

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 Dai Hospital,
Kunjpora Road, Karnal-132 001

NOTICE	1
DIRECTOR'S REPORT	6
AUDITOR'S CROP. GOVERNMENT CERT	10
AUDITOR'S REPORT	15
BALANCE SHEET	20
PROFIT & LOSS ACCOUNT	21
NOTES TO THE ACCOUNTS	22
ADDITIONAL INFORMATION	29
AUDITOR'S CERTIFICATE	30

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 them selves 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 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 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 a note 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

Annexure-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	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

B. Consumption per unit of production

Standard	2013-14
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:

- a) Production process of the Company is not energy intensive, discipline to switch off lights and machines tools, when not working is prevalent.
- b) Being a conventional Industry there is no activity of research and development.
- c) 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.

Sd/-
Rajev Gupta
Director

Sd/-
Vivek Gupta
Director

Place : Karnal.
Dated : 30th. July, 2014.

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 31.03.2014

DIRECTOR	NO OF Board Meeting Attended	Attendance at Previous Annual General Meeting held on 30/09/2013	No of outside Directorships	No of Memberships/ Chairmanship in Other Board committees
Mr. Rajev Gupta	04	yes	one	Nil
Mr. Vivek Gupta	04	yes	Nil	Nil
Mr. Jai Kumar Gupta	03	Nil	Nil	Nil
Mr. Satwant Singh	02	Nil	Nil	Nil
Mr. Harbhajan Singh	02	Nil	Nil	Nil

During the year four meetings of the board of Directors were held on : 30th May, 18th July, 9th October, 2013 and 14th January, 2014.

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,	3
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,	3
3 Mr. Satwant Singh,	4

GENERAL BODY MEETINGS

YEAR	VENUE	DATE	TIME
2013	196, Opposite Red Cross Market, G.T. Road, Karnal	30/09/2013	11.00AM
2012	196, Opposite Red Cross Market, G.T. Road, Karnal	29/09/2012	11.00AM
2011	196, Opposite Red Cross Market, G.T. Road, Karnal	30/09/2011	11.00AM

DISCLOSURES

There has not been any non-compliance, penalties or strictures imposed on the Company by any of the stock exchanges, SEBI, or any other statutory authorities on any matter relating to the Capital market during the last three years.

MEANS OF COMMUNICATION

The quarterly and half yearly results are generally published by the Company in the newspapers as per requirements of the listing agreement. However, the Annual report of the Company is sent to the share holders every year at the time of Annual General meeting. The copies of the above documents are also forwarded to the Stock Exchanges in the line with the listing agreement requirements.

GENERAL SHARE HOLDERS' INFORMATION

ANNUAL GENERAL MEETING

DAY Tuesday
DATE 30th September, 2014
TIME 11.00AM
VENUE 196, Opposite Red Cross Market, G.T. Road, Karnal.

LISTING ON STOCK EXCHANGES

The shares of the Company are listed on following stock exchanges :
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Tower,
25th Floor, Dalal Street,
Mumbai-400023.

The company has paid the Annual listing fee up to date to all the stock Exchanges where the shares of the company are listed. Since the shares of the Company are not actively traded at all the stock exchange as such the monthly high/low prices are not given.

DATA PERTAINING TO TRADING / HIGH / LOW RATES AND VOLUMES

Company : PADAM COTTON YARNS LIMITED (531395)
 Period : 01st. April, 2013 to 31st. March, 2014

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Traders	Total Turnover (Rs.)	Spread(Rs.)	
								HL	CO
Apr., 13			Nil						
May, 13			Nil						
Jun., 13			Nil						
Jul., 13	23.5	23.5	23.5	23.5	214	1	5029	0	0
Aug., 13	23	23	23	23	100	1	2300	0	0
Sept., 13			Nil						
Oct., 13			Nil						
Nov., 13			Nil						
Dec., 13			Nil						
Jan., 14			Nil						
Feb., 14			Nil						
Mar., 14	22	22	22	22	22	1	220	0	0

REGISTRAR AND SHARE TRANSFER AGENT

The transfer of share both in physical and electronic mode is done by the company's Registrar and share transfer Agents M/s BEETAL Financial & Computer Services Private Limited, New Delhi. The requests of decartelization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Ltd.(NSDL) and Central Depository Services, Ltd.(CSDL) through the Registrar of the company i.e. M/s BEETAL Financial & Computer Services Private Limited, 99 Madangir, Behind local Shopping Center, New DELHI- 110062. Phone No: 91-11-29961281.

