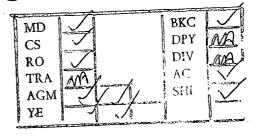
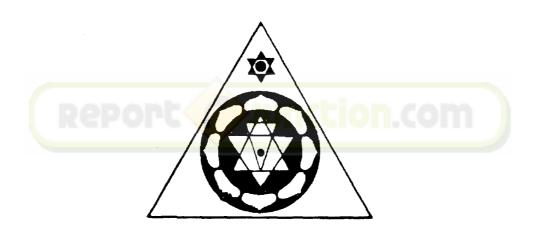
SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

4th Annual Report 1997-98

 $\hat{\gamma}$





PADAM COTTON YARNS LIMITED



BOARD OF DIRECTORS

Shri Padam Sain Gupta Shri Rajiv Kumar Aggarwal Shri Vivek Gupta Shri R.C.D. Kaushik Chairman & Managing Director Wholetime Director Wholetime Director Director

REGISTERED OFFICE & WORKS

71/3, Mile Stone G.T. Road, Opp. Radha Swami, Satsang Bhawan, Karnal-132 001

CORPORATE OFFICE

196, G.T. Road, Opp. Tehsil Karnal-132 001 (Haryana)

HEAD OFFICE

19, Syndicate House, 3, Old Rohtak Road, Delhi-35.

CON. COMPANY SECRETARY

Mr. Ramesh Bhatia

STATUTORY AUDITORS

M/s. Viney Goel & Associates, Chartered Accountant, 22, Purshottam Market, Kunjpura Road, Karnal-132 001

BANKERS TO THE COMPANY

Oriental Bank of Commerece, Maharana Partap Chowk, Karnal-132 001

CONTENTS	PAGE
NOTICE	2
DIRECTOR'S REPORT	4
AUDITORS'S REPORT	6
BALANCE SHEET	9
PROFIT & LOSS ACCOUNT	10
NOTES ON ACCOUNTS	16
CASH FLOW STATEMENT	20
AUDITOR'S CERTIFICATE	20
(1 /

يتر



NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the company will be held at the Registered Office of the Company at 71/3, Mile Stone, G.T. Road, Opposite Radha Swami Satsang Bhawan, Karnal - 132 001, on Wednesday, the 23rd Day of September, 1998 at 9.00 A.M. to consider and transact the following ordinary business:-

- 1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 1998 and the report of Auditors and Directors there on.
- 2. To appoint a Director in place of Mr. Rajiv Kumar Aggarwal, who retires by rotation but being eligible offers himself for re-appointment.
- 3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting and to fix their remuneration. M/s Viney Goel & Associates, Chartered Accountants, the retiring Auditors of the Company are eligible for re-appointment.

BY ORDER OF THE BOARD FOR PADAM COTTON YARNS LTD.

PLACE : KARNAL

DATED : 27TH JULY, 1998

Sd/-

(RAJIV KUMAR AGGARWAL)

WHOLE TIME DIRECTOR



NOTES

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not to be a member. Proxy forms should be deposited at the Registered Office of the company not later than 48 hours before the time fixed for the meeting.
- 2. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 15th Day of September 1998 to Wednesday, 23rd Day of September, 1998 (Both days inclusive).
- Members are requested to notify the change of address, if any, to the company at the
 Registered Office of the Company immediately quoting the Folio number under which the
 Shares are held.
- 4. All querries relating to the accounts must be sent to the company at its Registered Office at least Ten days before the holding of the Annual General Meeting.
- 5. Members are requested to please bring the Annual Reports sent to them at the Annual General Meeting as the extra copies shall not be available.
- 6. Members/Proxies are requested to bring with them the attendance slip and handover at the entrance duly signed by them.
- 7. Members resident at New-Delhi interested to attend the Annual General Meeting at the new Registered Office at Karnal are requested to intimate the company atleast Twenty days advance from the date of AGM so that the conveyance may be arranged for their convenience at the Company's expense. The confirmation in this regard shall be sent to the members individually who will be interested to attend the Annual General Meeting at Karnal.
- 8. Members who have multiple accounts in identical names or joint accounts in same order are requested to intimate the company, the ledger of such accounts to enable the company to consolidate all such shareholdings into one account.



DIRECTOR'S REPORT

Dear Members.

Your Directors take pleasure in presenting their Fourth Annual Report together with the Audited Accounts for the year ended on 31st March, 1998.

