SEBI Listing Regulations, he has also confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. Further, he is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

In the opinion of the Board, Mr. Sanjay Kumar Bansal fulfils the conditions for his appointment as an Independent Director, as specified in the Companies Act, 2013 and SEBI Listing Regulations and is independent of the management.

Mr. Sanjay Kumar Bansal possesses the required skills, knowledge, and experience as identified by the Board in the fields of Finance & Risk management, Compliance & Corporate Governance and General Management and his induction on the Board will immensely benefit the Company.

Further, Mr. Sanjay Kumar Bansal possesses the integrity, expertise, experience and proficiency for appointment as an Independent Director and is a person of high integrity and repute.

Considering his expertise and knowledge, the Board considers that the appointment of Mr. Sanjay Kumar Bansal as an Independent Director of the Company will be in the interest of the Company, and hence, it recommends appointment of Mr. Sanjay Kumar Bansal as an Independent Director of the Company, not liable to retire by rotation, for a term commencing from the date of Board's approval i.e. June 6, 2024 till the conclusion of 35<sup>th</sup> AGM to be held in the year 2029.

Accordingly, the Board recommends the resolution as set out at Item No. 6 of this Addendum to the 30<sup>th</sup> AGM Notice for approval of the Members of the Company as a Special Resolution.

Pursuant to Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), requisite particulars of Mr. Sanjay Kumar Bansal including his profile and specific areas of expertise are given in this Addendum to the AGM Notice.

Except Mr. Sanjay Kumar Bansal and his relatives, no other Director(s) and Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

**Item No. 7:**

Pursuant to Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI (LODR) Regulations') has provided a regulatory mechanism for seeking re-classification from status of 'Promoters and Promoter Group' to 'Public' category may on request to the Company and subsequent approval from the shareholders and Stock Exchanges.



In this regard, the Company has received request from the following promoters of the Company (“*Outgoing Promoters*”) vide their letter dated May 31, 2024 for reclassification from the ‘promoter and promoter group’ category to ‘public’ category shareholder of the Company (“*Request Letters*”). The Company intimated the aforesaid requests for reclassification to BSE Limited (“*Stock Exchange*”) on May 31, 2024 within 24 hours of receipt of Request Letters.

<b>S. No.</b>	<b>Name of Promoter/ Promoter Group</b>	<b>Type</b>
1.	Padam Sain Gupta	Promoter
2.	Prem Lata	Promoter
3.	Radhika Gupta	Promoter
4.	Vivek Gupta	Promoter
5.	Vivek Gupta HUF	Promoter

The shareholding of the above-mentioned promoters not constituting any percentage in the paid-up share capital of the Company.

Based on the Request Letters received from Outgoing Promoters and pursuant to the provision of Regulation 31A(3)(b) of the SEBI (LODR) Regulations, the Outgoing Promoters confirmed that:

1. Their shareholding in the Company, neither individually nor collectively exceeds 10% of the total voting rights in the Company.
2. They are not controlling affairs of the Company directly or indirectly.
3. They are not having special rights in the Company through formal or informal arrangements including through any shareholder agreements.
4. They do not have any representation on the Board of Directors (including not having nominee directors) of the Company.
5. They are not acting as key managerial person in the Company.
6. They are neither a wilful defaulter as per RBI Guidelines nor a fugitive economic offender.

Further, the Outgoing Promoter has confirmed that subsequent to reclassification, it would continue to comply with the requirements as mentioned in Regulation 31A of the SEBI (LODR) Regulations.

In view of the explanations given by the applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of SEBI (LODR) Regulations the board of directors at their meeting held on June 6, 2024 analysed the requests received from above mentioned persons for reclassification and approved the same subject to approval by the members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchanges based on declaration received from the aforesaid persons.

Further, board confirms that Company post reclassification will be compliant with the requirement for minimum public shareholding as required under regulation 38 of SEBI (LODR) Regulations, and trading in the shares of the Company has not been suspended by the stock exchanges, nor are there any outstanding dues to the SEBI Board, the stock exchanges or the depositories.

The Board recommends the resolution set forth in Item No. 7 relating to re-classification of ‘promoter and promoter group’ category to ‘public’ category’ for the approval by the Members by way of an Ordinary Resolution.

None of the Directors or the Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in this Resolution.

**Item No. 8:**

Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting.

Accordingly, it is proposed to seek prior approval of Members vide an enabling Resolution to provide loans, guarantees and make investments up to a sum of Rs. 30 crores (Thirty Crores) over and above the aggregate of free reserves and securities premium account of the Company at any point of time.

The Board of Directors recommends the Special Resolution as set out at Item No. 8 of the Notice for approval by the members.

None of the Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) is in any way, whether financially or otherwise, concerned or interested, in the said resolution.

**Item No. 9:**

As per the provisions of Section 185 of the Companies Act, 2013, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement.

Hence, the Board decided to seek approval of the shareholders pursuant to the provisions of Section 185 of the Act to advance any loan, including any loan represented by book debt, to its subsidiary company(ies) (Indian or overseas) or other body corporate(s) in whom any of the Directors of the Company is interested or to give guarantee or provide any security in connection with any loans/ debentures / bonds etc. raised by its subsidiary company(ies) (Indian or overseas) or other body corporate(s) in whom any of the Directors of the Company is interested up to an aggregate amount of approved by the shareholder of the Company under Section 186 of the Company Act, 2013 over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more.

The Board of Directors recommends the Special Resolution as set out at Item No. 9 of the Notice for approval by the members.

None of the Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) is in any way, whether financially or otherwise, concerned or interested, in the said resolution.

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

**Sd/-  
(Rajev Gupta)  
Chairman  
DIN: 00172828**

**Date: 06.06.2024**

**Place: Karnal**

**Additional Information:**

Information pursuant to Para 1.2.5 of Secretarial Standard 2, pertaining to Director seeking Re-appointment/Appointment:

Name	Mr. Rajev Gupta	Mrs. Rekha Gupta
<b>Designation</b>	Non-Executive Non-Independent Director	Non-Executive Non-Independent Director
<b>Director Identification Number (DIN)</b>	00172828	08194155
<b>Date of Birth and Age</b>	15/02/1963 (61)	14/02/1966 (58)
<b>Qualifications</b>	Mr. Rajev Gupta is holding degree in Bachelor of Commerce.	Mrs. Rekha Gupta is holding degree in Bachelor of Arts.
<b>Experience</b>	Vast experience of 30+ years in the textile and pump industry. He has played a key role in developing the strategies and decision making. Having experience Finance, Accounts & Legal Areas.	She has varied and rich experience in governance. She fostered a culture of empowerment, resulting in a highly motivated and skilled workforce, committed to the Corporation's mission and values.
<b>Terms and Conditions of Appointment</b>	Non-Executive and Non-Independent Director, liable to retire by rotation.	Appointment as Non-Executive and Non-Independent Director, liable to retire by rotation.
<b>Remuneration</b>	N.A.	N.A.
<b>Date of first Appointment on the Board</b>	02 <sup>nd</sup> November, 1994	30 <sup>th</sup> May, 2024
<b>Directorship in other Indian companies</b>	1. Z X Drugs Private Limited 2. Suryavnshi Ventura Private Limited	1. Z X Drugs Private Limited 2. Suryavnshi Ventura Private Limited
<b>Number of shares held in the Company</b>	998300 Equity Shares (25.7758 %)	1000000 Equity Shares (25.8197 %)
<b>Relationship, if any, with other Directors, Manager and other Key Managerial</b>	Mr. Rajev Gupta is Husband of Mrs. Rekha Gupta and Father of Mrs. Pernika Mittal.	Mrs. Rekha Gupta is Wife of Mr. Rajev Gupta and Mother of Mrs. Pernika Mittal.
<b>Personnel Position in Committees the Board of Directors of the Company</b>	None	None
<b>Number of Board Meetings attended</b>	11	NIL

Name	Mrs. Pernika Mittal	Mr. Sanjay Kumar Bansal
<b>Designation</b>	Managing Director	Non-Executive Independent director
<b>Director Identification Number (DIN)</b>	08194164	00530516
<b>Date of Birth and Age</b>	18/10/1992 (32)	08/10/1973 (51)
<b>Qualifications</b>	Mrs. Pernika Mittal has done her bachelor's from Liverpool Hope University, United Kingdom and holding a degree in MBA from Nottingham Trent University, United Kingdom.	Mr. Sanjay Kumar Bansal high school graduate and has highly efficient management skills. He got registration in Independent Director Databank under Indian Institute of Corporate Affairs (IICA) having registration no. IDDB-DI-202405-060058 and has qualified the exam of Independent Director.
<b>Experience</b>	Mrs. Mittal is driven by a strong focus on financial performance	He has experience in the field of Financial Management,

	and passionate about value creation for all stakeholders, while growing individuals and teams. She brings rich experience in the Management and Consulting. She believes in continuous improvement and drives a deep learning, coaching, and sharing leadership style. An avid reader, she provides thought leadership across various areas of business, especially on leadership and strategy.	Accounts and Taxation etc. He strives for a progressive, professional and a challenging work ecosystem comprising a blend of legal, compliance & secretarial profile.
<b>Terms and Conditions of Appointment</b>	Appointed as Managing Director of the Company w.e.f. 30 <sup>th</sup> May, 2024 to 29 <sup>th</sup> May, 2029, without remuneration and she shall not be liable to retirement by rotation to be appointed.	Appointed as a Non-Executive Independent Director of the Company w.e.f. June 6, 2024 for term of five (5) years till the conclusion of 35 <sup>th</sup> Annual General Meeting to be held in the year 2029 and not liable to retire by rotation.
<b>Remuneration</b>	N.A.	N.A.
<b>Date of first Appointment on the Board</b>	30 <sup>th</sup> July, 2024	6 <sup>th</sup> June, 2024
<b>Directorship in other Indian companies</b>	None	None
<b>Number of shares held in the Company</b>	Not holding any shares in the Company.	Not holding any shares in the Company.
<b>Relationship, if any, with other Directors, Manager and other Key Managerial</b>	Mrs. Pernika Mittal is daughter of Mr. Rajev Gupta and Mrs Rekha Gupta, Directors of the Company.	Not related to any of the Directors of the Company.
<b>Personnel Position in Committees the Board of Directors of the Company</b>	None	None
<b>Number of Board Meetings attended</b>	NIL	NIL

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

**Sd/-  
(Rajev Gupta)  
Chairman  
DIN: 00172828**

**Date: 06.06.2024**

**Place: Karnal**

**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]*

**CIN:** L17112HR1994PLC033641

**Name of the company:** Padam Cotton Yarns Limited

**Registered Office:** 196, 1<sup>st</sup> Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 Haryana

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,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **30<sup>th</sup> Annual General Meeting** of the company to be held on **Wednesday, the 10<sup>th</sup> day of July, 2024 at 10:00 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.	Adoption of Financial Statements for the year ended March 31, 2024.		
2.	Re-appointment of Mr. Rajev Gupta (DIN: 00172828), who retires by rotation		
3.	Re-appointment of Statutory Auditors of the Company		
4.	Regularisation of Additional Director, Mrs. Rekha Gupta (DIN: 08194155)		
5.	Regularisation of Additional Director, Mrs. Pernika Mittal (DIN: 08194164), by appointing her as Managing Director		
6.	Appointment of Mr. Sanjay Kumar Bansal (DIN: 10600836) as a Non-Executive Independent Director		
7.	Reclassification of persons forming part of the Promoter / Promoter Group from 'Promoter & Promoter Group Category' to 'Public Category'		
8.	Loans, Investments or Guarantee or Security under Section 186 of the Companies Act, 2013		
9.	Approval to advance any loan, give guarantee or provide any security under Section 185 of the Companies Act, 2013		

Signed this.....day of..... 20.....  
Signature of shareholder .....

Signature of Proxy holder(s) .....

Affix Revenue Stamp of Re. 1
---------------------------------

**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.

**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**

**30<sup>th</sup> Annual General Meeting on Wednesday, the 10<sup>th</sup> day of July, 2024 at 10:00 a.m.**

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

Day: .....

Date: .....

Time: .....

Place: .....

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

DP ID: .....

No of shares Hold: .....

Client ID: .....

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

.....