RESUME OF THE DIRECTORS SEEKING REAPPOINTMENT AT THE FORTH COMING ANNUAL GENERAL MEETING

Mr. Vivek Gupta, who is retiring by rotation and being eligible, offers himself for reappointment at the forthcoming Annual General meeting is a Whole Time Director on the board of the company and is involved in day to day commercial activities.

Mr. Harbajan Singh, who is also retiring by rotation and being eligible, offers him for re-appointment at the forthcoming Annual General Meeting is a non working and Independent Director of the company and is having a vast experience and knowledge of Marketing and distribution of the industrial products. In addition to the Directorship in the above company, none of them is holding any position as Director on the Board of any other company.

CATEGORIES OF SHARE HOLDING AS ON 31.3.2014

CATEGORY	NO OF SHARES	PERCENTAGE
PROMOTERS AND ASSOCIATES		
(1) INDIVIDUALS	2021600	52.21
(2) BODIES CORPORATE	0020000	00.50
TOTAL	2041600	52.71%
FOREIGN INSTITUTIONAL INVESTORS	NIL	NIL
PUBLIC FINANCIAL INSTITUTIONS	NIL	NIL
MUTUAL FUNDS	NIL	NIL
NATIONALISED BANKS AND OTHER BANKS		
NRI	NIL	NIL
OTHERS		
HUF	0002410	00.06
BODIES CORPORATES	0060807	01.57
INDIVIDUALS (LESS THAN ONE LAC)	0652583	16.86
(MORE THAN ONE LAC)	1115600	28.80
Sub Total	1831400	47.29
GRAND TOTAL	3873000	100%

LOCATION OF THE PLANT

The company's plant is located at 71/3 Milesotne, G.T.Road, opposite Radha Swami Satsang Bhawan, Karnal-Haryana

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

Place : Karnal.
Dated : 30th. July, 2014.

Sd/-
Rajev Gupta
Director

Sd/-
Vivek Gupta
Director

AUDITOR'S CERTIFICATE

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of Padam Cotton Yarns Limited,

We have examined the compliance of conditions of Corporate Governance by M/s Padam Cotton Yarns Limited for the year ended 31st. March, 2014, as stipulated in clause 49 of the listing agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement. As required by the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that, as per record maintained by the Company, and certified by the registrar of the company as on March 31st, 2014, there were no investor grievances remaining pending for a period exceeding one month. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

PLACE : KARNAL
DATE : 30.07.2014

FOR VINEY GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(VINEYAGOEL)
PARTNER

INDEPENDENT AUDITOR'S REPORTS

To The Members of
M/s Padam Cotton Yarns Limited
Delhi

Report on the financial Statements

We have audited the accompanying financial statements of M/S Padam Cotton Yarns Limited, Delhi, which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956 read with the General Circular 15/2013 dated 13th. September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by managements, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide as basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2014;
- b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor report) Order 2003 issued by the Central Government of India in terms of sub-section (4 A of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by section 227 (3) of the Act, we report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the companies Act, 1956;
- e) On the basis of written representations received by us from the directors of the Company as at 31st March, 2014 and taken on record by the Board of Directors, We report that no director is disqualified from being appointed as director of the Company under clause
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon given the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
- (g) of sub-section (I) of section 274 of the Companies Act, 1956.
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014; and
 - ii) In the case of Profit and Loss Account, of the Profit of the Company for the year ended on that ended on that date.
 - iii) In the case of cash flow statement, of the Cash Flow of the company for the year ended on that date.