FINANCIAL RESULTS:

Your Directors are pleased to inform you that the company has achieved a turnover of Rs. 1200. 48 Lacs as compared to Rs. 684.19 Lacs during the previous year and the net profit during the year is at Rs. 0.89 lacs against a net profit of Rs. 2.53 Lacs during the previous year. Since the product of the company has been very well accepted in the market, the results of the company in the coming years are expected to be better.

	Hs. In Lacs
Total Income	1200.48
Gross Profit before Interest and Dep.	136.45
Less Financial Charges	66.31
Depreciation	69.10
Net Profit carried to Balance Sheet	0.89

The profit during the period has been less because of increase in the cotton prices without a corresponding increase in the yarn prices, thus, shrinkage in the profit margin.

DIVIDEND

In order to preserve the resources of the company your Directors do not recommend any dividend.

Deposits

During the year under review, your company had received a sum of Rs. 79.486 lacs as deposits.

Information pursuant to section 217 of the Companies Act, 1956:

Under sub-section (1) (e):

Information with regard to conservation of energy, absorption of tecnology and foreign exchange earning and outgo is enclosed and forms an integral part of this report.

Under sub section (2A)]:

No employee was in receipt of remuneration in excess of the limits prescribed under the Act whose particulars are required to be disclosed in this report.

DIRECTORS

Mr. Rajiv Kumar Aggarwal, Director retires by rotation and being eligible offers himself for re-appointment.

AUDITORS

M/s Viney Goel & Associates, Chartered Accountants, shall retire at the conclusion of the ensuing Anual General Meeting of the Company and being eligible, offer themselves for re-appointment. The Auditors have informed that their re-appointment if made, shall be with in the limits prescribed under Section 224 (1B) of the Companies Act, 1956.



PROJECTIONS VS PERFORMANCE

As required interms of clause 43 of the Listing Agreement a comparison of the company's projections made in the Prospectus dated 28th September, 1995 and the actual performance for the year 1997-98 is given below:

(Rs. in Lacs)

Projections	Actual	
1510.00	1000.10	
1512.28	1200.48	
195.24	00.89	
3.29	0.15	
	1512.28 195.24	

ACKNOWLEDGEMENT

Your Directors would like to thank the Haryana Financial Corporation, Oriental Bank of Commerce and all other Central and State Government for their continued support and assistance. Your Directors would also like to thank all employees and officers of the company without whose efforts it would not have been possible to obtain the results.

PLACE: KARNAL FOR AND ON THE BEHALF OF THE BOARD DATED: 27TH JULY, 1998

FOR PADAM COTTON YARNS LTD.

Sd/-(PADAM SAIN GUPTA) CHAIRMAN CUM MANAGING DIRECTOR.

Annexure-I

(A) **CONSERVATION OF ENERGY**

- 1. Necessary alteration/modifications have been made in the factory building for natural lighting and ventilation.
- 2. The Company gets power through its own power Generating System resulting better quality and Consistent supply of Power. Further mini Generator sets have been installed for use in peak time instead of Big Gen. sets, thus using the fuel in the most optimum manner.
- 3. The Company plans to acquire more energy saving devices.

(B) **TECHNOLOGY ABSORPTION**

- 1) The Company has setup Material Testing laboratory in which materials are thorough tested before using them in production lines, and maintain the quality of manufactured cotton yarn.
- 2) The Company has acquired the latest technology and methods of production. The services of technicians are availed from time to time to adopt best technologies. The Company has not entered into any technical collaboration with overseas collaborators for manufacturing of cotton yarn.



AUDITOR'S REPORT

To

The Members of PADAM COTTON YARNS LIMITED

We have audited the attached Balance Sheet of PADAM COTTON YARNS LIMITED as at 31st March, 1998 and the Profit and Loss Account for the period ended on that date annexed thereto.

- 1. As required by the Manufacturing and other companies (Auditor's Report) Order 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act. 1956, we enclose in the Annexure 'A' a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2. Further to our comments in the Annexure A referred in paragraph 1 above, and subject to the notes on accounts, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
 - (iii) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
 - (iv) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - (a) Insofar as it relates to the Balance Sheet, of the state of affairs of the company as at 31.3.1998 and
 - (b) Insofar as it relates to the Profit and Loss Account, of the profit of the company for the year ended on that date.

PLACE: KARNAL DATE: 27 JULY, 1998

FOR VINEY GOEL & ASSOCIATES CHARTERED ACCOUNTANTS

Sd/-(VINEY GOEL) PARTNER