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

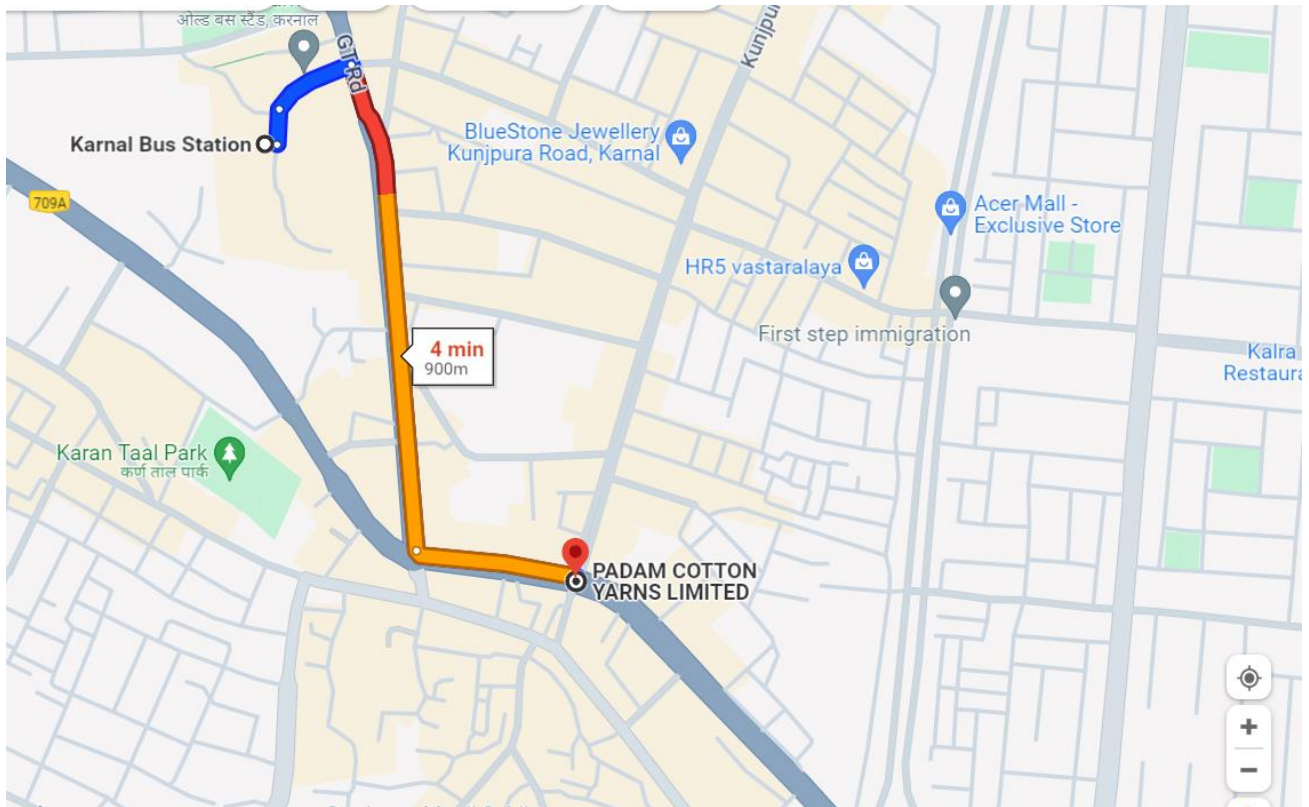
.....

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

I hereby record my presence at the 30<sup>th</sup> Annual General Meeting of the Company held on **Wednesday, the 10<sup>th</sup> day of July, 2024 at 10:00 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 30<sup>th</sup> Annual General Meeting (AGM) of the Company to be held on Wednesday, the 10<sup>th</sup> day of July, 2024 at 10:00 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).**



## **DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 2023- 2024**

### **TO THE MEMBERS OF PADAM COTTON YARNS LIMITED**

Your directors are pleased to present the 30<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statement for the year ended 31<sup>st</sup> March, 2024.

### **FINANCIAL PERFORMANCE**

The Summarized financial results are:

	<b>(Amount in Lakhs)</b>	
<b>Particulars</b>	<b>2023-24</b>	<b>2022-23</b>
Income from Operations	0.46	0.31
Other Income	15.61	14.37
<b>Total Income</b>	<b>16.07</b>	<b>14.68</b>
Operating Expenses	0.00	0.00
Employee Benefit Expenses	9.43	5.28
Finance Costs	22.89	0.01
Other Expenses	160.51	9.37
<b>Profit/ (Loss) before Exceptional Item</b>	<b>(177.01)</b>	<b>(0.02)</b>
<b>Exceptional Item</b>	<b>379.50</b>	<b>318.51</b>
<b>Profit/ (Loss) before Tax</b>	<b>199.76</b>	<b>318.49</b>
Tax Expenses		
• Current Year	33.34	54.65
• Previous Year	0.00	0.00
• Shirt Tax Provision for Earlier Years	2.15	0.00
• Deferred Tax	0.98	27.84
<b>Net Profit/ (Loss) for the Year</b>	<b>165.25</b>	<b>236.00</b>

### **STATE OF COMPANY'S AFFAIRS**

During the period under review the total Income of the Company is Rs. 16.07 Lakhs as compared to previous year Rs. 14.68 Lakhs.

The Company during the period has profit before tax of Rs. 199.76 Lakhs as compared to profit of Rs. 318.49 Lakhs in the previous year and Net Profit of the company during the reporting period is Rs. 165.25 Lakhs as compared to loss of Rs. 236.00 Lakhs in the previous year.

### **MATERIAL CHANGES AND COMMITMENTS AFTER THE DATE OF CLOSE OF FINANCIAL YEAR 2023-24**

There are no material changes and/or commitment affecting the financial position of the company after the close of financial year 2023-24 till the date of report.

### **DIVIDEND**

With a view to conserve resources of the company, your directors do not recommend any dividend for the year ended March 31, 2024 under review.

### **TRANSFER TO RESERVES**

The Company has transferred a Net Profit of Rs. 165.25 Lakhs to Reserves.



## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

No amount was transferred to Investor Education and Protection Fund as there was no unclaimed dividend.

## **HUMAN RESOURCES DEVELOPMENT**

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

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

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

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

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

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

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

## **BUSINESS EXCELLENCE AND QUALITY INITIATIVES**

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

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

During the year ended 31<sup>st</sup> March, 2024, the Company did not have any subsidiary companies/joint ventures/ associate companies.

## **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of Internal Controls to help Management review the effectiveness of the Financial and Operating Controls and assurance about adherence to

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

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

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

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

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

#### **DISCLOSURE REGARDING COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES 2014**

As required under Companies (Share Capital and Debenture) Rules 2014, during the year under review, the Company has not issued equity shares with differential voting rights, sweat equity shares, preference shares, and employee stock options and also not made any provision for purchase of its own shares by employees or by trustees. There was no change in the Authorised and Paid-up Capital of the Company:

##### **Equity:**

Authorized Shares Capital:	- Rs. 7,00,00,000
Issued Shares Capital:	- Rs. 5,97,52,000
Subscribed & Paid-up Capital:	- Rs. 3,87,30,000

#### **DISCLOSURE REGARDING VOTING RIGHT NOT EXERCISED DIRECTLY BY THE EMPLOYEES**

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

#### **RISK MANAGEMENT**

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

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

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

## **CORPORATE GOVERNANCE**

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

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

## **ANNUAL SECRETARIAL COMPLIANCE REPORT**

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

## **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Ashish Goyal, Proprietor of M/s A. Goyal & Associates, Company Secretary in Practice to undertake the secretarial audit of the Company for FY 2023-24. The Secretarial Audit Report is appended as **Annexure 'A'** to this Report. There are no adverse remarks/ observations/ qualifications/ reservations / disclaimers in the Secretarial Audit Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, ("the Act") your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- i. in the preparation of the annual accounts for financial year ended 31<sup>st</sup> March, 2024, the applicable accounting standards have been followed and there are no material departures in adoption of these standards.
- ii. they have in consultation with the Statutory Auditors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of 31<sup>st</sup> March, 2024 and of the profit/loss of the Company for the year ended on that date.
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. they have prepared the annual accounts for financial year ended 31<sup>st</sup> March, 2024 on a going concern basis.

- v. they have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls were operating effectively during the financial year ended 31<sup>st</sup> March, 2024.
- vi. they have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended 31<sup>st</sup> March, 2024.

## **BOARD EVALUATION**

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

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

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

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

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

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

Feedback was sought by way of well-defined and structured questionnaires covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, areas of responsibility, execution and performance of specific duties, obligations and governance, compliance, oversight of Company's subsidiaries, etc., and the evaluation was carried out based on responses received from the Directors.

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

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

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

## MANAGEMENTS' DISCUSSION AND ANALYSIS REPORT

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

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

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

## FIXED DEPOSITS

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### • Retirement by Rotation

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

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

Following are the Directors of the Company as on 31<sup>st</sup> March, 2024:

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

Pursuant to the provisions of Section 203 of the Act, your Company has following Key Managerial Personnel(s) as on 31<sup>st</sup> March, 2024:

S. No.	Name of KMPs	Designation
1.	Ms. Neeraj Chugh	Company Secretary and Compliance Officer

During the year under review, Mrs. Neeraj Chugh has resigned from the position of Company Secretary and Compliance Officer w.e.f. 31.07.2023 and Mr. Rajan Pundir (Membership No. A71754) has been appointed as Company Secretary and Compliance Officer w.e.f. 01.08.2023.

Further, Mr. Rajan Pundir has resigned from the position of Company Secretary and Compliance Officer w.e.f. 25.11.2023 and Mrs. Neeraj Chugh (Membership No. A61326) has been appointed as Company Secretary and Compliance Officer w.e.f. 13.12.2023.

Mr. Shivam Gupta, Chief Financial Officer, Mrs. Radhika Gupta (DIN: 07071267), Managing Director and Mr. Vivek Gupta (DIN: 00172835), Non-Executive Director of the Company has resigned from their positions w.e.f. 28.03.2024.

## DECLARATION BY THE INDEPENDENT DIRECTORS

All Independent Directors has given declarations to the company confirming that they meet the

criteria of independence as laid down under Section 149(6) of The Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## **AUDITORS AND AUDITOR'S REPORT**

During the year under review, M/s. Pardeep Tayal & Co., Chartered Accountants (ICAI Registration Number 002733N), were appointed as Statutory Auditors of the Company at 29<sup>th</sup> Annual General Meeting of the Company held on 26<sup>th</sup> September, 2023, for a term of 5 years from 1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2028. But due to the pre-occupation of other assignments M/s. Pardeep Tayal & Co., tendered their resignation vide their letters dated 13<sup>th</sup> November, 2023.

The Board of Directors, on the recommendation of the Audit Committee, at their meeting held 13<sup>th</sup> December, 2023 appointed M/s. Viney Goel & Associates, Chartered Accountants (ICAI Registration Number 012188N) as Statutory Auditors of the Company to fill the casual vacancy caused by resignation of the statutory auditor, M/s. Pardeep Tayal & Co., Chartered Accountants (ICAI Registration Number 002733N).

The same has been approved by the shareholders at the Extraordinary General Meeting held on 23<sup>rd</sup> March, 2024 till the conclusion of the 30<sup>th</sup> Annual General Meeting.

The Board has recommended the same for the approval of shareholders at this 30<sup>th</sup> Annual General Meeting. The said appointment is pursuant to applicable provisions of the Companies Act 2013 and the SEBI Listing Regulations, 2015. On appointment, M/s. Viney Goel & Associates, Chartered Accountants, Karnal (FRN- 012188N), will hold the office for a period of 5 (five) years from the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 35<sup>th</sup> Annual General Meeting of the Company from 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2029.

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

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

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

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

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

## **COST AUDIT AND AUDITORS**

The section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 are not applicable to the Company. Hence, the Board of Directors of your company had not been appointed Cost Auditor for obtaining Cost Compliance Report of the company for the financial year 2023-24.

## **LISTING OF SECURITIES AND FEES**

The Company's Equity Shares are listed on Bombay Stock Exchange Ltd. Your company has already paid Listing Fees for the financial year 2023-24.

## PARTICULARS OF EMPLOYEES

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

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

## SECRETARIAL STANDARDS

The Company has complied with all the Secretarial Standards issued till the end of the financial year 2023-24.

## MEETINGS OF THE BOARD OF DIRECTORS

The Details of Meetings of the Board of Director Held during the Financial Year 2023-24:

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

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

During the financial year ended March 31, 2024, Eleven (11) Board Meetings were held and the requisite Quorum was present. The interval between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board meeting was held on the following dates:

1. 17<sup>th</sup> May, 2023
2. 30<sup>th</sup> May, 2023
3. 3<sup>rd</sup> August, 2023
4. 9<sup>th</sup> August, 2023
5. 28<sup>th</sup> August, 2023
6. 15<sup>th</sup> September, 2023
7. 26<sup>th</sup> October, 2023
8. 14<sup>th</sup> November, 2023
9. 29<sup>th</sup> November, 2023
10. 13<sup>th</sup> December, 2023
11. 31<sup>st</sup> January, 2024

The maximum time gap between any two consecutive meetings did not exceed 120 days.