FOR VINEY GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(VINEYAGOEL)
PARTNER

PLACE : KARNAL
DATE : 11.07.2014

Re : PADAM COTTON YARNS LIMITED

The Annexure referred to in Paragraph 1 of the Report of even date to the members of M/S Padam Cotton Yarns Limited, Delhi on the accounts of the company for the year ended 31st.March, 2014

1. (a) Not Applicable as the company is not having any fixed assets as on 31.03.2014.
(b) Not Applicable.
(c) According to information and explanations given to us, the Company has been awarded insurance claim by the National Consumer Redressal Commission, the insurance company has preferred an appeal before Hon,ble Supreme Court against the same. Though the company and its management is hopeful to get its claim from Insurance Company in finality and shall commence commercial operations immediately after receipt of final claim amount. The Company is doing wholesale its trading operations on scattered the basic during the year. In our considered view the going concern of the Company shall be affected in view of changed circumstances, after closure of the trading operations also by the company.
2. (a) The stocks of Finished Goods, spare parts and raw materials have been physically verified during the year by the management at reasonable intervals.
(b) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company has maintained proper records of inventory and the discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) The Company has granted loans, secured or unsecured to companies, firms or other parties listed in the register maintained U/S 301 of the Companies Act, 1956 and from the companies under the same management. The number of parties is one and amount involved is Rs. 17425000
(b) According to the information and explanations given to us the rate of interest and other terms & conditions of loans taken by the company, secured or unsecured, are not prima facie prejudicial to the interest of the company.
(c) According to the information and explanations given to us no Principal as well as interest was due to the company which was to be paid.
(d) According to the information and explanations given to us there is no overdue amount of more than one Lac owed by the company
(e) The Company has not taken any loans, secured or unsecured, from companies firm or other parties listed in the register maintained U/S 301 of the Companies Act, 1956, and from the companies under the same management .
(f) According to the information & explanations given to us the rate of interest & terms & conditions of loans taken by the company, are not prejudicial to the interest of the company.
(g) According to the information & explanations the company is regular in repayment of interest & Principal.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory and Fixed assets and with For the sale of goods & services. According to the information and explanations given to us there is no visible continuing failure to correct major weaknesses in internal control system.
- 5.(a) According to the information and explanations given to us, no transaction of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the companies act, 1956.
(b) No such transaction has been made by the company during the year.
6. The Company has not accepted the deposits and in our opinion and according to the information and explanations given to us, the provisions of section 58A & 58AA or Any other relevant provision of Act and the companies (Acceptance of Deposits) Rules 1975 as well as relevant directives of the Reserve Bank of India are not applicable to the company.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The Company has maintained cost records as required under section 209(1)(d) of the Companies Act 1956 for the product of the company.
- 9.(a) According to the records of the company, the company has generally complied with in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance Dues, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess & other statutory dues with the appropriate authority during the year.
(b) According to the records of the company, the company has not deposited disputed excise duty of Rs. 3360128, which is pending in appeal before central Excise Service tax appellate tribunal.
10. According to the records of the company, the company has not incurred any cash loss during the current financial year. Further the company has no accumulated losses.
11. According to the records of the company has not defaulted in repayment of dues to any financial situation or bank or debentures holders.
12. The Company has not granted any loan and advances in the nature of loans on the basis of security by way of pledge of shares, debentures and other securities.
13. According to the information and Explanation given to us, the nature of the activities of the company does not attract any special statute Applicable to chit fund and Nidhi/ Mutual benefit fund/Societies
14. According to information and explanations given to us, the company is not dealing in or trading of shares, securities, debentures and other investments. Accordingly, the previous

of the clause (xiv) of the company (Auditors report) order 2003 as amended by the companies (Auditors Report) amendment order 2004 are not applicable to the company.

15. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has applied the term loan taken for the purpose for which the loans are obtained.
17. According to the information and explanation given to us, the company has not raised funds on short term basis for long term investments.
18. According to the information and explanation given to us, the company has not issued any preferential allotment during the year to the shares to parties and companies covered in the register maintained U/S 301 of the Act.
19. The company has not issued any debenture neither any security or charge has been created.
20. The company has not raised any money by public issue during the year.
21. According to the information and explanation given to us, the company has not noticed or reported any fraud on or by the company during the year.

