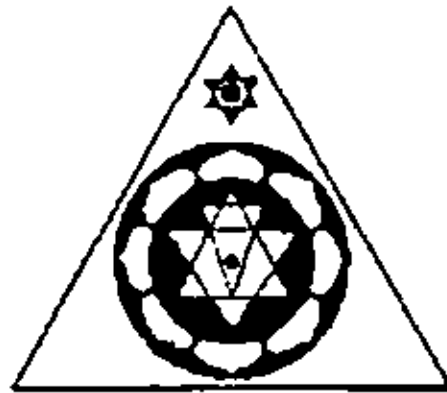


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PADAM COTTON YARNS LIMITED

**24th Annual Report
2017-2018**

BOARD OF DIRECTORS

Mr. Rajev Gupta
Director

DIN: 00172828

Mr. Vivek Gupta
Director

DIN: 00172835

Mr. Jai Kumar
Independent Director
DIN: 00530513

Mr. Harbhajan Singh
Independent Director
DIN: 00530523

Mr. Satwant Singh
Independent Director
DIN: 00530516

Mrs. Radhika Gupta
Director
DIN: 07071267

AUDIT COMMITTEE

Mr. Harbhajan Singh
Chairman (Independent Director)

Mr. Jai Kumar
Independent Director

Mr. Satwant Singh
Independent Director

NOMINATION & REMUNERATION COMMITTEE

Mr. Harbhajan Singh
Chairman (Independent Director)

Mr. Jai Kumar
Independent Director

Mr. Satwant Singh
Independent Director

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Harbhajan Singh
Chairman (Independent Director)

Mr. Jai Kumar
Independent Director

Mr. Satwant Singh
Independent Director

COMPLIANCE OFFICER

Mr. Rajev Gupta, Director

CHIEF FINANCIAL OFFICER

Mr. Narinder Kumar Chutani

AUDITORS

M/s Harjinder Singh & Co
Chartered Accountant
75, Dayal Singh Colony,
Karnal-132001

REGD. OFFICE & WORKS

196, 1st Floor, Opposite Red Cross market,
G T Road, Karnal-132001

BANKERS

Punjab National Bank
Namaste Chowk
Karnal-132001

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PADAM COTTON YARNS LIMITED

(CIN No. L17112HR1994PLC033641)

REGD OFFICE: 196, 1ST FLOOR, GT ROAD, OPP. RED CROSS MARKET, KARNAL-132001 (HARYANA)

www.padamcotton.com email: rajevoswal@yahoo.com Tel: 0184-6616601-9

NOTICE

Notice is hereby given that the 24th 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 Friday, the 28th day of September, 2018 at 11.00 A.M. to consider and to transact the following business (s):

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the company for the year ended on 31st March, 2018 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 at this annual general meeting and being eligible offers himself for reappointment.

By Order of the Board of Directors
For Padam Cotton Yarns Limited,

Sd/-

(Rajev Gupta)

Director

(DIN No: 00172828)

Place: Karnal.

Dated: 09th August, 2018.

PADAM COTTON YARNS LIMITED

NOTES

1. A member entitled to attend and vote at this Annual general Meeting of the company, is entitled to appoint a Proxy to attend and on a poll, to vote instead of himself/herself 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. A proxy so appointed shall have no right to speak at the meeting.
2. A person can act as a proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than Ten percent of the Total share capital of the company carrying voting rights.
3. Pursuant to the provisions of Section 91 of the Companies Act, 2013 read with Clause 42 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015, the company has notified the closure of the Register of Members and Share Transfer Books of the Company from Saturday, the 22nd day of September, 2018 to Friday, the 28th day of September, 2018 (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, as amended by the Companies (Management and Administration) Rules, 2015 and revised clause 44 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the company is providing facility to its members to exercise their vote at the meeting through e-voting. Please refer to the instructions which are being sent along the Annual Report. The company has engaged the services of the Central Securities Depository Limited to provide remote electronic voting facility.
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 folios 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 are seeking appointment/re-appointment at the meeting have been added as a note below. The directors have furnished requisite declaration for their appointment/re-appointment.
Mr. Rajev Gupta, Director is retiring by rotation at the ensuing Annual General Meeting.

He is a graduate and has been in the industry for the last 33 years and a varied experience in the line of commerce, textile manufacturing, and other allied fields. Presently he is CEO of the company also and has been looking after all the activities. He is retiring by rotation at the forthcoming Annual General Meeting and has consented for his re-appointment as a director.

11. The members who have not yet dematerialized their shares, are recommended to get their shares dematerialized at the earliest.

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 For	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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.

After entering these details appropriately, click on "SUBMIT" tab.

- (viii) 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.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Padam Cotton Yarns Limited which is 180827018 on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) 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 Corporate.
 - 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. (xvi) above to cast vote.
- (B) The voting period begins on Tuesday, the 25th Day of September, 2018 (10.00) AM and ends on Thursday 27th September, 2018 (5.00) PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, the 21st September, 2018, may cast their vote by remote e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once vote on a resolution is cast by a member, the member shall not be allowed to re-cast or change it subsequently.

- (C) 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.

By Order of the Board of Directors
For Padam Cotton Yarns Limited,

Sd/-
(Rajev Gupta)
Director
(DIN No: 00172628)

Place: Karnal.
Dated: 09th August, 2018.

