



PADAM COTTON YARNS LIMITED

17TH Annual Report
2010-11

BOARD OF DIRECTOR

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

C-5/2A, Rana Partap Bagh,
Delhi-7

STATUTORY AUDITORS

M/S.Viney Goel & Associates

Chartered Accountants,

B-2,Parshotam Garden,

Near Chandranchal Banquet Hall,

Karnal-132001

CONSULTING COMPANY SECRATERY

Shri Ramesh Bhatia

SCO-154-155, 1st. Floor,

Sector-17-C, Chandigarh-160 017

BANKERS TO THE COMPANY

HDFC Bank Ltd.

SCO 778-779,

Opp. Mahabir Dal Hospital,

Kunjpora Road, Karnal-132 001

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PADAM COTTON YARNS LIMITED

NOTICE

Notice is hereby given that the 17th. 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 Friday, the 30th Day of September, 2011 at 11.00A.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 on 31st. March, 2011 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 and offer themselves for re- appointment.

Palce : KARNAL
Dated : 30th. August, 2011

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

Sd/-
(Rajev Gupta)
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 20th. Day of September, 2011 to Friday, the 30th. Day of September, 2011 (Both days inclusive).
3. Member 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 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 17th. Annual Report together with the Audited Accounts for the year ended 31st. March, 2011.

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. The insurance claim of Rs. 5,29,51,550/- is still pending for decision with the Honouable National consumer Dispute redressal Commission, New Delhi. However, it has received an amount of Rs. 439.13 Lacs in the protest a/c against the bank guarantee.

Your directors have commenced the business of trading of various commodities during the year ended on 31st. March, 2011 and have recorded an annual turn over of Rs. 20.477 Crores as compared to Rs. 1.385 lacs during the previous year. Barring some unforeseen circumstances, your directors are of the opinion to have much better results during the years to come.

DIVIDEND

In view of the non availability of the profits during the year under review, your Directors do not recommend any dividend.

Deposits

During the year under review, your company does not have any loans outstanding.

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 foreign exchange earning and outgo is enclosed as Annexure 1 and forms an integral part of the report.

Under sub-section 1(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, 2011, the applicable accounting standards have been followed, along with proper explanations relating to material departures, if any.

2. That such Accounting polices 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 2011 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 Account as at 31st. March, 2011 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, bank and all other central / 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: 30th. August, 2011

FOR AND ON THE BEHALF OF THE BOARD

Padam Cotton Yarns Limited.

sd/-

(Vivek Gupta)
Whole Time Director

sd/-

(Rajev Gupta)
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	2009-10	2010-11
(A) Purchased		
Unit	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	2009-2010	2010-2011
	1	2
Products (with details)unit KG.		
Electricity	nil	nil
Furnace oil	nil	nil
Coal	nil	nil
Others	nil	nil

(FORM)

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 THAT BOARD
For Padam Cotton Yarns Ltd.

Place : Karnal

Dated: 30th. August, 2011

sd/-
(Vivek Gupta)
Whole Time Director

sd/-
(Rajev Gupta)
Whole Time Director

Annexure -II
TO THE DIRECTOR'S REPORT
REPORT ON CORPORATE GEVERNANCE

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 Company has implemented the mandatory requirement 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 31.03.2011

DIRECTOR	NO OF BOARD MEETING ATTENDED	ATTENDANCE AT PREVIOUS AGM ON 10.09.2010	NO OF OUTSIDE DIRECTORSHIP HELD	NO.OF MEMBERSHIP / CHAIRMANSHIP IN OTHER BOARD COMMITTEES
Mr. Rajev Gupta	04	yes	one	Nil
Mr. Vivek Gupta	04	yes	Nil	Nil
Mr. Jai Kumar Gupta	01	Nil	Nil	Nil
Mr. Satwant singh	02	Nil	Nil	Nil
Mr. Harbhajan singh	04	Nil	Nil	Nil

BOARD MEETING HELD DURING THE YEAR 2009-2010

During the year four meetings of the board of Directors were held on : 28th. April, 28th. July, 29th. October, 2010 and 28th. Jan 2011.

BOARD COMMITTEES

The Board of Directors in their meeting held on 30th December, 2002 reconstituted the following sup-committees consisting of the following non-executive and independent directors, as per the requirements of Clause 49 of the listing Agreement:

Audit Committee

Name	Number of meetings attended
1. Mr. Jai Kumar Gupta,	1
2. Mr. Harbhajan Singh,	4
3. Mr. Satwant Singh,	3

The Audit committee acts as a link between the management, the Auditors and the Board of Directors. The Committee provides the board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures.