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PADAM COTTON YARNS LIMITED

Regd. Office : 196, 1st Floor, G.T. Road,
Opp. Red Cross Market,
KARNAL - 132 001
www.padamcotton.com



PADAM COTTON YARNS LIMITED

**26th Annual Report
2019-2020**

CORPORATE INFORMATION

Mr. Rajev Gupta
Managing Director

Mrs. Radhika Gupta
Director

Mr. Satwant Singh
Independent Director

Mr. Vivek Gupta
Director

Mr. Jai Kumar Gupta
Independent Director

Mr. Harbhajan Singh
Independent Director

Mr. Shivam Gupta
Chief Financial Officer

Ms. Neelu Prajapati
Company Secretary & Compliance Officer

Statutory Auditors
M/s Harjinder Singh & Co., Karnal
(Chartered Accountants)

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

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

Registered and Corporate Office
196, 1st Floor, G.T Road, Opp. Red Cross Market,
Karnal- 132001 (Haryana)
Ph- 0184-6616601-9
Email-rajevoswal@yahoo.com
Website- www.padamcotton.com
CIN- L17112HR1994PLC033641

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PADAM COTTON YARNS LIMITED

CIN: L17112HR1994PLC033641

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

www.padamcotton.com, email: rajevoswal@yahoo.com, Tel: 0184-6616601-9

NOTICE

Notice is hereby given that the 26th Annual General Meeting ("AGM") of the Members of M/s Padam Cotton Yarns Limited will be held on Wednesday, the 30th day of September, 2020 at 11:00 a.m. at the at Hotel Prem Plaza, Railway Road, Karnal- 132001 (Haryana) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2020 including audited Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.
2. To appoint a Director in place of Mrs. Radhika Gupta (DIN: 07071267), who retires by rotation and, being eligible, offers herself for re-appointment.

Based on term of Appointment, Executive and Non-Executive Directors are liable to retire by rotation. Mrs. Radhika Gupta, Non-Executive, Non-Independent Director who is liable to retire by rotation being eligible, seeks reappointment. The Board recommended her reappointment.

"RESOLVED THAT pursuant to the provision of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the Shareholders of the company be and is hereby accorded to the reappointment of Mrs. Radhika Gupta as Director, who is liable to retire by rotation.

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

**Sd/
(Rajev Gupta)
Managing Director
DIN: 00172828**

Place: Karnal

Date: 01.09.2020

Notes:

As Padam Cotton Yarns Limited, being a listed company and having more than 1000 shareholders, is compulsorily required to provide remote e-voting facility or postal ballot to members in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting by show of hands will not be available to the members at the 26th AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

As COVID-19 pandemic situation is under control in the area where the 26th AGM is going to be held, your Company will hold upcoming AGM physically, considering the safety precautions on high priority.

This notice is sent to all the members whose name appears as on 28th August, 2020 in the Register of Members.

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

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

2. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is given to the company.
4. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
5. The Register of Contracts or Arrangements in which directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
6. Route Map for easy location of Venue of Annual General Meeting is attached herewith the Notice of Annual General Meeting.

7. No gifts, gifts coupons, or cash in lieu of gifts is distributed in the Meeting.
8. Additional Information, pursuant to regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, In respect of the directors seeking appointment/ re-appointment at the AGM, is furnished as annexure to the Notice.
9. Members are requested to bring their attendance slip along with Note that copies of Annual Report will not be distributed at the Annual General Meeting.
10. Members/Proxies/Authorized Representatives are requested to deposit the attendance slip duly filed in and signed for attending the Meeting. Members who hold shares in dematerialization form are requested to write their client ID and DP ID numbers for identification.
11. Members, who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held in electronic form and in case the shares are held in physical form to the Company's Registrar and Share Transfer Agents,
12. The Notice for the Annual General Meeting and the Annual Report will be available for inspection at the Registered Office of the Company on all working days in business hour up to the date of Annual General Meeting. The above said shall also be available on the Company's website at www.padamcotton.com and on the website of the CDSL//www.cdslindia.com/ for inspection and downloading by the shareholders of the company.
13. Members seeking further information on the Accounts or any other matter contained in the Notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
14. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during the office hours on all working days (except Saturdays, Sundays and Public Holidays) between 11: 00 A.M. to 1: 00 P.M up to the date of this Annual General Meeting.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat account. Member holding shares in physical form can submit their PAN details to the Company at the Registered Office of the Company.
16. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. The Register of Members and Share Transfer Books shall remain closed from 24.09.2020 to 30.09.2020 (Both days inclusive).
18. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing

- their representative to attend and vote in their behalf at the meeting.
19. The Board of Directors has appointed Mr. Ashish Goyal, Practicing Company Secretary as the Scrutinizer for conducting the voting and remote e-voting process in accordance with the law and in a fair and transparent manner and he has consented to act as scrutinizer.
 20. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot papers and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within 24 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman or any other Key Managerial Personnel who shall countersign the same and declare the results of the voting within 48 hours of conclusion of Annual General Meeting.
 21. The results declared along with the report of Scrutinizer shall be placed on the website of the Company www.padamcotton.com and on the website of CDSL immediately after the declaration of results by the Chairman or any other Key Managerial Personnel. The results shall also be forwarded to the Stock Exchange within 48 hours of the conclusion of Annual General Meeting.
 22. The business set out in this Notice shall be conducted through e-voting. In compliance with the provisions of the Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility as an alternate to all its Members to enable them to cast their votes electronically instead of casting their vote at the Meeting. Please note that the voting through electronic means is optional.
 23. Voting through electronic means:

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

 - (i) The voting period begins on Sunday the 27th September, 2020 at 10.00 a.m. and ends on Tuesday the 29th September, 2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 23rd September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on "Shareholders" module.
 - (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR	
Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.	
(vi) Next enter the Image Verification as displayed and Click on Login. (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used. (viii) If you are a first time user follow the steps given below:	
	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).
(ix) After entering these details appropriately, click on "SUBMIT" tab. (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice. (xii) Click on the EVSN for the relevant Company, Padam Cotton Yarns Limited which is 200826048 on which you choose to vote. (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.	

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

(xx) **Note for Non – Individual Shareholders and Custodians –Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; rajevoswal@yahoo.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor,

Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

**Sd/
(Rajev Gupta)
Managing Director
DIN: 00172828**

**Place: Karnal
Date: 01.09.2020**

DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 2019- 2020**TO THE MEMBERS OF PADAM COTTON YARNS LIMITED**

Your Directors are pleased to present the 26th Annual Report on the business and operations of the Company together with the Audited Financial Statement for the year ended 31st March, 2020.

FINANCIAL PERFORMANCE

The Summarized financial results are:

(Amount in Lakhs)

Particulars	2019-20	2018-19
Income from Operations	0.48	0.00
Other Income	0.00	0.00
Total Income	0.48	0.00
Operating Expenses	0.00	0.00
Employee Benefit Expenses	2.05	0.75
Finance Costs	0.0048	0.007
Other Expenses	8.73	5.31
Exceptional Item	0.00	0.00
Profit/ (Loss) before Tax	(10.30)	(6.07)
Tax Expenses		
• Current Year	0.00	0.00
• Previous Year	0.00	0.00
• MAT Entitlement	0.00	0.00
• Deferred Tax	(4.31)	0.00
Net Profit/ (Loss) for the Year	(5.99)	(6.07)

STATE OF COMPANY'S AFFAIRS

Your Directors regret to inform you that there was no commercial activity during the year under review as the entire Plant & Machinery and major part of the Building had got damaged in July, 2002 due to major fire in the factory premises. The insurance claim of Rs. 5,29,51,550/- is still pending for decision with the honorable National Consumer Dispute redressal Commission, New Delhi. However, it has received an amount of Rs. 439.13 Lacs in the protest a/c against the bank guarantee.

During the period under review the total Income of Company is Rs. 0.48 Lacs as compared to previous year NIL income.

The Company during the period suffered loss before tax of Rs. 10.30 Lacs as compared to loss of Rs. 6.07 Lacs in the previous year and Net loss of the company during reporting period if Rs. 5.99 Lacs as compared to loss of Rs. 6.07 Lacs in the previous year.

MATERIAL CHANGES AND COMMITMENTS AFTER THE DATE OF CLOSE OF FINANCIAL YEAR 2019-20

There are no material changes and commitment affecting the financial position of company after the close of financial year 2019-20 till the date of report.

DIVIDEND AND RESERVES

With a view to conserve resources of the company, your Directors do not recommend any dividend for the year ended March 31, 2020 under review.

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

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

HUMAN RESOURCES DEVELOPMENT

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

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

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

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

In order to prevent sexual harassment of women at work place an act "The Sexual Harassment of Women at Workplace" (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 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 work place of any women employee.

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

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

BUSINESS EXCELLENCE AND QUALITY INITIATIVES

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Ashish Goyal, Proprietor of M/s A. Goyal & Associates, Company Secretary in Practice to undertake the secretarial audit of the Company for FY 2019-20. 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.

