



PADAM COTTON YARNS LIMITED

**25th Annual Report
2018-2019**

BOARD OF DIRECTORS

Mr. Rajev Gupta
Director
DIN: 00172828

Mr. Harbhajan Singh
Independent Director
DIN : 00530523

Mr. Vivek Gupta
Director
DIN: 00172835

Mr. Satwant Singh
Independent Director
DIN : 00530516

Mr. Jai Kumar
Independent Director
DIN: 00530513

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**CHIEF FINANCIAL OFFICER**

Miss Neha Miglani, Company Secretary

Mr. Narinder Kumar Chutani

AUDITORS**BANKERS**

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

Punjab National Bank
Namaste Chowk
Karnal-132001

REGD. OFFICE & WORKS

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

NOTICE

Notice is hereby given that the 25th 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, 2019 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, 2019 along with the reports of Directors' and Auditors' there on.
2. To appoint a Director in place of Mr. Vivek Gupta (DIN No: 00172835) who retires by rotation at this annual general meeting and being eligible offers herself for re-appointment.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or enactment (s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and upon the recommendation of the Nomination and Remuneration Committee, Mr. Harbhajan Singh (DIN: 00530523), Independent Director of the Company whose present term is coming to an end at the conclusion of the ensuing Annual General Meeting and who has given a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and the rules made there under, and in respect of whom the company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an independent director of the company for another term of 5(five) years from 30th September, 2019 to 29th September, 2024

"RESOLVED further that the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things including incidental matters in connection with the above including execution, signing and filing of the forms returns and documents with the concerned authorities.

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or enactment (s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and upon the recommendation of the Nomination and Remuneration Committee, Mr. Satwant Singh (DIN: 00530523), Independent Director of the Company whose present term is coming to an end at the conclusion of the ensuing Annual General Meeting and who has given a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and the rules made there under, and in respect of whom the company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an independent director of the company for another term of 5(five) years from 30th September, 2019 to 29th September, 2024

*RESOLVED further that the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things including incidental matters in connection with the above including execution, signing and filing of the forms returns and documents with the concerned authorities.

- 5 To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

*RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or enactment (s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and upon the recommendation of the Nomination and Remuneration Committee, Mr. Jai Kumar (DIN: 00530513), Independent Director of the Company whose present term is coming to an end at the conclusion of the ensuing Annual General Meeting and who has given a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and the rules made there under, and in respect of whom the company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed as an independent director of the company for another term of 5(five) years from 30th September, 2019 to 29th September, 2024

*RESOLVED further that the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things including incidental matters in connection with the above including execution, signing and filing of the forms returns and documents with the concerned authorities.

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

Resolved that consent of the members of the company be and is hereby accorded for appointment of Mr. Rajev Gupta as Managing Director of the company for a period of five years i.e w.e.f 16/04/2019 to 15/04/2024 as was approved by the Board of Directors of the Company vide the resolution dated 16th April, 2019, without any remuneration.

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

Place: Karnal.

Dated: 03rd August, 2019.

Sd/-
(Rajev Gupta)
Director
(DIN No: 00172828)

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 Tuesday, the 24th day of September, 2019 to Monday the 30th day of September, 2019 (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 to the Corporate Governance Report/notice. The directors have furnished requisite declaration for their appointment/re-appointment.
11. The members who have not yet dematerialized their shares, are recommended to get their shares dematerialized at the earliest.
12. 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*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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.</p> <p>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.</p>
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> <p>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</p>
	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 190807009 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. (xvii) above to cast vote.
- (B) The voting period begins on Friday, the 27th Day of September, 2019 (10.00) AM and ends on Sunday, 29th September, 2019 (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 Monday, the 23rd September, 2019, 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.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company at 196, Opposite Red Cross Market, Karnal-132001 during normal business hours (9.00 am to 5.00 pm) on all working days up to and including the date of the AGM of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (The Act)

ITEM NO : 3, 4 & 5

Based on the recommendation of the Nomination and remuneration Committee and pursuant to the provisions to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or enactment (s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors of the Company has proposed the re-appointment of Mr. Harbhajan Singh, Mr. Satwant Singh and Mr. Jai Kumar as an Independent directors at this Annual General Meeting of the company for second term of 5 years with effect from 30th September, 2019 to 29th September, 2024

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. They were appointed as an Independent Directors by way of Special resolution in the Annual General Meeting held on 30/09/2014.

Based on the recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Harbhajan Singh, Mr. Satwant Singh and Mr. Jai Kumar being eligible for re-appointment as an Independent Directors for second consecutive term of five years from 30/09/2019 to 29/09/2024 is proposed to be re-appointed as an Independent Directors.

The Company has received declaration from them stating that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have also given their consent to continue to act as Director of the Company, if so appointed by the members.

