

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

08/09/2025

Ref: Company Code No. 531395 PADAMCO
Sub: Annual Report for the year 2024-2025 under Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Ma'am,

Pursuant to the Regulation 34 (Annual Report) of SEBI (Listing obligation and Disclosure requirement) Regulations, 2015 and other applicable rules and regulations made there under, to comply with the disclosure requirement of Notice of AGM and Annual Report to BSE Limited ("BSE"). We are submitting herewith Notice of 31st Annual Report for the F.Y. 2024-25.

Book Closure details: Pursuant to the provisions of Section 91 of the Companies Act, 2013, Notice is hereby given that the Register of Members and Transfer Books of the Company will remain closed from Wednesday, September 24, 2025 to Tuesday, September 30, 2025 (both days inclusive) for determining the entitlement of the Shareholders for the purpose of AGM.

Cut-off date and E-voting details: The remote e-voting period will commence from Saturday, September 27, 2025 (9.00 a.m. IST) and end on Monday, September 29, 2025 (5:00 p.m. IST).

The e-voting module will be disabled by NSDL for voting thereafter. During this period, Members holding shares either in physical form or in dematerialised form as on Tuesday, September 23, 2025 i.e. Cut-off Date, may cast their vote electronically.

We request you to take this on record and treat the same as compliance with the applicable provisions of the Listing Regulations.

Thanking you.

Yours Sincerely,
For, Padam Cotton Yarns Limited

DINESH
SHIVCHARAN
BHAI
SHREEVASTAV
Date: 2025.09.08
19:14:42 +05'30'

Dinesh Shreevastav
Whole-Time Director
DIN: 11030609

Encl.: A/a

PADAM COTTON YARNS LIMITED

Corporate Office : C-801, 8th Floor, Krish Cubical, Sindhu Bhavan Marg, Thaltej, Ahmedabad-380059, Gujarat

 cspcyl6@gmail.com  www.padamcotton.com  Regd. Office: 196, 1st Floor, G.T. Road, Opp. Red Cross Market, Karnal- 132001

CIN: L17112HR1994PLC033641



PADAM COTTON YARNS LIMITED

***31st ANNUAL REPORT
2024-2025***

CORPORATE INFORMATION

Mr. Dinesh Shreevastav
Whole-Time Director and Chief Financial Officer

Mahendra Singh
Non-Executive Director

Mrs. Kinjal Shah
Independent Director

Mr. Ashutosh Alaru
Independent Director

Mr. Anand Manoharlal Kothari
Independent Director

Statutory Auditors
M/s. Viney Goel & Associates
(Chartered Accountants)
for the F.Y. 24-25

M/s. SVJK & Associates
(Chartered Accountants)
w.e.f. F.Y. 2025-26

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

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

Registered Office
196, 1st Floor, G.T Road, Opp. Red Cross Market,
Karnal- 132001 (Haryana)
Ph- 9998865217
Email- cspcyl6@gmail.com
Website- www.padamcotton.com
CIN- L17112HR1994PLC033641

Corporate Office:
C-801, Krish Cubical
Govardhan Partyplot, Avalon Hotel Road, Sindhu Bhavan Marg,
Thaltej, Ahmedabad, Gujarat, India, 380059.

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NOTICE OF 31st ANNUAL GENERAL MEETING

NOTICE is hereby given that the **31st (Thirty First) Annual General Meeting** of the Shareholders of **PADAM COTTON YARNS LIMITED** will be held on Tuesday, 30th September 2025 at 12.00 p.m. at 196, 1st Floor, G T Road, Opp. Red Cross Market, Karnal, Haryana, 132001, to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt**
 - **the Standalone audited Financial Statement of the Company for the financial year ended March 31, 2025, and the reports of the Board of Directors and Auditors thereon;**
2. **To appoint a director in place of Mr. Mahendra Singh (DIN: 7684132) who retires by rotation and being eligible, offers himself for re-appointment;**
3. **To declare Final Dividend of Re. 0.10/- (Ten paise Only) (10.00%) per equity share for the Financial Year ended March 31, 2025, as recommended by the Board of Directors.**
4. **To appoint M/S. SVJK & Associates, Chartered Accountants as a statutory auditor of the company:**

To consider and if thought fit, to give your assent/dissent to pass with or without modification, the following resolution as **an Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/S. SVJK & Associates, Chartered Accountants (FRN: 135182W), be and is hereby appointed as Statutory Auditor of the Company, to hold office for a period of four years from the conclusion of 31st Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company to be held in the year 2030, at such remuneration as may be decided by the Board of Directors of the Company (or any committee thereof) in consultation with the Statutory Auditors.

RESOLVED FURTHER THAT any of the director of the Company be and is hereby severally authorized to sign and submit necessary e-Forms with Registrar of Companies, Ahmedabad and to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

SPECIAL BUSINESS:

5. **To approve the appointment of M/s. A. Goyal & Associates, Company Secretaries (C.P. No.: 19535) as Secretarial Auditor of the Company for a first term of five years;**

To consider and, if thought fit, with or without modification(s), to pass the following resolution(s) as **an Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), other applicable laws/ statutory provisions, if any, as amended from time to time, M/s. A. Goyal & Associates, Company Secretaries (C.P. No.: 19535) be and are hereby appointed as Secretarial Auditors of the Company for term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30, at such fees, plus applicable taxes and other out-of pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditors.

RESOLVED FURTHER THAT the Board of Directors or any committee thereof be and is hereby authorized to do all such acts, deeds, matters, and things as may be necessary, desirable, or expedient to give effect to the aforesaid resolution.”

Regd Office:

Land Survey No. 919/1, 919/2, Balasar,
Kadi Detroj Road,
Kadi, Mahesana – 382715,
Gujarat, India

Date: 04/09/2025

Place: Ahmedabad

**By Order of the Board of Directors
For, PADAM COTTON YARNS LIMITED**

SD/-

**Dinesh Shreevastav
Whole Time Director
(DIN: 11030609)**

SD/-

**Mr. Mahendra Singh
Director
(DIN: 07684132)**

NOTES

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) relating to the Special Business to be transacted at the Annual General Meeting (“AGM”/“Meeting”) is annexed hereto.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in 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 another person or Member. The proxy holder shall prove his identity at the time of attending the Meeting.
3. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.
4. In terms of the provisions of Section 152 of the Act, Mr. Mahendra Singh, retires by rotation as Director at this Meeting. Mr. Mahendra Singh and his relatives shall be deemed to be interested in the Ordinary Resolution set out at Item No.2 of the Notice with regard to his re-appointment. Save and except above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in anyway, concerned or interested, financially or otherwise, in the Ordinary Business set out at Item No. 2 of the Notice.
5. A detailed profile of Mr. Mahendra Singh along with additional information required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and Secretarial Standard on General Meetings is provided separately by way of an Annexure to Notice.
6. Route Map for easy location of Venue of Annual General Meeting is attached herewith the Notice of Annual General Meeting.
7. In compliance with the Ministry of Corporate Affairs (“MCA”) Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/Depository Participants (DPs). Members may note that the Notice and Annual Report 2024-25 will also be available on the Company’s website at www.padamcotton.com. The Notice can also be accessed from websites of the Stock Exchanges i.e., BSE Limited at www.bseindia.com respectively. The AGM Notice is also available on the website of NSDL (agency for providing the Remote E-voting facility) i.e. <https://www.evotingindia.com>.
8. For receiving all communication (including Annual Report) from the Company electronically:
Members holding the shares in dematerialized mode are requested to register/ update their e-mail address with the relevant Depository Participant.
9. Institutional/ Corporate Members (i.e. other than Individuals, HUFs, NRIs, etc.) intending to send their authorized representative(s) to attend the Meeting are required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s) at csashishgoyal@gmail.com in with a copy marked to helpdesk.evoting@cdslindia.com. Such authorization shall contain necessary authority in favor of its authorized representative(s).
10. Members / Proxies / Authorized Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of Annual Report.
11. In case of joint holders, the Member whose name appears as first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. Members of the Company under the category of ‘Institutional Investors’ are encouraged to attend and vote at the AGM.

13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and other documents as referred in the Notice are available for inspection by the Members at the Registered Office of the Company during business hours on all working days except Saturdays, Sundays and National Holidays up to the date of the AGM.
14. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off Date i.e. Tuesday 23rd September, 2025 only shall be entitled to avail the facility of remote e-voting. A person, who is not a member as on the Cut-off Date, should treat the Notice for information purpose only.
15. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company / RTA (if shares held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to beetalrta@gmail.com by September 20, 2025. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) by e-mail to beetalrta@gmail.com. The aforesaid declarations and documents need to be submitted by the shareholders by September 20, 2025.

16. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/ 2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the website of the Company's RTA at www.beetalfinancial.com. It may be noted that any service request can be processed only after the folio is KYC Compliant.
17. MCA has notified provisions relating to unpaid /unclaimed dividend under Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016("IEPF Rules"). As per these Rules, dividends which are not encashed / claimed by the Member for a period of seven consecutive years shall be transferred to the Investor Education and Protection Fund ("IEPF") Authority. The IEPF Rules also mandate the companies to transfer the shares of Members whose dividends remain unpaid / unclaimed for a period of seven consecutive years to the demat account of IEPF Authority.
18. Members are requested to address all correspondences, including shareholding related documents and dividend matters to the Company's RTA.
19. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination and power of attorney, Bank Mandate details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held in electronic form, and to the RTA in case the shares are held in physical form.

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.

20. Mandatory furnishing of PAN, bank account details, KYC details and nomination by shareholders:

Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail 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.:

(a) For shares held in electronic form: to their Depository Participants (DPs)

(b) Members holding shares in physical mode are requested to note that SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, has made it mandatory for holders of physical securities to furnish PAN, bank account details, email address, mobile number, postal address (KYC details), and to register their nomination or opt-out of nomination. SEBI has notified forms for the purpose, as detailed below:

Sr. No.	Particulars	Form
1.	Registration of PAN, Postal Address, Email Address, Mobile Number, Bank Account Details or changes/updation thereof;	ISR-1
2.	Confirmation of Signature of shareholder by the Banker	ISR-2
3.	Declaration for Nomination opt-out	ISR-3
4.	Registration of Nomination	SH-13
5.	Cancellation or Variation of Nomination	SH-14
6.	Declaration to opt out of Nomination	ISR- 13

Members holding shares in physical mode are requested to send the duly filled forms i.e., Form ISR-1, Form ISR2, Form SH-13 or Form ISR-3 and along with requisite documents as mentioned in the respective forms to the address of Beetal Financial & Computer Services Pvt. Ltd (RTA).

Compulsory linking of PAN and Aadhaar:

Members are requested to note that in line with SEBI Circular dated March 16, 2023 read with SEBI Circular dated November 03, 2021 and December 14, 2021, RTA will accept only operative PAN (those linked with Aadhar) w.e.f. June 30, 2023 or such other date as may be notified by Central Board of Direct Taxes (CBDT). Those folios in which PAN is not linked with Aadhar subsequent to the due date, shall be frozen by the RTA.

Freezing of Folios:

- Further, in line with this Circular, RTAs are required to freeze folios wherein PAN, KYC and nomination is not available on or after October 01, 2023. Any service request in respect of these frozen folios will be undertaken only after the complete details are lodged with the RTA.
- Members may note that w.e.f. April 01, 2024, the Company will not be able to execute any type of Corporate Action, in respect of frozen folios until the complete details as required including bank account details are furnished to the RTA. Further, from December 31, 2025 or such due date as may be notified by the authority, the RTA is required to refer the details of the frozen folios to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, members are advised to dematerialise the shares held by them in physical form. However, members can continue to hold the shares in physical form.

SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Company's Registrar and Share Transfer Agent, M/s. Beetal Financial & Computer Services Pvt. Ltd. for assistance in this regard.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said form can be downloaded from the website RTA at www.beetalfinancial.com

Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates along with the requisite KYC documents

for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual members holding shares in the physical form. The members who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.

To mitigate unintended challenges on account of freezing of folios, SEBI vide its circular dated November 17, 2023, has done away with the provision regarding freezing of folios and referral of the frozen folio to administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, not having AN, KYC, and Nomination details.

21. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. The members, who are desirous of availing this facility, may kindly write to Company's R & T Agent for nominating form by quoting their folio number.
22. Non-Resident Indian Members are requested to inform the Company / Beetal respective DPs (if shareholding is in demat mode), immediately of:
Change in their residential status on return to India for permanent settlement; and
Particulars of their bank account maintained in India with account type, account number, name and address of the bank with pin code number, if not furnished earlier.
23. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 23rd September 2025 by sending e-mail on cspcyl6@gmail.com. The same will be replied by the Company suitably.
24. (A) Process and manner for members opting for voting through Electronic means:
 - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 14, 2021, May 05, 2022, December 28, 2022 and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.
 - ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Tuesday, September 23, 2025 shall be entitled to avail the facility of remote e-voting as well as venue voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only
25. iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Tuesday, September 23, 2025 shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or venue voting system on the date of the AGM by following the procedure mentioned in this part
 - iv. The remote e-voting will commence on Saturday, September 27, 2025 at 9.00 a.m. and will end on Monday, September 29, 2025 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. Tuesday, September 23, 2025 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter

v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cutoff date i.e. Tuesday, September 23, 2025

vii. The Company has appointed CS Ashish Goyal, Practising Company Secretary (CP No: 19535), to act as the Scrutinizer for conducting the remote e-voting process as well as the venue voting system on the date of the AGM, in a fair and transparent manner.

Viii. The Scrutinizer will, immediately after the conclusion of voting at the 31st AGM, start scrutinizing the votes cast at the meeting along with remote e-voting and prepare a consolidated Scrutinizer's Report and submit thereafter to the Chairman of the meeting or any person authorised by him. The result declared along with the consolidated Scrutinizer's Report will be placed on the Company's website at <https://www.padamcotton.com/notices.php> within 48 hours of the conclusion of the meeting. The Company will simultaneously forward the results to BSE Limited where the shares of the Company are listed.

26. The instructions for shareholders for remote e-voting are as under

(i) The voting period begins on Saturday, September 27, 2025 at 9.00 a.m. and will end on Monday, September 29, 2025 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 i.e. Tuesday, September 23, 2025 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/ CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public noninstitutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders

27. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

28. THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

The voting period begins on Saturday, September 27, 2025 at 9.00 a.m. and will end on Monday, September 29, 2025 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 (record date) of Tuesday, September 23, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & My Easi New (Token) Tab.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page</p>

	<p>of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> <p>For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

29. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on “Shareholders” module.
- Now enter your User ID

For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

g) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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.
Dividend Bank Details OR Date of Birth (DOB)	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. 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.

h) After entering these details appropriately, click on “SUBMIT” tab.

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.

- i) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for the relevant <PADAM COTTON YARNS LIMITED> on which you choose to vote.
- k) 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.
- l) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- m) 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.
- n) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

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.

There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

30. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.

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 will be mapped automatically & can be delink in case of any wrong mapping. It is Mandatory that, 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 mandatory 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, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

31. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 or call toll free no. 1800 21 09911.

32. The facility for ballot / polling paper shall be made available at the AGM and the Members attending AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM through ballot / polling paper.
33. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
34. Any person, who acquires the shares of the Company and becomes Member of the Company after dispatch of the Notice and holding the shares as of the cut-off date i.e. Tuesday 23rd September, 2025 may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com
35. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
36. The Scrutinizer shall after the conclusion of voting at the AGM, first scrutinize the votes cast at the Meeting 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 and shall make and submit, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized in writing, who shall countersign the same and declare the result of the voting forthwith.
37. The Results of voting shall be declared within two working days of the conclusion of the AGM of the Company and subject to receipt of requisite number of votes, the Resolutions proposed in this Notice shall be deemed to have been passed on the date of the Meeting, i.e., 30th September 2025.
38. The Results declared along with the consolidated scrutinizer's report will be available on Company's website at www.padamcotton.com. The results shall simultaneously be communicated to BSE Limited.
39. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 24th September 2025 to Tuesday, 30th September 2025 (both days inclusive) For the purpose of determining the shareholders eligible for

dividend, if any, declared by the shareholders of the Company at the Annual General Meeting and for the purpose of 31st Annual General Meeting.

40. The Final Dividend, subject to approval of Members at the Annual General Meeting on 30th September, 2025, will be paid to the Members whose names appear in the Register of Members, as on the date of Book Closure/Record Date of the Company and for that the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 24th September 2025 to Tuesday, 30th September 2025 (both days inclusive).

Regd Office:

Land Survey No. 919/1, 919/2, Balasar,
Kadi Detroj Road,
Kadi, Mahesana – 382715,
Gujarat, India

Date: 30/08/2025

Place: Ahmedabad

By Order of the Board of Directors

For, PADAM COTTON YARNS LIMITED

SD/-

Dinesh Shreevastav
Whole Time Director
(DIN: 11030609)

SD/-

Mr. Mahendra Singh
Director
(DIN: 07684132)

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4:

The Company has appointed M/s. SVJK & Associates, Chartered Accountants (FRN:135182W) as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Vinay Goel & Associates & Co. M/s. SVJK & Associates, Chartered Accountants, for the F.Y. 2025-26, in the Extra-Ordinary General Meeting held on August 08, 2025, who shall hold the office of Statutory Auditor until the conclusion of the next annual general meeting of the Company to be held in the year 2025.