S. No.	Date of Meeting	Total Number of directors associated as on the date of meeting	Number of directors attended
1	17 <sup>th</sup> May, 2023	6	6
2	30 <sup>th</sup> May, 2023	6	6
3	3 <sup>rd</sup> August, 2023	6	6
4	9 <sup>th</sup> August, 2023	6	6
5	28 <sup>th</sup> August, 2023	6	6
6	15 <sup>th</sup> September, 2023	6	6
7	26 <sup>th</sup> October, 2023	6	3

<b>8</b>	14 <sup>th</sup> November, 2023	6	6
<b>9</b>	29 <sup>th</sup> November, 2023	6	6
<b>10</b>	13 <sup>th</sup> December, 2023	6	6
<b>11</b>	31 <sup>st</sup> January, 2024	6	6

The number of meetings attended by the Directors during the F.Y. 2023-24 is as follows:

<b>S. No.</b>	<b>Name of the Director</b>	<b>No. of Board Meeting entitled to attend</b>	<b>No. of Meetings attended</b>
<b>1.</b>	Mr. Vivek Gupta	11	11
<b>2.</b>	Mr. Rajev Gupta	11	11
<b>3.</b>	Mr. Satwant Singh	11	10
<b>4.</b>	Mr. Naresh Chand Goyal	11	10
<b>5.</b>	Mr. Sachin Gupta	11	10
<b>6.</b>	Mrs. Radhika Gupta	11	11

#### **DETAILS OF GENERAL MEETINGS OF THE COMPANY:**

During the year 2023-24, following General meetings were held as follows:

**Annual General Meeting:** 26<sup>th</sup> September, 2023

**Extraordinary General Meeting:** 23<sup>rd</sup> March, 2024

#### **COMPOSITION OF COMMITTEES**

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

The Board currently has the following Committees:

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

#### **A. Audit Committee**

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

The composition of the Audit Committee as on 31<sup>st</sup> March, 2024 and number of meetings attended by the Members during the year are given below:

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

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



1. 30<sup>th</sup> May, 2023
2. 3<sup>rd</sup> August, 2023
3. 9<sup>th</sup> August, 2023
4. 14<sup>th</sup> November, 2023
5. 13<sup>th</sup> December, 2023
6. 31<sup>st</sup> January, 2024

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

## **B. Nomination and Remuneration Committee**

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

The composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2024 and number of meetings attended by the Members during the year are given below:

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

During the year, Four (4) Nomination and Remuneration Committee meetings were held on the following dates:

1. 30<sup>th</sup> May, 2023
2. 3<sup>rd</sup> August, 2023
3. 9<sup>th</sup> August, 2023
4. 13<sup>th</sup> December, 2023

## **C. Stakeholder Relationship Committee**

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

The composition of the Stakeholder Relationship Committee as on 31<sup>st</sup> March, 2024 and number of meetings attended by the Members during the year are given below:

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

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

1. 17<sup>th</sup> May, 2023
2. 31<sup>st</sup> January, 2024

## **POLICY FOR DIRECTORS' APPOINTMENT AND REMUNERATION**

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

## **RELATED PARTY TRANSACTIONS**

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

However, there were no related party transactions of the Company under the said policy and as per provisions of section 188 of Companies Act 2013 & rules made there under. There are no materially significant related party transactions made by the Company with its promoters, Directors or management, their relatives etc. that may have potential conflict with the interest of the Company at large. Suitable disclosures as required by the Accounting Standards (AS 18) are disclosed.

However, Company had outstanding amount of trade receivables for a period of more than four (4) years from the related party company (M/s Oswal Pumps Ltd.) which are now stands NIL. Details mentioned in note no. 6 & 25 of the balance sheet.

There was no contract or arrangement made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

Your company is exempted under Regulation 15 (2) of SEBI (LODR) Requirements 2015 to file Related Party Transaction disclosure under Reg 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Hence, it is not mandatory for the Company to file the RPT for half year ended 31<sup>st</sup> March, 2024 with the Exchange.

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

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

## **CERTIFICATION FROM CHIEF FINANCIAL OFFICER**

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

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

During the year under review, the Company has given loan to M/s. Jindal Textile Industries Private Limited of Rs. 194.72 Lakhs. No guarantees or investments under Section 186 of the Companies Act, 2013 have been made by the Company.

### **EXTRACT OF ANNUAL RETURN**

As per, MCA vide Notification dated 28.08.2020 has amended Rule 12(1) of the Companies (Management and Administration), Rules, 2014 by inserting the following proviso:

“Provided that a company shall not be required to attach the extract of the annual return with the Board’s report in Form No MGT. 9, in case the web link of such annual return has been disclosed in the Board’s report in accordance with sub-section (3) of section 92 of the Companies Act, 2013”.

Therefore, Company is not required to append the extract of Annual Return in Form MGT-9 to the Board’s Report and the annual return in the prescribed format is available at website of the company at the following link:

[https://www.padamcotton.com/images/pdf/annual-return/Form\\_MGT\\_7\\_2024.pdf](https://www.padamcotton.com/images/pdf/annual-return/Form_MGT_7_2024.pdf)

### **POLICIES & DISCLOSURES**

#### **❖ Vigil Mechanism**

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

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

#### **❖ Corporate Social Responsibility**

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

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

#### **❖ Material Subsidiary**

There is no material subsidiary\* of the company, so no policy on material subsidiary is required to be adopted.

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

## **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Companies Act, 2013 (“the Act”) and Accounting Standard (AS)- 21 on Consolidated Financial Statements read with other with other applicable provision, there is no requirement of Consolidated Financial Statements.

## **OTHERS**

- a. The details of application made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year: **NIL**
- b. The details of difference between amount of valuation done at the time of one-time settlement and the valuation done while taking loan from Banks or Financial Institutions along with the reasons thereof: **NIL**

## **ACKNOWLEDGEMENTS**

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

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

**Sd/-  
(Rajev Gupta)  
Chairman  
DIN: 00172828**

**Date: 06.06.2024  
Place: Karnal**

## ANNEXURES TO THE DIRECTORS' REPORT

<b>Annexure A</b>	Secretarial Audit Report
<b>Annexure B</b>	Management Discussion and Analysis Report
<b>Annexure C</b>	Conservation of Energy, Technology Absorption and Research & Development and Foreign Exchange Earnings and Outgo
<b>Annexure D</b>	Particulars of Employees
<b>Annexure E</b>	Declaration of Compliance with the Code of Conduct Regulation 34(3) Read with Schedule V(D) of the SEBI(LODR), 2015
<b>Annexure F</b>	Certification from Chief Financial Officer

**Form No. MR-3 Secretarial Audit Report  
For the Financial Year Ended 31.03.2024  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014]**

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

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

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

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

**I report that:**

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

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

**I further report that:**

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

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

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

**Sd/-  
CS Ashish Goyal  
Proprietor  
Membership No.: 52796  
C.P. No.: 19535  
UDIN: A052796F000507393**

**Date: 30.05.2024  
Place: Karnal**

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

**INDIAN ECONOMY**

Over the course of the last decade, India has showcased a robust and resilient growth story driven by perseverance, ingenuity, and vision. In the face of unprecedented challenges such as the Covid pandemic and geopolitical conflicts, the Indian economy has demonstrated a remarkable ability to bounce back and convert challenges into opportunities while striving to achieve strong, sustainable, balanced, and inclusive growth.

India has been showing both resilience as well as progress despite all risks and uncertainties in the global economic landscape. Through timely and effective policy actions aimed at achieving macro stability and repairing the balance sheets of financial and non-financial sectors, as well as by investing significantly in building world-class physical and digital public infrastructure, India has been able to withstand the challenges, both domestic and global, and ensure that the economy continues to progress on a steady path. With the policy reforms that the government has already rolled out and which are on the anvil, there is significant optimism and confidence in the Indian economy and its prospects today. India embarks on her 'Amrit Kaal' with confidence and the attitude that challenges to growth and inclusive development are stepping stones and not obstacles.

**INDIAN TEXTILE INDUSTRY**

The Indian textile and apparel market size reached US\$ 197.2 Billion in 2023. Looking forward, IMARC Group expects the market to reach US\$ 592.7 Billion by 2032, exhibiting a growth rate (CAGR) of 12.6% during 2024-2032. The increasing demand for premium quality clothing and footwear items, rising number of schemes launched by the Government of India to empower weavers, and the growing ethically sourced sustainable materials represent some of the key factors driving the market.

Government of India is undertaking initiatives to empower domestic textile manufacturers. They are consequently providing financial assistance to the weavers by launching production-linked incentive (PLI) schemes to improve the production of textiles and apparel in the country. In addition, the easy accessibility and availability of various raw materials, such as cotton, wool, and silk, in India is contributing to the growth of the market. Apart from this, key market players are manufacturing textiles and apparel with sustainable and ethically sourced materials, such as vegan leather and plant-based faux fur, to prevent animal cruelty and reduce the implementation of unethical practices in rearing animals. They are also minimizing the use of various toxic chemicals in the textile processing and dyeing method to reduce water pollution in India. Additionally, the rising utilization of various silks and leather by luxury apparel brands to manufacture multiple clothing items and durable bags and footwear is propelling the growth of the market in the country. Moreover, the growing number of e-commerce businesses and distribution channels selling premium quality fabrics and apparel online is offering a favorable market outlook. Furthermore, the increasing demand for durable and long-lasting clothing and footwear items due to the rising awareness about the harmful impacts of fast fashion on the environment is bolstering the market growth in India.

**BUSINESS OPERATIONS**

The Company was incorporated on November 2, 1994 and has not carried any commercial activity during the year under review as the entire plant & machinery and major parts of the building had got damaged in July, 2001 due to major fire in the factory premises.



## **OPPORTUNITIES, THREATS, RISKS AND CONCERNS**

### **Opportunities:**

- Continuous market research and development efforts have allowed us to identify emerging trends and customer preferences in the domestic market.
- Rising demand for low cost, sustainable and eco-friendly products. This presents an opportunity for textile manufacturers to develop new products that are made from renewable materials and produced using sustainable manufacturing processes. Cost can be reduced by blending with cheaper man-made fibre.

### **Threats:**

- The biggest threat to cotton products is competition from other low-cost man-made fibres. Consumers are shifting their focus to low-cost products which has led to intense competition and pricing pressure in the global textile industry.
- There is a high cost to comply with environmental, social and labour regulations which can be costly and time - consuming.
- Further the textile industry is highly sensitive to global economic conditions and can be significantly impacted by global demand and pricing.

### **Future Outlook:**

Looking ahead, we remain optimistic about the prospects of our export of yarn to the domestic trading market. We will focus on the following strategies to sustain growth and capitalize on emerging opportunities:

- Demand for textiles
- Raw material availability and prices
- Technological advancements
- Sustainability and eco-friendly practices
- Global trade and geopolitical factors
- Online Expansion
- Premiumisation and access to global brands
- Further Growth of Private Brands
- Focus on analytics

### **Risks and concerns:**

Management recognizes the following principal risks that may influence decisions made by investors given their significant impact on business conditions as stated in the securities report, and among matters pertaining to accounting status and business performance, as well as cash flows. Our risk management system addresses the increasingly complex risks that we face in our day-to-day operations. The risk management system conducts risk analysis of economic and social changes and implements preventive measures that are best suited for the Company.

## **OUTLOOK**

The textile industry's outlook for 2024 and beyond is characterised by a strong emphasis on sustainability, incorporating both natural and synthetic fibres, prioritising yarn quality, embracing technical textiles and digital printing, and maintaining a resolute dedication to creating a more environmentally friendly and ethical future. Looking ahead, we anticipate that the Indian textiles market will exceed a valuation of \$ 209 billion by 2029. The textile sector remains resilient by evolving to meet the demands of a changing world, actively

embracing innovation, sustainability, and consumer preferences to maintain its enduring relevance.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

### **HUMAN CAPITAL MANAGEMENT**

The Company has not carried out any manufacturing activities during the financial year ended on 31<sup>st</sup> March, 2024 as the entire plant & machinery and major parts of the building had got damaged in July, 2001 due to major fire in the factory premises. Hence, the clause related to material developments in the Human Resources and /or Industrial Relations front, is not applicable to our Company for the financial year 2023-24. Number of people employed by Padam Cotton Yarns Limited are only One (1) as on March 31, 2024 excluding Directors of the Company.

