**PADAM COTTON YARNS LIMITED**
**NOTES FORMING PART OF ACCOUNTS**
**NOTE '1'**

## Corporate Information

Padam Cotton Yarns Limited ( "the Company") is a public company domiciled in India and was incorporated in 1994 under the provisions of the erstwhile Companies Act, 1956. The company having CIN U17112HR1994PLCO33641 is engaged in the business of providing consultation relating to textile industry and wholesale trading in Agricultural Pumping Sets and Implements during the year. The activities of the company comprises only two business segment viz wholesale trading and consultancy . Its shares are listed on recognized stock exchange in India- the BSE limited. The Registered Office of the company is located at 196, 1st Floor, G.T. Road, Opp Red Cross Market, Karnal-132001 & Corporate Office At C-5/2A, Rana Pratap Bagh, Opp CC Colony, New Delhi

## NOTE '2' Significant Accounting Policies

**CHANGED**

## 2. ACCOUNTING POLICIES

### 2.1. Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Up to the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirements of Indian GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These financial statements are the Company's first Ind AS financial statements and as covered by Ind AS 101 - First time adoption of Indian Accounting Standards.

Company's financial statements are presented in Indian Rupees (INR), which is its functional currency.

### 2.2 Summary of significant accounting policies

### (a) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulates 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 costs are included in the asset's carrying amount or recognized 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.

Depreciation on property, plant and equipment is provided using Written down method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

### (b) Intangible assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

**FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED**

| | | |
|---|---|---|
| Sd/- | Sd/- | Sd/- |
| **RAJEV GUPTA** | **VIVEK GUPTA** | **NARINDER KUMAR CHUTANI** |
| **(DIRECTOR)** | **(DIRECTOR)** | **Chief Financial Officer** |
| **(DIN : 00172828)** | **(DIN : 00172835)** | |

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**(c) Leases:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**Company as a lessee**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease-term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**(d) Borrowings Cost**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. 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 in the period in which they are incurred.

**(e) Inventories**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of purchase cost and other overheads, net of recoverable taxes, incurred in bringing them to their respective present location and condition.

**(f) Impairment of non-financial assets**

At each balance sheet date, the Company assesses whether there is an indication that any property, plant and equipment and intangible assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit or loss.

**(g) Provisions and Contigencies**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

**FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED**

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **RAJEV GUPTA** | **VIVEK GUPTA** | **NARINDER KUMAR CHUTANI** |
| **(DIRECTOR)** | **(DIRECTOR)** | **Chief Financial Officer** |
| **(DIN : 00172828)** | **(DIN : 00172835)** | |

**PADAM COTTON YARNS LIMITED**
**NOTES FORMING PART OF ACCOUNTS**
**(h) Employee Benefits**
**(I) Short Term Employee Benefits**
The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee render the services.
**(ii) Long Term Employee Benefits**
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date on the basis of acturial valuation.
**(iii) Post-Employment Benefits**
**Defined Contribution Plans**
The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.
Re-measurement of defined benefit plans in respect of post-employment and other long term benefits are charged to the Other Comprehensive Income.
**(i) Taxation**
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income and equity.
**- Current tax**
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.
**- Deferred tax**
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax l iabilities and assets are reviewed at the end of each reporting period.
**(j) Cash and cash equivalents**
Cash and cash equivalents includes cash in hand and deposits with any qualifying financial institution, repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.
**(k) Foreign currencies**
**Transactions and Translation**
Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.
Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.
Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the dateof the transaction.

**FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED**

| | | |
|---|---|---|
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| **(DIRECTOR)** | **(DIRECTOR)** | **Chief Financial Officer** |
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**PADAM COTTON YARNS LIMITED**

**NOTES FORMING PART OF ACCOUNTS**

### (l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue cap be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue is recognised only if the following conditions are satisfied:

- The Company has transferred risks and rewards incidental to ownership to the customer;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- It is probable that the economic benefit associated with the transaction will flow to the Company; and
- it can be reliably measured and it is reasonable to expect ultimate collection.

