



PADAM COTTON YARNS LIMITED

**5TH ANNUAL REPORT
1998-99**

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,
Kunjipura Road, Karnal-132 001

BANKERS TO THE COMPANY

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

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PADAM COTTON YARNS LIMITED

NOTICE

Notice is hereby given that the *Fifth 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 29th Day of September 99 AT 10.00 A.M. to consider and transact the following ordinary business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended on 31st March, 1999 and the report of Auditors and Directors there on.
2. To appoint a Director in place of Mr. R.C.D.Kaushik, 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 to the conclusion of next 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.

PLACE : KARNAL
DATED : 27-08-1999

BY AND ON BEHALF OF THE BOARD
For PADAM COTTON YARNS LTD.

Sd/-
(RAJIV KUMAR AGGARWAL)
DIRECTOR



NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself 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 21st Day of Sept., 1999 to Wednesday, 29th Day of Sept. 1999 (Both days inclusive).
3. 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 queries 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 Fifteen 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 folios of such accounts to enable the company to consolidate all such shareholdings into one account.

PADAM COTTON YARNS LIMITED**DIRECTOR'S REPORT**

To
THE MEMBERS,

Your Directors take pleasure in presenting the Fifth Annual Report together with the Audited Statement of Accounts for the year ended on 31st March 1999.

FINANCIAL RESULTS:

Your Directors would like to inform you that the Company achieved an Annual Turn-over of Rs.1129.46 Lacs against Rs.1236.29 Lacs during the previous year. The net Profit for the year stands at Rs.0.85 Lacs against Rs. 0.89 lacs during the previous year. The performance of the company has been adversely affected by decelerating economy, declining business confidence and increase in the prices of the raw material. The lower revenues were particularly marked in the textile industry.

DIVIDEND

After re-viewing the profits for the year and the financial position of the Company, your Directors consider it prudent not to recommend any dividend for the year under review.

DIRECTORS

Mr. R.C.D.Kaushik, Director of the Company, retires by rotation at the forthcoming Annual General Meeting. Being eligible, he has offered himself for re-appointment.

DEPOSITS

The Company has no deposits which is due or unclaimed at the end of the year.

AUDITORS

M/s Viney Goel & Associates, Chartered Accountants, the Statutory Auditors of the company hold office upto the conclusion of this Annual General Meeting and are eligible for re-appointment on the terms and conditions to be negotiated by the Board of Directors of the company. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 214 (1B) of the Companies Act. 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,
FOREIGN EXCHANGE EARNINGS AND OUT GO**

Information pursuant to section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is attached as Annexure-I.

Y2K READINESS

The company's IT system and processors have been evaluated in house in depth for Y2K readiness and effective measures have already been completed after necessary modification(s) and up gradation.

**PERSONNEL**

Report on particulars of the Employees required in terms of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, may be treated as nil.

PROJECTIONS VS PERFORMANCE

As required in terms 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 performances for the financial year 1998-99 is given below.

Particulars	For the year 1998-99 Projections	(Rs. in lacs) Actuals
Sales	1312.28	1129.46
Profit after Tax	152.86	00.85

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the Haryana Financial Corporation, Oriental Bank of Commerce and other Financial Institutions for their continued support and assistance. Your Directors also place on record their deep appreciation for the sincere efforts of the staff at all levels of the organisation.

Place : Karnal

Dated : 27-08-1999

For and on the behalf of the Board

Sd/-

PADAM SAIN GUPTA

Chairman cum Managing Director

ANNEXURE-I**A. Power Generation**

	Unit/LT	Amount (Rs.)	Cost Per Unit/LT
1. (a) Electricity	5180	18641	3.60
(b) Our Generation c/o Diesel/Oil	653683	5906845	9.04

- Necessary alteration/modifications have been made in the factory building for natural lighting and ventilation.
- 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.
- The Company plans to acquire more energy saving devices.

B. Technology Absorption

- The Company has setup Material Testing laboratory in which materials are thoroughly tested before using them in production lines, and maintain the quality of manufactured Cotton Yarn.
- The Company has acquired the latest technology and methods of production. The services of technicals 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.