The Board of Directors recommends the Special Resolutions as set out under item No. 3, 4 and 5 for approval of the members of the Company.

The Brief particulars of the Directors are given below:

Mr. Harbhajan Singh is an graduate and has a vast experience in the industrial finance and all round corporate management.

Mr. Satwant Singh is a graduate and has a vast experience in the field of industrial development and corporate management

Mr. Jai Kumar is a graduate and has a vast experience in the field of industrial development and corporate management

Except Mr. Harbhajan Singh, Satwant Singh and Mr. Jai Kumar, being an appointees, none of the Directors, Key Managerial Personnel or their relatives thereof, is in any way, interested or concerned in the proposed Special Resolution except to the extent of their shareholding in the Company, if any.

ITEM NO 6

Based on the recommendation of the Nomination and remuneration Committee and pursuant to the provisions to the provisions of Section 196 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification (s) or enactment (s) thereof for the time being in force) read with Schedule XIII – Appointment and Remuneration of the Companies Act, 2013,

applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board of Directors of the Company has appointed Mr. Rajev Gupta as Managing Director of the company for a period of five years i.e w.e.f 16/04/2019 to 15/04/2024 subject to the approval of the members of the company without any remuneration.

Mr. Rajev Gupta (DIN No: 00172828) aged about 55 years is a graduate and has a vast experience in the field of finance, commerce and management. None of the Directors is deemed to be interested in the resolution except Mr. Vivek Gupta (DIN No: 00172835) and Radhika Gupta, Directors.

Details of Directors seeking Appointment/ Re-Appointment/ Continuation of appointment at the Annual General Meeting

Name of the Director and DIN	Mr. Harbhajan Singh (DIN: 00530523)	Mr. Satwant Singh (DIN: 00530516)	Mr. jai Kumar (DIN: 00530513)
A brief profile of the Director	Re-appointment as an Independent Director on the Board of the Company on the recommendation of the Nomination and Remuneration Committee	Re-appointment as an Independent Director on the Board of the Company on the recommendation of the Nomination and Remuneration Committee	Re-appointment as an Independent Director on the Board of the Company on the recommendation of the Nomination and Remuneration Committee
Age	46 years as on 31.03.2019	40 years as on 31.03.2019	51 years as on 31.03.2019
Qualification	B. A.	B. A.	Graduate
Experience	Over 24 years experience in handling commercial activities.	He has over 19 years experience in handling commercial activities.	actively participates in taking all the decisions of business.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	No change, as per last appointment on the Board.	No change, as per last appointment on the Board.	No change, as per last appointment on the Board.
Remuneration last drawn by such person	NA	N. A.	Nil
Date of first appointment on the Board	19.07.2001	30.12.2002	20.12.1999
Shareholding in the company	Nil	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Not related. to any Director or Key Managerial personnel of the Company	Not related to any Director or Key Managerial personnel of the Company.	Not related to any Director or Key Managerial personnel of the Company
Number of Meetings of the Board attended during the year	4	4	3
Other Directorships	3	nil	1
Membership/ Chairmanship of Committees of other Boards	Nil	Nil	Nil

Place: Karnal.

Dated: 03rd August, 2019.

By Order of the Board of Directors
For Padam Cotton Yarns Limited,
Sd/-
(Rajev Gupta)
Director
(DIN NO: 00172828)

PADAM COTTON YARNS LIMITED
Director's Report

Dear Shareholders,

Your Directors have pleasure in presenting the 25th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2019.

Financial Highlights	Year ended 31.3.2018 (Rs. in lacs)	Year ended 31.3.2019 (Rs. in lacs)
Sales & other income	182.92	00.00
Profit before Interest & Depreciation	-0.22	-6.07
Less : Interest	0.03	0.00
Profit/(Loss) before Depreciation	-0.19	0.00
Less : Depreciation	0.00	0.00
Profit before exceptional items and before Tax	-0.19	-6.07
Add: Exceptional Items	0.00	0.00
Profit/ (Loss) before Tax	-0.19	-6.07
Less : Provision for Taxation - Current Tax	0.00	0.00
- MAT Credit	-	-
-Deferred Tax Liability/(Assets)	-	-
-MAT Credit earlier year	-	0.00
-Tax for earlier years	0.08	
Net Profit/ (Loss) after Tax	-0.27	-6.07
Add : Surplus brought from previous year	-	-
Total Surplus	-0.27	-6.07
Appropriations :		
Proposed Dividend	Nil	Nil
Corporate Dividend Tax	Nil	Nil
Surplus Carried to Balance Sheet	-0.27	-6.07

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 Hon'ble 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

How-ever, your company has other operating revenues of Rs.nil as against Rs.182.92 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, 2019, 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.