The Board of Directors at their meeting held on September 04, 2025, as per the recommendation of the Audit Committee and pursuant to Section 139 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, recommended the appointment of M/s. SVJK & Associates, Chartered Accountants (FRN:135182W), as Statutory Auditor of the Company to hold office for a period of Four years i.e. F.Y. 2026-27 to 2029-30 till the conclusion of the 36th Annual General Meeting of the Company to be held in 2030 at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent letter and eligibility certificate from M/s. SVJK & Associates, Chartered Accountants to act as Statutory Auditor of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

The Board has considered factors such as qualifications, industry experience, competency of the audit team, efficiency in conduct of audit, independence, any pending proceedings relating to professional matters of conduct against M/s SVJK & Associates before the Institute of Chartered Accountants of India and before the Courts and were of the view that the qualification and experience of M/s. SVJK & Associates is commensurate with the size and requirements of the Company.

Approval of the members is sought for re-appointment of M/s SVJK & Associates, Chartered Accountants, (Registration No. 135182W) as the Statutory Auditors of the Company and to fix their remuneration by means of an Ordinary Resolution

- The fees proposed to be paid to M/s SVJK & Associates, Chartered Accountants towards statutory audit from the Financial Year 2026-27 to 2029-30 shall not exceed 1 Lakh Per Annum, plus out of pocket expenses, with the authority to the Board to make revisions as it may deem fit for the Balance term, based on the recommendation of the Audit Committee.
- The fees for services in the nature of statutory certifications and other permissible non-audit services will be in addition to the statutory audit fees as above, and will be decided by the management in consultation with the Statutory Auditor. The provision of such permissible non-audit services will be reviewed and approved by the Audit Committee.
- The Audit Committee and the Board of Directors, while recommending the appointment of M/s SVJK & Associates as the Statutory Auditor of the Company, have taken into consideration, among other things, the credentials of the firm, proven track record of the firm and eligibility criteria prescribed under the Act.
- M/s SVJK & Associates is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India ("ICAI"). The firm was established with its office in Ahmedabad, Gujarat. The firm has a valid Peer Review Certificate.
- The firm is primarily engaged in providing all the Chartered Accounting Services, Financial and Consultancy Services, Internal Auditing Services, Statutory Auditing Services, Business Process Outsourcing Services, Tax Litigation Services, Risk Advisory Services, Special Corporate Advisory Services, Corporate Services, Business Advisory Services & Company Formation and GST Consultancy.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board accordingly recommends the Ordinary Resolution as set out at Item No. 4 of the accompanying Notice for approval of the Members.

Item No. 5

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) ('the Act'), every listed company and certain other prescribed categories of companies are required to annex a Secretarial Audit Report, issued by a Practising Company Secretary, to their Board's report, prepared under Section 134(3) of the Act.

Furthermore, pursuant to recent amendments to Regulation 24A of the SEBI (LODR), Regulations, 2015 vide SEBI Notification dated 12th December, 2024, every listed company shall on the basis of recommendation of board of directors, appoint a secretarial audit firm as secretarial auditor for not more than two terms of five (5) consecutive years, subject to the approval of its members in its Annual General Meeting.

Accordingly, the Board at its meeting held on July 31, 2025 based on recommendation of the Audit Committee, after evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., has unanimously approved the appointment of M/s. A. Goyal & Associates, Company Secretaries, a peer reviewed sole proprietorship firm (C.P. No.: 19535) as Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, subject to approval of the Members.

M/s. A. Goyal & Associates, a sole proprietorship firm is set up by Ms. Ashish Goyal who is a Fellow Member of the Institute of Company Secretaries of India having overall experience of more than 10 years. He is Peer Reviewed Company Secretary (Peer Review No.: 5428/2024).

M/s. A. Goyal & Associates, Practising Company Secretaries having experience in the field of Corporate and other allied laws. The firm is based in Karnal, Haryana, having experience in providing Secretarial Audit services, Consultancy related to Companies Act, SEBI Regulations, Income Tax, GST matters and other secretarial and other secretarial and internal audit services.

M/s. A. Goyal & Associates, has confirmed that the sole proprietorship firm is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of Regulation 24A of the SEBI Listing Regulations. The services to be rendered by M/s. A. Goyal & Associates as Secretarial Auditors is within the purview of the said regulation read with SEBI circular no. SEBI/ HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated 31st December, 2024.

The proposed fees in connection with the secretarial audit shall be ₹ 40,000/- (Rupees Forty Thousands only) plus applicable taxes and other out-of-pocket expenses for FY 2026, and for subsequent year(s) of their term, such fees as may be mutually agreed between the Board of Directors and M/s. A. Goyal & Associates.

In addition to the secretarial audit, M/s. A. Goyal & Associates shall provide such other services in the nature of certifications and other professional work, as approved by the Board of Directors. The relevant fees will be determined by the Board, as recommended by the Audit Committee in consultation with the Secretarial Auditors.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 5 of this Notice.

The Board recommends the Ordinary Resolution as set out in Item No. 5 of this Notice for approval of the Members.

ANNEXURE TO THE NOTICE

Details of Directors seeking appointment / re-appointment pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings.

Name of Director and DIN	Mr. Mahendra Singh (DIN: 07684132)		
Age / Date of Birth	05/11/1986		
Nationality	Indian		
No. of shares held including shareholding as beneficial owner	NIL		
Qualification	He has passed the supplemental final examination in law held by Jai Narain Vyas University		
Brief profile and nature of expertise in specific functional areas	Mr. Mahendra Singh (DIN: 07684132) has passed the supplemental final examination in law held by Jai Narain Vyas University. He has more than 15 years of experience in the Textile industry. Mr Singh is having in-depth knowledge of industry including retail and wholesale market of textile and garment.		
Date of first appointment on the Board	27-11-2024		
Terms and conditions of appointment	In terms of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Mahendra Singh, who retires by rotation, is proposed to be re-appointed as a Director of the Company, liable to retire by rotation.		
Remuneration last drawn (FY 2024-25) (per annum)	NIL		
Relationship with other Directors, Manager and none other Key Managerial Personnel of the Company	NIL		
Other Directorship	1. Mafia Trnds Limited		
Chairmanship/ Membership of the Committees of other Companies in which position of Director is held*	Name of the Company	Committee	Chairman/ Member
	Mafia Trends Limited	Stakeholder Relationship Committee	Member
Resignations, if any, from listed entities (in India) in past three years	NIL		
Details of Board/ Committee Meetings attended during the year	The details of his attendance are given in the Corporate Governance Report, which forms a part of this Annual Report.		

*Considered listed entities only.

Regd Office:

Land Survey No. 919/1, 919/2, Balasar,
Kadi Detroj Road,
Kadi, Mahesana – 382715,
Gujarat, India

Date: 04/09/2025

Place: Ahmedabad

**By Order of the Board of Directors
For, PADAM COTTON YARNS LIMITED**

**SD/-
Dinesh Shreevastav
Whole Time Director
(DIN: 11030609)**

**SD/-
Mr. Mahendra Singh
Director
(DIN: 07684132)**

DIRECTORS' REPORT**Dear Members,**

Your directors take pleasure in presenting the 31st Annual Report on business and operations along with Audited Financial Statements and the Auditor's report of your Company for the financial year ended 31st March, 2025.

1. Financial Results

Financial Performance of the company for the year ended 31st March 2025 is summarized as below:

(Rs. in Lakh except EPS)

Particulars	March 31, 2025	March 31, 2024
Income from Operations	1421.87	0.46
Other Income	1099.30	15.61
Total Income	2521.17	16.07
Less: Total Expenses	(1215.35)	(193.33)
Profit Before Depreciation, Exceptional Item and Tax	1309.54	(176.78)
Less: Depreciation	(1.86)	0.24
Profit Before Extra - ordinary Items and Tax	1307.68	(177.02)
Extra Ordinary Items	0.00	376.78
Profit Before Tax	1307.68	199.76
Tax Expense		
-Current Tax	236.03	35.49
-Deferred Tax	11.70	(0.98)
Profit After Tax	1026.06	199.14
EPS (Basic) (In Rs.)	21.51	-4.58
EPS (Diluted) (In Rs.)	21.51	-4.58

2. Overview of Company's Financial Performance:

During the year under review, your Company recorded a total net sales of Rs. 1421.87 lakhs and reported a Net Profit after Tax (PAT) of Rs. 1026.06 Lakhs. The Board of Directors remains optimistic about the Company's performance and growth prospects in the coming years.

3. Share Capital:

During the year under review, the authorized share capital of the Company was increased from Rs. 7,00,00,000/- (Rupees Seven Crore only) divided into 70,00,000 (Seventy Lakh) equity shares of Rs. 10/- each, to Rs. 10,00,00,000/- (Rupees Ten Crore only) divided into 1,00,00,000 (One Crore Lakh) equity shares of Rs. 10/- each, by creation of an additional 30,00,000 (Thirty Lakh) equity shares of Rs. 10/- each, in the Extra-Ordinary General Meeting held on October 23, 2024.

Thereafter, the Company has further increased the Authorized share capital from Rs. 10,00,00,000/- to Rs. 13,00,00,000/- divided into 1,30,00,000 (One Crore Thirty Lakh) equity shares of Rs. 10/- each, by creation of an additional 30,00,000 (Thirty Lakh) equity shares of Rs. 10/- each, in the Extra-Ordinary General Meeting held on January 24, 2025.

Bonus Issue:

During the year under review,

- the Company has issued of 38,73,000 Equity Shares of Rs.10/- (Rupee Ten only) each as Bonus Shares in the ratio of 1:1 i.e 1 (One) Bonus Equity Shares for every 1 (One) existing Equity Shares to the shareholders holding equity shares on the Record date i.e. 8th January, 2025. The said shares are now listed on the Stock Exchange i.e., BSE Limited, effective from 10th January, 2025 being the T+2 day in compliance with the SEBI Circular No. CIR/CFD/PoD/2024/122 dated September 16, 2024;
- Thereafter, the Company has issued of 51,64,000 Equity Shares of Rs.10/- (Rupee Ten only) each as Bonus Shares in the ratio of 2:3 i.e Two (02) Bonus Equity Shares for every Three (03) existing Equity to the shareholders holding equity shares on the Record date i.e. 18th March, 2025. The said shares are now listed on the Stock

Exchange i.e., BSE Limited, effective from 20th March, 2025 being the T+2 day in compliance with the SEBI Circular No. CIR/CFD/PoD/2024/122 dated September 16, 2024.

Hence, The Paid up, subscribed and issued share capital of the Company stands increased to Rs. 12,91,00,000/- divided into 1,29,10,000 equity shares having face value of Rs. 10/- each as on the March 31, 2025.

Sub- Division of shares:

After the end of the FY 2024-25, the Company has approved subdivision of face value of Equity shares from Rs. 10/- each into smaller denomination of Rs. 01/- each and accordingly equity share of Face Value of 10/- each stand sub-divided into One (01) equity shares of face value of `Rs. 1/- (Rupee One Only) w.e.f. 27th June, 2025.

4. Dividend:

The Board of Directors are pleased to recommend for your consideration a final dividend of Rs. 1.00/- per Equity Share of Rs. 10/- each i.e. 10% on the paid-up value for the financial year 2024-25.

The Final Dividend, if approved by the Members at the Annual General Meeting scheduled on 30th September, 2025, will be paid to those Members whose names appear in the Register of Members as on the **Book Closure/Record Date** fixed by the Company for the purpose of the 31st AGM and payment of Final Dividend.

Further, during the year under review, the Board of Directors in its Meeting held on 13th November, 2024, declared and paid Interim Dividend at the rate of Rs. 1.00/- (10%) per equity share of Rs. 10/- each to those Members whose names appeared in the Register of Members of the Company on the record date i.e. 27th November 2024.

5. Dividend Distribution Policy:

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, the requirement to formulate and disclose a Dividend Distribution Policy is applicable only to the top 1,000 listed companies based on market capitalization. As the Company does not fall within the said threshold, the provisions of Regulation 43A are not applicable to it.

6. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:

Since there were no unpaid or unclaimed dividends during the year under review that were required to be transferred to the Investor Education and Protection Fund, the provisions of Section 125 of the Companies Act, 2013 are not applicable to the Company.

7. Change Of Registered Office:

During the year under review, there was no change in the registered office address of the Company.

8. Change in the nature of business, if any:

During the year under review, there is no change in the nature of business of the Company.

9. Amounts Transferred to Reserves:

In accordance with the provisions of Section 134(3)(j) of the Companies Act, 2013 ("the Act"), the Board of Directors of the Company has not proposed to transfer any amount to the General Reserves of the Company for the financial year 2024-25.

10. Public Deposit:

During the year under review, the Company has not accepted or renewed any deposits falling within the purview of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the disclosure relating to non-compliance with the requirements of Chapter V of the Act is not applicable to the Company.

11. Particulars of loan, Guarantees or Investment made under Section 186:

The Company has not given Guarantees or made investment during the Year. However, the Company has given Loans to Other parties which is provided in the note no. 11 to the audited financial statements annexed with the Annual Report.

12. Annual Return:

Pursuant to the provisions of Section 134(3)(a) and Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, Annual Return of the Company as at 31st March, 2025 is available on the website of the Company at <https://www.padamcotton.com/annual-return.php>

13. Directors & Key Management Personnel:

Board of Directors

As on March 31, 2025, the Board of your Company comprised Five members, consisting of one Non-Executive Director and Four Independent Directors, including one Woman Director.

The details relating to the composition of the Board and its Committees, the tenure of Directors, and other relevant information are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

In compliance with the requirements of the SEBI Listing Regulations, the Board has identified the core skills, expertise, and competencies of its directors in the context of the Company's business for effective governance and strategic guidance. These details are elaborated in the Corporate Governance Report.

Appointment / Resignation/ Cessation of Directors / Key Managerial Personnel (KMPs)

Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 ("the Act") read with the rules made thereunder and the Articles of Association of the Company, Mr. Mahendra Singh (DIN: 7684132) is liable to retire by rotation at the ensuing Annual General Meeting ("AGM") and, being eligible, has offered himself for re-appointment.

Appointment, Resignation and Cessation of Directors:

During the Year under review,

- Mrs. Rekha Gupta (DIN: 08194155) was appointed as an Additional Director in the category of Non-Executive Director w.e.f. 30th May, 2025. The appointment was duly approved and regularized by the Members of the Company in the 30th Annual General Meeting ("AGM") held on July 10, 2025;
- Mrs. Pernika Mittal (DIN: 08194164) was appointed as an Additional Director in the category of executive w.e.f. May 30, 2024. The appointment was duly approved and regularized by the Members of the Company in the 30th Annual General Meeting ("AGM") held on July 10, 2025;
- Mr. Sanjay Kumar Bansal (DIN: 10600836), was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. June 6, 2024. The appointment was duly approved and regularized by the Members of the Company in the 30th Annual General Meeting ("AGM") held on July 10, 2025,
- Mr. Satwant Singh (DIN: 00530516), who has completed his second term of five (5) years in the 30th AGM has ceased to be Independent Director of the Company;
- Ms. Nikita Karia (DIN: 10835706) was appointed as an Additional Director in the category of Non-Executive-Independent Director of the Company w.e.f. November 13, 2024. The appointment was duly approved and regularized by the Members of the Company in the Extra-Ordinary General Meeting ("EGM") held on December 25, 2024;
- Mr. Sachin Gupta (DIN: 01111152) Non-Executive Independent Director of the Company, had tendered his resignation vide his letter dated November 13, 2024 due to pursuing other professional opportunities. The Board has also received confirmation from Mr. Gupta that there are no material reasons for his resignation other than those mentioned in his resignation letter dated November 13, 2024;
- Mr. Mahendra Singh (DIN: 07684132) was appointed as an Additional Director in the category of Non-Executive Non-Independent Director of the Company with effect from November 27, 2024. The appointment was duly approved and regularized by the Members of the Company in the Extra-Ordinary General Meeting ("EGM") held on December 25, 2024;
- Mr. Ashutosh Alaru (DIN: 07618648) as an Additional Director in the category of Non-Executive Independent Director' of the Company w.e.f. January 9, 2025. The appointment was duly approved and regularized by the Members of the Company in the Extra-Ordinary General Meeting ("EGM") held on February 24, 2025;

- Mr. Anand Manoharlal Kothari (DIN: 10900584) as an Additional Director in the category of Non-Executive-Independent Director of the Company w.e.f. January 9, 2025. The appointment was duly approved and regularized by the Members of the Company in the Extra-Ordinary General Meeting (“EGM”) held on February 24, 2025;
- Mr. Naresh Chand Goyal (DIN: 07608268), has tendered his resignation as Non-Executive Independent Director vide his letter dated January 09, 2025 due to health issues. The Board has also received confirmation from Mr. Goyal that there are no material reasons for his resignation other than those mentioned in his resignation letter;
- Mr. Sanjay Kumar Bansal (DIN: 10600836), has tendered his resignation as Non-Executive Independent Director vide his letter dated January 15, 2025 due to engaged in other assignments. The Board has also received confirmation from Mr. Bansal that there are no material reasons for his resignation other than those mentioned in his resignation letter;
- Mr. Rajev Gupta (DIN: 00172828), has resigned from the position of Director of the Company w.e.f. 26th March, 2025;
- Mrs. Pernika Mittal (DIN: 08194164) has resigned from the position of Managing Director of the Company w.e.f. March 26, 2025;

After the close of the financial year,

- Mr. Dinesh Shreevastav (DIN: 11030609) was appointed as an Additional Director under the category of Whole-Time Director w.e.f. 01-04-2025. The appointment was duly approved and regularized by the Members of the Company by way of Postal Ballot on June 05, 2024.
- Mrs. Kinjal Shah (DIN: 11031676) was appointed as an Additional Director in the category of Non-Executive-Independent Director of the Company with effect from April 11, 2025. The appointment was duly approved and regularized by the Members of the Company by way of Postal Ballot on June 05, 2024.
- Ms. Nikita Karia (DIN: 10835706) Non-Executive Independent Director of the Company, has tendered her resignation vide letter dated April 11, 2025 due to pursuing other professional engagements. The Board has received confirmation from Ms. Nikita Karia that there are no material reasons for her resignation other than those mentioned in his resignation letter dated April 11, 2025,

Key Managerial Personnel (KMPs)

1. Mr. Rahul Kumar was appointed a Chief Financial Office w.e.f. June 06, 2024;
2. Mr. Pernika Mittal was appointed as Managing Director of the Company w.e.f. May 30, 2024;
3. Ms. Neeraj Chugh has served a Company Secretary and Compliance Officer of the Company.