PLACE : KARNAL
DATE : 11-07-2014

FOR VINEY GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(VINEYA GOEL)
PARTNER

PADAM COTTON YARNS LIMITED
BALANCE SHEET AS ON 31st. March 2014

PARTICULARS	Note No.	As at 31/03/14		As at 31/03/13	
1. EQUITY AND LIABILITIES					
1. Shareholders' funds					
(a) Share Capital	3	38730000.00		38730000.00	
(b) Reserves and Surplus	4	(7108763.80)		(7108948.59)	
(c) Money received against share warrants			31621236.20		31621051.41
2. Share application money pending allotment (To the extent not refundable)					
3. Non-current liabilities					
(a) Long-term borrowings					
(b) Deferred Tax liabilities (Net)	5				
(c) Other Long term liabilities					
(d) Long-term Provisions					
4. Current Liabilities					
(a) Short term borrowings					
(b) Trade payables				43926998.00	
(c) Other current liabilities	6	43947383.00		564.97	
(d) Short term provisions	7	181.00			
			43947564.00		43927562.97
TOTAL			75568800.20		75548614.38
II ASSETS					
1. Non-current assets					
(a) Fixed assets					
(i) Tangible assets					
(ii) Intangible assets					
(iii) Capital work-in-progress					
(iv) Intangible assets under development					
(b) Non-current investments					
(c) Deferred tax assets (net)	5	4770570.00		4770570.00	
(d) Long-term loans and advances	8	17425000.00		870000.00	
(e) Other non-current assets	9	53270202.55		53251550.51	
			75465772.55		58892120.55
2. Current assets					
(a) Current investments				16500070.00	
(b) Inventories	10				
(c) Trade receivables				156423.83	
(d) Cash and Bank Balances	11	103027.65			
(e) Short-term loans and advances					
(f) Other current assets					
			103027.65		16656493.83
TOTAL			75568800.20		75548614.38

See accompanying notes forming part of financial statements

In terms of our report attached
For Viney Goel & Associates
Chartered Accountants

Sd/-
(Vineya Goel)
Partner
M. NO. 090739
Place : Karnal
Dated : 11 07 2014

For and on behalf of
For Padam Cotton Yarns Limited

Sd/-
Rajev Gupta
Director
(DIN : 00172828)

Sd/-
Vivek Gupta
Director
(DIN : 00172835)

PADAM COTTON YARNS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST. MARCH 2014

PARTICULARS	Note No.	As at 31/03/14		As at 31/03/13	
I Revenue from operations:	12				
Sale of Products		16551675.00			
Sale of Services		177500.00			
Other Operating Revenues				209000.00	
Less: Excise Duty			16724175.00		209000.00
II Other Income					
III Total Revenue (I + II)			16724175.00		209000.00
IV Expenses					
Cost of Materials Consumed	13			165,000,70.00	
Purchases of Stock in Trade					
Changes in inventories of finished goods, work in progress and Stock-in-trade	14	16500070.00		165,000,70.00	
Employee benefits expense					
Finance Costs	15	56.18			
Depreciation and amortization expense				56.18	
Other expense	16	223072.03		207115.44	
Total Expense			16723198.21		207171.62
V Profit before exceptional and extraordinary items and tax (III-IV)			976.79		1828.38
VI Exceptional Items					
VII Profit before extraordinary items and tax (V-VI)			976.79		1828.38
VIII Extraordinary Items					
IX Profit before tax (VII-VIII)			976.79		1828.38
X Tax expense:					
(1) P. Year Tax Liability		611.00			
(2) Current tax		181.00		564.97	
(3) Deferred tax				390.00	
Profit/(Loss) for the period from continuing operations (IX - X)			792.00		954.97
XI Profit/(Loss) for the period from discontinuing operations			184.79		873.41
XII Tax expense of discontinuing operations					
XIII Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)					
XIV Profit/(Loss) for the period (XI + XIV)			184.79		873.41
XVI Earnings per equity share:					
(1) Basic					
(2) Diluted					
See accompanying notes forming part of financial statements.					

In terms of our report attached
For Viney Goel & Associates
Chartered Accountants

Sd/-
(Vineya Goel)
Partner
M No 090739
Place Karnal
Dated: 11/07/2014

For and on behalf of
For Padam Cotton Yarns Limited

Sd/-
Rajev Gupta
Director

Sd/-
Vivek Gupta
Director

(DIN 00172828)

(DIN 00172835)

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

NOTE '1'

Corporate Information

The company is engaged in the business of wholesale trading in agriculture implement during the year. The company is having its Registered Office at 196, 1st Floor, G.T.Road, Opp Red Cross Market, Karnal-132001 & Corporate Office At New Delhi

NOTE '2'

2.1 Accounting Standards

The Company is non-SMC as defined in the General Instructions in respect of Accounting Standard notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the Company has complied with accounting Standards as applicable to a Small and Medium Sized Company.

