



# **PADAM COTTON YARNS LIMITED**

Report  junction.com

**8th ANNUAL REPORT  
2001-2002**

**BOARD OF DIRECTORS**

Shri Padam Sain Gupta  
 Shri Rajev Gupta  
 Shri Vivek Gupta  
 Smt. Kusum Kumari  
 Shri Jai Kumar Gupta  
 Shri Satwant Singh

Chairman & Managing Director  
 Wholetime Director  
 Wholetime Director  
 Director  
 Director  
 Director

**REGISTERED OFFICE & WORKS**

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

**HEAD OFFICE**

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

**CON. COMPANY SECRETARY**

Mr. Ramesh Kumar

**STATUTORY AUDITORS**

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

**BANKERS TO THE COMPANY**

State Bank of India  
 Special Commercial Branch,  
 Dr. Ambedker Chowk,  
 G.T. Road, Karnal-132 001

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**PADAM COTTON YARNS LIMITED**

**NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of the company will be held at the Registered Office of the Company at 71/3, Miles Stone, G.T. Road, Opposite Radha Swami Satsang Bhawan, Karnal - 132 001 on Wednesday the 25th Day of September 2002 AT 11.30 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, 2002 and the report of Auditor's and Director's there on.
2. To appoint a Director in place of Mr. Vivek Gupta, who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Jai Kumar Gupta, who retires by rotation but being eligible offers himself for re-appointment.
4. 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.

**BY ORDER OF THE BOARD  
FOR PADAM COTTON YARNS LTD.**

**PLACE : KARNAL  
DATE : 24th July 2002**

**Sd/-  
(RAJIV KUMAR GUPTA)**

## **EIGHTH ANNUAL REPORT**

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### **NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on poll to vote instead of himself and the proxy need not 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 with effect from Tuesday the 17th Day of September 2002 to Wednesday, 25th Day of September 2002 (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 their 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 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

**DEAR MEMBERS,**

Your Directors take pleasure in presenting their Eighth Annual Report together with the Audited Accounts for the period ended on 31st March 2002.

#### **FINANCIAL RESULTS:**

Your Directors are pleased to inform you that the company has achieved a turnover of Rs.1483.46 Lacs as compared to Rs. 1569.45 Lacs during the previous year and the net profit during the year is at Rs. 1.38 Lacs as against a net profit of Rs. 1.57 Lacs during the previous year.

Total Income	148091
Gross Profit before Interest and Depreciation	12540
Less Financial Charges	4693
Depreciation	7709
Net Profit carried to Balance Sheet	138

#### **DIVIDEND**

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

#### **DÉPOSITS**

During the year under review, your company had deposits to the tune of Rs. 2.10 Lacs.

#### **INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956 : UNDER SUB-SECTION (1) (e) :**

Information with regard to conservation of energy, absorption of technology and foreign exchange earning and outgo is enclosed as Annexure I 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.

#### **UNDER SUB SECTION 2AA DIRECTORS' RESPONSIBILITY STATEMENT :**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of section 217 (2AA) of the Companies Act 1956 :

1. That in the preparation of the annual accounts for the year ended 31st March, 2002 the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any.
2. The Accounting Policies as mentioned in Schedule XVI of the Annual accounts have been selected and applied consistently and judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2002 and of the profit of the Company for that year.

**EIGHTH ANNUAL REPORT**

3. The proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing frauds and other irregularities.
4. The Annual accounts for the year ended 31st March, 2002 have been prepared on a going concern basis.

**DIRECTORS :**

In accordance with the provisions of the Companies Act 1956 read with Articles of Association of the Company Mr. Vivek Gupta & Mr. Jai Kumar Gupta Directors retire by the rotation at the forthcoming AGM and being eligible offer themselves for re-appointment.

**CORPORATE GOVERNANCE :**

As required by clause 49 of the Listing Agreement, a separate report of the Corporate Governance is attached as Annexure II to this report.

**AUDITORS :**

M/s Viney Goel & Associates, Chartered Accountants, shall retire at the conclusion of the ensuing Annual 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 within the limits prescribed under Section 224 (IB) of the Companies Act, 1956. In pursuance of the provisions contained Section 233 B of the Companies Act, 1956, your Directors have appointed subject to the approval of the Central Government, Mr. Sanjay Kumar Garg & Associates, Cost Accountants, as the Cost Auditors for the year 2002-2003.

**PROJECTIONS VS PERFORMANCE :**

Clause 43 of the Listing Agreement requires every company to give a comparison of the company's projections Vs Actuals made in the Prospectus for five years starting from the year of the issue. As such, the information was required to be given upto the year 1999-2K only.

**ACKNOWLEDGEMENT :**

Your Directors would like to thank the Financial Institutions, State Bank of India and all other Central and State Government Departments 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 these results.

for & on the behalf of the board

Sd/-  
(Padam Sain Gupta)  
Chairman Cum Managing Director

PLACE : KARNAL  
DATE : 24th July 2002



## PADAM COTTON YARNS LIMITED

### Annexure-I

#### POWER GENERATION

(A)	ELECTRICITY	Unit/LT	Amount (Rs.)	Cost Per Unit/LT (Rs.)
		2675	11,451/-	4.28
(B)	Our Generation	1040493	1,47,85,400/-	14.21
	C/O Diesel/Oil			
2.	Necessary alteration/modifications have been made in the factory building for natural lighting and ventilation.			
3.	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.			
4.	The Company plans to acquire more energy saving devices.			

### Annexure-II

#### REPORT ON CORPORATE GOVERNANCE

The company has over the years followed best practices of Corporate Governance by adhering to the practices laid down by the Management. The most important part of the Corporate Governance is the best business principles and leadership. As per the schedule of implementation of Corporate Governance code mentioned in Clause 49 of the listing agreement the Company has implemented the mandatory requirements of the code. The Directors are pleased to report the same as under :

#### BOARD OF DIRECTORS

Composition, Attendance at the Board meetings and the last Annual General meeting outside Directorships and other Board committees. Information as on 31.03.2002

DIRECTOR	NO OF BOARD MEETING ATTENDED	ATTENDANCE AT PREVIOUS AGM CN 17.09.2001	NO OF OUTSIDE DIRECTORSHIP HELD	NO. OF MEMBERSHIP/ CHAIRMANSHIP IN OTHER BOARD COMMITTEES
Mr. Padam Sain Gupta	12	Yes	Nil	Nil
Mr. Rajev Gupta	12	Yes	One	Nil
Mr. Vivek Gupta	12	Yes	Nil	Nil
Mr. Jal Kumar Gupta	04	Nil	Nil	Nil
Mrs. Kusum Kumari	04	Nil	Nil	Nil
Mr. Satwant Singh	03	Nil	Nil	Nil

#### BOARD MEETINGS HELD DURING THE YEAR 2001-2002

During the year Twelve meetings of the Board of Directors were held on :  
25-04-2001, 01-05-2001, 19-07-2001, 15-09-2001, 04-10-2001, 22-10-2001, 6-11-2001,  
24-11-2001, 23-01-2002, 05-02-2002, 12-02-2002 & 22-03-2002.

#### BOARD COMMITTEES

The Board of Directors in their meeting held on 19th July, 2001 re-constituted the following sub-committees consisting of the following non-executive and independent directors as per the requirements of Clause 49 of the Listing Agreement :

**EIGHTH ANNUAL REPORT****Audit Committee**

1. Mr. Jai Kumar Gupta
2. Mrs. Kusum Kumari
3. Mr. Satwant Singh

**Remuneration Committee**

1. Mr. Jai Kumar Gupta
2. Mrs. Kusum Kumari
3. Mr. Satwant Singh

**Shareholders Redressal Committee**

1. Mr. Jai Kumar Gupta
2. Mrs. Kusum Kumari
3. Mr. Satwant Singh

**GENERAL BODY MEETINGS**

YEAR	VENUE	DATE	TIME
2001	71/3, Miles Stone, G.T. Road, Karnal.	17/09/2001	10.30 A.M.
2000	71/3, Miles Stone, G.T. Road, Karnal.	07/09/2000	10.30 A.M.
1999	71/3, Miles Stone, G.T. Road, Karnal.	29/09/1999	10.00 A.M.