Revenue from operations includes sale of goods and services measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates and excluding taxes or duties collected on behalf of the government.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividends Income is recognised when the Company's right to receive the payment has been established.

### (m) Earning Per share

The Company presents basic and diluted earnings / (loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. To the extent that partly paid shares are not entitled to participate in dividends during the period they are treated as the equivalent of warrants or options in the calculation of diluted earnings per share.

### (n) Financial instruments

#### 1) Financial assets

#### 1.a Initial recognition and measurement:

Financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are recognised using trade date accounting.

#### 1.b Subsequent measurement

#### i) Financial assets carried at amortised cost (AC)

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED**

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **RAJEV GUPTA** | **VIVEK GUPTA** | **NARINDER KUMAR CHUTANI** |
| **(DIRECTOR)** | **(DIRECTOR)** | **Chief Financial Officer** |
| **(DIN : 00172828)** | **(DIN : 00172835)** | |

**ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**iii) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**1.c Equity Investments:**

Equity investments are measured at fair value, with value changes recognised in statement of profit and loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

**1.d Investment in subsidiaries, associates and joint ventures**

The Compahy has accounted for its investments in subsidiary, at cost.

**1.e Impairment of financial assets**

The Company assesses impairment based on expected credit loss (ECL) model to the following:

a. Financial assets at amortised cost

b. Financial assets measured at fair value through Other Comprehensive income

The Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Historical loss experience used to determine the impairment loss allowance on the portfolio of trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

**2 Financial liabilities**

**2.1 Initial recognition and measurement:**

All financial liabilities are recognized initially at fair value and in case of loans and borrowings and payables, net of directly attributable cost. Fees of recurring nature are directly recognised in profit or loss as finance cost.

**2.2 Subsequent measurement:**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**2.3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of assets or liabilities affected in future period.

**FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED**

| | | |
|---|---|---|
| Sd/- | Sd/- | Sd/- |
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| (DIRECTOR) | (DIRECTOR) | Chief Financial Officer |
| (DIN : 00172828) | (DIN : 00172835) | |

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

### 2.3.1 Depreciation and useful lives of Property, Plant and Equipments :

Property; plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortized over its estimated useful lives. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortization to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortization for future periods is adjusted if there are significant changes from previous estimates.

### 2.3.2 Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

### 2.3.3 Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

### 2.3.4 Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

### 2.3.5 Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### 2.4 FIRST TIME ADOPTION OF IND AS:

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly, the impact of transition differences has been provided in the Opening Reserve as at 1st April 2016 and all the periods presented have been restated accordingly.

1. Under Previous GAAP, cash discounts and other discounts directly attributable to sales was recognised as part of "Other expenses"-which has been adjusted against the revenue under Ind AS during the year ended March 31, 2017.

**FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED**

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **RAJEV GUPTA** | **VIVEK GUPTA** | **NARINDER KUMAR CHUTANI** |
| **(DIRECTOR)** | **(DIRECTOR)** | **Chief Financial Officer** |
| **(DIN : 00172828)** | **(DIN : 00172835)** | |

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

| Paticulars | On 31/03/19 Rs. | On 31/03/18 Rs. |
|---|---|---|
| **NOTE '3'** | | |
| **OTHER NON CURRENT ASSETS** | | |
| Insurance Claim Receivable | 52,951,550.55 | 52,951,550.55 |
| **TOTAL** | 52,951,550.55 | 52,951,550.55 |

3.01 The Company's unit for manufacturing of cotton yarns was destroyed in fire on 13/06/2001. The Insurance claim of the company was repudiated by the Insurance Company. The Hon'ble National Consumer has decided the case of issuance of insurance claim in favour of the company against which the insurance company has filed an appeal before Hon'ble Supreme Court. Though Company was allowed 50% claim by the Supreme Court against security which was provided by the director of the company, the same is shown as non current liabilities as the matter is contingent and is sub judiced. The same has not been adjusted against the insurance claim receiveable account, due to its contingent nature as a matter of abundent precaution and sheer uncertinty of the verdict of Hon'ble Supreme court.