2.2 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for adjustments required to comply financial accounts in accordance with the revised schedule VI.

2.3 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expense for the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results may differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are being recognised.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Inventories

Inventories are valued at the lower of Cost (on FIFO basis) and the net realisable value after providing for obsolescence, where considered necessary.

2.6 Depreciation and amortisation

Depreciation has been provided on the written down value method as per the rates prescribed in Schedule XIV of the Companies Act, 1956. Regarding amortisation of MISC. Expenditure, these are being amortised over a period of 5 year from the commencement of operations of the Company or from the year in which they are incurred whichever is later.

2.7 Revenue Recognition

Sale of Goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer which generally coincides with the delivery of goods to customers. Sales excludes Central sales, value added tax and TCS

2.8 Tangible fixed assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

2.9 Intangible fixed assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses.

2.10 Foreign Exchange Differences

Initial Recognition

Transactions in foreign currencies entered into by the Company and its transactions are accounted at the exchange rates prescribed under custom exchange rate notification

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-derivative foreign operations outstanding at the Balance Sheet date are restated at the year-end bank rate

Exchange differences arising out of these translations are charged to the Statement of Profit and Loss

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

2.11 Employee Benefits

Defined Contribution Plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. The Company has created a Trust a Life Insurance Corporation of India under Group Gratuity Scheme. The premium paid towards this scheme is charged to profit and loss account on accrual basis.

2.12 Segment Reporting

The Company has disclosed its business segment the primary segment as trading only hence there is no requirement for segment reporting as per AS 17 issued by ICAI. The company has provided consultancy to firms from where it has earned the income.

2.13 Earning Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the number of equity shares outstanding during the year

2.14 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.15 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount.

2.16 Other Issues

The Company's unit was destroyed in fire on 13/06/2001. The insurance claim of the company was repudiated by the insurance company. The Hon'ble National Consumer has decided the case in favour of the company against which the insurance company has filed an appeal before Hon'ble Supreme Court. The Company has been allowed 50% claim by the Supreme Court against security, the same is shown as non current liabilities as the matter is contingent and is sub judice. The same has not been adjusted against the insurance claim receivable account. In Our opinion the Company should have adjusted the insurance claim received against the claimable amount and therefore, the non current assets and liabilities should have been reduced by the amount received from New India Assurance Co Limited.

2.17 Contingent Liabilities

Contingent liabilities not provided for in the accounts are separately shown in annual statement of accounts.

	2013-14	2012-13
a) Claims against the company not acknowledge as dept	NIL	NIL
b) Uncalled liability on share partly paid up	NIL	NIL
c) Arrears of Fixed Cumulative Dividend	NIL	NIL
d) Estimated amount of contracts remaining to be executed on capital account & not provided for	NIL	NIL
e) Letter of Credit outstanding	NIL	NIL
f) Insurance claim New India Assurance Co. Limited	43913515	43913515

Particulars	On 31/03/14	On 31/03/13
NOTE 3		
SHARE CAPITAL		
-Authorised		
7000000 (2013: 7000000) Equity Shares of Rs. 10/- each	7000000.00	7000000.00
-Issued and Subscribed Capital		
5975200(2013: 5975200) Equity Shares of Rs:10/- each fully paid-up	5975200.00	5975200.00
-Paid up Capital		
3873000(2013: 3873000) Equity Shares of Rs:10/- each fully paid-up	3873000.00	3873000.00
TOTAL	3873000.00	3873000.00

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

(i) Reconciliation of Shares:	Nos	Amt(Rs)	Nos	Amt(Rs)
Authorised Share Capital				
Opening Share Capital	7000000	70000000.00	7000000	70000000
Add: Increased during the year				
Closing Share Capital	7000000	70000000.00	7000000	70000000
Issued Share Capital				
Opening Share Capital	59752000	597520000.00	59752000	597520000.00
Add: Shares Issued During the year				
Add: Rights/Bonus Shares Issued				
Total	59752000	597520000.00	59752000	597520000.00
Less: Buy back of Shares				
Less Reduction in Capital				
Closing Share Capital	59752000	597520000.00	59752000	597520000.00
Paid up Capital				
Opening Share Capital	3873000	38730000.00	3873000	38730000.00
Add: Shares issued During the year				
Add: Rights/Bonus Shares Issued				
Total	3873000	38730000.00	3873000	38730000.00
Less: Buy back of Shares				
Less Reduction in Capital				
Closing Share Capital	3873000	38730000.00	3873000	38730000.00

