



PADAM COTTON YARNS LIMITED

***19TH Annual Report
2012-13***

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 19th Annual General Meeting of the members of the company will be held at the Registered Office of the Company at 196, Opposite Red Cross market, Karnal-132001 on Monday, the 30th. day of September, 2013 at 11.00 A.M. To consider and to transact the following Ordinary business:

1. To receive, consider and adopt the audited accounts of the company for the year ended on 31st March, 2013 along with the reports of Directors' and Auditors' there on.
2. To appoint a Director in place of Mr. Rajev Gupta who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Satwant Singh who retires by rotation and 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 the 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 offers themselves for re-appointment.

By Order of the Board of Directors

For Padam Cotton Yarns Limited,

Place: Karnal.

Dated: 18th. July, 2013

Sd/-
Director

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and on a poll, to vote instead of himself and the proxy need not be a member of the company. Proxies in order to be valid must be lodged at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 24th day of September, 2013 to Monday, the 30th day of September, 2013 (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 the additional admission (s) slip 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 copies of the Annual Report along with duly filled admission slip(s) for attending the meeting.
7. Members who have multiple accounts in identical names or Joint accounts in the same order are requested to intimate the company, the ledger folio's of such accounts to enable the company to consolidate all such shareholdings into one account.

PADAM COTTON YARNS LIMITED

DIRECTOR'S REPORT

Dear Shareholder(s),

Your Directors have the pleasure in presenting their 19th Annual Report together with the audited accounts of the Company for the year ended on 31st March, 2013.

WORKING RESULTS

Your Directors regret to inform you that there was no commercial activity during the year under review as the entire Plant & Machinery and major part of the Building had got damaged in July, 2002 due to major fire in the factory premises. The insurance claim of Rs.5,29,51,550/- is still pending for decision with the Honorable National Consumer Dispute redressal Commission, New Delhi. How-ever, it has received an amount of Rs.439.13 Lacs in the protest a/c against the bank guarantee.

How-ever, your company has operating revenues of only Rs.2.090 Lacs against a trading income of Rs. 2.825 Lacs during the previous year. your directors are hopeful to give better results in terms of sales/ profits in the years to come.

DIVIDEND

With a view of non availability of the profits during the year, your directors do not recommended the payment of any dividend.

DEPOSITS

During the year under review, your company is having any loans outstanding.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956.

The information in accordance with the provisions of Section 217(1) (e) of the companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, information relating to activities pertaining to exports; initiatives taken to increase exports; development of new export markets for products and services; export plans; foreign exchange earnings and outgo is attached as Annexure I and forms an integral part of this report.

UNDER SECTION 2A

The information under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended may be treated as nil as no employee received remuneration in excess of the limits prescribed under the section.

UNDER 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 term of section 217 (2AA) of the Companies Act, 1956:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any.
2. The directors had selected such Accounting Policies and applied them consistently and made judgments 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 and of the loss of the Company for that year.
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 and detecting frauds and other irregularities.
4. The Annual accounts for the year ended 31st March, 2013 have been prepared on a going concern basis.

AUDITORS

M/s Viney Goel & Associates, Chartered Accountants, the Company's Auditors shall retire at the conclusion of the ensuing Annual General Meeting 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 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.

DIRECTORS

In accordance with the Mr. Rajev Gupta and Mr. Satwant Singh retire by rotation and at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

CORPORATE GOVERNANCE REPORT

As per clause 49 of the Listing Agreement entered with the Stock Exchange, a separate report on Corporate Governance practices followed by the Company together with the certificate of the Statutory Auditors of the Company is attached as Annexure II of the report.

ACKNOWLEDGEMENT

Your Directors would like to thank Banks, Central/State Government Departments for their continued support and assistance. Your directors would also like to thank all officers and employees of the company without whose efforts it could not have been possible to obtain the results.

By Order of the Board of Directors

For Padam Cotton Yarns Limited,

Sd/-
Rajev Gupta
Director

Sd/-
Vivek Gupta
Director

Place : Karnal.
Dated : 18th July, 2013.

PADAM COTTON YARNS LIMITED

Annexure-I

Form - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FULE CONSUMPTION

1. Electricity

2012-13 2011-12

a) Purchased

Units

Nil

Nil

Total amount Rs. In Lacs

Nil

Nil

Rate/Unit (Rs)

Nil

Nil

b) Own generation

(i) Through Diesel Generator.

Total Units

Nil

Nil

Unit per Ltr of Diesel Oil

Nil

Nil

Cost/Unit (Rs)

Nil

(ii) Through Steam Turbine/Generator.

Units

Nil

Nil

Unit per Ltr of fuel oil/gas

Nil

Nil

Cost/Unit (Rs)

Nil

Nil

2. Coal

Quantity (Tonnes)

Nil

Total Cost

Nil

Average Rate (Rs)

Nil

3. Furnace Oil

Quantity (k.Ltr)

Nil

Total Amount

Nil

Average Rate (Rs)

Nil

4. Others/internal generation

Quantity (Tonnes)

Nil

Total Cost

Nil

Rate /unit (Rs)

Nil

B. Consumption per unit of production

Standard	2012-13
Production (with details) unit Kg.	NIL
Electricity	NIL
Furnace oil	NIL
Coal	NIL
Others	NIL

Form-B**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION**

As per the requirement of the company (Disclosure of particulars in the report of Directors) rule, 1988 necessary particulars are given below:

- Production process of the Company is not energy intensive, discipline to switch off lights and machines tools, when not working is prevalent.
- Being a conventional Industry there is no activity of research and development.
- There is no significant pollution of Air & Water involved in the manufacturing process of the company.

Form-C**Foreign Exchange**

- | | |
|-------------------------------------|-----|
| a) Activities relating to export | Nil |
| b) Foreign exchange earning & outgo | Nil |

BY ORDER OF THE BOARD
By Order of the Board of Directors
For Padam Cotton Yarns Limited,

Place : Karnal.
Dated : 18th. July, 2013.

Sd/-
Rajev Gupta
Director

Sd/-
Vivek Gupta
Director

Annexure -II

TO THE BOARD OF DIRECTORS 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 requirement of the code. The Directors are pleased to report the same as under.

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

Information as on 31.03.2013

DIRECTOR	NO OF Board Meeting Attended	Attendance at Previous Annual General Meeting held on 29/09/2012	No of outside Directorships	No of Memberships/ Chairmanship in Other Board committees
Mr. Rajev Gupta	05	yes	one	Nil
Mr. Vivek Gupta	05	yes	Nil	Nil
Mr. Jai Kumar Gupta	02	Nil	Nil	Nil
Mr. Satwant Singh	04	Nil	Nil	Nil
Mr. Harbhajan Singh	04	Nil	Nil	Nil

During the year five meetings of the board of Directors were held on : 31st May, 27th July, 4th September, 30th October, 2012 and 25th January, 2013.

The Board of Directors in their meeting held on 30th December, 2002 reconstituted the following sub-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,	2
2. Mr. Harbhajan Singh,	3
3. Mr. Satwant Singh,	4

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.

Remuneration committee

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

Shareholders Redressal Committee

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