| Paticulars | On 31/03/19 Rs. | On 31/03/18 Rs. |
|---|---|---|
| **NOTE '4'** | | |
| **TRADE RECEIVABLES** | | |
| (i) Trade Receivables outstanding for a period of more than 6 months | 17,130,228.48 | - |
| (a) Unsecured, considered Good | - | - |
| (b) Unsecured, Considered Doubtful | | |
| Less: Provision for Doubtful Debts | | |
| (ii) Other Trade Receivables | | |
| Unsecured, considered good | - | 17,648,273.48 |
| **TOTAL** | 17,130,228.48 | 17,648,273.48 |

4.01 Trade receivable includes Rs. 17130228.48 due to associate company M/s Oswal Pumps Limited. The amount is overdue.

| Paticulars | On 31/03/19 Rs. | On 31/03/18 Rs. |
|---|---|---|
| **NOTE '5'** | | |
| **CASH AND CASH EQUIVALENTS** | | |
| **Cash and Bank Balances** | | |
| Cash in Hand | 7,689.65 | 109,690.65 |
| Balance with banks: | | |
| -In Current Accounts | 7,557.65 | 19,543.77 |
| -In Deposit Accounts(with original maturity of 3 months or less) | - | - |
| **TOTAL Cash and Cash Equivalent** | 15,247.30 | 129,234.42 |
| **NOTE '6'** | | |
| **OTHER CURRENT ASSETS** | | |
| **Balance with Government authorities ( other than Income Taxes)** | | |
| Deposit with Government Authorities | 78,611.00 | 19,595.00 |
| **TOTAL** | 78,611.00 | 19,595.00 |

**FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED**

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **RAJEV GUPTA** | **VIVEK GUPTA** | **NARINDER KUMAR CHUTANI** |
| **(DIRECTOR)** | **(DIRECTOR)** | **Chief Financial Officer** |
| **(DIN : 00172828)** | **(DIN : 00172835)** | |

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

| Paticulars | | On 31/03/19 Rs. | | On 31/03/18 Rs. |
|---|---|---|---|---|
| **NOTE '7'** | | | | |
| **EQUITY SHARE CAPITAL** | **No of shares** | **Amount** | **No of shares** | **Amount** |
| **-Authorised** | | | | |
| Equity Shares of Rs. 10/- each | 7000000 | 70,000,000.00 | 7000000 | 70,000,000.00 |
| **-Issued and Subscribed Capital** | | | | |
| Equity Shares of Rs10/- each | 5975200 | 59,752,000.00 | 5975200 | 59,752,000.00 |
| **-Paid up Capital** | | | | |
| Equity Shares of Rs10/- each fully paid-up. | 3873000 | 38,730,000.00 | 3873000 | 38,730,000.00 |
| **TOTAL** | **3873000** | 38,730,000.00 | **3873000** | 38,730,000.00 |

**7.1 Reconciliation of the number of shares outstaning at the beginning and at the end of the period:**

| | Nos | Amt (Rs) | Nos | Amt (R) |
|---|---|---|---|---|
| **Authorised Share Capital** | | | | |
| Opening Share Capital | 7,000,000 | 70,000,000.00 | 7,000,000 | 70,000,000.00 |
| Add: Increased during the year | - | - | - | - |
| Closing Share Capital | 7,000,000 | 70,000,000.00 | 7,000,000 | 70,000,000.00 |
| **Issued Share Capital** | | | | |
| Opening Share Capital | 5,975,200 | 59,752,000.00 | 5,975,200 | 59,752,000.00 |
| Add: Shares issuued During the year | - | - | - | - |
| Add: Rights/Bonus Shares Issued | - | - | - | - |
| Total | 5,975,200 | 59,752,000.00 | 5,975,200 | 59,752,000.00 |
| Less: Buy back of Shares | - | - | - | - |
| Less Reduction in Capital | - | - | - | - |
| Closing Share Capital | 5,975,200 | 59,752,000.00 | 5,975,200 | 59,752,000.00 |
| **Paid up Capital** | | | | |
| Opening Share Capital | 3,873,000 | 38,730,000.00 | 3,873,200 | 38,730,000.00 |
| Add: Shares issuued During the year | - | - | - | - |
| Add: Rights/Bonus Shares Issued | - | - | - | - |
| Total | 3,873,000 | 38,730,000.00 | 3,873,000 | 38,730,000.00 |
| Less: Buy back of Shares | - | - | - | - |
| Less Reduction in Capital | - | - | - | - |
| Closing Share Capital | 3,873,000 | 38,730,000.00 | 3,873,000 | 38,730,000.00 |

**FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED**

| Sd/- | Sd/- | Sd/- |
|---|---|---|
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| **(DIRECTOR)** | **(DIRECTOR)** | **Chief Financial Officer** |
| **(DIN : 00172828)** | **(DIN : 00172835)** | |

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

| Paticulars | On 31/03/19 Rs. | On 31/03/18 Rs. |
|---|---|---|

## 7.2 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 2019, the amount of per share dividend recognized as distribution to equity shareholders was Rs 0/- (Previous Year Rs 0.1-).

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.

## 7.3 Details of shares held by each Share holders holding more than 5% Shares (In Nos)

| Name of Shareholders | Number of shares hold | % holding in that class of shares | Number of shares held | % holding in that class of shares |
|---|---|---|---|---|
| Vivek Gupta | 746600 | 19.28 | 746600 | 19.28 |
| Rajev Gupta | 609750 | 15.74 | 609750 | 15.74 |
| Padam Sain Gupta | 474500 | 12.25 | 474500 | 12.25 |

7.4 No shares were alloted 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.

7.5 There are no calls unpaid/forfeited shares issued during the year ending 31 March 2019 or in previous year

**NOTE '8'**
**OTHER EQUITY**

| | On 31/03/19 Rs. | On 31/03/18 Rs. |
|---|---|---|
| **(a) Share Forefeiture Reserve** | | |
| Opening Balance | 8,558,684000 | 8,558,684000 |
| **Closing Balance** | 8,558,684000 | 8,558,684000 |
| **(b) Retained Earnings** | | |
| Opening Balance | (20,460,445.55 | (20,432,961.73 |
| Add: ( Loss) Profit for the Year | (607,137.12) | (27,483.82) |
| Closing Balance | (21,067,582.67) | (20,460,445.55 |
| **TOTAL OTHER EQUITY ( a+b)** | (12,508,898.67) | (11,901,761.55) |

**Note:-**

**(i) Share For'efeiture Reserve**

Share Forefeiture reserve is created out of money collected on forefeiture of equity shares by the company. The reserve is utilised in accordance with the provisions of Companies Act, 2013

**(ii) Retained Earnings**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013

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| (DIRECTOR) | (DIRECTOR) | Chief Financial Officer |
| (DIN : 00172828) | (DIN : 00172835) | |

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

| Paticulars | On 31/03/19 Rs. | On 31/03/18 Rs. |
|---|---|---|
| **NOTE '9'** | | |
| **OTHER NON CURRENT FINANCIAL LIABILITIES** | | |
| **Non Current** | | |
| **-Legal Claims Outstanding** | | |
| New India Assurance Co Limited-Protested Calim A/c | 43,913,515.00 | 43,913,515.00 |
| **TOTAL** | 43,913,515.00 | 43,913,515.00 |

9.1 The Company's unit for manufacturing of cotton yarns was destroyed in fire on 13/06/2001. The Insurance claim of the company was repudiated by the Insurance Company. The Hon'ble National Consumer has decided the case of issuance of insurance claim in favour of the company against which the insurance company has filed an appeal before Hon'ble Supreme Court. Though Company was allowed 50% claim by the Supreme Court against security, the same is shown as non current liabilities as the matter is contingent and is sub judiced. The same has not been adjusted against the insurance claim receiveable account, due to its contingent nature as a matter of abundent precaution and sheer uncertinty of the verdict of Hon'ble Supreme court. In case the Company lose its case in Supreme court, the amount shall become payable.

| | | |
|---|---|---|
| **NOTE '10'** | | |
| **TRADE PAYABLES** | | |
| **CURRENT** | | |
| Trade Payable for goods and services | 1,021.00 | 5,900.00 |
| **Total Trade Payable** | 1,021.00 | 5,900.00 |

10.1 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2019, March 31 2018 and march 31, 2017 which is on the basis of such parties having been identified by the management and relied upon the auditors.

| | | |
|---|---|---|
| **NOTE '11'** | | |
| **OTHER LIABILITIES** | | |
| Salary Payable | 10,000.00 | - |
| | 10,000.00 | - |

| | | |
|---|---|---|
| **NOTE '12'** | | |
| **SHORT TERM PROVISIONS** | | |
| **Current** | | |
| Statutory Remittences ( Withholding Taxes) | - | 1,000.00 |
| Audit Fee Payable | 30,000.00 | - |
| **Total Current other Non Financial Liabilities** | 30,000.00 | 1,000.00 |

**FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED**

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **RAJEV GUPTA** | **VIVEK GUPTA** | **NARINDER KUMAR CHUTANI** |
| **(DIRECTOR)** | **(DIRECTOR)** | **Chief Financial Officer** |
| **(DIN : 00172828)** | **(DIN : 00172835)** | |

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

| Paticulars | On 31/03/19 Rs. | On 31/03/18 Rs. |
|---|---|---|
| **NOTE '13'** | | |
| **REVENUE FROM OPERATION** | | |
| a) Sale of Products | - | 17,798,748.48 |
| b) Other Operating Revenues | | |
| Consultancy Charges | - | 493,600.00 |
| **TOTAL** | - | 18,292,348.48 |
| **NOTE '14'** | | |
| **Changes in Inventory of Finished Goods,Work In Progress and Stock In Trade** | | |
| **Inventories at the end of the year** | - | 17,798,748.17 |
| Stock in Trade | - | 17,798,748.17 |
| **Inventories at the beginning of the year** | - | - |
| Stock in Trade | - | - |
| Stock Decreased /( Increased ) by | - | 17,798,748.17 |
| **NOTE '15'** | | |
| **EMPLOYEES BENEFIT EXPENSE** | 75,161.00 | - |
| Salary | 75,161.00 | - |
| **NOTE '16'** | | |
| **FINANCE COST** | | |
| Bank Charges | 702.12 | 492.18 |
| Interest on TDS/GST Late Deposits | - | 2,563.00 |
| **TOTAL** | 702.12 | 3,055.18 |
| **NOTE '17'** | | |
| **OTHER EXPENSES** | | |
| Accounting Charges | 66,000.00 | 6,000.00 |
| AGM Exp | 29,980.00 | 27,232.00 |
| Annual Listing Fee | 286.630.00 | 325,281.95 |
| Audit Fees | 30,000.00 | 30,000.00 |
| Fees & Taxes | 26,297.00 | 17,095.00 |
| Legal & Professional Exp | 80,000.00 | 92,557.00 |
| Postage/Postal Exp. | 1,183.00 | 168.00 |
| Office/General Exp | 1,153.00 | 798.00 |
| Photostate Exp | - | 979.00 |
| Printing and Stationery | 1,585.00 | 531.00 |
| Website Exp | 6,600.00 | 6,600.00 |
| Telephone Exp | 786.00 | 689.00 |
| Travelling Exp. | 1,060.00 | 1,607.00 |
| **TOTAL** | 531,274.00 | 509,537.95 |
| **Notes** | 30,000.00 | 30,000.00 |
| Payment to the auditors comprises | - | - |
| As Auditors- Statutory Audit | - | - |
| For Taxation Matters For Company Law Matters | 30,000.00 | 30,000.00 |

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **RAJEV GUPTA** | **VIVEK GUPTA** | **NARINDER KUMAR CHUTANI** |
| **(DIRECTOR)** | **(DIRECTOR)** | **(Chief Financial Officer)** |
| **(DIN : 00172828)** | **(DIN : 00172835)** | |