Subsequently, Mr. Rahul Kumar resigned from the said position of Chief Financial Officer w.e.f. March 07, 2025 and the Board has appointed Mr. Dinesh Shreevastav as Chief Financial Officer of the Company w.e.f. April 11, 2025.

Further, Mr. Pernika Mittal has tendered her resignation from the office of Managing Director w.e.f. March 26, 2025. Ms. Neeraj Chugh has also resigned from the office of Company Secretary and Compliance Officer of the Company w.e.f. June 20, 2025.

As on the date of this Report, Mr. Dinesh Shreevastav serving as Whole-Time Director and Chief Financial Officer and designated as the Key Managerial Personnel of the Company.

Declarations by Independent Directors

Your Company has received necessary declarations from all its Independent Directors confirming that:

- They meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations; and
- There has been no change in circumstances affecting their independence during the year.

Additionally, Independent Directors have also confirmed compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with their names duly registered in the databank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA).

14. Committees of Board:

As required under the Companies Act, 2013 (“the Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Company has constituted various statutory committees of the Board. As on March 31, 2025, the following Committees were in place:

- **Audit Committee**
- **Nomination and Remuneration Committee**
- **Stakeholders’ Relationship Committee**

Details of all the committees such as terms of reference, composition, and meetings held during the year under review are disclosed in the Corporate Governance Report, which forms part of this Integrated Annual Report.

15. Number of meetings of the Board

The Board met 17 (seventeen) times during the year under review. The intervening gap between the meetings did not exceed 120 days, as prescribed under the Act and SEBI Listing Regulations. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Integrated Annual Report.

16. Independent Directors' Meeting

The Independent Directors met on March 19, 2025, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairman of your Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

17. Board Evaluation

The Board has adopted a formal mechanism for evaluating its own performance, as well as that of its Committees and individual Directors, including the Chairman. The evaluation was carried out through a structured process covering various aspects of the Board's functioning such as composition of the Board and its Committees, diversity of experience and competencies, performance of specific duties and obligations, contribution at meetings and otherwise, independent judgment, and governance practices.

A separate meeting of Independent Directors was held, where the performance of the Board as a whole and that of the Chairman was reviewed, taking into account the views of Executive and Non-Executive Directors. Thereafter, at the subsequent Board meeting, the performance of the Board, its Committees, and individual Directors was discussed. The performance evaluation of Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

18. Declaration regarding compliance by members of board of directors and senior management personnel with the code of conduct of board of directors and senior management:

The Board of Directors of the Company has adopted code of conduct; followed by all Members of the Board of Directors and all Senior Management Personnel of the Company in compliance with the Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This code is available on the Company's website: <https://www.padamcotton.com/policies/code-of-conduct-for-directors-and-senior-management.pdf>

This is to confirm that the Company has received a declaration of compliance with the Code of Conduct as applicable to them from each Member of the Board of Directors and Senior Management Personnel. A declaration to that effect is attached to the Corporate Governance report.

19. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

During the year under review, no significant or material orders were passed by the regulators, courts or tribunals which would impact the going concern status of the Company or its future operations.

20. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

21. Auditors

Statutory Auditors

M/s. Viney Goel & Associates, Chartered Accountants (ICAI Registration Number 012188N), were appointed as Statutory Auditors of the Company to hold office until the conclusion of the 35th Annual General Meeting (AGM) to be held in the year 2029.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark. Further, no fraud has been reported by the Auditors in their report for the financial year ended 31st March, 2025.

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.

Further, due to the pre-occupation of other assignments M/s. Viney Goel & Associates, Chartered Accountants tendered their resignation vide their letters dated June 02, 2025.

The Board of Directors, on the recommendation of the Audit Committee, at their meeting held 30th June, 2025 appointed M/s. SVJK & Associates, Chartered Accountants (FRN: 135182W) as Statutory Auditors of the Company to fill the casual vacancy caused by resignation of the statutory auditor, Viney Goel & Associates, Chartered Accountants (ICAI Registration Number 012188N). The same has been approved by the shareholders by way of Postal Ballot on August 08, 2025 till the conclusion of the 31st Annual General Meeting.

The Board has recommended the same for the approval of shareholders at this 31st 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. V SVJK & Associates, Chartered Accountants (FRN: 135182W), will hold the office for a period of 4 (four) years from the conclusion of the 31st Annual General Meeting of the Company till the conclusion of the 36th Annual General Meeting of the Company from 1st April, 2026 to 31st March, 2030.

M/s. SVJK & Associates, Chartered Accountants 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.

Internal Auditors

M/s. A Goyal & Associates, Company Secretaries, acted as the Internal Auditors of the Company for the financial year 2024-25. Internal Auditors are appointed annually by the Board of Directors, based on the recommendation of the Audit Committee. The Internal Audit reports and their findings are placed before the Audit Committee on a quarterly basis for review. The scope of Internal Audit is also reviewed and approved by the Audit Committee from time to time.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the rules made thereunder, the Board had re-appointed Mr. Ashish Goyal, Proprietor of M/s A. Goyal & Associates, Company Secretary in Practice (C.P. No. 19535), as the Secretarial Auditor of the Company for the financial year 2024-25. 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.

Further, pursuant to the amended Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval of the members at the ensuing Annual General Meeting, the Board has appointed Mr. Ashish Goyal, Proprietor of M/s A. Goyal & Associates, Company Secretary in Practice (C.P. No.), as the Secretarial Auditor of the Company for a term of five (5) consecutive financial years, commencing from FY 2025-26 till FY 2029-30.

CS Ashish Goyal has confirmed that she is not disqualified from being appointed as a Secretarial Auditor and is eligible to hold office as such under the applicable provisions of law.

Cost 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 2024-25.

Reporting of Frauds by Auditors

During the year under review, the Auditors have not reported any instances of fraud committed against the Company by its officers or employees to the Audit Committee or the Board of Directors under Section 143(12) of the Companies Act, 2013.

22. Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as **Annexure – B**. Further, during the financial year under review, no employee of the Company was in receipt of remuneration exceeding the limits specified under Rule 5(2) of the said Rules. Accordingly, the disclosure required under Rule 5(2) and Rule 5(3) is not applicable.

Further, we confirm that no employee employed throughout the financial year or part thereof received remuneration in the financial year that, on the aggregate, was more than that drawn by the Managing Director and Whole-Time Directors and holds by himself or along with his spouse and dependent children more than 2 per cent of the equity shares of your Company.

23. Management's Discussion and Analysis Report

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), which, inter alia, covers the state of the Company's affairs, forms part of this Report and is annexed hereto as **Annexure-C**.

24. Conservation of energy, technology absorption and foreign exchange earnings and outgo

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 2024-25, 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

25. Corporate Social Responsibility (CSR)

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 the preceding 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.

26. Particulars of contracts or arrangements with related parties

The Company has not entered into any Material related party transactions with the related parties. All other related party transactions entered into by the Company during the financial year were on an arm's length basis and in the ordinary course of business and disclosed in the Notes to the Financial Statement forming part of the Financial Statements. Accordingly, the disclosure of such transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, in Form AOC-2, is not required to be annexed.

27. Subsidiary, Joint Ventures and Associate Companies:

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 a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1, is not required to annex with this report.

28. Statement regarding the development and implementation of Risk Management Policy

The Company has not developed and implemented any formal risk management policy, as the nature and extent of risks threatening the business activities carried out by the Company during the year under review were considered minimal. However, the Board periodically reviews business risks and takes appropriate measures to mitigate them as and when required.

29. Internal Financial Control and their adequacy

The Company has established and implemented a process-driven framework for Internal Financial Controls ("IFC") within the meaning of Section 134(5)(e) of the Companies Act, 2013. For the financial year ended March 31, 2025, the Board is of the opinion that the Company has adequate and effective IFC commensurate with the nature, size, and complexity of its business operations. These controls were operating effectively and no material weaknesses were observed.

The Company has put in place procedures for ongoing monitoring and review of the IFC framework to ensure timely identification of any gaps and to implement necessary improvements, wherever required, so that such gaps do not materially affect the Company's operations.

During the year under review, no reportable material weakness in the design or operation of IFC was observed.

30. Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- a) in the preparation of the annual financial statements for the financial year ended **March 31, 2025**, the applicable accounting standards have been followed and no material departures have been made therefrom;
- b) the Directors have 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 at the end of the financial year and of the profit of the Company for that year;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual financial statements have been prepared on a going concern basis;

- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

31. Green Initiative:

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued Circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members.

As a responsible corporate citizen, the Company welcomes and supports the ‘Green Initiative’ undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, amongst others, to shareholders at their e-mail address previously registered with the DPs and RTAs.

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA.

32. Prevention of Sexual Harassment at Workplace:

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.

33. Vigil Mechanism/ Whistle Blower Policy:

The Company is committed to conducting its affairs in a fair and transparent manner, fostering professionalism, honesty, integrity, and ethical behaviour among its employees and stakeholders. In line with this commitment, the Company has adopted a Whistle Blower Policy as part of its vigil mechanism.

Further, the Code of Business Conduct (“the Code”) sets out important corporate ethical practices that guide the Company’s value system and business functions, and embody the core values of the Company.

During the financial year ended March 31, 2025, no whistle blower complaints were received from any employee or Director of the Company. The Board also confirms that no employee or Director was denied access to the Audit Committee or its Chairman under the vigil mechanism.

34. Human resources

Your Company considers its human resources as the most valuable asset and a key driver in achieving its strategic objectives. In line with this belief, the Company places strong emphasis on attracting, nurturing, and retaining high-quality talent. The work environment is designed to empower employees, encourage innovation, and motivate them to consistently deliver higher levels of performance.

The commitment and dedication of employees continue to be the driving force behind the Company’s growth and vision. The Board places on record its appreciation for the enthusiasm, hard work, and contribution of the employees at all levels.

35. Corporate Governance

In terms of Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the compliance requirements relating to Corporate Governance, as specified under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and Paras C, D and E of Schedule V, were not applicable to the Company.

During the Financial Year, the Paid up share capital of the Company stands increased to Rs. 12,91,00,000/- pursuant to allotment of Bonus shares on March 18, 2025. Hence, the requirement for applicability of Corporate Governance provisions as per SEBI Listing Regulations is applicable to the Company at the end of the F.Y. 2024-25.

The Company reaffirms its unwavering commitment to adopt and maintain the highest standards of corporate governance practices. The Corporate Governance Report, as required under the SEBI Listing Regulations, forms an integral part of this Annual Report and Annexed as **Annexure D**. The said Report is accompanied by a certificate issued by the Secretarial Auditor, confirming compliance with the prescribed conditions of Corporate Governance.

36. Various Policies of The Company

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has formulated and implemented various policies to ensure good governance and transparency in its operations. These policies are available on the Company’s website at www.padamcotton.com under the “Company Information” section of the “Investor” tab. The Board periodically reviews these policies and updates them, as and when required, to align with regulatory requirements and business needs.

37. Code for Prevention of Insider Trading:

Your Company has adopted a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives (“the Code”) in compliance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Code, inter alia, prescribes the procedures to be followed by designated persons while trading or dealing in the Company’s securities and provides guidelines on the handling and communication of Unpublished Price Sensitive Information (“UPSI”). It also covers the Company’s obligation to maintain a Structured Digital Database (SDD), establishes mechanisms for the prevention of insider trading, and outlines processes for sensitizing designated persons about the significance and confidentiality of UPSI.

To strengthen awareness and ensure compliance, the Company has been conducting regular training sessions for all designated persons, thereby enabling them to identify, understand and discharge their obligations effectively under the Insider Trading Regulations.

38. Secretarial Standards

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

39. General Disclosures

Neither the Executive Chairman nor the CEO of the Company received any remuneration or commission from any of the subsidiaries of the Company.

The Directors state that no disclosure or reporting is required in respect of the following items, as there were no transactions or events of these nature during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting, or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. Significant or material orders passed by regulators, courts, or tribunals which impact the going concern status or the operations of the Company in the future.
4. Voting rights not directly exercised by employees in respect of shares for which loans were provided by the Company (as no scheme exists under Section 67(3)(c) of the Companies Act, 2013, enabling such beneficial ownership).
5. Applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016.
6. One-time settlement of loans obtained from banks or financial institutions.
7. Revision of financial statements or Directors’ Report of the Company.

40. Enclosures:

The following are the enclosures attached herewith and forms part of the Director's Report:

- a. Annexure A: Secretarial Auditors Report in Form No. MR-3;
- b. Annexure B: Details of personnel/particulars of employees;
- c. Annexure C : Management Discussion and Analysis Report;
- d. Annexure D: Corporate Governance Report
- e. Annexure E: WTD & CFO Certificates

41. Acknowledgement

The Directors express their sincere gratitude for the guidance, support, and assistance received from the Government of India, the governments of various states, concerned government departments, financial institutions, and banks. The Directors also thank the esteemed shareholders, customers, suppliers, and business associates for their continued trust and confidence in the Company.

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

Date: 04-09-2025
Place: Ahmedabad

**Sd/-
Dinesh Shreevastav
Whole Time Director
(DIN: 11030609)**

**Sd/-
Mr. Mahendra Singh
Director
(DIN: 07684132)**

“ANNEXURE A”

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31.03.2025

[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, 1st Floor, G T Road,

Opp. Red Cross Market Karnal,

Haryana, 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 31st March, 2025 (“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 31st March, 2025 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)** Where ever 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.: 13544

C.P. No.: 19535

UDIN: F013544G001118054

Date: 30.08.2025

Place: Karnal

“ANNEXURE-B”**DISCLOSURES REGARDING REMUNERATION 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**

Sr. No.	Requirements	Disclosure	
1.	The ratio of remuneration to each director to the median remuneration of the employees for the financial year	Non Executive Director	2.64
		Non-Executive Director	1.98
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	NIL	
3.	The percentage increase in the median remuneration of employees in the financial year	N.A.	
4.	The number of permanent employees on the rolls of the Company as on March 31, 2025.	39	
5.	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Nil	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is confirmed	

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

Date: 04-09-2025
Place: Ahmedabad

**Sd/-
Dinesh Shreevastav
Whole Time Director
(DIN: 11030609)**

**Sd/-
Mr. Mahendra Singh
Director
(DIN: 07684132)**

ANNEXURE-C**MANAGEMENT DISCUSSION AND ANALYSIS REPORT (FY 2024-25)****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 31st 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.

KEY FINANCIAL RATIOS

Sr. No.	Particular	2024-25	2023-24	Variance	Reason for variance
1	Debtors Turnover Ratio	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
2	Inventory Turnover Ratio	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
3	Interest Coverage Ratio	0.00	0.15	NA	NA
4	Current Ratio	153.25	2.27	-98.52	Due to decrease in current liabilities as provision of tax payable was outstanding in last year.
5	Debt-Equity Ratio	NA	NA	-	Company does not have any debts outstanding as on the reporting date
6	Operating Profit Margin (%)	0.52	-9.57	-10.9	Due to lower sales and higher fixed expenses
7	Net Profit Margin (%)	NA	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
8	Return on Net Worth (%)	77.62%	31.80%	144.07%	EBIT is low in the current period because there was derivative loss against exceptional income/gain on Insurance claim in both the years.

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.

“ANNEXURE D”**Corporate governance report****I. Company's philosophy on code of corporate governance**

The company's philosophy on corporate governance is founded on the fundamental ideologies of the group viz., trust, value and service. It has been a constant endeavor on the part of the company to achieve excellence in corporate governance by following the principles of transparency, accountability and integrity in functioning, so as to constantly striving to enhance value for all the stakeholders and society in general. The company's governance framework is based on the principles of appropriate composition and size of the board with each member bringing in expertise in their respective domains; timely disclosure of material operational and financial information to the stakeholders; proper systems and processes of internal control as well as proper business conduct by the board, senior management and employees.

