



PADAM COTTON YARNS LIMITED

**20TH Annual Report
2013-14**

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,
Kunjpura Road, Karnal-132 001

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PADAM COTTON YARNS LIMITED

NOTICE

Notice is hereby given that the 20th 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 Tuesday, the 30th. day of September, 2014 at 11.00 A.M. To consider and to transact the following Ordinary business:

(A) ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts of the company for the year ended on 31st March, 2014 along with the reports of Directors' and Auditors' there on.
2. To appoint a Director in place of Mr. Harbajan Singh who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vivek Gupta 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.

(B) SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s) the following ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, Mr. Harbhajan Singh (DIN No: 00530523) Director of the company who retires by rotation at this Annual General Meeting, and in respect of whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Independent Director of the Company to hold office for the five consecutive years for a term up to 29th July, 2019, not liable to retire by rotation.

6. To consider and if thought fit, to pass, with or without modification(s) the Following ordinary resolution

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, Mr. Satwant Singh (DIN No: 00530516), Director of the company, who is not retiring by rotation at this Annual General Meeting, and in respect of whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director of the Company, be and is hereby appointed as Independent Director of the Company to hold office for the five consecutive years for a term up to 29th July, 2019, not liable to retire by rotation.

By Order of the Board of Directors

For Padam Cotton Yarns Limited,

Place: Karnal.

Dated: 5th. September, 2014

Sd/-
Rajev Gupta
(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. Explanatory statement as required under Section 102 (1) of the Companies Act, 2013 is annexed hereto.
3. Pursuant to the provisions of section 91 of the act. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 24th day of September, 2014 to Tuesday, the 30th day of September, 2014 (both days inclusive).
4. In compliance with the provisions of section 108 of the companies act 2013 (the act) and Rule 20 of the companies (management and administration) rules, 2014, the company is providing facility to its members to exercise their votes at the meeting through e voting. Please refer to the instructions which are being sent along the Annual Report .
5. 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
6. 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.
7. 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.
8. Members/proxies are requested to bring their copies of the Annual Report along with duly filled admission slip(s) for attending the meeting.
9. 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.
10. Pursuant to clause 49 of the listing agreement with the stock exchange additional information relating to directors who retire by rotation and recommended for re-appointment at the meeting has been added as anote to the Corporate Governance Report.

11. The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Detail#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- © In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

ANNEXURE TO THE NOTICE

Explanatory statement as required under Section 102 (1) of the Companies Act, 2013

Item No: 5

Mr. Harbhajan Singh is a Non Executive Independent Director in terms of Clause 49 of the Listing Agreement of the Stock Exchanges and retires by rotation at this Annual General Meeting under the provisions of the erstwhile Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member Under Section 160 Of Companies Act, 2013 proposing his candidature for the office of a independent director of the company.

As per the provisions of Section 149 of the Companies Act, 2013, every listed public company is required to have at least 1/3rd of the total number of directors as independent director, hence this resolution. The company has received a declaration from Mr. Harbhajan Singh, that he meets the criteria of independence as prescribed under Section 149 (6) of the Act. In the opinion of the Board, Mr. Harbhajan Singh fulfills the conditions specified in the Act and rules made there under for his appointment as Independent Director.

The Board feels that his continued association with the company would be of immense benefit and it is desirable to avail his services and therefore recommends his appointment as Independent Director to the members in terms of resolution set out in item no: 5 of the notice.

Copy of the draft letter of appointment of Mr. Harbhajan Singh setting out terms and conditions of his appointment would be available for inspection by members at the registered Office of the company during normal business hours on working days. He does not hold any shares in the company. Except Mr. Harbhajan Singh, none of the directors, key managerial person, or their relatives is interested or concerned in this resolution.

Item No: 6

Mr. Satwant Singh is a Non Executive Independent Director in terms of Clause 49 of the Listing Agreement of the Stock Exchanges and retires by rotation at this Annual General Meeting under the provisions of the erstwhile Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member Under Section 160 Of Companies Act, 2013 proposing his candidature for the office of a independent director of the company.

As per the provisions of Section 149 of the Companies Act, 2013, every listed public company is required to have at least 1/3rd of the total number of directors as independent director, hence this resolution. The company has received a declaration from Mr. Satwant Singh, that he meets the criteria of independence as prescribed under Section 149 (6) of the Act. In the opinion of the Board, Mr. Satwant Singh fulfills the conditions specified in the Act and rules made there under for his appointment as Independent Director.

The Board feels that his continued association with the company would be of immense benefit and it is desirable to avail his services and therefore recommends his appointment as Independent Director to the members in terms of resolution set out in item no: 5 of the notice.

Copy of the draft letter of appointment of Mr. Satwant Singh setting out terms and conditions of his appointment would be available for inspection by members at the registered Office of the company during normal business hours on working days. He does not hold any shares in the company. Except Mr. Satwant Singh, none of the directors, key managerial person, or their relatives is interested or concerned in this resolution

By Order of the Board of Directors

For Padam Cotton Yarns Limited,

Place: Karnal.

Dated: 5th. September, 2014

Sd/-
Rajev Gupta
(Director)

PADAM COTTON YARNS LIMITED

DIRECTOR'S REPORT

Dear Shareholder(s),

Your Directors have the pleasure in presenting their 20th Annual Report together with the audited accounts of the Company for the year ended on 31st March, 2014

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.167.24 Lacs against a trading income of Rs. 2.09 Lacs during the previous year. Barring some un-foreseen circumstances 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, you 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, 2014 have been prepared on 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. Vivek Gupta and Mr. Harbajan Singh retire by rotation and at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment. The company has also received notices under Section 160 of the Companies Act, 2013 from members proposing his candidature of Mr. Harbhajan Singh (DIN NO: 005305233) and Mr. Satwant Singh (DIN NO: 00530516) Directors, office of Independent Directors on the Board of the Company and to hold office for the five consecutive years for a term up to 29th July, 2019, not liable to retire by rotation.

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 : 30th July, 2014.

PADAM COTTON YARNS LIMITED

Annexture-I

Form - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FULE CONSUMPTION

1. Electricity	2012-13	2013-14
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	Nil
Total Cost	Nil	Nil
Average Rate (Rs)	Nil	Nil
3. Furnace Oil		
Quantity (k.Ltr)	Nil	Nil
Total Amount	Nil	Nil
Average Rate (Rs)	Nil	Nil
4. Others/internal generation		
Quantity (Tonnes)	Nil	Nil
Total Cost	Nil	Nil
Rate /unit (Rs)	Nil	Nil