



PADAM COTTON YARNS LIMITED

**13TH ANNUAL REPORT
2006-2007**

BOARD OF DIRECTORS

Shri Rajev Gupta
Shri Vivek Gupta
Shri Jai Kumar Gupta
Shri Satwant Singh
Shri Harbhajan Singh

Wholetime Director
Wholetime Director
Director
Director
Director

REGISTERED OFFICE

196, 1st Floor, G.T. Road,
Opp. Red Cross Market
Karnal-132 001

HEAD OFFICE

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

STATUTORY AUDITORS

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

BANKERS TO THE COMPANY

Punjab National Bank, SME Branch
Namaste Chowk,
G.T. Road, Karnal-132 001

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PADAM COTTON YARNS LIMITED

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the company will be held at the Registered Office of the Company at 196, 1st Floor, G.T. Road, Opposite Red Cross, Market, Karnal - 132 001, on Wednesday, the 26th Day of September, 2007 at 11.00 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, 2007 and the report of Auditors' and Directors' there on.
2. To appoint a Director in place of Mr. Rajev Gupta, who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Harbhajan Singh, 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.



FOR AND ON THE BE HALF OF THE BOARD
for Padam Cotton Yarns Limited

Place : KARNAL
Dated : 16th August, 2007

Sd/-
(Rajev Gupta)
Chairman cum Whole Time Director

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint another person as his/her proxy to attend and on poll to vote instead of himself/herself. The proxy need not be a member of the company. A blank proxy form is enclosed and should be returned duly completed at the registered office of the company not later than 48 hours before scheduled time of the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 18th Day of September, 2007 to Wednesday, the 26th Day of September 2007 (Both days inclusive).
3. Members are requested to notify the change of address, if any, to the company at the Registered Office immediately quoting their folio number under which the shares are held.
4. In case of joint holders, if more than one holder intends to attend the meeting they must obtain additional admission slip (S) on request from the Registered office of the company
5. 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.
6. Members/Proxies are requested to bring their copy of Annual Report along with duly filled admission slip for attending the meeting.
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.

DIRECTOR'S REPORT

DEAR MEMBERS,

Your Directors take pleasure in presenting their 13th Annual Report together with the Audited Accounts for the year ended 31st March, 2007.

FINANCIAL RESULTS:

Your Directors regret to inform you that there was no commercial activity during the year under review as the entire Plant and machinery and major part of the Building had got damaged in July, 2002 due to fire in the factory premises. However, the Company has receipts from the other income only to the extent of Rs. 1.41 lacs as against Rs. 736.84 lacs during the previous year. The insurance Claim of Rs. 5,29,51,550/- is still pending for decision with the Honourable National Consumer Dispute redressal Commission, New Delhi. The Company is hopeful to get the above claim in view of the strong case.

DIVIDEND

In view of the inadequate Profit, Director are not in position to recommend any dividend.

Deposits

During the year under review the company has not obtained any unsecured loans, However, your company has unsecured loans outstanding to the extent of Rs. 242.38 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 statements 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 2007, the applicable accounting standards have been followed.
2. That such Accounting Policies as mentioned in Schedule XI i.e. annual accounts have been selected and applied consistently and judgements and estimates made 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 2007 and of the Profit or loss of the Company for that year.

3. That proper and sufficient care has been taken for 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. That Annual Accounts as at 31st March, 2007 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. Rajev Gupta and Mr. Harbhajan Singh, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

CORPORATE GOVERNANCE

As per Clause 49 of the listing Agreement entered with the stock Exchanges, a separate report on the Corporate Governance Practices followed by the Company together with a certificate of the Statutory Auditors of the Company 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, offers themselves for re-appointment. The Auditors have informed that their re-appointment if made, shall be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. The qualifications given by the statutory auditors regarding non compliance of the accounting standards and disputed excise duty were placed before the board and were discussed in detail. As the paragraphs are self explanatory, no further details are given here.

ACKNOWLEDGEMENT

Your Directors would like to thank Financial Institutions, Banks and all other Central and State Government Departments for their continued support and assistance. Your Directors would also like to thank all Associates of the company.

FOR AND ON THE BEHALF OF THE BOARD
for Padam Cotton Yarns Ltd.

Place : KARNAL

Dated : 16th August, 2007

Sd/-
(Rajev Gupta)
Chairman Cum Whole Time Director

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Annexure- I
(FORM A)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and fuel consumption

1. Electricity	2005-06	2006-07
(a) Purchased		
Units	Nil	Nil
Total Amount	Nil	Nil
(Rs. in lacs)		
Rate / unit (Rs.)	Nil	Nil
(b) Own Generation		
(i) Through Diesel Generator.		
Units	Nil	NIL
Unit per Ltr. of diesel oil.		
Cost / unit (Rs.)	NIL	NIL
(ii) Through steam Turbine/Generator.	NIL	NIL
Units		
Unit per Ltr. of Fuel oil/Gas		
Cost / unit (Rs.)		
2. Coal	NIL	NIL
Quantity(tonnes)		
Total Cost		
Average Rate (Rs.)		
3. Furnace Oil	NIL	NIL
Quantity(K.Ltr.)		
Total Amount		
Average Rate (Rs.)		
4. Others/internal generation	NIL	NIL
Quantity(tonnes)		
Total Cost		
Rate/unit		

B. Consumption per unit of production

Standards	2005-06	2006-07
	1	2
Products (with details) unit KG.		
Electricity	NIL	NIL
Furnace oil	NIL	NIL
Coal	NIL	NIL
others	NIL	NIL

(FORM B)

Technology Absorption

The company did not import any technology. Information under this head may be taken as nil.

(FORM C)

Foreign Exchange

A. Activities relating to exports.

NIL

B. Foreign exchange earning & outgo

NIL

FOR AND ON THE BEHALF OF THE BOARD
for Padam Cotton Yarns Ltd.

Place: Karnal.

Dated: 16th August 2007

Sd/-

(Rajev Gupta)

Chairman-cum-Whole Time Director