### **CAUTIONARY STATEMENT**

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

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

**Sd/-  
(Rajev Gupta)  
Chairman  
DIN: 00172828**

**Date: 06.06.2024**

**Place: Karnal**

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

**I. CONSERVATION OF ENERGY**

- a) Steps taken or impact on conservation of energy:** Energy conservation efforts are ongoing activities. During the year under review further efforts were made to ensure optimum utilization of electricity.
- b) Steps taken by the company for utilizing alternate sources of energy:** NIL
- c) The Capital investment on energy conservation equipment's:** NIL

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

No research & development or technical absorption or adaption & innovation taken place in the company during the Financial Year 2023-24, the details as per rule 8(3) of The Companies (Accounts) Rules, 2014 are as follows:

- i. Efforts made towards technology absorption:** NIL
- ii. Benefits derived like product improvement, cost reduction, product development or import substitution:** NIL
- iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):**
- a. Details of technology imported: NIL
- b. Year of Import: NIL
- c. Whether the technology been fully absorbed: NIL
- d. Areas where absorption has not taken place and the reasons there of: NIL
- iv. Expenditure incurred on Research and Development:** NIL

**III. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**Foreign Exchange Earnings:** NIL

**Foreign Exchange Outgo:** NIL

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

**Sd/-  
(Rajev Gupta)  
Chairman  
DIN: 00172828**

**Date: 06.06.2024**

**Place: Karnal**

## Particulars of Employees

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

S. No.	Name of the Employee	Remuneration Received (Amount in Rs.)	Nature of employment whether contractual or otherwise	Qualifications and experience	Date of commencement of employment	% of Equity Share held	Whether Related to Director or Manager
1.	Ms. Neeraj Chugh*	1,06,580	Regular	Company Secretary & Compliance Officer	13.12.2023	NIL	N.A.
2.	Mr. Rajan Pundir **	2,11,575	Regular	Company Secretary & Compliance Officer	01.08.2023	NIL	N.A.
3.	Mr. Shivam Gupta ***	0	Regular	Chief Financial Officer	19.03.2020	NIL	YES
4.	Mrs. Radhika Gupta ***	0	Regular	Managing Director	21.01.2015	1.15	YES

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

Name of Director/KMP and designation	Remuneration of Director/KMP for financial year 2023-24	Ratio of remuneration of each Director/KMP to median remuneration of employees	% increase in Remuneration of each director CFO, CEO, CS or Manager
Ms. Neeraj Chugh * (Company Secretary & Compliance Officer)	Rs. 1,06,580	NIL	NIL
Mr. Rajan Pundir ** (Company Secretary & Compliance Officer)	Rs. 2,11,575	NIL	NIL
Mr. Shivam Gupta *** (Chief Financial Officer)	NIL	NIL	NIL
Mrs. Radhika Gupta *** (Managing Director)	NIL	NIL	NIL

\* Mrs. Neeraj Chugh has resigned from the position of Company Secretary and Compliance Officer w.e.f. 31.07.2023 and Mr. Rajan Pundir (Membership No. A71754) has been appointed as Company Secretary and Compliance Officer w.e.f. 01.08.2023.

\*\* Mr. Rajan Pundir has resigned from the position of Company Secretary and Compliance Officer w.e.f. 25.11.2023 and Mrs. Neeraj Chugh (Membership No. A61326) has been appointed as Company Secretary and Compliance Officer w.e.f. 13.12.2023.

\*\*\* Mr. Shivam Gupta, Chief Financial Officer and Mrs. Radhika Gupta (DIN: 07071267), Managing Director of the Company has resigned from their positions w.e.f. 28.03.2024.

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

## iii. Other details:

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

There is only One (1) regular employees on the roll of Company as on 31<sup>st</sup> March, 2024.

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

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

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

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

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

None.

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

None.

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

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

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

**Sd/-  
(Rajev Gupta)  
Chairman  
DIN: 00172828**

**Date: 06.06.2024**

**Place: Karnal**

**ANNEXURE-E**

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

I do hereby declare that pursuant to Schedule V (D) read with Regulation 34(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2024.

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

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

**Sd/-  
(Rahul Kumar)  
Chief Financial Officer**

**Date: 06.06.2024**

**Place: Karnal**

**CFO Certification**

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

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

We have reviewed the Balance Sheet as on 31<sup>st</sup> March, 2024, Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information of the Company, and the Board's report for the year ended 31<sup>st</sup> March, 2024.

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

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

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

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

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

auditors and the audit committee of the Company's Board (and persons performing the equivalent functions).

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

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

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

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

Sd/-  
**(Rahul Kumar)**  
**Chief Financial Officer**

**Date: 06.06.2024**  
**Place: Karnal**



## **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 financial statements of Padam Cotton Yarns Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2024, 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 "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2024, 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 B**" 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, 2024 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 A**”. 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, 2021, effective from 01<sup>st</sup> April, 2021, in our opinion and to the best of our information and according to the explanations given to us, we report that:-
  - i. The Company did not have any significant pending litigation as at March 31, 2024, which may affect its financial position in a substantial way.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, during the financial year ended March 31, 2024
  - iii. During the financial year under reporting, no amount were required to be transferred, to the Investor Education and Protection Fund by the Company, so the question of delay in transferring such sums does not arise.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 33 to the 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. No dividends were declared or paid during the year by the Company, hence compliance with Section 123 of the Companies Act, 2013 is not applicable.
  - v. With respect to the matters to be included in the Auditors Report in accordance with Rule 11(g) of Companies (Audit and Auditors) Rules 2014 effective from 1st April 2023, in our opinion and to the best of our information and according to the explanations given to us and based on our examination which included test checks, the Company have used an accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software in compliance to the Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (or maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility as applicable to the company with effect from April, 2023). Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

Since this is the first year of implementation of Proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 hence reporting requirement for preservice of Audit trail by the company is not applicable for the FY-2023-2024

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

**Sd/-**

**(Vineya Goel)  
(Partner)**

**M. No. 090739**

**UDIN : 24090739BJZZVJ8596**

**Place: Karnal  
Date: 30.05.2024**

**“ANNEXURE B” 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, 2024, we report that:**

- i. In respect of the Company’s property, plant and equipment, right-of-use assets and intangible assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, Intangible assets and relevant details of right-of-use assets.
  - (b) The Company has physically verified all the major property, plant and equipment as per a phased program of verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were reported on such verification by the management
  - (c) Based on our examination the company does not own any immovable 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, 2024 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 did not have inventory as at the beginning or at end of the financial year, hence physical verification of the inventory was not required.
  - (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. (a) The Company has provided loans to the companies during the financial year under review and the aggregate amount of fresh loans provided during the year and the balance outstanding as at balance sheet date are as follows:-

(Rs. In lacs)

<b>Particulars</b>	<b>Guarantees</b>	<b>Security</b>	<b>Loans</b>	<b>Advances in nature of Loans</b>
Aggregate amount granted during the year	Nil	Nil	191.00	None
Subsidiaries	Nil	Nil	Nil	None
Joint Ventures	Nil	Nil	Nil	None
Associates	Nil	Nil	Nil	None
Others	Nil	Nil	191.00	None
Balance Outstanding as at balance sheet date in respect of above cases including brought forward amounts of previous years:-				
Subsidiaries	Nil	Nil	Nil	None
Joint ventures	Nil	Nil	Nil	None
Associates	Nil	Nil	Nil	None
Others	Nil	Nil	191.00	None

(b) Accordingly, to the information and explanations given to us and based on the audit procedures performed by us, we are of opinion that the terms and conditions of loans granted by the company are not prejudicial to company's interest.

(c) According to the information and explanations given to us and based on the procedures performed by us, the schedule of repayment of principal and payment of interest is generally stipulated though most of the loans are repayable on demand and are generally regular in nature and considered good.

(d) According to the information and explanations given to us and based on procedure performed by us, no amount of loans of are overdue for more than 90 days.

(e) The company has not renewed or extended or granted fresh loans to settle the overdues of existing loans given to the same parties.

(f) The company has not granted loans which are repayable on demand or without specifying any terms or period of repayments, to promoters, related parties in clause (76) of section 2 of the Companies Act, 2013.

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, 2024 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>, 2024 on account of disputes are given below:-

<b>Statute</b>	<b>Nature of Dues</b>	<b>Forum where dispute is pending</b>	<b>Period to which the amount relates</b>	<b>Amount Involved</b>
Income Tax Act 1961	Income Tax	CIT(Appeals) Central, Gurgaon	AY 2014-15	31428.00
Income Tax Act 1961	Income Tax	CIT(Appeals) Central, Gurgaon	AY 2017-18	70057.00
Income Tax Act 1961	Income Tax	CIT(Appeals) Central, Gurgaon	AY 2018-19	96393.00
Income Tax Act 1961	Income Tax	CIT(Appeals) Central, Gurgaon	AY 2015-16	55305.00

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.

- 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 availed 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 short term 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 does not have any subsidiaries, associates, or joint ventures 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 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 during the year, statutory auditors including the undersigned and M/s Pardeep Tayal & Co both has resigned citing reasons for pre-occupation. However after resignation of Pardeep Tayal and Co the previous statutory auditors of the Company were re-appointed by 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 company does not have any subsidiary or associates or joint ventures, the accounts of which are to be consolidated and as such there are no consolidated financial statements. Hence the reporting under Para 3(XXI) of the order is not applicable to the company.

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

**Sd/-**  
**(Vineya Goel)**  
**(Partner)**  
**M. No. 090739**

**Place: Karnal**  
**Date: 30.05.2024**

## **Annexure – ‘A’ 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, 2024 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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Sd/-  
(Vineya Goel)  
(Partner)  
M. No. 090739**

**Place: Karnal  
Date: 30.05.2024**

**PADAM COTTON YARNS LIMITED**  
(CIN : L17112HR1994PLC033641 )  
**BALANCE SHEET AS ON 31ST MARCH 2024**

(Rs. In Lacs)

	Particulars	Note No.	As at March 31, 2024 INR	As at March 31, 2023 INR
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	Property Plant and Equipment and Intangible			
(a)	Assets			
	Property Plant and Equipment and Intangible			
(i)	Assets	2	0.08	0.22
(ii)	Other Intangible Assets	3	0.13	0.23
(b)	Financial Assets			
(i)	Investments	4	379.32	
(c)	Deferred Tax Assets ( Net)	5	11.69	10.71
	<b>Total Non- Current Assets</b>		<b>391.22</b>	<b>11.16</b>
<b>2</b>	<b>Current assets</b>			
(a)	Financial Assets			
	(i) Trade receivables	6	-	119.67
	(ii) Cash and cash equivalents	7	105.00	0.13
	(iii) Other Bank Balance	8	-	388.09
	(iv) Loans	9	194.72	
(b)	Other Current Assets	10	6.08	5.34
(c)	Current Tax Assets( Net)	11	5.94	
	<b>Total current assets</b>		<b>311.74</b>	<b>513.23</b>
	<b>TOTAL ASSETS ( 1+2)</b>		<b>702.96</b>	<b>524.39</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
	(a)Share capital	12	387.30	387.30
	(b) Other Equity	13	313.62	114.48
	Total Equity		<b>700.92</b>	<b>501.78</b>
<b>2</b>	<b>LIABILITIES</b>			
	<b>Current liabilities</b>			
(a)	Financial Liabilities			
	(i) Trade payables		-	-
	- Micro and Small Enterprises			
	- Other than Micro and Small Enterprises			
	(ii) Other Current Liabilities	14	2.03	1.24
(b)	Current Tax Liabilities ( Net)	15		21.37
	<b>Total Current Liabilities</b>		<b>2.03</b>	<b>22.61</b>
	<b>Total Liabilities</b>		<b>2.03</b>	<b>22.61</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>702.96</b>	<b>524.39</b>
	Singificant Accounting Policies			
	<b>Accompanying Notes to the Financial Statements</b>	1-33		

The accompanying Notes ( 1 to 31) are an Integral Part of Ind AS Financial Statements

Previous year Figures have been recasted/resated wherever necessary

In terms of Our report of even date

For VINEY GOEL & ASSOCIATES

Chartered Accountants

FRN : 012188N

Sd/-

(VINEYA GOEL)

PARTNER

M.No. 090739

Place:- Karnal

Date:-30.05.2024

UDIN: 24090739BJZZVJ8596

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS

Sd/-

RAJEV GUPTA

(DIRECTOR)

(DIN : 00172828)

Sd/-

Neeraj Chugh

Company Secretary

M. No. A61326

Sd/-

SATWANT GUPTA

Independent Director

(DIN : 00530516)

**PADAM COTTON YARNS LIMITED**  
(CIN : L17112HR1994PLC033641 )  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2024**

(Rs. In Lacs)

PARTICULARS	Note No.	For the Year Ended March 31, 2024 INR	For the Year Ended March 31, 2023 INR
I Revenue from operations	15	0.46	0.31
II Other Income	16	15.61	14.37
III Total Income ( I + II)		<b>16.07</b>	<b>14.68</b>
IV EXPENSES			
(a) Employee benefits expense	17	9.43	5.28
(b) Finance Costs	18	22.89	0.01
(c) Depreciation/Amortisation Expense	3,4	0.24	0.05
(d) Other expenses	19	160.51	9.37
Total Expense ( IV)		<b>193.08</b>	<b>14.70</b>
V PROFIT BEFORE EXCEPTIONAL, PRIOR PERIOD ITEMS AND TAX ( IV-V)		(177.01)	(0.02)
VI Exceptional Items		379.50	318.51
VII Prior Period Income (Expenditure)		(2.72)	
VIII PROFIT BEFORE TAX (V-VI-VII)		<b>199.76</b>	<b>318.49</b>
IX TAX EXPENSE			
(1) Short tax provision for earlier years		2.15	
(2) Current tax		33.34	54.65
(3) Deferred tax		(0.98)	27.84
Total Tax Expense		<b>34.52</b>	<b>82.49</b>
IX Profit/(Loss) for the year (VIII-IX)		<b>165.25</b>	<b>236.00</b>
X OTHER COMPREHENSIVE INCOME (OCI)			-
(a) - items which will not be reclassified to Profit and loss a/c and its related income tax effects		40.68	-
Income tax relating to items that will not be recycled to profit to Loss		6.79	
(b) - items that will be reclassified to profit and loss a/c and its related income tax effects		-	-
(c) Other Comprehensive Income ( Net of Tax)		33.89	
XI TOTAL COMPREHENSIVE INCOME FOR THE YEAR ( X+XI)		<b>199.14</b>	<b>236.00</b>
XII Earnings per equity share (Nominal Value of Share Rs 10 each)	20		
(1) Basic(in Rs)		5.14	6.09
(2) Diluted(in Rs)		5.14	6.09
Singnificant Accounting Policies			
Accompanying Notes to the Financial Statements	1-33		