**DISCLOSURES**

There has not been any non-compliance, penalties or strictures imposed on the Company by any of the stock exchanges, SEBI, or any other statutory authorities on any matter relating to the Capital market during the last three years.

**MEANS OF COMMUNICATION**

The quarterly and half yearly results are generally published by the Company in the newspapers as per requirements of the listing agreement. However, the Annual report of the Company is sent to the shareholders every year at the time of Annual General meeting. The copies of the above documents are also forwarded to the stock exchanges in the line with the listing agreement requirements.

**GENERAL SHAREHOLDERS' INFORMATION****Annual General Meeting**

DAY	WEDNESDAY
DATE	25th September, 2002
TIME	11.30 A.M.
VENUE	71/3, Miles Stone, G.T. Road, Karnal

**LISTING ON STOCK EXCHANGES**

The shares of the company are listed on following stock exchanges ;

- (1) The stock Exchange, Mumbai,  
Phiroze Jee Jeebhoy Tower,  
25th Floor, Dalal Street,  
Mumbai-400023





## **PADAM COTTON YARNS LIMITED**

The Stock Exchange, Ahmedabad,  
Kamdheni Complex, Anjrapur Polytechnic,  
Ahmedabad-380015

The Jaipur Stock Exchange Limited,  
Stock Exchange Building,  
Jawahar Lal Nehru Marg,  
Malviya Nagar,  
Jaipur-302017

The Delhi Stock Exchange Association Limited,  
3/1, Asif Ali Road, DSE House,  
New Delhi-110001

The Company has paid the Annual Listing Fee upto date to all the Stock Exchanges where the shares of the company are listed. Since the shares of the Company are not actively traded at all the stock exchanges, as such the monthly high/low prices are not given.

### **REGISTRAR AND SHARE TRANSFER AGENT**

The transfer of physical shares is done by the Company at its Registered office. The Management has already formed a share transfer committee. However, request of dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CSDL) through the Registrar of the Company i.e. M/s In House Share Registry, 3, Community Centre, Near Payal Cinema, Industrial Area, Naraina, New Delhi.

### **RESUME OF THE DIRECTORS SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

Mr. Vivek Gupta, who is retiring by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting is a Whole Time Director of the company and has been involved in the day to day technical & production activities of the company since its inception. Mr. Jai Kumar Gupta, who is also retiring by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting is a non working and independent Director of the company and is having a vast experience and knowledge of the modern business practices.

### **Names of the companies in which he holds the directorship and membership of the committees of the Board.**

In addition to the Directorship in the above company, none of them is holding any position as Director on the board of any other company.

**EIGHTH ANNUAL REPORT****CATEGORIES OF SHAREHOLDING AS ON 31. 3. 2002**

Category	No. of Shares	%
PROMOTERS AND ASSOCIATES	2041600	34.18
FOREIGN INSTITUTIONAL INVESTORS	--	--
PUBLIC FINANCIAL INSTITUTIONS	--	--
MUTUAL FUNDS	--	--
NATIONALISED BANKS AND OTHER BANKS	--	--
NRI AND OCB	--	--
OTHERS	3933600	65.82
<b>TOTAL</b>	<b>5975200</b>	<b>100.00</b>

**LOCATION OF THE PLANT**

The company's plant is located at 71/3, Milestone, G.T. Road, Opposite Radha Swami Satsang Bhawan, Karnal (Haryana)



for & on the behalf of the board

sd/-

PLACE : KARNAL  
DATE : 24th July 2002

(Padam Sain Gupta)  
Chairman Cum Managing Director