In its quest to inculcate an ethical corporate culture and citizenship within the organization, the Company's governance philosophy depends heavily on a few tenets. These are trusteeship, transparency, empowerment & accountability, control and ethical corporate citizenship. We believe that by inculcating these tenets, the appropriate corporate culture can be created whereby the Company is managed in a way that reflects ethical corporate citizenship. The tenet of trusteeship dictates that the Board of Directors will protect and enhance shareholder value and discharge the Company's obligations to all the other stakeholders. The Company's role in the economic and social spheres will be fulfilled under this tenet. Under the tenet of transparency, we make necessary disclosures and explain the rationale behind its policies and decisions to all affected by them.

To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our shareholders, our people and our business partners.

II. Board of directors**A. Composition of the board**

The Company's Board comprises an ideal mix of Non-Executive Non-Independent Directors, and Independent Directors. The structure of the Board of Directors adheres to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as well as Sections 149 and 152 of the Companies Act, 2013 ("Act"). The independent directors on the board are experienced, competent and reputed persons from their respective fields. As at March 31, 2025, the composition of board is given herein below:

- Mr. Mahendra Singh (DIN: 07684132) (Non-Executive - Non Independent Director)
- Mr. Ashutosh Alaru (DIN: 07618648) (Non-executive, independent director)
- Mr. Anand Manoharlal Kothari (DIN: 10900584) (Non-Executive, Independent, Director)
- Mrs. Nikita Kushan Karia (DIN: 10835706) (Non-executive, independent director)

After the end of the F.Y. 2025 and as on the date of signing this report the composition of board is given herein below:

- Mr. Dinesh Shreevastav (DIN: 11030609 (Executive, Whole-Time Director)
- Mr. Mahendra Singh (DIN: 07684132) (Non-Executive - Non Independent Director)
- Mr. Ashutosh Alaru (DIN: 07618648) (Non-executive, independent director)
- Mr. Anand Manoharlal Kothari (DIN: 10900584) (Non-Executive, Independent, Director)
- Mrs. Kinjal Jigar Shah (DIN: 11031676) (Non-executive, independent director)

B. Meetings of the Board:

The Board Meetings are held at regular intervals with a time gap of not more than 120 days between two consecutive meetings. Additional meetings are held whenever deemed necessary for the conduct of business. During the year under review, Seventeen (17) board meetings were held on 23/04/2024, 30/05/2024, 06/06/2024, 26/07/2024, 21/09/2024, 07/10/2024, 21/10/2024, 13/11/2024, 27/11/2024, 25/12/2024, 09/01/2025, 15/01/2025, 24/01/2025, 25/02/2025, 07/03/2025, 19/03/2025 and 26/03/2025.

All the directors of your Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

The Independent Directors met on 19/03/2025 to discuss the performance evaluation of the Board, Committees, Chairman and the individual Directors.

The Minutes of the proceedings of the Meetings of the Board of Directors are noted and the draft minutes are circulated amongst the Members of the Board for their perusal. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman. Thereafter, the minutes are signed by the Chairman of the Board Meeting at the next meeting.

Attendance each director at the Board meeting and at the last 30th Annual General Meeting (AGM) (held on July 10, 2024), their designation, directorships held in other listed companies and relationship Between Directors and at the board meetings and is as under:

Sr.no	Name of Director	Designation	Directorships held in other listed companies	No. of board committees (other than Padam Cotton Yarns Limited)	Relationship Between Directors	No. of shares held by them	Board Meeting attended (Attended/ Entitled)	Present in Previous Annual General Meeting
1.	¹ Mr. Rajeev Gupta	Non-Executive Non-Independent Director	NIL	NIL	Mr. Rajeev Gupta is Husband of Mrs. Rekha Gupta and Father of Mrs. Pernika Mittal	NIL	17/17	Yes
2.	² Mr. Satwant Singh	Non-Executive-Independent Director	NIL	NIL	No relation	NIL	03/03	Yes
3.	³ Mr. Naresh Chand Goyal	Non-Executive-Independent Director	NIL	NIL	No relation	NIL	09/11	Yes
4.	⁴ Mr. Sachin Gupta	Non-Executive-Independent Director	NIL	NIL	No relation	NIL	06/08	Yes
5.	⁵ Mrs. Rekha Gupta	Non-Executive Non-Independent Director	NIL	NIL	Mrs. Rekha Gupta is Wife of Mr. Rajev Gupta and Mother of Mrs. Pernika Mittal.	NIL	07/07	Yes
6.	⁶ Mrs. Pernika Mittal	Managing Director	NIL	NIL	Mrs. Pernika Mittal is daughter of Mr. Rajev Gupta and Mrs Rekha Gupta, Directors of the Company.	NIL	15/15	Yes
7.	⁷ Mr. Sanjay Kumar Bansal	Non-Executive Independent Director	NIL	NIL	Not related to any of the Directors of the Company.	NIL	07/09	Yes

8.	⁸ Mr. Mahendra Singh	Non-Executive	1. Mafia Trends Limited	Mafia Trends Limited	No relation	NIL	06/08	NA
9.	⁹ Mr. Ashutosh Alaru	Non-Executive-Independent Director	NIL	NIL	No relation	NIL	04/06	NA
10.	¹⁰ Mr. Anand Manoharlal Kothari	Non-Executive-Independent Director	NIL	NIL	No relation	NIL	04/06	NA
11.	¹¹ Mrs. Nikita Kushan Karia	Non-Executive-Independent Director	NIL	NIL	No relation	NIL	07/09	NA
12.	¹² Mrs. Kinjal Shah	Non-Executive-Independent Director	NIL	NIL	No relation	NIL	NA	NA
13.	¹³ Mr. Dinesh Shreevastav	Executive, Whole Time Director	NIL	NIL	No relation	NIL	NA	NA

1. Resigned as a director w.e.f 26-03-2025

2. Ceased to be director w.e.f. 10-07-2024

3. resigned as a director w.e.f. 09-01-2025

4. resigned as a director w.e.f. 13-11-2024

5. Appointed w.e.f. 30-05-2024 and resigned w.e.f. 27-11-2024

6. appointed as Managing Director w.e.f. 30-05-2024 and resigned w.e.f. 26-03-2025

7. appointed w.e.f. 06-06-2024 and resigned w.e.f. 15-01-2025

8. Appointed w.e.f. 27-11-2024

9. Appointed w.e.f. 09-01-2025

10. Appointed w.e.f. 09-01-2025

11. Appointed on 13-11-2024 and resigned w.e.f. 11-04-2025

12. Appointed w.e.f. 11-04-2025

13. appointed w.e.f. 01-04-2025

C. Web link of details of familiarization programmes imparted to the independent directors

Following is the web link of familiarization programmes imparted to the independent directors of the company
<https://www.padamcotton.com/policies/familiarisation-programme-for-independent-directors.pdf>

D. Matrix / table containing skills / expertise / competence of the board of directors

The Board members come from diversified backgrounds and possess the requisite knowledge, competencies, skills, and experience to effectively discharge their responsibilities. Their collective expertise spans across i.e. primary market, secondary market, mutual funds, arbitrage operations, banking & finance, taxation and legal.

The Company has identified and broadly categorized its core skills, expertise, and competencies as follows:

Particulars	Detailed list of core skills, expertise and competencies
Core Skills	Strategic policy formulation and advising, regulatory framework knowledge, financial performance, advising on Risk mitigation and compliance requirements
Expertise	Knowledge of stock market, commercial acumen and able to guide in building the right environment for human assets development
Competencies	Strategic leadership, execution of policies framed by the board, identifying the growth areas for expanding the business in India and outside India and advising on business risks & environment

All the Board members, Viz. Mr. Dinesh Shreevastav, Mr. Mahendra Singh, Mr. Ashutosh Alaru, Mr. Anand Manoharlal Kothari and Mrs. Kinjal Jigar Shah, possess the requisite skills, expertise, and competencies as mentioned in the table above, along with the necessary knowledge of corporate governance and corporate advisory skills

E. Confirmation of the board regarding the independent directors

The board of directors confirms that in the opinion of the board, the independent directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and are independent of the management.

III. Audit committee

A. Brief description of terms of reference

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 as applicable along with other terms as referred by the Board of Directors. The terms of reference of the Audit Committee are broadly as under:

- Oversight of the Company's Financial Reporting Process and the disclosure of its Financial Information to ensure that the Financial Statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Examination and reviewing, with the Management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 (3)(c) of the Act;
 - ii. Changes, if any, in the Accounting Policies and Practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by Management;
 - iv. Significant adjustments made in the Financial Statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to Financial Statements;
 - vi. Disclosure of any Related Party Transactions;
 - vii. Qualifications in the draft Audit Report;
- Reviewing with the Management, the quarterly Financial Statements before submission to the Board for approval;
- Review and monitor the Auditors' independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with Related Parties;
- Scrutiny of Inter - Corporate Loans and Investments;
- Evaluations of Internal Financial Controls and Risk Management Systems;
- Reviewing with the Management, performance of Statutory and Internal Auditor and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function and discussion with Internal Auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To review the functioning of the Whistle Blower Mechanism;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- Oversight of the Listed entity's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible.

B. Composition of the audit committee

During the financial year under review and as on **March 31, 2025**, the following Directors were members of the Audit Committee:

Name of the member	Designation in committee	Designation in company
¹ Mr. Anand Manoharlal Kothari	Chairman	Independent Director
¹ Mrs. Nikita Kushan Karia	Member	Independent Director
² Mr. Rajev Gupta	Member	Non- Executive Non-Independent Director

1. Appointed w.e.f. 09-01-2025

Further, after the end of the FY 2025, the Committee was reconstituted on April 11, 2025 due to some appointment and resignation on the Board. After such reconstitution, the Composition of Committee is as follows:

Name of the member	Designation in committee	Designation in company
Mrs. Kinjal Shah	Chairman	Independent Director
Mr. Anand Manoharlal Kothari	Member	Independent Director
Mr. Dinesh Shreevastav	Member	Whole-Time Director

All members of the audit committee have the requisite qualification for appointment on the committee and possess sound knowledge of finance, accounting practices and internal controls.

The Company Secretary & Compliance Officer of the company acts as the Secretary to the Committee.

C. Meetings and attendance

During the financial year ended on March 31, 2025, Eight meetings of the audit committee were held on 23/04/2025, 30/05/2024, 06/06/2024, 26/07/2024, 07/10/2024, 27/11/2024, 09/01/2025 and 24/01/2025

All the members of the audit committee had attended all the meetings held during the financial year under report.

IV. Nomination and remuneration committee:

a. Brief description of terms of reference

The Nomination and Remuneration Committee is constituted vide Board Resolution dated 26/07/2017 in accordance with SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee and the Committee Members are:

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Determination and recommendation of criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Review and approval of compensation / remuneration payable to Senior Management Personnel, Relatives of Directors, Executive and Non-Executive Directors etc. and recommend to the Board for their approval;
- Succession planning for Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment of Directors / Independent Directors based on laid down criteria;
- Examination and evaluation of performance of the Board of Directors and Senior Management Personnel including Key Managerial Personnel based on criteria approved by the Board.

b. Composition of the nomination and remuneration committee

During the financial year under report and as at March 31, 2025, following directors were the members of the nomination and remuneration committee:

Name of the member	Designation in committee	Designation in company
Mr. Ashutosh Alaru	Chairperson	Independent Director
Mrs. Nikita Kushan Karia	Member	Independent Director
Mr. Rajeev Gupta	Member	Non-Executive Director

The Company Secretary & Compliance Officer of the company acts as the Secretary to the Committee.

Further, after the end of the FY 2025, the Committee was reconstituted on April 11, 2025 due to some appointment and resignation on the Board. After such reconstitution, the Composition of Committee is as follows:

Name of the member	Designation in committee	Designation in company
Mr. Ashutosh Alaru	Chairman	Independent Director
Mr. Anand Manoharlal Kothari	Member	Independent Director
Mrs. Kinjal Shah	Member	Independent Director

c. Meetings and attendance

During the financial year ended on March 31, 2025, Six meetings of the nomination and remuneration committee were held on 23/04/2024, 30/05/2024, 06/06/2024, 13/11/2024, 27/11/2024 and 09/01/2025.

All the members of the nomination and remuneration committee had attended all the meetings held during the financial year under report.

d. Performance evaluation criteria for independent directors

The performance evaluation of the independent directors of the company is made on the basis of their presence in the board and committee meetings, their approach of implementation of activities of the independent directors' familiarization programmes, their suggestions and advices for the betterment of business of the company, taking active part in the formulation of future plans of the company and performing the duties as entrusted by the provisions of the law and from the board of directors, from time to time etc.

e. Remuneration of the directors:

The appointment and remuneration of all the Executive Directors of the Company is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration package of all the Executive Directors comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. The remuneration of the Board members is based on the Company's size & global presence, its economic & financial position, industrial trends, compensation paid by the peer companies, etc. Compensation reflects each Board member's responsibility and performance. The level of compensation to Executive Directors is designed to be competitive in the market for highly qualified executives.

Details of the remuneration to Non-executive Directors for the year ended March 31, 2025 are as under:

Sr. No.	Name of the Director	Basic Fixed Salary / Sitting Fee (₹)	Other Benefits	Total (₹)
1.	Rajiv gupta	6,00,000	--	6,00,000
2.	Rekha gupta	4,50,000	--	4,50,000
Total		10,50,000	--	10,50,000

f. Pecuniary relationship or transactions of the non-executive directors vis-à-vis company

During the financial year under report, the company has compensated the non-executive independent directors by way of paying them sitting fees for attending the board and committee meetings. Apart from above, no transaction for payment of any sum has been made with non-executive directors vis-à-vis your company.

g. Salient features of the policy on remuneration of executive and non-executive directors are as under:

(a) Executive Directors

The Board of Directors in consultation with the Nomination and Remuneration Committee decides on the remuneration payable to the Managing Director / Whole Time Director. The total remuneration to the Managing Director comprises fixed component consisting of salary and perquisites in accordance with Company's policy and a profit linked incentive.

Notice period for termination of appointment of Managing Director and other Whole-time Directors is three months on either side.

(b) Independent Directors/Non-Executive Director:

Non-Executive Directors can be paid sitting fees for attending the Board and Committee meetings. The reimbursement of actual expense directly related to the travel and out-of-pocket expenses, if any, incurred by them is made.

The performance criteria for the payment of remuneration to the directors are in line with the Nomination and Remuneration Policy of the Company.

Further, none of the directors has been appointed on service contract basis. The notice period and severance fees are decided based on the mutual understandings between the board members from time to time. Also no stock options are issued / given to any of the directors / employees of the company.

V. Stakeholders' grievance committee

a. Brief description of terms of reference

The Stakeholders Relationship Committee is constituted in compliance with the requirements of Section 178 of the Companies Act, 2013. Company Secretary is the Compliance Officer, who acts as the Secretary to the Committee and the Members of the Committee are:

Name of the member	Designation in committee	Designation in company
Mrs. Nikita Kushan Karia	Chairperson	Independent Director
Mr. Ashutosh Alaru	Member	Independent Director
Mr. Mahendra Singh	Member	Non-Executive Director

Further, after the end of the FY 2025, the Committee was reconstituted on April 11, 2025 due to some appointment and resignation on the Board. After such reconstitution, the Composition of Committee is as follows:

Name of the member	Designation in committee	Designation in company
Mr. Ashutosh Alaru	Chairman	Independent Director
Mr. Anand Manoharlal Kothari	Member	Independent Director
Mr. Dinesh Shreevastav	Member	Whole-Time Director

The Stakeholders Relationship Committee looks into shareholders' complaints related to transfer of shares, non-receipt of balance sheet besides complaints from SEBI, Stock Exchanges, Court and various Investor Forums. It oversees the performance of the Registrars and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Company is in compliance with the SCORES, which has initiated by SEBI for processing the investor complaints in a centralized web-based redress system and online redressal of all the shareholders complaints.

Terms of reference:

- Transfer and transmission of shares held by shareholders in physical format;
- Shareholder's Compliant viz non-receipt of dividend, annual report, shares after transfer, delays in transfer of shares etc.;
- Status of dematerialization/rematerialization of shares;
- Issue of duplicate share certificates;
- Monitor and Track redressal of Investor complaints;
- Oversee the performance of the Company's Registrar and Transfer Agents;
- Suggest measures for improvement upgrade the standard of services to investors from time to time;
- Carry out any other function as is referred by the board from time to time or enforced by any statutory modification/ amendment or modification as may be applicable;

b. Meetings and attendance

During the financial year ended on March 31, 2025, Ten meetings of the Stakeholders' grievance committee were held on 23/04/2024, 30/05/2024, 06/06/2024, 26/07/2024, 21/10/2024, 25/12/2024, 09/01/2025, 15/01/2025, 25/02/2025, 07/03/2025

All the members of the Stakeholders' grievance committee had attended all the meetings held during the financial year under report.

During the financial year ended on March 31, 2025, the company did not receive any investor complaint.