PADAM COTTON YARNS LIMITED

Director's Report

Dear Shareholders,

Your Directors have pleasure in presenting the 24th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2018.

Financial Highlights	Year ended 31.3.2018 (Rs. In lacs)	Year ended 31.3.2017 (Rs. In lacs)
Sales & other income	182.92	12.99
Profit before Interest & Depreciation	-0.22	0.05
Less : Interest	0.03	0.03
Profit/(Loss) before Depreciation	-0.19	0.02
Less : Depreciation	0.00	0.00
Profit before exceptional items and before Tax	-0.19	0.02
Add: Exceptional Items	0.00	0.00
Profit/ (Loss) before Tax	-0.19	0.02
Less : Provision for Taxation – Current Tax	0.00	0.00
MAT Credit	-	-
-Deferred Tax Liability/(Assets)	-	-
-MAT Credit earlier year	-	0.004
-Tax for earlier years	0.08	-
Net Profit/ (Loss) after Tax	-0.27	0.016
Add : Surplus brought from previous year	-	-
Total Surplus	-0.27	0.016
Appropriations :		
Proposed Dividend	Nil	Nil
Corporate Dividend Tax	Nil	Nil
Surplus Carried to Balance Sheet	-0.27	0.016

Financial Highlights

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. However, it has received an amount of Rs.439.13 Lacs in the protest a/c against the bank guarantee.

OPERATIONAL & PERFORMANCE REVIEW

However, your company has other operating revenues of Rs.182.92 Lacs as against Rs.12.99 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.

SUBSIDIARY COMPANY

During the year ended 31st March, 2018, the Company did not have any subsidiary company.

FIXED DEPOSITS

The Company has not accepted or renewed any deposit from the public during the year under review pursuant to the provisions of Companies Act, 2013 and rules made there under.

DIVIDEND

With a view to conserve resources of the company, your Directors do not recommend any dividend for the year under review.

APPOINTMENT OF KEY MANAGERIAL PERSONS (KMPs) AND INDEPENDENT DIRECTORS

Pursuant to provisions of Sections 2(51) and 203 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following persons are acting as Key Managerial Personnel of the Company:

1. Mr. Rajev Gupta, Director and CEO
2. Mr. Narender Chutani, CFO

None of the Key Managerial Personnel has resigned during the year ended March 31, 2018.

DIRECTORS

During the year under review, there has been no change in the composition of the Board of Directors. In accordance with the provisions of Section 152 of the Companies act, 2013 read with the Rules made there under and articles of association of the company, Mr. Rajev Gupta, Director will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. A brief resume of and particulars relating to them are given separately under the report on Corporate Governance.

STATUTORY AUDITORS

At the 23rd Annual General Meeting of Company held on 29th September, 2017, M/s Harjinder Singh & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five years in accordance with the provisions of section 139 of Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014.

AUDITOR'S REPORT

Observations, if any, made in the Auditor's Report are self explanatory and do not call any explanation.

COST AUDIT

The maintenance of cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013, is not applicable on the Company and accordingly such accounts and records are not made and maintained.

SECRETARIAL AUDIT

Shri Ramesh Bhatia, Practicing Company Secretary had been appointed by the Board to conduct Secretarial Audit under provisions of section 204 of the Companies Act 2013. The Secretarial Audit report is annexed with the Director's Report as Annexure - 1 There is no qualification in secretarial audit report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Energy conservation continues to be an area of major emphasis in your Company. Efforts are made to optimize the energy cost while carrying out manufacturing operations. As required by the provisions of section 134 of the Companies Act, 2013, the relevant information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in the Annexure- 2 forming part of this report.

STATUTORY DISCLOSURES

None of the Directors of the Company are disqualified under the provisions of section 164 of the Companies Act 2013. The Directors have made the requisite disclosures, as required under the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as Listing Regulations").

CORPORATE GOVERNANCE

The Company is committed to maintain the good standards of Corporate Governance. The Company has complied with the Corporate Governance requirements as stipulated under Listing Regulations. Pursuant to said Regulations, Report on Corporate Governance together with the Certificate issued by Practicing Company Secretary regarding compliance of Corporate Governance is annexed to this report. Annexure - 3

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of section 134(3) of the Companies Act, 2013, it is hereby confirmed that:

- (a) in the preparation of annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed and that there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequately and operating effectively.

FRAUDS REPORTED BY AUDITORS u/s 143(12)

Your company has complied with all the provisions of Section 143 of the Companies Act, 2013. Hence, there are no frauds reported by the Auditors other than those which are reportable to the Central Government. Further, no fraud has been reported to the Central Government.

EXTRACT OF ANNUAL RETURN

The details forming part of extract of the Annual Return is given in Form MGT-9 in Annexure - 4.

NUMBER OF BOARD MEETINGS

During the financial year 2017-18, Four Board meetings were held. The meetings were held on 30th May, 2017, 24th August, 2017, 30th November, 2017 and 14th February, 2018. The other relevant details of Board meetings and the attendance of the Directors etc. is given under Corporate Governance Report annexed with Director's Report.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act 2013 and under Listing Regulations, stating that they meet the criteria of independence as provided in sub-section (6).

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS UNDER SECTION 186

No loans, guarantees or investments under Section 186 of the Companies Act, 2013 have been given by the Company.