The accompanying Notes are an Integral Part of Ind AS Financial Statements

Previous Year figures have been recasted/restated wherever necessary

In terms of our report of even date

For VINEY GOEL & ASSOCIATES

Chartered Accountants

FRN : 012188N

Sd/-  
(VINEYA GOEL)

PARTNER

M.No. 090739

Place:- Karnal

Date:-30.05.2024

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS

Sd/-

RAJEV GUPTA

Director

DIN : 00172828

Sd/-

Satwant Singh

Independent Director

Din: 00530516

Sd/-

Neeraj Chugh

Company Secretary

M. No. A61326

**PADAM COTTON YARNS LIMITED**  
(CIN : L17112HR1994PLC033641 )

**STATEMENT OF CHANGES IN EQUITY**

Statement of Changes in Equity for the period ended 31.03.2024

**A. Equity Share Capital**

PARTICULARS	Amount(Rs.)
As at March 31, 2022	387.30
Changes in equity share capital during the year 2022-23	-
As at March 31, 2023	387.30
Changes in equity share capital during the year 2023-24	-
<b>As at March 31, 2024</b>	<b>387.30</b>

**B) Other Equity**

Particulars	Reserve and Surplus			Other Comprehensive Income	Total
	General Reserve	Capital Redemption Reserve	Retained Earnings		
As at April 1, 2022		85.59	(207.10)		(121.51)
Profit for the year			236.00		236.00
<b>Balance as At March 31, 2023</b>	-	85.59	28.90		114.48
Profit for the year			165.25	33.89	199.14
Transfer from/to other Comprehensive Income/retail earning			33.89	(33.89)	
Balance As at March 31, 2024		85.59	228.04		313.62

The accompanying Notes are an Integral Part of Ind AS Financial Statements  
Previous Year figures have been recasted/restated wherever necessary

In terms of Our report of even date

<b>For VINEY GOEL &amp; ASSOCIATES</b>	<b>FOR AND ON BEHALF OF THE</b>
<b>Chartered Accountants</b>	<b>BOARD OF DIRECTORS</b>
<b>FRN : 012188N</b>	
	Sd/-
	<b>RAJEV GUPTA</b>
Sd/-	(DIRECTOR)
(VINEYA GOEL)	(DIN : 00172828)
PARTNER	
<b>M.No. 090739</b>	Sd/-
<b>Place:- Karnal</b>	<b>Neeraj Chugh</b>
<b>Date:-30.05.2024</b>	<b>Secretary</b>
	<b>M. No. A61326</b>
	Sd/-
	<b>Satwant Singh</b>
	Independent Director
	Din: 00530516

<b>PADAM COTTON YARNS LIMITED</b>			
<b>NOTES FORMING PART OF ACCOUNTS</b>			
<b>Corporate Information</b>			
<p>Padam Cotton Yarns Limited ( "the Company") ( CIN: L17112HR1994PLC033641) is a public company domicilled and Incorporated in India . The registered office is situated at 196, 1st Floor, G.T.Road, Karnal-132001, Haryana, India. The Company's shares are listed on BSE limited, ( Bombay Stock Exchange).</p> <p>The Company's main business for a very long time had been to manufacture and produce cotton yars at its own plats located at G.T.Road, Karnal. However, pursuant to fire in its plants of the Company during the Financial Year 2022-23, the company is now completely out of the business of Cotton Yarns. The company has also made trading in agricultural implements, motors and pumps and at present the company was left with no trading or industrial business and the board of directors in their wisdom and in the interst of company adopted the new business of investments and lending. The company board of directors are continously trying to identify and develop some new economically viable trading or industrial business for the company. The company during the Financial year 2023-24 has carried out the business of lending and investment in shares and securities and also derivatives of cotton futures at MCX. The management and the Board of directors have assessed the impact of such events and transactions including its new business of lending and investments and firmly beleives the Company's ability to continue as a going concern.</p> <p>The financial statements for the year ended 31st March, 2024 were approved for issue by the Board of Directors of the Company in their meeting held on May 30, 2024 and is subject to the adoption and approval by the shareholders in the ensuing Annual General Meeting.</p>			
<b>1</b>	<b>Basis of Preparaation, Measurement and Significant Accounting Policies</b>		
	This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements.		
<b>1.1</b>	<b>Basis of Preparations and Measurement</b>		
	<p><b>Compliance with Ind AS</b></p> <p>These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act.</p> <p>The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.</p> <p><b>Historical Cost Convention</b></p> <p>The financial statements have been prepared under the historical cost convention on the accrual basis of accounting except for the following –</p> <ul style="list-style-type: none"> <li>• Certain financial assets and liabilities which are measured at fair value;</li> <li>• Defined benefit plans - plan assets measured at fair value.</li> </ul>		
<b>1.2</b>	<b>Current / Non-Current Classification</b>		
	<p>Any asset or liability is classified as current if it satisfies any of the following conditions:</p> <p>a) the asset/liability is expected to be realized/settled in the Company's normal operating cycle;</p> <p>b) the asset is intended for sale or consumption;</p> <p>c) the asset/liability is held primarily for the purpose of trading;</p> <p>d) the asset/liability is expected to be realized/settled within twelve months after the reporting period;</p> <p>e) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;</p> <p>f) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.</p> <p>All other assets and liabilities are classified as non-current.</p>		
<b>1.2</b>	For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets and inventories for processing and their realization in cash and cash equivalents.		

<b>1.3</b>	<b>Summary of significant accounting policies</b>			
<b>(a)</b>	<b>Revenue Recognition</b>			
	Revenue is measured at the Fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, trade allowances, rebates, goods and service tax (GST) and amounts collected on behalf of third parties.			
	The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement			
	<b>Recognising revenue from major business activities</b>			
	Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective			
	Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date when the outcome of the transaction can be estimated reliably.			
	Income from export incentives/ government grants are recognised at fair value when there is reasonable assurance that the			
	Interest Income For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.			
<b>b)</b>	<b>Foreign currency translation</b>			
	<b>Functional and presentation currency</b>			
	The financial statements are presented in Indian Rupee and are rounded to two decimal places of Lakhs, which is also the functional and presentation currency of the Company.			
	<b>Transaction and balances</b>			
	Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items are converted to functional currency using the closing rate on the reporting date. Non monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.			



<b>c) Borrowing Costs</b>	Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.																				
<b>d) Property, plant and equipment:</b>	<b>Recognition and initial measurement</b>																				
	Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets																				
<b>Subsequent measurement ( Depreciation and useful lives)</b>																					
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow the entity and the cost can be measured reliably as below:-																					
<table border="1"> <thead> <tr> <th data-bbox="226 719 630 757">Asset Category</th> <th data-bbox="630 719 1109 757">Estimated Useful Life</th> </tr> </thead> <tbody> <tr> <td data-bbox="226 757 630 786">Factory Building</td> <td data-bbox="630 757 1109 786">10-30 Years</td> </tr> <tr> <td data-bbox="226 786 630 815">Office Building</td> <td data-bbox="630 786 1109 815">60 Years</td> </tr> <tr> <td data-bbox="226 815 630 844">Plant and Machinery</td> <td data-bbox="630 815 1109 844">9-15 Years</td> </tr> <tr> <td data-bbox="226 844 630 873">Furniture &amp; Fixture</td> <td data-bbox="630 844 1109 873">10 Years</td> </tr> <tr> <td data-bbox="226 873 630 902">Office Equipment</td> <td data-bbox="630 873 1109 902">5-10 Years</td> </tr> <tr> <td data-bbox="226 902 630 931">Motor Vehicles</td> <td data-bbox="630 902 1109 931">8 Years</td> </tr> <tr> <td data-bbox="226 931 630 960">Computers</td> <td data-bbox="630 931 1109 960">3-5 Years</td> </tr> <tr> <td data-bbox="226 960 630 990">Electric Equipment &amp; Fittings</td> <td data-bbox="630 960 1109 990">10 Years</td> </tr> </tbody> </table>				Asset Category	Estimated Useful Life	Factory Building	10-30 Years	Office Building	60 Years	Plant and Machinery	9-15 Years	Furniture & Fixture	10 Years	Office Equipment	5-10 Years	Motor Vehicles	8 Years	Computers	3-5 Years	Electric Equipment & Fittings	10 Years
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Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for certain items within these classes of assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.																					
The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.																					
Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished or destroyed or replaced.																					
<b>De-recognition</b>																					
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.																					
<b>e) Intangible assets:</b>	<b>Recognition and initial measurement</b>																				
	Purchased Intangible assets are stated at cost less accumulated amortisation and impairment, if any.																				
<b>Computer Software are Technical Know How</b>																					
All finite-lived intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.																					
Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:																					
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f)	<p><b>Leases:</b></p> <p><b>Company as a lessee</b></p> <p>The Company enters into an arrangement for lease of land, Building etc. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception.</p> <p>A contract is, or contains, a lease if the contract conveys the right to –</p> <ul style="list-style-type: none"> <li>(a) control the use of an identified asset,</li> <li>(b) obtain substantially all the economic benefits from use of the identified asset, and</li> <li>(c) direct the use of the identified asset.</li> </ul> <p>The Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term.</p> <p>The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:</p> <p><b>i) Right-of-use assets</b></p> <p>The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.</p> <p><b>(ii) Lease Liabilities</b></p> <p>At the commencement date of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, Including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the Right-of-use assets. Where the carrying amount of measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss. Lease liability payments are classified as cash used in financing activities in the statement of cash flows.</p> <p><b>iii) Short-term leases and leases of low-value assets</b></p> <p>The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. “Lease liability” and “Right of Use” asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.</p>
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	<p><b>Company as a lessor</b></p> <p>Leases for which the Company is a lessor is classified as finance or operating lease. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the ROU asset arising from the head-lease. Rental income arising is accounted for on a straight line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.</p>
<p><b>g) Financial Instruments</b></p>	<p>Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.</p>
<p><b>Financial assets</b></p>	<p><b>Recognition:</b> Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.</p> <p><b>Classification:</b> Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.</p>
<p><b>Financial assets are classified as those measured at:</b></p>	<p>(a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.</p>
	<p>(b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.</p>
	<p>(c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.</p>
	<p>Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.</p>

	<p><b>Impairment:</b> The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.</p>
	<p><b>Reclassification:</b> When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.</p>
	<p><b>Derecognition:</b> Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:</p>
	<p>(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;  (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment, in which case the cumulative fair value adjustments previously taken to reserves are reclassified within equity.</p>
	<p><b>Income Recognition:</b> Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.</p>
	<p><b>Financial Liabilities</b></p>
	<p>Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or obligations. They are subsequently measured at amortised cost. Any discount or obligations. They are subsequently measured at amortised cost. Any discount or recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.</p>
	<p><b>Derecognition:</b> Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry</p>
	<p><b>Offsetting of financial instruments</b></p>
	<p>Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.</p>
	<p><b>Equity Instruments</b></p>
	<p>Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.</p>

<b>g)</b>	<b>Impairment of Financial Assets</b>		
	<p>All financial assets except for those at FVTPL are subject to review for impairment at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.</p> <p>In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.</p> <p>ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:</p> <ul style="list-style-type: none"> <li>• All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.</li> <li>• Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.</li> </ul>		
	<b>Trade Receivable</b>		
	Trade receivables are recognized initially at fair value and subsequent measured at amortized cost using the effective interest method, less provision for impairment.		
	<b>Other Financial Assets</b>		
	For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12 month expected credit losses, else at an amount equal to the lifetime expected credit losses.		
	When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.		
<b>h)</b>	<b>Impairment of non Financial Assets</b>		
	For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash generating unit level.		
	At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed which is the higher of fair value less costs of disposal and value-in-use and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.		
	To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the company's latest approved budget, adjusted as necessary to exclude the effects of future individually for each cash-generating unit and re-organisations and asset enhancements. Discount factors are determined reflect current market assessment of the time value of money and asset-specific risk factors.		