VI. General body meetings

a. Dates, time and places of last three annual general meetings (AGMs)

AGM	Date	Time	Place
30 th AGM for the FY 2023-24	10 th July, 2024	10:00 A.M.	196, 1st Floor, G T Road, Opp. Red Cross Market
29 th AGM for the FY 2022-23	26 th September, 2023	11:30 A.M.	

28 th AGM for the FY 2021-22	9 th September, 2022	11:00 A.M.	Karnal, Karnal , Haryana, 132001
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b. Special resolution(s) passed in the previous three annual general meetings

AGM	Particulars of special resolutions passed
30 th AGM for the FY 2023-24	<ol style="list-style-type: none"> 1. Approval of regularisation of Additional Director, Mr. Sanjay Kumar Bansal (DIN: 10600836) by appointing him as a Non-Executive Independent Director of the Company. 2. To the approve Loans, Investments or Guarantee or Security under Section 186 of Companies Act, 2013; 3. Approval to advance any loan, give guarantee or provide any security under Section 185 of the Companies Act, 2013.
29 th AGM for the FY 2022-23	<ol style="list-style-type: none"> 1. To the approve Loans, Investments or Guarantee or Security under Section 186 of Companies Act, 2013; 2. To Approval of Loans, Investments or Guarantee or Security under Section 185 of the Companies Act, 2013.
28 th AGM for the FY 2021-22	NIL

c. Special resolution(s) passed during the year through postal ballot : NIL

VII. Means of communication

Financial Results	The quarterly, half-yearly and annual results are published in two newspaper i.e. Financial Express in English and Hindi and are displayed on the website of the Company
Website	The Company's website https://www.padamcotton.com/ provides comprehensive information about its portfolio of businesses. Section on "Investors" serves to inform and service the Shareholders allowing them to access information at their convenience. The quarterly shareholding pattern of the Company is available on the website of the Company as well as the stock exchanges. The entire Annual Report and Accounts of the Company will also be made available on the websites of the Stock Exchanges. Annual Report and accounts of the Company and its subsidiaries will be available on the website of the Company in downloadable format
Filing with Stock Exchanges	Information to Stock Exchanges is now being also filed online on listing portal of BSE.
Annual Report	Annual Report is circulated to all the members and all others like auditors, secretarial auditor, equity analysts etc.
Presentations/ Investor call made to Institutional Investors and Analysts	The schedule of analyst/institutional investor meets and presentations if made to them are placed on the website of the Company.
Registrar and Share Transfer Agents (RTA)	Beetal Financial & Computer Services Pvt. Ltd, Beetal House, 3rd Floor, 99, Madangir, Behind LSC, New Delhi, Delhi, 110062
Plant Location	NIL
Address of correspondence	C-801, Krish Cubical, Govardhan Partyplot, Avalon Hotal Road, Sindhu Bhavan Marg Thaltej, Thaltej, Ahmedabad, Daskroi, Gujarat, India, 380059

VIII. General shareholder information

a. Annual general meeting

Day and Date	Tuesday, September 30, 2025
Time	12:00 pm
Venue	At the registered office of the company 196, 1st Floor, G.T. Road, Opp. Red Cross Market Karnal- 132001, Haryana, India
Record Date	Tuesday, September 23, 2025

b. Financial year

Tentative calendar for the Financial year : April 1, 2025 to March 31, 2026

Period	Due Date for Submission
First Quarter result	Within 45 days from closure of quarter ending on June 30, 2025
Second Quarter / Half Year result	Within 45 days from closure of quarter / half year ending on September 30, 2025
Third Quarter result	Within 45 days from closure of quarter ending on December 31, 2025
Results for the financial year ending on March 31, 2026	Within 60 days from closure of quarter / financial year ending on March 31, 2026

* Subject to additional relaxation(s), if any, granted by respective authorities

c. Dividend payment dates

The final dividend, if declared for the financial year ended on March 31, 2025, in the ensuing annual general meeting shall be paid within 30 days of annual general meeting.

d. Listing of securities

As on March 31, 2025, the equity shares of the Company were listed on the BSE Limited. The Company had duly paid the annual listing fees for the financial year 2024-25.

e. No suspension of trading

During the financial year under report and during any of the previous financial years, the securities of the company were never suspended from trading on any of the stock exchange(s).

f. Share transfer system

Share transfer work of physical segment is attended by the company's registrar & share transfer agent Beetal Financial & Computer Services Pvt. Ltd. The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects. A summary of approved transfers, transmissions, deletion requests, etc., are placed before the board of directors / stakeholders' grievance committee from time to time as per the listing regulations.

g. Distribution of shareholding as on March 31, 2025

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Equity Shares held	% of Shareholding
Upto 500	3773	78.867	255866	1.981
501 – 1000	690	14.423	489799	3.794
1001 – 2000	99	2.069	150173	1.163
2001 – 3000	44	0.920	106417	0.824
3001 – 4000	28	0.585	97718	0.756
4001 – 5000	23	0.481	102847	0.796
5001 – 10000	40	0.836	303822	2.353
10001 & above	87	1.819	11403358	88.329
Total	4784	100	12910000	100

Stock Market Data For The Year 2024-25:

Months	BSE		
2024	High	Low	Closes
April	40.17	35.4	35.4
May	36.62	32.02	35.34

Months	BSE		
June	40.79	36.06	40.01
July	54.71	38.5	49.18
August	74.87	49	74.87
September	111.81	76.3	111.81
October	172.2	114	172.2
November	244.9	175.6	244.9
December	356	249.75	356
2025			
January	393	166.95	166.95
February	175	149.2	156.7
March	163	73.05	77.3

Category of shareholders as on March 31, 2025

Category	No. of Shareholders	% of Shareholders	No. of Equity Shares Held	% of Shareholding
A. Promoter & Promoter Group Shareholding				
(a) Individual	0	0	0	0
(b) Body Corporate	0	0	0	0
B. Public Shareholding				
(a) Other Body Corporate	16	10.74	1386424	10.74
(b) Resident Individuals	4719	66.60	69787221	66.60
(c) HUF	0	0	0	0
(d) NRI	10	0.05	6367	0.05
(e) Foreign Portfolio Investors	0			
(f) Any Other	1	22.06	2848103	22.06
Total	4784	100%	15,784,000	100%

h. Dematerialization of shares and liquidity

The company's equity shares have been allotted ISIN (INE448D01025) both by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) upon subdivision of the equity shares of the Company after the end of the Year.

As on March 31, 2025, 1,12,06,000 equity shares, representing 86.80% of the paid-up equity share capital of the Company, are in dematerialized form.

Holding as on March 31, 2025

Mode of Holding	No. of Equity Shares	% of Total Paid-up Capital
Electronic – CDSL	92,84,946	71.92
Electronic – NSDL	19,21,192	14.88
Physical	17,03,862	13.19
Total	1,29,10,000	100.00%

i. Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

There are no Outstanding Global Depository Receipts or American Depository Receipts or Warrants Or any Convertible Instruments during the financial year.

j. Commodity price risk / foreign exchange risk and hedging activities

The nature of business of the company doesn't involve any commodity price risk / foreign exchange risk and doesn't require any hedging activities.

k. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

Not Applicable

IX. Other Disclosures

- i. The company doesn't have any material significant related party transactions that may have potential conflict with the interests of the listed entity at large;
- ii. No penalties or strictures have been imposed on the company by the stock exchange(s) or SEBI or any other statutory authority on any matter related to capital markets during the last three financial years;
- iii. Pursuant to the provisions of Section 177(9) of the Companies Act, 2013, rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has duly established a vigil mechanism / whistle blower policy for directors and employees of the company. Mr. Dinesh Shreevastav, Whole-Time Director of the company, does hereby affirm that no personnel are being denied access to the audit committee to report genuine concerns in this regard;
- iv. The company has complied with all mandatory requirements of the listing regulations to the extent applicable;
- v. The company does not have any subsidiary hence, it has not adopted a policy for determining material subsidiaries;
- vi. Web link of the policy on dealing with related party transactions is as follows: <https://www.padamcotton.com/policies/policy-for-dealing-with-related-party-transactions.pdf>
- vii. The nature of business of the company doesn't involve any commodity price risk / foreign exchange risk and doesn't require any hedging activities.
- viii. A compliance certificate from **CS Ashish Goyal, Proprietor of M/s. A. Goyal & Co., Practicing Company Secretaries (C.P. No. 19535)** confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such authority is attached as an annexure to this corporate governance report.
- ix. There was no such instance during the financial year 2024-25 when the Board of Directors had not accepted recommendation(s), if any, made by any of the committee(s) of the Board of Directors of the company.
- x. Aggregate statutory audit fees of ₹1,25,000/- has been paid by the company to M/s. Viney Goel & Associates, Chartered Accountants, Karnal (FRN- 012188N) for agreed services between the company and the said firm of auditors for the financial year 2024-25.
- xi. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder, the number of complaints received during the financial year 2024-25 along with their status of redressal are as under:

Particulars	2024-25
Number of complaints received during the financial year	0
Number of complaints disposed of during the financial year	0
Number of cases pending for more than 90 days	0

The Company remains fully committed to ensuring a work environment that is free from any form of harassment and discrimination.

xii. Particulars of senior management and the changes therein since the close of the previous financial year:

There was no change in the senior management of the company during the financial year under report except changes in directors / KMPs already stated in directors' report.

- xiii. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount:** The company didn't grant any loans and advances in the nature of loans to firms / companies in which directors are interested and there was no such debit figure loans either at the opening or at the end of the financial year under report.
- xiv.** There are no any agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, during the Financial Year 2024-2025 and as on the date of this annual report, as specified under Regulation 30 A read with clause 5A to Para A of part A of schedule III of SEBI (LODR) Regulations, 2015
- xv.** The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A certificate from Practicing Company Secretary is provided as Annexure-1

X. Certificate of Non-Disqualification of Directors:

Your Company has received a certificate from M/s. A. Goyal & Co., Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company as on March 31, 2025, have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such Statutory Authority. This certificate forms part of this Report. Annexure-2.

XI. Non-compliance and reason(s) thereof

The company has complied with all the provisions of corporate governance related to the matters enumerated in the point II to XI above for the financial year ended on March 31, 2025 to the extent applicable.

XII. Adoption of discretionary requirements

During the year under report and previous financial years, there were no audit qualifications on company's financial statements. The company has moved towards a regime of financial statements with unmodified audit opinions. The internal auditor also reports directly to the audit committee of the company.

XIII. Disclosures of compliance with corporate governance specified in regulation 17 to 27 and regulation 46(2)(b) to (i) of the listing regulations

In terms of Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the compliance requirements relating to Corporate Governance, as specified under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and Paras C, D and E of Schedule V, were not applicable to the Company.

During the Financial Year, the Paid up share capital of the Company stands increased to Rs. 12,91,00,000/- pursuant to allotment of Bonus shares on March 18, 2025. Hence, the requirement for applicability of Corporate Governance provisions as per SEBI Listing Regulations is applicable to the Company at the end of the F.Y. 2024-25.

Following the applicability of corporate governance provisions, the Company reaffirms its commitment to adopting and maintaining the highest standards of corporate governance. Accordingly, the Company is in compliance with the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations for the financial year ended March 31, 2025, to the extent applicable.

XIV. Code of conduct

The board of directors has adopted a code of conduct & policy for the directors and senior management personnel. This code is a comprehensive code applicable to all executives as well as non executive directors and members of the senior management. A copy of the code has been hosted on the company's website at following web link:

<https://www.padamcotton.com/policies/code-of-conduct-for-directors-and-senior-management.pdf>

The code has been circulated to all the members of the board and senior management personnel and compliance of the same has been affirmed by them. A declaration signed by the managing director in this regard is given below:

“I, Dinesh Shreevastav, Whole-Time Director of the Company, from all the members of the board and senior management personnel of the company, affirm that they have complied with the code of conduct & policy framed for the directors and senior management personnel in respect to the financial year 2024-25.”

Yours' sincerely,
For Padam Cotton Yarns Limited
Dinesh Shreevastav (Whole-Time director)
(DIN: 02136530)

XV. Compliance certificate on corporate governance

A certificate from statutory auditors of the company regarding compliance of conditions of the corporate governance is attached at the end of this corporate governance report.

XVI. WTD & CFO certification

The Whole-Time Director and the Chief Financial Officer have certified the financial results submitted to the Board in accordance with Regulation 33(2)(a) of the SEBI (LODR) Regulations for the Financial Year ended on March 31, 2025. The Whole-Time Director and Chief Financial Officer have also issued compliance certificate to the Board pursuant to the provisions of Regulation 17(8) of the SEBI (LODR) Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said Certificate is annexed as **Annexure-3** and forms part of the Annual Report

XVII. Prevention of insider trading

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, a comprehensive code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering to the principles of fair disclosure, a code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders and policy and procedures for inquiry in case of leak of unpublished price sensitive information for prevention and regulation of trading in the company's shares by insiders are in vogue.

The code prohibits purchase or sale of company's shares by directors, KMP and other designated person, designated employees while in possession of unpublished price sensitive information in relation to the company. The same can be found on website of the company at the investors section.

XVIII. Reconciliation of share capital audit

As stipulated by the SEBI, a qualified practicing company secretary carries out the reconciliation of share capital audit to reconcile the total admitted share capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and paid-up share capital of the company. This audit is carried out every quarter. The audit, inter-alia, confirms that the listed and paid-up share capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and the total number of shares in physical form.

“ANNEXURE 1”

**SECRETARIAL AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS
OF PADAM COTTON YARNS LIMITED**

**To,
THE BOARD OF DIRECTORS,
PADAM COTTON YARNS LIMITED
REGISTERED OFFICE: 196, 1st Floor, G.T. Road,
Opp. Red Cross Market
Karnal- 132001, Haryana, India**

We have examined the compliance of conditions of Corporate Governance by **PADAM COTTON YARNS LIMITED** for the purpose of certifying compliance of the conditions of Corporate Governance as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) read with Part E of Schedule V, for the Financial Year ended March 31, 2025. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

Managements’ Responsibility

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Certifications

On the basis of my examination of the records produced, explanations and information furnished given to us, I certify that the Company has complied with all the mandatory conditions of the Corporate Governance, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and Paragraphs C, D and E of Schedule V of the Listing Regulations, during the year ended on March 31, 2025.

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of the documents and information furnished is the responsibility of the Board of Directors of the Company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For A. Goyal & Associates Company Secretaries

Sd/-

CS Ashish Goyal Proprietor

Membership No.: 13544

C.P. No.: 19535

UDIN: F013544G001168423

Date: 04.09.2025

Place: Karnal

“ANNEXURE 2”**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

TO,
THE BOARD OF DIRECTORS,
PADAM COTTON YARNS LIMITED
REGISTERED OFFICE: 196, 1st Floor, G.T. Road,
Opp. Red Cross Market
Karnal- 132001, Haryana, India

I/We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of **M/s Padam Cotton Yarns Limited**, having CIN **L17112HR1994PLC033641** and having its registered office at **196, 1st Floor, G.T. Road, Opp. Red Cross Market Karnal- 132001, Haryana, India** (hereinafter referred to as 'the Company'), produced before me/us for the purpose of issuing this Certificate.

In my opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me/us by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company, as on date have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

The details of the Directors are as follows:

Sr. No	DIN/PAN	Name	Category
1.	00172828	¹ Mr. Rajev Gupta	Non-Executive Non-Independent Director
2.	00530516	² Mr. Satwant Singh	Non-Executive- Independent Director
3.	07608268	³ Mr. Naresh Chand Goyal	Non-Executive- Independent Director
4.	01111152	⁴ Mr. Sachin Gupta	Non-Executive- Independent Director
5.	08194155	⁵ Mrs. Rekha Gupta	Non-Executive Non-Independent Director
6.	08194164	⁶ Mrs. Pernika Mittal	Managing Director
7.	10600836	⁷ Mr. Sanjay Kumar Bansal	Non-Executive Independent Director
8.	07684132	⁸ Mr. Mahendra Singh	Non-Executive
9.	07618648	⁹ Mr. Ashutosh Alaru	Non-Executive- Independent Director
10.	10900584	¹⁰ Mr. Anand Manoharlal Kothari	Non-Executive- Independent Director
11.	10835706	¹¹ Mrs. Nikita Kushan Karia	Non-Executive- Independent Director
12.	11031676	¹² Mrs. Kinjal Shah	Non-Executive- Independent Director
13.	11030609	¹³ Mr. Dinesh Shreevastav	Executive, Whole Time Director

1. Resigned as a director w.e.f 26-03-2025

2. Ceased to be director w.e.f. 10-07-2024

3. resigned as a director w.e.f. 09-01-2025

4. resigned as a director w.e.f. 13-11-2024

5. Appointed w.e.f. 30-05-2024 and resigned w.e.f. 27-11-2024

6. appointed as Managing Director w.e.f. 30-05-2024 and resigned w.e.f. 26-03-2025

7. appointed w.e.f. 06-06-2024 and resigned w.e.f. 15-01-2025

8. Appointed w.e.f. 27-11-2024

9. Appointed w.e.f. 09-01-2025

10. Appointed w.e.f. 09-01-2025

11. Appointed on 13-11-2024 and resigned w.e.f. 11-04-2025

12. Appointed w.e.f. 11-04-2025

13. appointed w.e.f. 01-04-2025

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

For A. Goyal & Associates Company Secretaries

Sd/-

CS Ashish Goyal Proprietor

Membership No.: 13544

C.P. No.: 19535

UDIN: F013544G001168381

Date: 04.09.2025

Place: Karnal

“ANNEXURE 3”

WHOLE TIME DIRECTOR (WTD) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

(Pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended on March 31, 2025)

To,
The Board of Directors,
Padam Cotton Yarns Limited

I the undersigned, in our respective capacities as Whole Tome Director and Chief Financial Officer of the Company hereby certify that:

- A. I have reviewed the Financial Statements and the Cash Flow Statement for the Financial Year ended on March 31, 2025 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. I hereby certify that, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended on March 31, 2025 are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies;
- D. The Auditors and Audit Committee have been indicated:
- (1) That there have been no significant changes in the above-mentioned internal controls over financial reporting during the Financial Year 2024-2025;
 - (2) That there have been no significant changes in the accounting policies during the Financial Year 2024-2025 and the same have been disclosed in the notes to the financial statements; and
 - (3) That we have not noticed any instance of significant fraud particularly those involving the, management or an employee having a significant role in the Company's internal control system over Financial Reporting.