(ii) Rights, Preference and restrictions attaching to each class of shares

Equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2014, the amount of per share dividend recognized as distribution to equity shareholders was Rs 0/- (Previous Year Rs 0/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) List of Share holders having 5% or more Shares (In Nos)

Name Of Shareholders	In Nos	In %	In Nos	In %
Vivek Gupta	746600	19.28	746600	19.28
Rajev Gupta	609750	15.74	609750	15.74
Padam Singh Gupta	474500	12.25	474500	12.25

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Particulars	On 31/03/14 Rs.		On 31/03/13 Rs.
NOTE '4'			
RESERVES AND SURPLUS			
Capital Redemption Reserve			
Opening Balance	8558684.00		8558684.00
Add : Raised during the year			
Less: Utilised during the Year			
Closing Balance	<u>8558684.00</u>		<u>8558684.00</u>
General Reserve			
Opening Balance			1675000.00
Add : Raised during the year			
Less: Utilised during the Year			
Closing Balance			<u>1675000.00</u>
Profit and Loss Account			
Opening Balance	(15667632.59)		(15668506.00)
Add: Net Profit after tax During The Year	184.79		873.41
Closing Balance	<u>15667447.80</u>		<u>15667632.59</u>
TOTAL	<u>(7108763.80)</u>		<u>(7108948.59)</u>
NOTE '5'			
DEFERRED TAX LIABILITY(ASSETS)			
Deferred Tax Assets			
Unabsorbed Depreciation	4504736.62	4504736.62	
Short Term Capital Loss C/f	10934000.00	10934000.00	
Gross deferred tax liability/Assets	<u>15438736.62</u>		<u>15438736.62</u>
Net deferred tax Liability/Assets	<u>15438736.62</u>		<u>15438736.62</u>
Tax effect of items constituting deferred tax (liability) /Assets	4,770,570.00		4770570.00
NOTE '6'			
OTHER CURRENT LIABILITIES			
New India Assurance Co Limited-Proteted A/c	43913515.00		43,913,515.00
Total Financial comute Services	3531.00		
Audit fees payable	16854.00		
Sanjay Kumar Garg & Associates	13483.00		13483.00
TOTAL	<u>43947383.00</u>		<u>43926998.00</u>

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Particulars	On 31/03/14 Rs.	On 31/03/13 Rs.
NOTE '7'		
SHORT TERM PROVISIONS		
Provision for Income Tax	181.00	564.67
TOTAL	<u>181.00</u>	<u>564.97</u>
Particulars	On 31/03/14 Rs.	On 31/03/13 Rs.
NOTE '8'		
LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Loan and Advances to Related Parties	17425000.00	870000.00
Doubtful		
Capital Subsidy Receivable		
TOTAL	<u>17425000.00</u>	<u>870000.00</u>
Particulars	On 31/03/14 Rs.	On 31/03/13 Rs.
NOTE '9'		
OTHER NON CURRENT ASSETS		
Insurance Claim Receivable	52951550.55	52951550.55
Centvat Refundable (Appeal A/c)	300000.00	300000.00
Sharpstech. Creativ Servise P Ltd.	18652.00	
TOTAL	<u>53270202.55</u>	<u>53251550.55</u>
Particulars	On 31/03/14 Rs.	On 31/03/13 Rs.
NOTE '10'		
INVENTORIES		
Finished Goods		16500070.00
		<u>16500070.00</u>
Particulars	On 31/03/14 Rs.	On 31/03/13 Rs.
NOTE '11'		
CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	90328.65	136007.75
Other Bank Balances		
-In Current Accounts		20416.08
HDFC Bank Limited- Karnal	12699.00	156423.83
TOTAL	<u>103027.65</u>	<u>156423.83</u>
Particulars	On 31/03/14 Rs.	On 31/03/13 Rs.
NOTE '12'		
REVENUE FROM OPERATION		
Indigenous Sales		
Manufactured Goods	16551675.00	
Traded Goods	172500.00	209000.00
Other Operating Revenues		
TOTAL	<u>16724175.00</u>	<u>209000.00</u>