<b>i)</b>	<b>Fair Value Measurement</b>		
<p>The Company measures certain financial instruments, such as, investments at fair value at each balance sheet date.</p> <p>Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:</p> <ul style="list-style-type: none"> <li>• In the principal market for the asset or liability, or</li> <li>• In the absence of a principal market, in the most advantageous market for the asset or liability.</li> </ul> <p>The principal or the most advantageous market must be accessible by the Company.</p> <p>The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.</p>			
<b>j)</b>	<b>Inventories</b>		
<p>Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are computed using the weighted average cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.</p>			
<b>k)</b>	<b>Income Tax</b>		
<p>The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.</p> <p>Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.</p>			
<p>Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits (Minimum alternate tax credit entitlement) or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.</p>			
<p>Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax Laws) that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.</p>			
<p>Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority</p>			
<b>l)</b>	<b>Investment in subsidiaries, joint ventures and associates</b>		
<p>Investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses, if any where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.</p>			

<b>m)</b>	<b>Government grants</b>	Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.
		When the Company receives grants for non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.
<b>n)</b>	<b>Cash and cash equivalent</b>	Cash and cash equivalents comprise cash in hand, demand deposits with banks and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.
<b>o)</b>	<b>Post-employment, long term and short term employee benefits</b>	Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.
	<b>Other long-term employee benefit obligations</b>	The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employee up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.
		The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.
	<b>Gratuity Obligation</b>	The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expenses in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

<b>p)</b>	<b>Provisions and Contigent assets and contingent liabilities</b>
	<p>Provisions are recognised only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When provisions are discounted, the increase in the provision due to the passage of time is recognised as a finance cost.</p>
	<p><b>Contigent liability is disclosed for</b></p> <ul style="list-style-type: none"> <li>• Possible obligations which will be confirmed only by future events not wholly within the control of the Company or</li> <li>• Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.</li> </ul> <p>Contingent assets are not recognised and continuously assessed for recoverability. However, when inflow of economic benefits is probable, related asset is disclosed.</p>
<b>q)</b>	<p><b>Earning per Share</b></p> <p>Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.</p> <p>For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.</p>
<b>r)</b>	<p><b>Amounts rounding off</b></p> <p>All amounts disclosed in the financial statements and the accompanying notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division II) of the Companies Act, 2013, unless otherwise stated.</p>
<b>1.4</b>	<p><b>Key accounting estimates and judgements</b></p>
	<p>The preparation of the Company's Financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.</p>
	<p><b>Critical accounting estimates and assumptions</b></p> <p>The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:</p>
<b>a)</b>	<p><b>Income Taxes</b></p> <p>The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for Income taxes, Including amount expected to be paid/ recovered for uncertain tax positions.</p>
<b>b)</b>	<p><b>Property, Plant and equipment</b></p> <p>Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand or the product or service output of the asset.</p>
<b>c)</b>	<p><b>Defined Benefit Obligation</b></p> <p>The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. rate, discount rates, expected rate of return on assets and mortality rates. The rate, discount rates, expected rate of return on assets and mortality rates.</p>



**PADAM COTTON YARNS LIMITED**

**NOTE '2' PROPERTY PLANT & EQUIPMENTS**

The Changes in the Carrying value of Property, Plant and Equipment for the year ended March 31 2024 are as follows

SR. NO.	Particulas	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
		As at 01-04-2023	Additions For the Year	Deletion / Adjustment	AS AT March 31, 2024	As At 01-04-2023	Depreciation for the Year	Deletion / Adjustment	As at 31-03-2024	As at March 31, 2,023	As At March 31, 2,024
1	Computer & printer	0.25	-	-	0.25	0.03	0.14		0.17	0.22	0.08
	<b>TOTAL</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>0.03</b>	<b>0.14</b>	<b>-</b>	<b>0.17</b>	<b>0.22</b>	<b>0.08</b>

The Changes in the Carrying value of Property, Plant and Equipment for the year ended March 31 2023 are as follows

SR. NO.	Particulas	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
		As at 01-04-2022	Additions For the Year	Deletion / Adjustment	AS AT March 31, 2,023	As At 01-04-2022	Depreciation for the Year	Deletion / Adjustment	As at 31-03-2023	As at March 31, 2,022	As At March 31, 20,243
1	Computer & printer	-	0.25	-	0.25	-	0.03		0.03	-	0.22
	<b>TOTAL</b>	<b>-</b>	<b>0.25</b>	<b>-</b>	<b>0.25</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>0.22</b>

**NOTE '3' INTANGIBLE ASSET**

The Changes in the carrying value of Intangible Assets for the year ended March 31, 2024 are as follows:

SR. NO.	Particulas	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
		As at 01-04-2023	Additions For the Year	Deletion / Adjustment	AS AT March 31, 2,024	As At 01-04-2023	Depreciation for the Year	Deletion / Adjustment	As at 01-04-2023	As at March 31, 2,023	As At March 31, 2,024
1	Computer Software	0.25	-		0.25	0.02	0.11	-	0.12	0.23	0.13
	<b>TOTAL</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>0.25</b>	<b>0.02</b>	<b>0.11</b>	<b>-</b>	<b>0.12</b>	<b>0.23</b>	<b>0.13</b>

The Changes in the carrying value of Intangible Assets for the year ended March 31, 2023 are as follows:

SR. NO.	Particulas	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
		As at 01-04-2023	Additions For the Year	Deletion / Adjustment	AS AT March 31, 2,024	As At 01-04-2023	Depreciation for the Year	Deletion / Adjustment	As at 31-03-2023	As at March 31, 2,022.00	As At March 31, 2,023.00
1	Computer Software	-	0.25		0.25	-	0.02	-	0.02	-	0.23
	<b>TOTAL</b>	<b>-</b>	<b>0.25</b>	<b>-</b>	<b>0.25</b>	<b>-</b>	<b>0.02</b>	<b>-</b>	<b>0.02</b>	<b>-</b>	<b>0.23</b>

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS

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

Sd/-  
(SATWANT GUPTA)  
Independent Director  
(DIN : 00530516)

Sd/-  
NEERAJ CHUGH)  
Company Secretary  
M. No. A61326

PADAM COTTON YARNS LIMITED						
NOTES FORMING PART OF ACCOUNTS						
Particulars		On 31/03/24		On 31/03/23		
		Rs.		Rs.		
<b>NOTE `4'</b>						
<b>INVESTMENTS ( NON- CURRENT ASSETS)</b>						
Particulars	Face Value per Share	Number of Shares as on 31.03.2024	As at March 31, 2024 ( Amount in Rs. )	Number of Shares as on March 31, 2023	As at March 31, 2023 Amount in Rs.	
<b>Equity Instruments: Fully paid up ( Quoted)</b>						
<b>( Designed at Fair Value through Other Comprehensive Income)</b>						
<b>Name of Share</b>						
Shakti Pumps (India) Limited	10.00	28,932.00	379.32	-	-	
Total			379.32		-	
Aggregate amount of Quoted Investment designated at fair value through other Comprehensive Income			379.32			
<b>NOTE `5'</b>						
<b>DEFERRED TAX ASSETS( NET)</b>						
Repayment Tenor			As at March 31, 2024	As at March 31, 2023		
			Amount	Amount		
At the start of the year				10.71	(17.13)	
Charge/( Credit) to the statement of Profit and Loss				0.98	27.84	
At the end of the year				11.69	10.71	
<b>Note 5.1</b>						
<b>Major components of deffered tax Assets( Liabilities arising on account of timing difference : As at March 31, 2024</b>						
Repayment Tenor			As on April 01, 2023	Charge/( Credit) to Statement of profit and loss	Charge /( Credit) to Other Comprehensive Income	As at March 31, 2024
(a) Defferd Tax assets, on account of:						
Carried Forward Tax Losses		10.72		-		10.72
Carried Forward Short Term Capital Loss				0.96		0.96
Difference between WDV of Depreciable FA as per Books and Income Tax Act, 1961				0.01	-	0.01
		10.72		0.96		11.69
Deffered Tax Expense/benefit for the year						
(b) Deferred Tax Liabilities, on account of:						
Difference between WDV of Depreciable fixed assets as per books of accounts and Income Tax Act, 1961		0.01		(0.01)		-
Deferred tax expenses/( benefit) for the year		0.01		(0.01)		-
(c)Net Deferred Tax Assets		10.71		0.98		11.69

**Major components of deferred tax Assets( Liabilities arising on account of timing difference : As at March 31, 2023**

Repayment Tenor	As on April 01, 2022	Charge/( Credit) to Statement of profit and loss	Charge /( Credit) to Other Comprehensive Income	As at March 31, 2023
<b>(a) Defferd Tax assets, on account of:</b>				
Carried Forward Tax Losses	10.72		-	10.72
Unabsorbed Depreciation Carried Forward	27.83	27.83	-	-
<b>Deferred Tax Expense/benefit for the year</b>	<b>38.55</b>	<b>27.83</b>	<b>-</b>	<b>10.72</b>
<b>(b) Deferred Tax Liabilities, on account of:</b>				
Difference between WDV of Depreciable fixed assets as per books of accounts and Income Tax Act, 1961			0.01	0.01
<b>Deferred tax expenses/( benefit) for the year</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>0.01</b>
<b>(c)Net Deferred Tax Assets</b>	<b>38.55</b>	<b>27.81</b>	<b>-</b>	<b>10.71</b>

**NOTE '6'**

**TRADE RECEIVABLES ( Valued at Amortized Cost)**

Unsecured and Considered Good				119.67
- Unsecured and Doubtful Debts		-		-
- Provision for Doubtful Debts		-		-
<b>TOTAL</b>				<b>119.67</b>

**# From Related Party**

**Trade Receivables ageing schedule 31.3.2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i) Undisputed Trade Receivables - Considered Good	-	-	-	-	-	-
ii) Considered Doubtful						
<b>Total</b>						
Less: Allowance for trade receivables						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Trade Receivables ageing schedule 31.3.2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i) Undisputed Trade Receivables - Considered Good	-	-	-	-	119.67	119.67
ii) Considered Doubtful						
<b>Total</b>						
Less: Allowance for trade receivables						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119.67</b>	<b>119.67</b>

<b>PADAM COTTON YARNS LIMITED</b>			
<b>NOTES FORMING PART OF ACCOUNTS</b>			
<b>Particulars</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>NOTE '7'</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Cash on Hand		0.04	0.04
Balance with banks:			
-In Current Accounts		104.96	0.09
<b>TOTAL</b>		<b>105.00</b>	<b>0.13</b>
<b>NOTE '8'</b>			
<b>OTHER BANK BALANCE</b>			
<b>Particulars</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Fixed Deposits with maturity for more than 3 months but less than 12 months		-	388.09
<b>TOTAL</b>		<b>-</b>	<b>388.09</b>
<b>NOTE '9'</b>			
<b>LOANS</b>			
<b>Particulars</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Other Loans</b>			
Loans to related parties		-	
Other Loans		194.72	
Less: Impairment of Loans ( Bad and Doubtful debts)		-	
		194.72	
<b>Particulars</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Loans receivable considered good- Secured			
Loans receivable considered good- Unsecured	-	194.72	
<b>TOTAL</b>		<b>194.72</b>	<b>-</b>
<b>NOTE '10'</b>			
<b>OTHER CURRENT ASSETS</b>			
<b>Particulars</b>		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Balance with GST Authorities		6.08	5.34
			-
<b>TOTAL</b>		<b>6.08</b>	<b>5.34</b>

<b>NOTE 11</b>				
<b>CURRENT TAX ASSETS ( NET)</b>				
<b>Particulars</b>			<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Tax Deducted at Source			39.28	
Less: Povision for Income Tax			33.34	
			5.94	
<b>NOTE `12</b>				
<b>SHARE CAPITAL</b>				
	<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>	
	<b>No of shares</b>	<b>Amount ( Rs.)</b>	<b>No of shares</b>	<b>Amount ( Rs.)</b>
<b>Authorised Share Capital</b>				
Equity Shares of Rs. 10/- each	7000000	700.00	7000000	700.00
<b>Issued &amp; Subscribed Capital</b>				
Equity Shares of Rs10/- each	5975200	597.52	5975200	597.52
<b>Paid up Capital</b>				
Equity Shares of Rs10/- each fully paid-up.	3873000	387.30	3873000	387.30
<b>TOTAL</b>	<b>3873000</b>	<b>387.30</b>	<b>3873000</b>	<b>387.30</b>
<b>12.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the period:</b>				
<b>Authorised Share Capital</b>	<b>Nos</b>	<b>Amt(Rs)</b>	<b>Nos</b>	<b>Amt(Rs)</b>
Balance at the Beginning of the year	70,00,000	700.00	70,00,000	700
Add: Increased during the year	-	-	-	-
Balance at the end of the year	70,00,000	700.00	70,00,000	700
<b>Issued Share Capital</b>				
Balance at the Beginning of the year	59,75,200	597.52	59,75,200	597.52
Add: Shares issued During the year	-	-	-	-
Add: Rights/Bonus Shares Issued	-	-	-	-
Total	59,75,200	597.52	59,75,200	597.52
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Balance at the end of the year	59,75,200	597.52	59,75,200	597.52
<b>Paid up Capital</b>				
Balance at the Beginning of the year	38,73,000	387.30	38,73,000	387.30
Add: Shares issued During the year	-	-	-	-
Add: Rights/Bonus Shares Issued	-	-	-	-
<b>Balance at the end of the year</b>	<b>38,73,000</b>	<b>387.30</b>	<b>38,73,000</b>	<b>387.30</b>
<b>12.2 Rights, Preference and restrictions attaching to each class of shares</b>				
<b>Equity shares</b>				
The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2024, the amount of per share dividend recognized as distribution to equity shareholders was NIL (Previous Year NIL).				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				