Sd/-
Dinesh Shreevastav
Whole-Time Director & Chief Financial Officer

Date: 04/09/2025
Place: Ahmedabad

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

Opinion

1. We have audited the accompanying financial statements of Padam Cotton Yarns Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2025, 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").
2. 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, 2025, the profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

3. 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

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone 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.

Key Audit Matter	How our audit addressed the key audit matters
Revenue recognition under IND AS 115, Revenue from Contract with Customers Refer Note 1.3(a) of the notes to the standalone financial statements. The Company recognised revenues amounting to 1421.87 lacs for the year ended	Our audit work included, but was not limited to, the following procedures: Obtained an understanding of the management process for each revenue stream, particularly of sale of Yarn and Textile and evaluated the appropriateness of the accounting policy adopted by the management in accordance with Ind AS 115;

<p>31 March 2025, as disclosed in Note 19 to the standalone financial statements.</p> <p>Revenue primarily comprises of revenue from sale of yarn and textiles which is recognized when control of such goods is transferred to the customers and there is no unfulfilled obligation in accordance with the requirements of Ind AS 115 - Revenue from Contracts with Customers ('Ind AS 115'). Revenue is measured at the amount of transaction price determined net of variable consideration pertaining to rebates and discounts given to the customers.</p> <p>In accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Accordingly, occurrence of revenue is a key focus area on account of the multiplicity of Company's products, multiple channels for sales, various categories of customers having varying terms of contracts and the volume of the sales made to them.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter</p>	<p>Obtained an understanding of the management process for each revenue stream, particularly of sale of Yarn and Textile and evaluated the appropriateness of the accounting policy adopted by the management in accordance with Ind AS 115;</p> <p>Evaluated the design and tested the operating effectiveness of internal controls over revenue recognition including around quantity sold, pricing and accounting of revenue transactions;</p> <p>Performed substantive analytical procedures on revenue which includes ratio analysis, product mix analysis, region wise analysis;</p> <p>Evaluated the terms and conditions of the contracts, including incoterms, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the accounting standards;</p> <p>On a sample basis, tested revenue transactions recorded during the year, with supporting documents, such as invoices, , and subsequent collection of payment to ensure revenue is recorded in the correct period with correct amount.</p> <p>Tested, on sample basis, the year end accruals made by the management with respect to rebates and discounts in accordance with the terms of approved schemes communicated to the customers of the Company;</p> <p>Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis, reviewed the subsequent collection of payment and proof of deliveries document of such selected debtors;</p> <p>Tested, on sample basis, manual journal entries recorded in revenue accounts, credit notes and claims, if any, to the relevant approvals and the supporting documents;</p> <p>Evaluated the adequacy of disclosures given in the standalone financial statements, including disclosure of revenue recognition from sale of goods for appropriateness in accordance with the accounting standards</p>
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Information Other than the Financial Statements and Auditor's Report

5. 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

6. 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.
7. 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.
8. 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

9. 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.
10. As part of an audit in accordance with Standard on Auditing specified under section 143(1) of the Act, 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.

11. 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.
12. 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.
13. 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:

14. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
15. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. 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 standalone financial statements dealt with by this report are in agreement with the books of accounts;
- (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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to standalone financial statements.”;
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2021, effective from 01st 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, 2025, 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, 2025
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2025;.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 40 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. The interim dividend declared by the company is final dividend paid by the company during the year ended 31 March 2025 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

SD/-
(Vineya Goel)
(Partner)

M. No. 090739

Place: Karnal
Date: 11.04.2025
UDIN: 25090739BMLIAYV4825

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2025, 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 immoveable property as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including right of-use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (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 Rs. 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)				
Particulars	Guarantees	Security	Loans	Advances in nature of Loans
Aggregate amount granted during the year	Nil	Nil	1432.06	None
Subsidiaries	Nil	Nil	Nil	None
Joint Ventures	Nil	Nil	Nil	None
Associates	Nil	Nil	Nil	None
Others	Nil	Nil	1432.06	None
Balance Outstanding as at balance sheet date in respect of above cases including brought forward				

amounts of previous years:-				
Subsidiaries				
Joint ventures				
Associates				
Others	Nil	Nil	Nil	None
	Nil	Nil	Nil	None
	Nil	Nil	Nil	None
	Nil	Nil	1640.71	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 overdue of existing loans given to the sae 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, 2025 for a period of more than six months from the date on when they become payable.
- 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 has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization 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 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: 11.04.2025

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

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

We have audited the internal financial controls over financial reporting of **Padam Cotton Yarns Limited** (“the Company”) as of March 31, 2025 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, 2025, 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)

Place: Karnal
Date: 11.04.2025

SD/-
(Vineya Goel)
(Partner)
M. No. 090739

PADAM COTTON YARNS LIMITED
(CIN : L17112HR1994PLC033641)
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2025

(Amount in Rs.)

PARTICULARS		For the Year Ended		For the Year Ended
		Note No.	March 31, 2025	March 31, 2024
I	Revenue from operations	19	1,421.87	0.46
II	Other Income	20	1,099.30	15.61
III	Total Income (I + II)		2,521.17	16.07
IV	EXPENSES			
	(a) Purchases of Stock in Trade	21	1,169.37	
	(b) Employee benefits expense	22	19.75	9.43
	(c) Finance Costs	23	0.81	22.89
	(d) Depreciation/Amortisation Expense	3,4	1.86	0.24
	(e) Other expenses	24	21.70	160.51
	Total Expense (IV)		1,213.49	193.08
V	PROFIT BEFORE EXCEPTIONAL, PRIOR PERIOD ITEMS AND TAX (IV-V)		1,307.68	(177.01)
VI	Exceptional Items		-	379.50
VII	Prior Period Income (Expenditure)		-	(2.72)
VIII	PROFIT BEFORE TAX (V-VI-VII)		1,307.68	199.76
IX	TAX EXPENSE			
	(1) Short/excess tax provision for earlier years		(0.36)	2.15
	(2) Current tax		236.39	33.34
	(3) Deferred tax		11.70	(0.98)
	Total Tax Expense		247.73	34.52
IX	Profit/(Loss) for the year (VIII-IX)		1,059.95	165.25
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		(33.89)	-
	(c) Other Comprehensive Income (Net of Tax)		(33.89)	33.89
XI	TOTAL COMPREHENSIVE INCOME FOR THE YEAR (X+XI)		1,026.06	199.14
XII	Earnings per equity share (Nominal Value of Share Rs 10 each)	28		
	(1) Basic(in Rs)		21.51	4.28
	(2) Diluted(in Rs)		21.51	4.28
	Singnificant Accounting Policies			
	Accompanying Notes to the Financial Statements	1-32		

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:-11.04.2025

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

SD/-	SD/-
MAHENDRA SINGI	ASHUTOSH ALARU
(DIRECTOR)	Independent Director
(DIN : 07684132)	(DIN : 07618648)

SD/-
Neeraj Chugh
Company Secretary
M. No. A61326

PADAM COTTON YARNS LIMITED
(CIN : L17112HR1994PLC033641)
BALANCE SHEET AS ON 31ST MARCH 2025

		(Amount in Rs.)		
	Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
A	ASSETS			
1	Non-current assets			
(a)	Property Plant and Equipment	2	0.58	0.08
(b)	Other Intangible Assets	3	0.60	0.13
(c)	Right of use assets	4	45.73	
(d)	Financial Assets			
	(i) Investments	5	-	379.32
	(ii) Other financial assets	6	0.99	
(e)	Deferred Tax Assets (Net)	7		11.69
	Total Non- Current Assets		47.91	391.22
2	Current assets			
(a)	Financial Assets			
	(i) Trade receivables	8	1,328.46	-
	(ii) Cash and cash equivalents	9	19.45	105.00
	(iii) Loans	11	1,640.71	194.72
(b)	Other Current Assets	12	10.08	6.08
(c)	Current Tax Assets(Net)	13	-	5.94
	Total current assets		2,998.70	311.74
	TOTAL ASSETS (1+2)		3,046.61	702.96
B	EQUITY AND LIABILITIES			
1	EQUITY			
(a)	Share capital	14	1,291.00	387.30
(b)	Other Equity	15	397.25	313.62
	Total Equity		1,688.25	700.92
	LIABILITIES			
2	Non Current Liabilities			
(a)	Financial Liabilities			
	(i) Lease Liabilities	16	38.36	
(b)	Deferred Tax Liabilities	7	0.01	
	Total Non Current Liabilities		38.37	-
3	Current liabilities			
(a)	Financial Liabilities			
	(i) Lease Liabilities	17	7.25	
	(ii) Trade payables		-	-
	Total outstanding dues of Micro Enterprises and small enterprises		-	-
	Total outstanding dues of creditors other than Micro Enterprises and small enterprises	17	1,036.43	
	(iii) Other Current Liabilities	18	48.31	2.03
(b)	Current Tax Liabilities (Net)	19	228.00	-
	Total Current Liabilities		1,319.99	2.03
	Total Liabilities (2+3)		1,358.36	2.03
	TOTAL EQUITY AND LIABILITIES (1+2+3)		3,046.61	702.96
	Singificant Accounting Policies			
	Accompanying Notes to the Financial Statements			

1-32

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:-11.04.2025

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

SD/-
MAHENDRA SINGH
(DIRECTOR)
(DIN : 07684132)

SD/-
ASHUTOSH ALARU
Independent Director
(DIN : 07618648)

SD/-
Neeraj Chugh
Company Secretary
M. No. A61326

PADAM COTTON YARNS LIMITED
(CIN : U17112HR1994PLC033641)
Cash flow statement for the year ended 31st March 2025

(Amount Rs. in Lakhs)

		For the Year Ended	For the Year Ended
		March 31, 2025	March 31, 2024
A.	Cash flow from operating activities		
	Net profit before tax but after exceptional / extraordinary items	1,307.68	199.76
	Adjustments for non-cash items:		
	Depreciation / amortization	1.86	0.24
	Interest & finance expense	0.81	22.89
	Operating profit before working capital changes	1,310.35	222.90
	Adjustments for changes in working capital :		
	(Increase)/decrease in trade receivables	(1,328.46)	119.67
	(Increase)/decrease in other current assets	1.93	(6.68)
	(Increase)/decrease in other non-current assets	(0.99)	-
	(Increase)/decrease in other bank balances		388.09
	(Increase)/decrease in Loans	(1,445.99)	(194.72)
	(Increase)/decrease in other current liabilities	46.28	0.80
	Increase/(decrease) in trade payables	1,036.43	-
	Increase /(decrease) in other long-term liabilities	-	-
	Increase /(decrease) in other current liabilities	228.00	(21.37)
	Increase /(decrease) in long-term provisions	-	-
	Increase /(decrease) in short-term provisions	-	-
	Cash generated from/(used in) operations	(152.45)	508.68
	Taxes (paid) / received (net of withholding taxes TDS)	236.03	35.49
	Prior period (expenses)/income (net)	-	-
	Net cash from/(used in) operating activities	(388.48)	473.19
B.	Cash flow from investing activities		
	Purchase of fixed assets	(1.13)	-
	Income from fair value change in investments	(33.89)	33.89
	Sale of non-current investments	-	-
	Purchase of current investments	379.32	(379.32)
	Share application money	-	-
	Net cash from/(used in) investing activities	344.30	(345.43)
C.	Cash flow from financing activities		
	Proceeds from issue of share capital	-	-
	Raising of unsecured loans		
	Repayment of unsecured loans	-	-
	Interim Dividend paid	(38.73)	
	Payment of Lease Liability	(2.58)	-
	Interest & finance charges paid	(0.06)	(22.89)

	Net cash from/(used in) financing activities	(41.37)	(22.89)
	Net increase/(decrease) in cash & cash equivalents	(85.55)	104.87
	Cash & cash equivalents - opening balance	105.00	0.13
	Cash & cash equivalents - closing balance	19.45	105.00
	Net increase/(decrease) in cash & cash equivalents	0.00	(0.00)
	NOTES:		
1	The above cash flow statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard (Ind AS-7)-" Statement of Cash Flows"		
2	Cash and cash equivalents at the end of the year consist of cash in hand and		
	balance with banks as follows:		
		31st March 2025	31st March 2024
	Cash, cheques & drafts (in hand) and remittances in transit	0.37	0.04
	Balance with banks		
	Current account	19.09	104.96
	Deposit account		-
		19.45	105.00
For and on behalf of			
In terms of our report attached		FOR AND ON BEHALF OF THE	
For VINEY GOEL & ASSOCIATES		BOARD OF DIRECTORS	
Chartered Accountants			
FRN : 012188N		SD/-	SD/-
		MAHENDRA SINGH	NEERAJ CHUGH
		(DIRECTOR)	Company Secretary
		(DIN : 07684132)	M. No. A61326
SD/-			
(VINEYA GOEL)			
PARTNER		SD/-	
M.No. 090739		DINESH SHIVCHARANBHAI SHREEVASTAV	
Place:- Karnal		WTD & CFO	
Date:-11.04.2025		DIN: 11030609	

PADAM COTTON YARNS LIMITED
(CIN : L17112HR1994PLC033641)

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the period ended 31.03.2025

A. Equity Share Capital

PARTICULARS	Amount(Rs.)
As at March 31, 2023	387.30
Changes in equity share capital during the year 2023-24	-
As at March 31, 2024	387.30
Changes in equity share capital during the year 2024-25	903.70
As at March 31, 2025	1,291.00

B) Other Equity

	Reserve and Surplus				
Particulars	General Reserve	Capital Redemption Reserve	Retained Earnings	Other Comprehensive Income	Total
As at April 1, 2023	-	85.59	28.90	-	114.48
Profit for the year	-	-	165.25	33.89	199.14
Transfer from/to other Comprehensive Income/retail earning	-	-		-	-
		-		-	-
		-		-	-
Balance as At March 31, 2024	-	85.59	194.14	33.89	314
Profit for the year	-	-	1,060	-	1,060
Transfer from/to other Comprehensive Income/retail earning	-	-	-	(33.89)	(34)
Less: Interim Dividend Paid	-	-	(39)	-	(39)
Less: Bonus Shares Issued during the year	-	-	(904)	-	(904)
Balance As at March 31, 2025	0	85.59	311.66	-	397.25

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:-11.04.2025

FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS

SD/-
MAHENDRA SINGH
(DIRECTOR)
(DIN : 07684132)

SD/-
Neeraj Chugh
Secretary
M. No. A61326

SD/-
ASHUTOSH ALARU
Independent Director
(DIN : 07618648)

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Corporate Information

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).

The Company's main business was to carry on the business as manufacturers, dealers, distributors, agents, buyers and sellers, exporters and importers, commission agents in wool tops, worsted yarn, woolen yarn, cotton yarn, synthetic yarn and other allied woollen, textile and handloom products. The company during the Financial year 2024-25 has carried out the business of trading in yarns and textile products and also carried out the financing . 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 believes the Company's ability to continue as a going concern.

The financial statements for the year ended 31st March, 2025 were approved for issue by the Board of Directors of the Company in their meeting held on April 11, 2024 and is subject to the adoption and approval by the shareholders in the ensuing Annual General Meeting.

1 Basis of Preparation, Measurement and Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of Preparations and Measurement

Compliance with Ind AS

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.

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.

Historical Cost Convention

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting except for the following –

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans - plan assets measured at fair value.

1.2 Current / Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- a) the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- b) the asset is intended for sale or consumption;
- c) the asset/liability is held primarily for the purpose of trading;
- d) the asset/liability is expected to be realized/settled within twelve months after the reporting period;
- 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;
- 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.

All other assets and liabilities are classified as non-current.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

1.2 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.

1.3 Summary of significant accounting policies

(a) Revenue Recognition

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

Recognising revenue from major business activities

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

control over the goods sold, it is probable that economic benefits will flow to the Company, the costs incurred or to be incurred 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 grant will be received and the Company will comply with all attached conditions.

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) Foreign currency translation

Functional and presentation currency

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.

Transaction and balances

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.

c) Borrowing Costs

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.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

d) Property, plant and equipment:

Recognition and initial measurement

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

Subsequent measurement (Depreciation and useful lives)

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:-

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

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.