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

| Paticulars | On 31/03/19 Rs. | On 31/03/18 Rs. |
|---|---|---|
| **NOTE '18' EARNING PER SHARE (EPS)** | | |
| i) Net porfit after Tax Attributable to Equty Shareholders | (607,137.12) | (27,483.82) |
| ii) Weighted Average number of Equity Share used as denominator for calculating EPS | 3,873,000 | 3,873,000 |
| iii) Basic and Diluted Earning Per Share | (0.1568) | (0.0071) |
| iv) Face Value per E | 10.00 | 10.00 |

**NOTE '19' RELATED PARTY DISCLOSURES AS REQUIRED UNDER IND AS 24 ARE GIVEN BELOW:**

| | | | | |
|---|---|---|---|---|
| **i) List of related partes where control exists and related parties with whom transactions have taken place and relationship:** | | | | |
| | | | | |
| **Enterprises Over Which Key Management Personnel Exercise Significant Influence** | | | | |
| 1. Oswal Pumps Limited | | | | |
| **Key Management Personnel** | | | | |
| 1. Rajev Gupta (Key Managerial Person) | | | | |
| 2. Vivek Gupta (Key Managerial Person) | | | | |
| **ii) Transactions During the year with related Parties :** | | | | |
| 1. Oswal Pumps Limited | | | | |
| Sales during the year | | - | | 17,798,748.48 |
| Purchase during the year | | | | - |
| **iii) Balance Outstanding as on 31st March 2018** | | | | |
| **Trade Receivables** | | | | |
| 1. Oswal Pumps Limited | | 17,130,228.48 | | 17,648,273.48 |

**NOTE '20' CONTINGENT LIABILITIES AND COMMITMENTS**

| Paticulars | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | INR in Lakhs | INR in Lakhs |
| **Contingent Liabilities** | | |
| Disputed Insurance Claim under appeal by insurance company (50% recd) against security of director of Company Sh. Rajev Gupta * | 439.14 | 439.14 |
| * Future cash outflows in respect of the above matters are determinable only on receipt of judgement/decision pending at Superme Court of India | | |

**FOR AND ON BEHALF OF PADAM COTTON YARNS LIMITED**

| | | |
|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** |
| **RAJEV GUPTA** | **VIVEK GUPTA** | **NARINDER KUMAR CHUTANI** |
| **(DIRECTOR)** | **(DIRECTOR)** | **Chief Financial Officer** |
| **(DIN : 00172828)** | **(DIN : 00172835)** | |

## PADAM COTTON YARNS LIMITED
## NOTES FORMING PART OF ACCOUNTS
### NOTE '21' Operating Segments :

The Managing Director of the company has been identified as the Chief Operating decision maker(CODM) as defined by IND AS-108,0perating Segments .
The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in two segments viz. Consultation & Whole Sale Trading and that most of the operations are in India.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenues and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallowable."
b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallowable

( Rs. In Lacs)

| **Particulars** | **Consulting** | | **Wholesale Trading** | | **Unallocable** | | **Total** | |
|---|---|---|---|---|---|---|---|---|
| | **2018-19** | **2017-18** | **2018-19** | **2017-18** | **2018-19** | **2017-18** | **2018-19** | **2017-18** |
| 1. Segment Revenue | | | | | | | | |
| External Turnover | - | 4.93 | - | 177.98 | - | - | - | 182.91 |
| Inter Segment Turnover | - | - | - | - | - | - | - | - |
| Gross Turnover | - | 4.93 | - | 177.98 | - | - | - | 182.91 |
| Less: Excise duty/Service Tax | - | - | - | - | | | | - |
| Net Turnover | - | 4.93 | - | 177.98 | - | - | - | 182.91 |
| 2. Segment Results before | | | - | - | | | | - |
| Interest and Taxes | - | - | | - | | | | - |
| Less; Interest Expenses | - | - | - | - | | | | - |
| Add: Interest Income | - | - | - | - | | | | |
| Profit Before Tax | | 4.93 | (5.77) | (5.12) | - | - | (5.77) | (0.19) |
| Current Tax | - | - | - | | | | - | |
| Deferred Tax | - | - | | | | | - | |
| Profit after Tax | - | 4.93 | (6) | (5.00) | (6.00) | - | (5.77) | (0.19) |
| 3. Other Information | | | - | - | | - | | - |
| Segment Assets | - | - | - | | 701.75 | 707.48 | 701.75 | 707.48 |
| Segment Liabilities | - | - | - | - | 439.25 | 439.20 | 439.25 | 439.20 |
| Capital Expenditure | - | - | - | - | - | - | - | - |
| Depreciation/Amortisation and | - | | - | - | - | - | - | - |
| Depletion expense | - | - | - | - | - | - | - | - |
| Non Cash Expenses other than | - | - | - | - | - | - | - | - |
| depreciation and Amortization | - | - | - | - | - | - | - | - |