PADAM COTTON YARNS LIMITED					
NOTES FORMING PART OF ACCOUNTS					
Particulars	On 31/03/24		On 31/03/23		
	Rs.		Rs.		
<b>12.3 Details of shares held by each Share holders holding more than 5% Shares (In Nos)</b>					
	As at March 31, 2024		As At March 31, 2023		
Name of the Shareholder	No of Shares	% age	No of Shares	% age	
Vivek Gupta	746600	19.28	746600	19.28	
Rajev Gupta	673725	17.40	609750	15.74	
Padam Sain Gupta	474500	12.25	474500	12.25	
12.4 No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back during the period of 5 years immediately preceding the balance sheet date.					
12.5 There are no calls unpaid/forfeited shares issued during the year ending 31 March 2024 or in previous year.					
12.6 Details of shares held by Promoters and changes during the year ending 31st March 2024					
	As at March 31, 2024		As at March 31, 2023		% change during the year
Promoters Name	No. of Shares	% of total Shares	No of Shares	%age	
Vivek Gupta	746600	19.28	746600	19.28	0.00%
Rajev Gupta	673725	15.74	609750	15.74	1.65%
Padam Sain Gupta	474500	12.25	474500	12.25	0.00%
Prem Lata	48500	1.25	48500	1.25	0.00%
Radhika Gupta	44500	1.15	44500	1.15	0.00%
Rekha Gupta	0	0.00	53500	1.38	-1.38%
Rajev Gupta HUF	0	0.00	10475	0.27	-0.27%
Vivek Gupta HUF	10475	0.27	10475	0.27	0.00%
<b>NOTE `13'</b>					
<b>OTHER EQUITY</b>					
Particulars			As at March 31, 2024	As at March 31, 2023	
<b>(a) Capital Redemption Reserve</b>					
Balance at the beginning and end of the Year			85.59	85.59	
<b>Closing Balance</b>			<b>85.59</b>	<b>85.59</b>	
<b>(b) Retained Earnings</b>					
As per last Balance Sheet			28.90	(207.10)	
Add: Profit for the year			165.25	236.00	
Add: Transfer from other Comprehensive Income			33.89		
<b>Closing Balance</b>			<b>228.04</b>	<b>28.90</b>	
<b>(c) Other Comprehensive Income</b>					
As per Last Balance Sheet					
Add: Other Comprehensive Income for the year			33.89		
Less; Transfer to retained earnings			33.89		
			-		
<b>TOTAL OTHER EQUITY ( a+b)</b>			<b>313.62</b>	<b>114.48</b>	
<b>Note:-</b>					
<b>(i) Capital Redemption Reserve</b>					
Capital Redemption Reserve is created out of money collected on forfeiture of equity shares by the company.					
<b>(ii) Retained Earnings</b>					
Retained earning are profits of the company net of adjustments on account of transfer to General Reserve, dividend or other distribution or transactions with shareholders.					
<b>(iii) Other Comprehensive Income ('OCI')</b>					
Other Comprehensive Income ('OCI') represents the cumulative gains and loss arising on the revaluation of equity instruments measured at fair value through Other Comprehensive Income ('OCI') net of the taxes.					

PADAM COTTON YARNS LIMITED				
NOTES FORMING PART OF ACCOUNTS				
Particulars	As At March 31, 2024		As at March 31, 2023	
		Rs.		Rs.
<b>NOTE `14'</b>				
<b>OTHER CURRENT LIABILITIES</b>				
Outstanding Expenses		2.03		1.24
<b>TOTAL</b>		2.03		1.24
<b>NOTE `15'</b>				
<b>CURRENT TAX LIABILITIES ( Net)</b>				
Current Tax Liabilities ( Net)		-		21.37
<b>TOTAL</b>		-		21.37
<b>NOTE `16'</b>				
<b>REVENUE FROM OPERATION</b>				
Other Operating Revenue ( Consultancy Income)		0.46		0.31
<b>TOTAL</b>		0.46		0.31
<b>NOTE `17'</b>				
<b>OTHER INCOME</b>				
Interest Income		15.61		14.27
Other Miscellaneous income		-		0.10
<b>TOTAL</b>		15.61		14.37
<b>NOTE `18'</b>				
<b>EMPLOYEES BENEFIT EXPENSE</b>				
Salary		9.43		5.28
<b>TOTAL</b>		9.43		5.28
<b>NOTE `19'</b>				
<b>FINANCE COST</b>				
Bank Charges		0.11		0.01
Other Interest on delayed payment of custom duty		22.78		-
<b>TOTAL</b>		22.89		0.01

PADAM COTTON YARNS LIMITED			
NOTES FORMING PART OF ACCOUNTS			
Particulars		As at March 31, 2024 ( Amount in Rs.)	As at March 31, 2023 ( Amount in Rs.)
<b>NOTE '20'</b>			
<b>OTHER EXPENSES</b>			
Accounting Charges		0.23	0.24
AGM Exp		-	0.04
Annual Listing Fee		3.73	3.32
Audit Fees		0.90	0.30
RTA Beetal exp		0.24	0.54
Fees & Taxes		0.49	0.10
Legal & Professional Exp		2.17	2.16
Loss by fire		-	2
Postage/Postal Exp.		0.02	0.02
Office/General Exp		0.09	0.04
Advertisement Exp		0.53	0.42
Photostate Exp		0.04	0.04
Printing and Stationery		0.04	0.02
Website Exp		-	0.26
Telephone Exp		0.02	0.03
Travelling Exp.		0.05	0.05
Loss on Sale of Equity Shares held for trading		5.88	-
Misc Expenses ( STT)		0.24	-
Loss in derivative transactions of Cotton		145.84	-
<b>TOTAL</b>		<b>160.51</b>	<b>9.37</b>
<b>Notes</b>			
Payment to the auditors comprises			
As Auditors- Statutory Audit		0.90	0.30
For Taxation Matters		-	-
For Company Law Matters		-	-
Total		0.90	0.30
<b>NOTE '21' EXCEPTIONAL ITEM</b>			
Particulars		As at March 31, 2024 ( Amount in Rs.)	As at March 31, 2023 ( Amount in Rs.)
Interest Income on Delayed Insurance Claim		379.50	318.51
<b>TOTAL</b>		<b>379.50</b>	<b>318.51</b>
<b>Note '22' Prior Period Items</b>			
Particulars		As at March 31, 2024 ( Amount in Rs.)	As at March 31, 2023 ( Amount in Rs.)
Custom Duty paid against EPCG		(2.72)	
		(2.72)	
<b>Note 23</b>			
<b>The Major component of Income Tax Expense for the year</b>			
Particulars		As at March 31, 2024	As at March 31, 2023
<b>(i) Income tax recognised in the Statement of Profit and Loss</b>			
<b>Current Tax:</b>			
For Current Year		33.34	54.65
in respect of short tax provisions of earlier year		2.15	
<b>Deferred Tax:</b>			
For Current Year		(0.98)	27.84
<b>Income tax expense recognised in the Statement of Profit and Loss</b>		<b>34.51</b>	<b>82.49</b>
<b>(ii) Income tax recognised in other Comprehensive Income</b>			
<b>Deferred Tax:</b>			
Income tax ( expense) on Investment recognised as FVTOCI		6.79	-
<b>Income Tax benefit/(expenses) recognised in OCI</b>		<b>6.79</b>	<b>-</b>



**Note 23.1****Reconciliation of tax expense and accounting profit for the year**

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Profit before tax	199.76	318.49
Add: Depreciation charged as per Companies Act	0.24	0.05
Add: Loss on Sale of Securities	6.13	
Add: Prior Period Items	2.72	
Total (A)	208.86	318.54
(B) Less: Exceptional items shown in Profit and Loss account treated separately	379.50	318.51
Less: Depreciation allowable as per Income tax Act	0.16	0.10
Total (B)	379.66	318.61
Net Taxable Income of Business As per Income Tax Act ( A-B)	(170.80)	(0.07)
© Add: Exceptional Item of Interest ( net of deduction u/s 57(iv)	189.75	159.26
Less: BF Loss of Unabsorbed Depreciation Loss		107.08
Total Income on which tax is payable	18.95	52.11
Total Tax Payable @26%	4.93	13.55
Tax payable on Book Profits on MAT @16.692%	33.34	54.65
Total Current Tax	33.34	54.65

**NOTE '24' EARNING PER SHARE (EPS)**

Particulars	As at March 31, 2024 ( Amount in Rs.)	As at March 31, 2023 ( Amount in Rs.)
i) Net profit after Tax Attributable to Equity Shareholders	199.14	236.00
ii) Weighted Average number of Equity Shares used as denominator for calculating EPS	38,73,000	38,73,000
iii) Basic and Diluted Earning Per Share	5.14	6.09
iv) Face Value per Equity Share	10.00	10.00

**NOTE '25' RELATED PARTY AND THEIR RELATIONS ( AS DEFINED UNDER IND AS 24) Related Party disclosures also as required under Schedule V to the SEBI (LODR) Regulations-2015:- ARE GIVEN BELOW:****(I) Holding Company**

NIL

**(II) Subsidiary Company**

NIL

**III) Key managerial Personnel ( KMP)**

1) Rajev Gupta, Managing Director

2) Vivek Gutpa ( Director)

3) Radhika Gupta ( Director)

4) Shivam Gupta ( Director)

5) Satwant Singh ( Independent Director)

6) Sachin Gupta ( Independent Director)

(7) Naresh Chand Goyal ( Director)

(8) Neeraj Chugh Company

Secretary

**IV) Other Related Parties****Entities where Key management Personnel and their relative have significant influence**

1) Oswal Pumps Limited

**Related Party Transactions**

The company has entered into transactions with related parties, during the year with particulars as under:-

Name of the related Party	Relationship	Nature of transactions	Amount ( Rs. ) Fy 2023-24	Balance Rs. as on 31.03.2024	Balance ( Rs.) lacs FY 2022-23
Oswal Pumps limited	Related party	Balance Outstanding arising out of sale and purchase of goods	Nil	Nil	119.67

The transaction with related parties have been entered at an amount which are not materially different from those on normal commercial terms. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

PADAM COTTON YARNS LIMITED					
NOTES FORMING PART OF ACCOUNTS					
NOTE '26' CONTINGENT LIABILITIES AND COMMITMENTS					
Particulars	As at 31 March 2024			As at 31 March 2023	
	INR in lakhs			INR in lakhs	
<b>Contingent Liabilities</b>					
Income Tax demand AY 2013-14 to AY 2018-19			2.53		3.21
<b>NOTE 27 : Employee Benefits</b>					
<b>A) Gratuity</b>					
The company does not have an permanent employee therefore, no provision as per Gratuity Act, 1972 is required and made for the company					
<b>B) Defined Contribution Plan and other Employee benefits</b>					
The company does not have any permanent employee therefore, no compliance is required to be made against the provident fund and ESI or other employee benefits.					
<b>NOTE '28' Operating Segments :</b>					
As mentioned in the Note no 1 " Company Information" the company does not have any trading or industrial Business at present. Further the company has adopted new business of lending and investment hence as such there are no separate reportable segments as per Inida Accounting Standard " Operating SEgments" ( Ind AS 108)					
<b>Note No. : 29 Other disclosures</b>					
<b>1) Financial instruments - Accounting, Classification and Fair value measurements</b>					
This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.					
The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.					
<b>A) Financial instrument by category</b>					
<b>As at 31st March, 2024</b>				<b>(Rs In Lacs)</b>	
Particulars	Refer Note No	FVTOCI	FVTPL	Amortized cost	Total carrying value
<b>1) Financial assets</b>					
Investments	4	379.32	-	-	379.32
Cash and cash equivalents	7	-	-	105.00	105.00
Loans	9	-	-	194.72	194.72
Other financial assets (Non-current)	6	-	-	-	-
Other financial assets (Current)	10	-	-	6.08	6.08
<b>TOTAL</b>		<b>379.32</b>	<b>-</b>	<b>305.80</b>	<b>685.12</b>
<b>2) Financial Liabilites</b>					
Other Current Liabilities	14	-	-	2.03	2.03
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>2.03</b>	<b>2.03</b>

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

As at 31st March, 2023

(Rs In Lacs)

Particulars	Refer Note No	FVTOCI	FVTPL	Amortized cost	Total carrying value
<b>1) Financial assets</b>					
Trade Receivables	6		-	119.67	119.67
Cash and cash equivalents	7	-	-	0.13	0.13
Other Bank Balance	8	-	-	388.09	388.09
Other financial assets (Current)	10	-	-	5.34	5.34
<b>TOTAL</b>			-	<b>513.23</b>	<b>513.23</b>
<b>2) Financial Liabilities</b>					
Other Current Liabilities	14	-	-	1.24	1.24
<b>TOTAL</b>		-	-	<b>1.24</b>	<b>1.24</b>

**B. Fair value hierarchy**

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**(2) The Company uses the following fair value hierarchy for determining and disclosing the fair value of financial instrument:**

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Company's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates.