De-recognition

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.

e) Intangible assets:

Recognition and initial measurement

Purchased Intangible assets are stated at cost less accumulated amortisation and impairment, if any.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Computer Software are Technical Know How

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:

Asset Category	Estimated Useful Life
Computer Software	5 Years
Technical Know How	5 Years

f) Leases:

Company as a lessee

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.

A contract is, or contains, a lease if the contract conveys the right to –

- (a) control the use of an identified asset,
- (b) obtain substantially all the economic benefits from use of the identified asset, and
- (c) direct the use of the identified asset.

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.

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

i) Right-of-use assets

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.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

(ii) Lease Liabilities

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.

iii) Short-term leases and leases of low-value assets

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.

Company as a lessor

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.

g) Financial Instruments

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.

Financial assets

Recognition: 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.

Classification: 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.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- (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.
- (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.

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.

Impairment: 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.

Reclassification: 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.

Derecognition: 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:

- (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.

Income Recognition: 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.

Financial Liabilities

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.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Derecognition: Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry

Offsetting of financial instruments

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.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

g) Impairment of Financial Assets

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.

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.

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:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade Receivable

Trade receivables are recognized initially at fair value and subsequent measured at amortized cost using the effective interest method, less provision for impairment.

Other Financial Assets

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.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

h) Impairment of non Financial Assets

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.

i) Fair Value Measurement

The Company measures certain financial instruments, such as, investments at fair value at each balance sheet date.

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:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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.

j) Inventories

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.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

k) Income Tax

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.

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.

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.

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.

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

l) Investment in subsidiaries, joint ventures and associates

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.

m) Government grants

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.

n) Cash and cash equivalent

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.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

o) Post-employment, long term and short term employee benefits

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.

Other long-term employee benefit obligations

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.

Gratuity Obligation

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.

p) Provisions and Contingent assets and contingent liabilities

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.

Contingent liability is disclosed for

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- 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.

Contingent assets are not recognised and continuously assessed for recoverability. However, when inflow of economic benefits is probable, related asset is disclosed.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

q) Earning per Share

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.

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.

r) Amounts rounding off

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.

1.4 Key accounting estimates and judgements

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.

Critical accounting estimates and assumptions

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:

a) Income Taxes

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.

b) Property, Plant and equipment

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.

c) Defined Benefit Obligation

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.

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 2025 are as follows

SR. NO.	Particulas	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
		As at 01-04-2024	Additions For the Year	Deleltion / Adjustment	AS AT March 31. 2,025.00	As At 01-04-2024	Depreciation for the Year	Deleltion / Adjustment	As at 31-03-2025	As at March 31, 2,024.00	As At March 31, 2,025.00
1	Computer & printer	0.25	0.15	-	0.40	0.17	0.06		0.23	0.08	0.17
1	Computer & printer		0.44		0.44	-	0.03		0.03	-	0.41
	TOTAL	0.25	0.59	-	0.85	0.17	0.09	-	0.26	0.08	0.58

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	Deleltion / Adjustment	AS AT March 31. 2,024.00	As At 01-04-2023	Depreciation for the Year	Deleltion / Adjustment	As at 31-03-2024	As at March 31, 2,023.00	As At March 31, 2,024.00
1	Computer & printer	0.25	-	-	0.25	0.03	0.14		0.17	0.22	0.08
	TOTAL	0.25	-	-	0.25	0.03	0.14	-	0.17	0.22	0.08

NOTE '3' INTANGIBLE ASSET

The Changes in the carrying value of Intangible Assets for the year ended March 31, 2025 are as follows:

SR. NO.	Particulas	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
		As at 01-04-2024	Additions For the Year	Deleltion / Adjustment	AS AT March 31. 2,025.00	As At 01-04-2024	Depreciation for the Year	Deleltion / Adjustment	As at 31-03-2025	As at March 31, 2,024.00	As At March 31, 2,025.00
1	Computer Software	0.25	0.32		0.57	0.12	0.06	-	0.18	0.13	0.39
B.O											
1	Computer Software Ahm		0.22		0.22		0.01		0.01	-	0.21
	TOTAL	0.25	0.54	-	0.79	0.12	0.07	-	0.19	0.13	0.60

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

SR. NO.	Particulars	Gross Carrying Value				Accumulated Depreciation				Net Carrying Value	
		As at 01-04-2023	Additions For the Year	Deletion / Adjustment	AS AT March 31. 2,024.00	As At 01-04-2023	Depreciation for the Year	Deletion / Adjustment	As at 31-03-2024	As at March 31, 2,023.00	As At March 31, 2,024.00
1	Computer Software	0.25	-		0.25	0.02	0.11	-	0.12	0.23	0.13
	TOTAL	0.25	-	-	0.25	0.02	0.11	-	0.12	0.23	0.13

PADAM COTTON YARNS LIMITED

NOTES TO AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2025

(All amounts are in ₹ in lakhs, unless otherwise stated)

4. Right of Use Assets

Gross Block	Lease hold Land	Total
Cost as at March 31, 2024	-	-
Additions during the year	47.44	47.44
Sold/discarded during the year	-	-
Cost as at March 31, 2025	47.44	47.44

Accumulated Depreciation	Lease hold Land	Total
Accumulated Depreciation as at March 31, 2024	-	-
Depreciation for the year	1.71	1.71
Deductions	-	-
Accumulated Depreciation as at March 31, 2025	1.71	1.71

Net carrying value as at March 31, 2024	-	-
Net carrying value as at March 31, 2025	45.73	45.73

4.1 Lease deeds of right-of-use assets are held in the name of the Company.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Particulars	On 31/03/25 Rs.	On 31/03/24 Rs.
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NOTE `5'

INVESTMENTS (NON- CURRENT ASSETS)

Particulars	Face Value per Share	Number of Shares as on 31.03.2025	As at March 31, 2025 (Amount in Rs.)	Number of Shares as on March 31, 2024	As at March 31, 2024 Amount in Rs.
-------------	-------------------------	---	--	---	--

Equity Instruments: Fully paid up (Quoted)

(Designed at Fair Value through Other
Comprehensive Income)

Name of Share

Shakti Pumps (India) Limited	-	-	-	28,932.00	379.32
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Total			-		379.32
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Aggregate amount of Quoted Investment designated at fair value through other Comprehensive
Income

-	379.32
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NOTE `6'

Other Non-Current Financial Assets

(Unsecured, considered good at amortised cost unless otherwise stated)

Security deposits with others	0.99	
	0.99	

NOTE `7'

DEFERRED TAX ASSETS(LIABILITIES)(NET)

Repayment Tenor	As at March 31, 2025 Amount	As at March 31, 2024 Amount
At the start of the year	11.69	10.71
Charge/(Credit) to the statement of Profit and Loss	(11.70)	0.98
At the end of the year	(0.01)	11.69

Note 7.1

Major components of deferred tax Assets(Liabilities) arising on account of timing difference : As at March 31, 2025

Repayment Tenor	As on April 01, 2024	Charge/(Credit) to Statement of profit and loss	Charge /(Credit) to Other Comprehensive Income	As at March 31, 2025
-----------------	-------------------------	--	--	-------------------------

(a) Defferd Tax assets, on account of:

Carried Forward Tax Losses	10.72	(10.72)	-	-
Carried Forward Short Term Capital Loss	0.96	(1.00)		(0.04)
Right of Use Assets		11.89		11.89
Property, plant and equipment and other intangible assets	0.01	(0.01)	-	-
	11.69	0.16		11.85

Deferred Tax Expense/benefit for the year

(b) Deferred Tax Liabilities, on account of:

Lease Liability		11.86		11.86
Property, plant and equipment and other intangible assets	-	-		-

Deferred tax expenses/(benefit) for the year

(c)Net Deferred Tax Assets

-	11.86	11.86
11.69	(11.70)	(0.01)

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Major components of deferred tax Assets(Liabilities arising on account of timing difference : As at March 31, 2024

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
Property, plant and equipment and other intangible assets		0.01		0.01
Unabsorbed Depreciation Carried Forward	-	-	-	-
Deferred Tax Expense/benefit for the year	10.72	0.96	-	11.69
(b) Deferred Tax Liabilities, on account of:				
Property, plant and equipment and other intangible assets	0.01	(0.01)	-	-
Deferred tax expenses/(benefit) for the year	-	(0.01)	-	-
(c) Net Deferred Tax Assets	10.72	0.98	-	11.69

NOTE `8`

TRADE RECEIVABLES (Valued at Amortized Cost)

Unsecured and Considered Good	1,328.46	-
- Unsecured and Doubtful Debts	-	-
- Provision for Doubtful Debts	-	-
TOTAL	1,328.46	-

From Related Party

Trade Receivables ageing schedule 31.3.2025

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	1,328.46	-	-	-	-	1,328.46
ii) Considered Doubtful						
Total						
Less: Provision for Expected Credit Loss						
Total	1,328.46	-	-	-	-	1,328.46

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						
Total						
Less: Allowance for trade receivables						
Total	-	-	-	-	-	-

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Particulars	As at March 31, 2025	As at March 31, 2024
NOTE '9'		
CASH AND CASH EQUIVALENTS		
Cash on Hand	0.37	0.04
Balance with banks:		
-In Current Accounts	4.32	104.96
-In Unpaid Dividend A/c	14.76	
TOTAL	<u>19.45</u>	<u>105.00</u>

NOTE '10'
LOANS

Particulars	As at March 31, 2025	As at March 31, 2024
Other Loans		
Loans to related parties	-	
Other Loans	1,640.71	194.72
Less: Impairment of Loans (Bad and Doubtful debts)	-	
	<u>1,640.71</u>	<u>194.72</u>
Particulars	As at March 31, 2025	As at March 31, 2024
Loans receivable considered good- Secured		
Loans receivable considered good- Unsecured	-	
TOTAL	<u>1,640.71</u>	<u>194.72</u>

NOTE '11'
OTHER CURRENT ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Balance with GST Authorities	7.13	6.08
Prepaid Expense	0.50	
Income Tax Refund Receivable FY 23-24	2.45	-
TOTAL	<u>10.08</u>	<u>6.08</u>

NOTE 12
CURRENT TAX ASSETS (NET)

Particulars	As at March 31, 2025	As at March 31, 2024
Tax Deducted at Source		39.28
Less: Povision for Income Tax		33.34
	<u>-</u>	<u>5.94</u>

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS
NOTE `143
SHARE CAPITAL

	As at March 31, 2025		As at March 31, 2024	
	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
Authorised Share Capital				
Equity Shares of Rs. 10/- each	1,30,00,000	1,300.00	7000000	700.00
Issued & Subscribed Capital				
Equity Shares of Rs10/- each	1,29,10,000	1,291.00	3873000	387.30
Paid up Capital				
Equity Shares of Rs10/- each fully paid-up.	1,29,10,000	1,291.00	3873000	387.30
TOTAL	1,29,10,000	1,291.00	3873000	387.30

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

<u>Authorised Share Capital</u>	Nos	Amt(Rs)	Nos	Amt(Rs)
Balance at the Beginning of the year	70,00,000	700.00	70,00,000	700
Add: Increased during the year	60,00,000	600.00	-	-
Balance at the end of the year	1,30,00,000	1,300.00	70,00,000	700

<u>Issued Share Capital</u>				
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	90,37,000	903.70	-	-
Total	1,29,10,000	1,291.00	38,73,000	387.30
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Balance at the end of the year	1,29,10,000	1,291.00	38,73,000	387.30

<u>Paid up Capital</u>				
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	90,37,000	903.70	-	-
Balance at the end of the year	1,29,10,000	1,291.00	38,73,000	387.30

14.2 Rights, Preference and restrictions attaching to each class of shares

Equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2025, the amount of per share dividend recognized as distribution to equity shareholders was Rs. 38.73 Lakhs (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 31/03/25 Rs.	On 31/03/24 Rs.
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14.3 Details of shares held by each Share holders holding more than 5% Shares (In Nos)

Name of the Shareholder	As at March 31, 2025		As At March 31, 2024	
	No of Shares	% age	No of Shares	% age
Vivek Gupta			746600	19.28%
Rajev Gupta			609750	15.74%
Padam Sain Gupta			474500	12.25%
Hardik Jawahar Bhai Mehta	787576	6.10%		

14.4 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.

14.5 There are no calls unpaid/forfeited shares issued during the year ending 31 March 2025 or in previous year.

14.6 Details of shares held by Promoters and changes during the year ending 31st March 2025

Promoters Name	As at March 31, 2025		As at March 31, 2024		% change during the year
	No. of Shares	% of total Shares	No of Shares	%age	
Vivek Gupta	-	-	746600	19.28	-19.28%
Rajev Gupta	-	-	609750	15.74	-15.74%
Padam Sain Gupta	-	-	474500	12.25	-12.25%
Prem Lata	-	-	48500	1.25	-1.25%
Radhika Gupta	-	-	44500	1.15	-1.15%
Rekha Gupta	-	-	53500	1.38	-1.38%
Rajev Gupta HUF	-	-	10475	0.27	-0.27%
Vivek Gupta HUF	-	-	10475	0.27	-0.27%

NOTE '15'

OTHER EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
-------------	----------------------	----------------------

(a) Capital Redemption Reserve

Balance at the beginning and end of the Year

Closing Balance

(b) Retained Earnings

As per last Balance Sheet

Add: Profit for the year

Less: Bonus Shares Issued during the year

Closing Balance

(c) Other Comprehensive Income

As per Last Balance Sheet

Add: Other Comprehensive Income for the year

Less; Transfer to retained earnings

TOTAL OTHER EQUITY (a+b)

Note:-

(i) Capital Redemption Reserve

Capital Redemption Reserve is created out of money collected on forfeiture of equity shares by the company.

(ii) Retained Earnings

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.

(iii) Other Comprehensive Income ('OCI')

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, 2025 Rs.	As at March 31, 2024 Rs.
-------------	--------------------------------	--------------------------------

NOTE 16

Lease Liabilities (Non-Current)

Lease liabilities(Refer Note 32)	38.36	
	<u>38.36</u>	

NOTE 16

Lease Liabilities (Current)

Lease liabilities(Refer Note 32)	7.25	
	<u>7.25</u>	

NOTE `17'

TRADE PAYABLES

Creditors for Supplies and Services

Due to Micro and Small Enterprises		
Due to Others	1,036.43	
	<u>1,036.43</u>	<u>-</u>

Trade Payable ageing schedule 31.3.2025

Outstanding for following periods from due date of payment / Particulars	MSME	Others	Disputed dues-MSME	Disputed dues-Others
Less Than One Year		1,036.43		
1-2 Years				
2-3 Years				
More than 3 Years				
Total	-	1,036.43	-	-

Trade Payable ageing schedule 31.3.2024

Outstanding for following periods from due date of payment / Particulars	MSME	Others	Disputed dues-MSME	Disputed dues-Others
Less Than One Year				
1-2 Years				
2-3 Years				
More than 3 Years				
Total	-	-	-	-

NOTE `18'

OTHER CURRENT LIABILITIES

Expenses Payable	2.05	2.03
Interim Dividend Payable A/c	14.76	
GST Payable	31.43	
TDS Payable	0.07	
TOTAL	<u>48.31</u>	<u>2.03</u>

NOTE `19'

CURRENT TAX LIABILITIES (Net)

Current Tax Liabilities (Net)	228.00	-
TOTAL	<u>228.00</u>	<u>-</u>

NOTE `19'

REVENUE FROM OPERATION

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

Traded Goods	1,421.66	
Other Operating Revenue (Consultancy Income)	0.21	0.46
TOTAL	<u>1,421.87</u>	<u>0.46</u>

NOTE `20'**OTHER INCOME**

Interest Income	84.79	15.61
Other Miscellaneous income-Dividend etc	0.68	-
Short Term Gain on Sale of Shares	1,013.83	
TOTAL	<u>1,099.30</u>	<u>15.61</u>

NOTE `21'**PURCHASES OF STOCK IN TRADE**

Purchases of Yarn	100.27
Purchases of Garments	1,069.10
	<u>1,169.37</u>

NOTE `22'**EMPLOYEES BENEFIT EXPENSE**

Salary	19.75	9.43
TOTAL	<u>19.75</u>	<u>9.43</u>

NOTE `23'**FINANCE COST**

Bank Charges	0.06	0.11
Other Interest on delayed payment of custom duty	-	22.78
Interest on Lease Liab	0.75	
TOTAL	<u>0.81</u>	<u>22.89</u>

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Particulars	As at March 31, 2025	As at March 31, 2024
	(Amount in Rs.)	(Amount in Rs.)
NOTE '24'		
OTHER EXPENSES		
Accounting Charges	0.14	0.23
AGM Exp	0.37	-
Annual Listing Fee	5.69	3.73
Audit Fees	1.25	0.90
Brokerage Exp	0.84	-
Discount A/c	0.02	-
RTA Beetal exp	1.49	0.24
Electricity Exp	0.02	-
Fees & Taxes	8.75	0.49
Legal & Professional Exp	0.61	2.17
Postage/Postal Exp.	0.02	0.02
Office/General Exp	0.15	0.09
Advertisement Exp	0.99	0.53
Photostate Exp	0.03	0.04
Printing and Stationery	0.03	0.04
Rent Exp	-	-
Software Exp	0.23	-
Telephone Exp	0.01	0.02
Travelling Exp.	0.97	0.05
Loss on Sale of Equity Shares held for trading	-	5.88
Exp Lease Deed A/c	0.07	-
Misc Expenses (STT)	-	0.24
Loss in derivative transactions of Cotton	-	145.84
TOTAL	21.70	160.51