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

During the year ended 31st March, 2020, the Company did not have any subsidiary company

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

DISCLOSURE REGARDING COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES 2014

The paid-up equity share capital of the Company as at 31st March 2020 comprises of 3873000 equity shares of Rs. 10/- each i.e. Rs. 3,87,30,000/-. As required under Companies (Share Capital and Debenture) Rules 2014, during the year under review, the Company has not issued equity shares with differential voting rights, sweat equity shares, preference shares, and employee stock options and also not made any provision for purchase of its own shares by employees or by trustees.

DISCLOSURE REGARDING VOTING RIGHT NOT EXERCISED DIRECTLY BY THE EMPLOYEES

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

RISK MANAGEMENT

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

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

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

CORPORATE GOVERNANCE

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

Therefore, taking Auditors Certificate on Corporate Governance as required under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

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

ANNUAL SECRETARIAL COMPLIANCE REPORT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. in the preparation of the annual accounts for financial year ended 31st March, 2020, the applicable accounting standards have been followed and there are no material departures in adoption of these standards.
- ii. they have in consultation with the Statutory Auditors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the profit/loss of the Company for the year ended on that date.
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. they have prepared the annual accounts for financial year ended 31st March, 2020 on a going concern basis.
- v. they have laid down adequate internal financial controls to be followed by the Company and that such internal financial controls were operating effectively during the financial year ended 31st March, 2020.
- vi. they have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended 31st March, 2020.

BOARD EVALUATION

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

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

The evaluation framework for assessing the performance of Directors comprises of various key areas such as attendance at Board and Committee Meetings, quality of contribution to Board discussions and decisions, strategic insights or inputs regarding future growth of the Company and its performance, ability to challenge views in a constructive manner, knowledge acquired

with regard to the Company's business/ activities, understanding of industry and global trends, etc.

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

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

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

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

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

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

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

MANAGEMENTS' DISCUSSION AND ANALYSIS REPORT

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

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

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

FIXED DEPOSITS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL**• Retirement by Rotation**

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

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

Following are the Directors of the Company as on 31st March, 2020:

S. No.	Name of Directors	Category of Directors
1.	Mr. Vivek Gupta	Non Executive- Non Independent Director
2.	Mrs. Radhika Gupta	Non Executive- Non Independent Director
3.	Mr. Jai Kumar Gupta	Non Executive Independent Director
4.	Mr. Satwant Singh	Non Executive Independent Director
5.	Mr. Harbhajan Singh	Non Executive Independent Director

During the period of under review Mr. Narinder Kumar Chutani had resigned from the position of Chief Financial Officer and Mr. Shivam Gupta has been appointed as Chief Financial Officer of the company.

During the period of under review Ms. Neha Miglani had resigned from the position of Company Secretary & Compliance Officer and Ms. Neelu Prajapati has been appointed as Company Secretary & Compliance Officer of the company.

Pursuant to the provisions of Section 203 of the Act, your Company has following Key Managerial Personnel(s):

S. No.	Name of KMPs	Designation
1.	Mr. Rajev Gupta	Managing Director
2.	Mr. Shivam Gupta	Chief Financial Officer
3.	Ms. Neelu Prajapati	Company Secretary

DECLARATION BY THE INDEPENDENT DIRECTORS

All Independent Directors has given declarations to the company confirming that they meet the criteria of independence as laid down under Section 149(6) of The Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

AUDITORS AND AUDITOR'S REPORT

Under Section 139 of the Companies Act, 2013 and the rules made thereunder it is mandatory to rotate Statutory Auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirement of the companies Act, 2013, M/s Harjinder Singh & Co., Chartered Accountants, was appointed as the Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of 23rd Annual General Meeting of the Company held on 29th September, 2017 till the conclusion of the 28th Annual General Meeting (AGM). The requirement for the annual ratification of the auditors' appointment at the AGM has been omitted pursuant to companies (Amendment) Act, 2017

notified on 7th May, 2018.

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

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

COST AUDIT AND AUDITORS

The section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 are not applicable to the Company. Hence, the Board of Directors of your company had not been appointed Cost Auditor for obtaining Cost Compliance Report of the company for the financial year 2019-20.

LISTING OF SECURITIES AND FEES

The Company's Equity Shares are listed on Bombay Stock Exchange Ltd. Your company has already paid Listing Fees for the financial year 2019-20.

PARTICULARS OF EMPLOYEES

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

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

MEETINGS OF THE BOARD OF DIRECTORS

The Details of Meetings of the Board of Director Held during the Financial Year 2019-20:

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

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

During the financial year ended March 31, 2020, Six (6) Board Meetings were held and the requisite Quorum was present. The interval between two meetings was well within the maximum period mentioned under Section 173 of Companies Act, 2013 and Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board meeting was held on the following dates:

1. 16th April, 2019;
2. 28th May, 2019;
3. 3rd August, 2019;
4. 14th November 2019;
5. 07th February, 2020;
6. 19th March, 2020.