



PADAM COTTON YARNS LIMITED

**15th Annual Report
2008-2009**

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,
B-2, Purshotam Garden,
Near Chandranchal Banquet Hall,
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 15th Annual General Meeting of the company will be held at the Registered Office of the Company at 196, Opposite Red Cross Market, G.T., Road, Karnal on Saturday, the 26th Day of September, 2009 at 11.00 A.M. to consider and to transact the following Ordinary businesses :-

1. To receive, consider and to adopt the Audited Accounts of the Company for the year ended 31st March, 2009 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. Harbhajab 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 and offer themselves for re-appointment.

Place : KARNAL

Dated : 02nd September, 2009

FOR AND ON THE BE HALF OF THE BOARD

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 w.e.f. Tuesday, the 22nd Day of September, 2009 to Saturday, the 26th Day of September, 2009 (Both days inclusive).
3. Members are requested to notify the change of address, if any, to the company at the Registered Office immediately quoting the 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 to 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 15th Annual Report together with the Audited Accounts for the year ended 31st March, 2009.

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. 2.20 Lacs as against Rs. 2.96 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 non availability of the profits during the year under review, your Directors do not recommend the Payment of any dividend.

Deposits

During the year under review, the company has unsecured loans outstanding to the extent of Rs. 242.13 Lacs.

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

Under sub-section(1) (e):

Information with regard to power and fuel consumption, own generation, conservation of energy, absorption of technology and forgin exchange earning and outgo is enclosed as Annexure I and forms an integral part of the 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 2009, the applicable accounting standards have been followed, alongwith proper explanations relating to material departures, if any.
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 there 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 2009 and of the Profit/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, 2009 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 (IB) of the Companies Act, 1956. The qualifications given by the statutory auditors regarding 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 employees and officers of the company without whose efforts it could not have been possible to obtain these results.

Place : KARNAL

Dated : 02nd September, 2009

FOR AND ON THE BEHALF OF THE BOARD

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

Annexure- I (FORM A)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and fuel consumption

1. Electricity	2007-08	2008-09
(a) Purchased		
Units	Nil	Nil
Total Amount (Rs. in lacs)	Nil	Nil
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		2007-08	2008-09
		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 : 02nd September, 2009

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