Notes

Payment to the auditors comprises GST

As Auditors- Statutory Audit

For Taxation Matters

For Company Law Matters

Total

1.25	0.90
-	-
-	-
1.25	0.90

NOTE '25' EXCEPTIONAL ITEM

Particulars	As at March 31, 2025	As at March 31, 2024
	(Amount in Rs.)	(Amount in Rs.)
Interest Income on Delayed Insurance Claim	-	379.50
TOTAL	-	379.50

Note '26' Prior Period Items

Particulars	As at March 31, 2025	As at March 31, 2024
	(Amount in Rs.)	(Amount in Rs.)
Custom Duty paid against EPCG	-	(2.72)
	-	(2.72)

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS
Note 27

The Major component of Income Tax Expense for the year

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Income tax recognised in the Statement of Profit and Loss		
Current Tax:		
For Current Year	236.39	33,38,500.00
in respect of short tax provisions of earlier year	(0.36)	2,14,818.00
Deferred Tax:		
For Current Year	11.70	(97,729.00)
Income tax expense recognised in the Statement of Profit and Loss	247.73	34,55,589.00
(ii) Income tax recognised in other Comprehensive Income		
Deferred Tax:		
Income tax (expense) on Investment recognised as FVTOCI	-	6,79,042.00
Income Tax benefit/(expenses) recognised in OCI	-	6,79,042.00

Note 27.1

Reconciliation of tax expense and accounting profit for the year

Particulars	As at March 31, 2025	As at March 31, 2024
(A) Profit before tax	1,307.68	199.76
Add: Depreciation charged as per Companies Act	1.86	0.24
Add: Loss on Sale of Securities	-	6,12,742.64
Add: Prior Period Items	-	2,72,140.00
Total (A)	1,309.54	8,85,082.65
(B) Less: Exceptional itmes shown in Profit and Loss account treated separately	-	379.50
Less: Depreciation allowable as per Income tax Act	0.32	16,096.00
Less: Expenses Allowable under Income Tax on Payment basis	1.83	
Less: Short Term Capital Gains on Shares	1,013.83	
Total (B)	1,015.98	16,475.50
Net Taxable Income of Business As per Income Tax Act (A-B)	293.56	8,68,607.15
© Add: Exceptional Item of Interest (net of deduciton u/s 57(iv)	-	1,89,74,861.00
Less: BF Loss of Unabsorbed Depreciation Loss	81.29	-
Less: BF Business Loss of previous Years	41.24	
Income on which tax is payable	171.03	1,98,43,468.15
Tax Payable @29.12%	49.80	51,59,301.72
Income on Short Term Capital Gains	1,013.83	
Less: BF Loss on sale of Securities	6.13	
Net Income onn Sale of Securities	1,007.70	
Tax payable on sale of securities @ 17.472%	0.46	
Tax payable on sale of securities @ 23.296%	234.14	
Total Tax Payable	284.40	
Less: MAT Credit Entitlement	48.01	
Tax payable on Book Profits on MAT @23.296%	-	33.34
Total Current Tax	236.39	33.34

NOTE '28' EARNING PER SHARE (EPS)			
Particulars		As at March 31, 2025	As at March 31, 2024
		(Amount in Rs.)	(Amount in Rs.)
I) Net profit after Tax Attributable to Equity Shareholders		1,059.95	1,65,74,753.40
ii) Weighted Average number of Equity Shares used as denominator for calculating EPS		49,27,022	38,73,000
iii) Basic and Diluted Earning Per Share		21.51	4.28
iv) Face Value per Equity Share		10.00	10.00

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

NOTE '29' 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) Mahendra Singh, Director
- 2) Ashutosh Alaru (Independent Director)
- 3) Anand Manohar Lal Kothari (Independent Director)
- (4) Nikita Kushan Karia (Independent Director)

- (5) 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 2024-25	Balance Rs. as on 31.03.2025	Balance (Rs.) lacs FY 2023-24
Rajev Gupta	Related party	Salary	6,00,000	Nil	Nil
Rekha Gupta	Related party	Salary	4,50,000	Nil	Nil

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 '30' CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	As at 31 March 2025	As at 31 March 2024
	INR in lakhs	INR in lakhs
Contingent Liabilities		
Income Tax demand AY 2013-14 to AY 2018-19	-	2.53

NOTE 31.1 : Employee Benefits**A) Gratuity**

The company does not have an permanent employee therefore, no provision as per Gratuity Act, 1972 is required and made for the company

B) Defined Contribution Plan and other Employee benefits

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.

NOTE '31.2' Operating Segments :

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 Inda Accounting Standard " Operating Segments" (Ind AS 108)

Note No. 32 : Leases

- a. The Company recognizes the expenses of short-term leases on a straight-line basis over the lease term. During the year, expenses of ₹ 1.777 lakhs (previous year Rs 0 lakhs) related to short-term and low value leases were recognised.
- b. On March 31, 2025, lease liabilities were ₹ 37.81 lakhs (Previous Year : ₹ 0 lakhs). The corresponding interest expense for the year ended March 31, 2025 was ₹ 0.536 lakhs (Previous Year ₹ 0 lakhs).The portion of the lease payments recognized as a reduction of the lease liabilities and as a cash outflow from financing activities amounted to ₹ 1.77 lakhs for the year ended March 31, 2025(Previous Year ₹ Nil).
- c. The maturity profile of the lease liabilities (discounted and undiscounted value) is as follows:

Particulars	0-1 year	1-3 years	More Than 3 Years	Total
Lease Liabilities (discounted)				
As at March 31, 2025	8.19	15.41	14.20	37.80
As at March 31, 2024	-	-	-	-
Lease Liabilities (undiscounted)				
As at March 31, 2025	8.53	18.37	20.25	47.15
As at March 31, 2024				-

- d. There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback for the year ended March 31, 2025 and March 31, 2024.
- e. There are no variable lease payments for the year ended March 31, 2025 and March 31, 2024

Note No. : 33 Other disclosures**1) Financial instruments - Accounting, Classification and Fair value measurements**

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

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.

A) Financial instrument by category

As at 31st March, 2025

(Rs In Lacs)

Particulars	Refer Note No	FVTOCI	FVTPL	Amortized cost	Total carrying value
1) Financial assets					
Investments	4	-	-	-	-
Cash and cash equivalents	9	-	-	19.45	19.45
Loans	11	-	-	1,640.71	1,640.71
Other financial assets (Non-current)	6	-	-	-	-
Other financial assets (Current)	12	-	-	10.08	10.08
TOTAL		-	-	1,670.25	1,670.25
2) Financial Liabilities					
Other Current Liabilities	14	-	-	48.31	48.31
TOTAL		-	-	48.31	48.31

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

As at 31st March, 2024

(Rs In Laacs)

Particulars	Refer Note No	FVTOCI	FVTPL	Amortized cost	Total carrying value
1) Financial assets					
Investments	4	379.3215858			379.32
Trade Receivables	8		-		-
Cash and cash equivalents	7	-	-	105.00	105.00
Loans				1,640.71	1,640.71
Other financial assets (Non-current)	8	-	-	-	-
Other financial assets (Current)	10	-	-	6.08	6.08
TOTAL			-	1,751.79	2,131.12
2) Financial Liabilities					
Other Current Liabilities	14	-	-	2.03	2.03
TOTAL		-	-	2.03	2.03

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, 2025:

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

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

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

There have been no transfers between Level 1 and Level 2 either during the year ended 31st March 2025 or during the year ended 31st March 2024.

(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.

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

34) 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	Current Liabilities	2.27	Current Assets	Current Liabilities	153.25	(98.52)	Due to decrease in current liabilities as provision of tax payable was outstanding in last year.
		2,998.70	1,319.99		311.74	2.03			
2	Debt-Equity Ratio	Total debt	Shareholder's equity	NA	Total debt	Shareholder's equity	NA	-	Company does not have any debts outstanding as on the reporting date
		-	1,688.25		-	700.92			
3	Debt Service Coverage Ratio	Earnings available for debt service (Note 1)	Debt Service (Note 2)	NA	Earnings available for debt service (Note 1)	Debt Service (Note 2)	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
		1,309.54	-		200.01	-			
4	Return on Equity	Net profit after taxes	Average Shareholder's equity	85.89	Net profit after taxes	Average Shareholder's equity	10.98	682.30	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.
		1,026.06	1,194.59		165.25	1,505.05			
5	Inventory Turnover Ratio	Sales	Average Inventory	NA	Sales	Inventory	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	NA	Net credit purchases	Average trade payables	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	975.02 NA	Net profit after taxes	- Net sales	34,21,535.35 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	1,026.06 Capital employed (Note 3)	- 77.62	EBIT	199.14 Capital employed (Note 3)	- 31.80	144.07	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	1,310.35 Cost of Investment	1,688.25 NA	Net return on Investment	222.90 Cost of Investment	700.92		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 '35'

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, 2025	As at March 31, 2024
(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 '36'

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 dated September 04, 2025 and annexed to the Annual Report for the financial year ended 31.03.2025. Please refer to the same.

NOTE '37'

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 2024-2025 and no amount was spent on this account upto 31-03-2025.

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
NOTES FORMING PART OF ACCOUNTS

8) Borrowings secured against current

The Company does not have any borrowings from banks or financial on the basis of security of current assets (except lien on Bank Fixed Deposits for availing temporary overdraft facilities – Refer Note – 6 on Accounts) hence no disclosure is required as such on this account.

9) Willful Defaulter

The Company has not been declared as willful defaulter as at the date of the balance sheet or on the date of approval of the financial statements, hence no disclosure is required as such.

10) Relationship with Struck off

Companies

The Company does not have any transactions with Companies which are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956, hence no disclosure is required as such.

11) Registration of Charges or Satisfaction with Registrar of Companies (ROC)

There are no charges against the companies which are yet to be registered or satisfaction yet to be registered with ROC beyond the statutory period, hence no disclosures are required as such.

12) Compliance with number of layers of companies

The Company does not have investment in any downstream companies for which it has to comply with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017, hence no disclosure is required as such.

13) Utilization of Borrowings

The Company does not have any outstanding balances towards the borrowings from banks and financial institutions at the balance sheet date, hence no further disclosure is required as such.

14) Utilization of Borrowed Funds and Share Premium

(A) The Company has not advanced or loaned or invested funds (either borrowed funds or Share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall;

a. Directly or indirectly lent or invest in other person(s) or entity (ies) identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) Or

b. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Hence no disclosure is required as such.

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Parties) with the understanding (whether recorded in writing or otherwise) that the company shall;

a. Directly or indirectly lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) Or

15) Undisclosed Income

The Company does not have any undisclosed Income which was not recorded in the books of accounts and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions. Also the Company does not have previously unrecorded income and related assets which were required to be properly recorded in the books of accounts during the year.

16) Details of Crypto Currency Or Virtual Currency

The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year, hence disclosure requirements for the same is not applicable.

17) Corporate Social Responsibility Activities

The provisions of section 135 of the companies act, 2013 with respect to Corporate Social Responsibility activities are not applicable to the company for the Financial Year 2024-2025.

**FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS**

For VINEY GOEL & ASSOCIATES

Chartered Accountants

FRN : 014119N

SD/-

(VINEYA GOEL)

PARTNER

M.No. 090739

Place:- Karnal

Date:-11.04.2025

SD/-

MAHENDRA SINGH

(DIRECTOR)

(DIN : 07684132)

SD/-

ANAND MANOHARLAL KOTHARI

DIRECTOR

DIN: 10900584

SD/-

ASHUTOSH ALARU

(DIRECTOR)

(DIN : 07618648)

SD/-

NIKITA KUSHAN KARIA

DIRECTOR

DIN: 10835706

ATTENDANCE SLIP

PADAM COTTON YARNS LIMITED

CIN: L17112HR1994PLC033641

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

Corporate Office: C – 801, Krish Cubical Govardhan Partyplot, Avalon Hotal Road, Sindhu Bhavan Marg, Thaltej, Ahmedabad, Gujarat, India, 380059.

Website: www.padamcotton.com, **Email ID:** cspeyl6@gmail.com, **Contact No.:** +91 9998865217

DPID/ CLIENT ID: _____

Registered Folio No.: _____

No of Shares: _____

Name(s) and address of the Shareholders/Proxy in Full:

I, Certify that I am a Shareholder/ Proxy of the Shareholder of the Company. I/We hereby accord my/our presence at the Annual General Meeting of the Company being held on Tuesday, September 30, 2025 at 12.00 PM at the registered office of the Company at 196, 1st Floor, G T Road, Opp. Red Cross Market Karnal, Karnal , Haryana, 132001

Signature of Shareholder/ Proxy

NOTE: Please fill in the Attendance Slip and hand it over at the entrance of the Hall.

PADAM COTTON YARNS LIMITED

CIN: L17112HR1994PLC033641

Registered Office: 196, 1st Floor, G T Road, Opp. Red Cross Market Karnal, Karnal , Haryana, 132001**Corporate Office:** C – 801, Krish Cubical Govardhan Partyplot, Avalon Hotel Road, Sindhu Bhavan Marg, Thaltej, Ahmedabad, Gujarat, India, 380059.**Website:** www.padamcotton.com, **Email ID:** cspeyl6@gmail.com, **Contact No.:** +91 9998865217**FORM MGT-11****PROXY FORM**

[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, 1st Floor, G T Road, Opp. Red Cross Market Karnal, Karnal , Haryana, 132001

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

I/We, being the member (s) of shares of the abovenamed company, hereby appoint

1.	Name:	
	Address:	
	E-mail Id:	
	Signature:	
2.	Name:	
	Address:	
	E-mail Id:	
	Signature:	
3.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Tuesday, September 30, 2025 at 12.00 PM at the registered office of the Company at 196, 1st Floor, G T Road, Opp. Red Cross Market Karnal, Karnal , Haryana, 132001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
1.	To receive, consider and adopt the Standalone audited Financial Statement of the Company for the financial year ended March 31, 2025, and the reports of the Board of Directors and Auditors thereon;
2.	To appoint a director in place of Mr. Mahendra Singh (DIN: 07684132) who retires by rotation and being eligible, offers himself for re-appointment.
3.	To declare Final Dividend Re. 0.10/- (Ten paise Only) (10.00%) per equity share for the Financial Year ended March 31, 2025, as recommended by the Board of Directors.

4.	Appointment of M/s. SVJK & Associates, Chartered Accountants (FRN:) as a Statutory Auditor of the Company
5.	To approve the appointment of M/s. A. Goyal & Associates, Company Secretaries (C.P. No.: 19535) as Secretarial Auditor of the Company for a First Term of Five Years

Signed this..... day of..... 2025.

Signature of shareholder_____

Signature of Proxy holder(s)_____

Notes:

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. The Proxy need not be a member of the Company.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% 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 proxy for any other person or shareholder.

**** This is only optional. Please put 'X' in the appropriate Column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' Column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.**

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

Registered Office: 196, 1st Floor, G T Road, Opp. Red Cross Market Karnal, Karnal , Haryana, 132001**Corporate Office:** C – 801, Krish Cubical Govardhan Partyplot, Avalon Hotal Road, Sindhu Bhavan Marg, Thaltej, Ahmedabad, Gujarat, India, 380059.**Website:** www.padamcotton.com, **Email ID:** cspeyl6@gmail.com, **Contact No.:** +91 9998865217**Form No. MGT-12****Polling Paper****[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]**

Name of the Company: PADAM COTTON YARNS LIMITED

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

CIN: L17112HR1994PLC033641

S.No	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal address	
3.	Registered Folio No/ *ClientID (*applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares
5.	Number of Shares	

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

No.	Item No.	No. of Shares held by me	I assent to the resolution	I dissent from the resolution
1	To receive, consider and adopt the Standalone audited Financial Statement of the Company for the financial year ended March 31, 2025, and the reports of the Board of Directors and Auditors thereon;			
2	To appoint a director in place of Mr. Mahendra Singh (DIN: 07684132) who retires by rotation and being eligible, offers himself for re-appointment.			
3	To declare Final Dividend of 0.10/- (Ten paisa Only) (10.00%) per equity share for the Financial Year ended March 31, 2025, as recommended by the Board of Directors			
4	Appointment of M/s. SVJK & Associates, Chartered Accountants (FRN:) as a Statutory Auditor of the Company			
5	To approve the appointment of M/s. A. Goyal & Associates, Company Secretaries (C.P. No.: 19535) as Secretarial Auditor of the Company for a First Term of Five Years			

Place: Ahmedabad

Date: 30th September, 2025 (Signature of the shareholder*)

(*as per Company records)

Route Map for Extraordinary General Meeting (EGM) of the Company to be held on **Tuesday, September 30, 2025 at 12:00 p.m.** at Registered Office of the Company at **196, 1st Floor, G.T Road, Opp. Red Cross Market, Karnal- 132001 (Haryana).**