Carrying value of investments in unquoted shares approximates cost at which they are purchased.

**(i) Financial assets measured at fair value on a recurring basis as at 31st March, 2024:**

Particulars	Refer Note No	Level 1	Level 2	Level 3	Total
<b>1) Financial assets</b>					
<b>At FVTOCI</b>					
(i) Investments in Equity Instruments	5	379.32	-	0.00	379.32
<b>TOTAL FINANCIAL ASSETS</b>		<b>379.32</b>	-	<b>0.00</b>	<b>379.32</b>

**(ii) Financial assets measured at fair value on a recurring basis as at 31st March, 2023:**

Particulars	Refer Note No	Level 1	Level 2	Level 3	(Rs In Lacs)	
					Total	
<b>1) Financial assets</b>						
<b>At FVTOCI</b>						
<b>(i) Investments in Equity Instruments</b>	<b>5</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**There have been no transfers between Level 1 and Level 2 either during the year ended 31<sup>st</sup> March 2024 or during the year ended 31st March 2023.**

(i) Investments carried at fair value are generally based on market price quotations. These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. The Company has chosen to designate these investments in equity instruments at FVOCI since; it provides a more meaningful presentation. Cost of certain investments in equity instruments have been considered as an appropriate estimate of fair value because of wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(ii) Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, loans and other current & Non-current financial assets, and other current financial liabilities approximate their carrying amounts due to the short term maturities of these instruments.

(iii) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

**3) Financial risk management objectives and policies**

The Company does not have financial liabilities for the current reporting period except for certain non -fund based Bank overdraft. The Company's principal financial assets include Cash and cash equivalents, loans repayable on demand, fixed deposits with banks and other financial assets including investments in equity and private funds.

The Company is exposed to liquidity risk & market risk The company's Senior management under the supervision of Board of Directors oversees the management of these risks. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**(a)** Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, credit risks and other risks, such as regulatory risk and country risk.

**(b)** Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's obligations towards Bank overdraft with floating interest rates. But since it is for short duration it doesn't cast significant risk owing to this exposure. To mitigate the interest rate risk, the Company maintains an impeccable track record and ensures long term relation with the lenders to raise adequate funds at competitive rates. Company has access to low cost borrowings, because of its healthy balance sheet and presently the company does not have any borrowings as on the reporting date.

(c) Risk is inherent in every business activity and the company is no exception. The company is exposed to risks from overall market, changes in Government policies, law of the land and taxation to name a few.

(d) Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date. Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognised in the Statement of Profit and Loss Based on Company's past history and the model under which company operates doesn't cast significant credit risk leading to impairment of its financial assets. In case of loans the company applies general approach to measure the expected credit loss.

**(e) Balances with banks**

Credit risk from balances with banks is managed in accordance with the Company's policy.

**4) Capital Management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term Strategic investments and expansion plans.

At present the Company is non-operational in Industries and the Company has deployed its funds in shares and securities and with bank fixed deposits and by providing short term loans. Further the management of the company is evaluating the future business plans either in the same or in different industry.

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders. The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants if any from time to time.

**5) Previous period figures have been re-grouped/ re-classified wherever necessary, to confirm to current period's classification and in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective April, 2021.**

**PADAM COTTON YARNS LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**  
**30) Analytical Ratios**

Serial No	Particulars	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	% Variance	Reason for Variance
		Current year	Current year	Current year	Previous year	Previous year	Previous year		
1	Current Ratio	Current Assets 311.74	Current Liabilities 2.03	153.25	Current Assets 513.23	Current Liabilities 22.61	22.70	575.17	Due to decrease in current liabilities as provision of tax payable was outstanding in last year.
2	Debt-Equity Ratio	Total debt -	Shareholder's equity 700.92	NA	Total debt -	Shareholder's equity 501.78	NA	-	Company does not have any debts outstanding as on the reporting date
3	Debt Service Coverage Ratio	Earnings available for debt service (Note 1) -	Debt Service (Note 2) 700.92	NA	Earnings available for debt service (Note 1) -	Debt Service (Note 2) 501.78	NA	NA	Since the company is non-operational so the finance cost is at bare minimum, hence earning available for debt service during the previous period was high with negligible interest cost
4	Return on Equity	Net profit after taxes 200.01	Average Shareholder's equity -	33.12	Net profit after taxes 318.54	Average Shareholder's equity -	61.49	(46.15)	Return on equity is low as compared to previous year because of loss in derivative trading during the year and income earned due to exceptional receipts of interest against insurance claim only.
5	Inventory Turnover Ratio	Sales 199.14	Average Inventory 601.35	NA	Sales 236.00	Inventory 383.78	NA	NA	Company is non-operational during the current period as well as in the previous financial year, hence there were no sales and no inventory
6	Trade Receivables Turnover Ratio	Net credit sales -	Average receivables -	NA	Net credit sales -	Average receivables -	NA	NA	Company is non-operational during the current period as well as in the previous financial year hence there were no sales and no receivables
7	Trade Payables Turnover Ratio	Net credit purchases -	Average trade payables 59.84	NA	Net credit purchases -	Average trade payables 119.67	NA	NA	Company is non-operational during the current period as well as in the previous financial year hence there were no purchases and no trade payables
8	Net Capital Turnover Ratio	Net Sales -	Average working capital -	-	Net Sales -	Average working capital -	NA	NA	Company is non-operational during the current period hence there were no sales during the current period as well as previous financial year. However Net sales in the previous period reflects the lease rentals which is not there in current reporting period
9	Net Profit Ratio	Net profit after taxes -	Net sales 400.17	NA	Net profit after taxes -	Net sales 34,21,625.81	NA	4.61	Net profit margin ratio is NA in the current and previous year period there is no sales and income is because of exceptional income/gain as interest
10	Return on Capital Employed	EBIT 199.14	Capital employed (Note 3) -	31.80	EBIT 236.00	Capital employed (Note 3) -	63.48	(49.91)	EBIT is low in the current period because there was derivative loss against exceptional income/gain on Insurance claim in both the years.
11	Return on Investment	Net return on Investment 222.90	Cost of Investment 700.92	NA	Net return on Investment 318.55	Cost of Investment 501.78			Since company's primary business operations are closed and the company has deployed surplus funds in shares & securities and bank fixed deposits till the time the company explores new business or Industry

**PADAM COTTON YARNS LIMITED****NOTES FORMING PART OF ACCOUNTS****NOTE `31`**

Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
Principal amount due to micro and small enterprises	-	-
Interest due on overdue principal amounts out of the above	-	-
(ii) Interest paid by the Company in terms of Section on 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the suppliers beyond the appointed day during the period.	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors

**NOTE `32`****Additional regulatory information required by Schedule III of Companies Act, 2013**

**Disclosures under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:** The Company does not have any holding or subsidiary Company. The other necessary disclosures are furnished in the Report of the Board of Directors and annexed to the Annual Report for the financial year ended 31.03.2024. Please refer to the same.

**NOTE `33`****OTHER DISCLOSURES****Additional Regulatory Information**

**Amended Schedule III of the Companies Act 2013 requires additional regulatory information to be provided in financial statements. These are as follows;**

**1) Title deeds of Immovable Property**

Title deeds of immovable properties in the case of freehold land, (for description refer note no 4) are held in the name of the Company.

**2) Fair valuation of Investment property**

The company has not classified any property as Investment property, hence fair valuation of Investment property by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 does not arise.

**3) Revaluation of Property, Plant and Equipment and Right -of- Use Assets.**

The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the current reporting period and also reporting period and also for previous year's reporting period.

**4) Loans or advances to specified persons**

The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act 2013, either severally or jointly with any other person, that are (a) repayable on demand, or (b) without specifying any terms or period of repayment.

**5) Capital Work in Progress**

There was no capital work in progress during the Financial Year 2023-2024 and no amount was spent on this account upto 31-03-2024.

**6) Intangible Assets under development**

The Company does not have any intangible assets under development during the current and previous year reporting period.

**7) Details of Benami Property held: Additional Disclosure**

The Company does not hold any Benami Property and hence there were no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the Rules made thereunder, hence no disclosure is required to be given as such.





**PADAM COTTON YARNS LIMITED**  
(CIN : U17112HR1994PLC033641 )

**Cash flow statement for the year ended 31st March 2024**

		(Rs. in Lacs)	
		For the Year Ended	For the Year Ended
		March 31, 2024	March 31, 2023
		INR	INR
<b>A.</b>	<b>Cash flow from operating activities</b>		
	Net profit before tax but after exceptional / extraordinary items	199.76	318.49
	Adjustments for non-cash items:		
	Depreciation / amortization	0.24	0.05
	Interest & finance expense	22.89	0.01
	<b>Operating profit before working capital changes</b>	<b>222.90</b>	<b>318.55</b>
	Adjustments for changes in working capital :		
	(Increase)/decrease in trade receivables	119.67	13.63
	(Increase)/decrease in other current assets	(6.69)	(389.21)
	(Increase)/decrease in other non-current assets	-	529.52
	(Increase)/decrease in other bank balances	388.09	-
	(Increase)/decrease in Loans	(194.72)	-
	(Increase)/decrease in other current liabilities	0.80	-
	Increase/(decrease) in trade payables	-	0.28
	Increase /(decrease) in other long-term liabilities	-	(439.14)
	Increase /(decrease) in other current liabilities	(21.37)	21.37
	Increase /(decrease) in long-term provisions	-	-
	Increase /(decrease) in short-term provisions	-	-
	<b>Cash generated from/(used in) operations</b>	<b>508.68</b>	<b>55.00</b>
	Taxes (paid) / received (net of withholding taxes TDS)	35.49	54.65
	Prior period (expenses)/income (net)	-	-
	<b>Net cash from/(used in) operating activities</b>	<b>473.19</b>	<b>0.35</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	-	<b>(0.50)</b>
	Proceeds from sale of fixed assets	-	-
	Sale of non-current investments	-	-
	Purchase of current investments	(379.32)	-
	Share application money	-	-
	<b>Net cash from/(used in) investing activities</b>	<b>(379.32)</b>	<b>(0.50)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from issue of share capital	-	-
	Raising of unsecured loans	-	-
	Income from fair value change in investments	<b>33.89</b>	-
	Raising Of Secured Loans	-	-
	Interest & finance charges paid	(22.89)	(0.01)
	<b>Net cash from/(used in) financing activities</b>	<b>11.00</b>	<b>(0.01)</b>
	<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>104.87</b>	<b>(0.16)</b>
	Cash & cash equivalents - opening balance	0.13	0.29
	Cash & cash equivalents - closing balance	105.00	0.13
	<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>0.00</b>	<b>0.00</b>
	<b>NOTES:</b>		
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:		
		<b>31st March 2024</b>	<b>31st March 2023</b>
	Cash, cheques & drafts (in hand) and remittances in transit	0.04	0.04
	Balance with banks		
	Current account	104.96	0.09
	Deposit account	-	-
		105.00	0.13
<b>For and on behalf of</b>		<b>FOR AND ON BEHALF OF THE</b>	
<b>In terms of our report attached</b>		<b>BOARD OF DIRECTORS</b>	
<b>For VINEY GOEL &amp; ASSOCIATES</b>			
<b>Chartered Accountants</b>			
<b>FRN : 012188N</b>		<b>Sd/-</b>	<b>Sd/-</b>
		<b>(RAJEV GUPTA)</b>	<b>(SATWANT GUPTA)</b>
		<b>Director</b>	<b>Independent Director</b>
		<b>(DIN : 00172828)</b>	<b>(DIN : 00530516)</b>
	<b>Sd/-</b>	<b>Sd/-</b>	
	<b>(VINEYA GOEL)</b>	<b>(NEERAJ CHUGH)</b>	
	<b>PARTNER</b>	<b>Company Secretary</b>	
	<b>M.No. 090739</b>	<b>M. No. A61326</b>	
	<b>Place:- Karnal</b>		
	<b>Date:- 30.05.2024</b>		