### NOTE '22' Explanation of Transition to Ind AS

As stated in Note 2.1, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended March 31, 2018, the Company has prepared it's financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP'). The accounting policies set out in Note 2 have been applied in prepaing these financial statements for the year ended March 31, 2018 including the comparative information for the year ended March 31, 2017 and the opening Ind AS balance sheet as on the date of transition i.e.April 1, 2016. In preparing the Company's Ind AS balance sheet as at April 1, 2016 and in presenting the comparative information for the year ended March 31, 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating it's Previous GAAP financial statements, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

**(A) Exemptions availecEll Ind AS 101**

"First-time Adoption of Indian Accounting Standards" allows first-time adopters certain optional /mandatory exemptions. The Company has accordingly availed the following exemptions: (i) The estimates as at April 1, 2016 and March 31, 2017, are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies)

**(B) Reconciliations between previous reported Previous GAAP and Ind AS**

The transition from Previous GAAP to Ind AS does not have any material impact on the equity, total comprehensive Income and cash flows for prior Periods.

**Notes :**

1. Under Previous GAAP, cash discounts and other discounts directly attributable to sales was recognized as part of "Other expenses" which has been adjusted against the revenue under Ind AS during the year ended March 31,2019

**Note 23 : Fiancial Instruments**

A) Accounting classification

The following tables shows the carrying amount / fair values of financial assets and financial liabilities :

| **Financial Assets instruments category** | **Carrying value / Fair value** | |
|---|---|---|
| **Financial Assets** | **As at March 31,2019** | **As at March 31,2018** |
| **a) Measured at fair value through Profit or Loss (FVTPL)** | | |
| **b) Measured at fair value through other Comprehensive Income (OCI)** | | |
| **c) Measurement at amortised cost:** | | |
| Trade receivables | 17,130,228.48 | 17,648,273.48 |
| Cash and Cash equivalents | 15,247.30 | 129,234.42 |
| Other financial assets | - | - |
| **Total Financial Assets** | 17,145,475.78 | 17,777,507.90 |
| **Financial Liabilities** | | |
| **a) Measured at fair value through Profit or Loss (FVTPL)** | | |
| **b) Measured at fair value through** | | |
| Other financial liabilities | 41,021.00 | 6,900.00 |
| **Total Financial Liabilities** | 41,021.00 | 6,900.00 |

**Note '24'**

Previous year figures have been regrouped/reclassied where necessary to correspond with the current year's classification/disclosure

**This is the balance sheet referres to in our audit report of even date**

**For HARJINDER SINGH & CO**
**Chartered Accountants**
**FRN : 014119N**
**Sd/-**
**(Harjinder Singh)**
**(Prop.)**
**M.No. 092290**
**Place : Karnal**
**Date : 28.05.2019**

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

**Sd/-**
**RAJEV GUPTA**
**(DIRECTOR)**
**(DIN : 00172828)**

**Sd/-**
**VIVEK GUPTA**
**(DIRECTOR)**
**(DIN : 00172835)**

**Sd/-**
**NARINDER KUMAR CHUTANI**
**(CHIEF FINANCIAL OFFICER)**