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

Particulars	On 31/03/14 Rs.	On 31/03/13 Rs.
NOTE '13'		
PURCHASE OF TRADED GOODS		
Purchase of Trading Materials	_____	16500070.00
	_____	16500070.00
Particulars	On 31/03/14 Rs.	On 31/03/13 Rs.
NOTE '14'		
On difference between book balance and tax balance of fixed assets		
Stock at Commencement	_____	_____
Stock in Trade.	16500070.00	_____
	16500070.00	_____
Less : Stock at Close	_____	_____
Stock in Trade.	_____	16500070.00
Stock Decreased/(Increased) by	16500070.00	16500070.00
	_____	[16500070.00]
Particulars	On 31/03/14 Rs.	On 31/03/13 Rs.
NOTE '15'		
FINANCE COST		
Bank Charges	55.18	55.18
	56.18	56.18
Particulars	On 31/03/14 Rs.	On 31/03/13 Rs.
NOTE '16'		
OTHER EXPENSES		
Audit Fees	16854.00	16854.00
Legal & Professional Exp	58581.00	50475.00
Photostate Exp	2054.00	1011.00
AGM Exp	27282.00	21845.00
Rent	-	36000.00
Annual Listing Fee	73010.00	30436.00
Fees & Taxes	4500.00	15500.00
Office Exp	5563.03	3301.44
Travelling Exp.	4139.00	2239.00
Telephone Exp	2762.00	1743.00
Printing and Stationery	2844.00	2228.00
Cost Audit Fees	13483.00	13483.00
Accounting Charges	12000.00	12000.00
TOTAL	<u>223072.03</u>	<u>207115.44</u>
Notes		
Payment to the auditors comprises (incl. of Service tax)		
As Auditors- Statutory Audit	16,854.00	16854.00
For Taxation Matters	-	-
For Company Law Matters	-	-
Total	<u>16,854.00</u>	<u>16854.00</u>

PADAM COTTON YARNS LIMITED
NOTES FORMING PART OF ACCOUNTS

NOTE '18' ADDITIONAL INFORMATION		
Particulars	On 31/03/14 Rs.	On 31/03/13 Rs.
18.1. Value of Imports calculated on CIF basis		
Raw Materials	NIL	NIL

Disclosure is with regard to 'direct' imports by the Company

Particulars	On 31/03/14 Rs.	On 31/03/13 Rs.
-------------	--------------------	--------------------

NOTE '19' Related party disclosures
Details of related parties:

Description of relationship			
Key Management Personnel (KMP) Relatives of KMP	Sh. Padam Sain Gupta	Sh. Padam Sain Gupta	
	Sh. Rajev Gupta	Sh. Rajev Gupta	
	Sh. Vivek Gupta	Sh. Vivek Gupta	
Associate Concern	M/s Oswal Pumps Limited	M/s Oswal Pumps Limited	
(a) Summary of related party transactions			
Transactions			
Balance outstanding			
Oswal Pumps Limited	17425000.00		870000.00

In terms of our report attached
For VINEY GOEL & ASSOCIATES
Chartered Accountants

Sr.
(Vineya Goel)
Partner
M.No. 090739
Place:- Karnal
Date:- 11-07-2014

For and behalf of
Padam Cotton Yarns Limited

Sr. Sr.
(Rajev Gupta) (Vivek Gupta)
(Director) (Director)
(DIN : 00172828) (DIN : 00172835)

M/S PADAM COTTON YARNS LIMITED

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI
OF COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS

Registration Number	33641
State Code	05
Balance Sheet Date	31.03.2014

2. CAPITAL RAISED DURING THE YEAR (Amount in Rs. '000)

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

3. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (Amount in Rs. '000)

Total Liabilities	
Total Assets	75569
Sources of Funds	75569
Paid up Capital	
Reserve & Surplus	38730
Secured Loans	(7109)
Unsecured Loans	NIL
Application of Funds	NIL
Net Fixed Assets	
Investments	NIL
Net Current Assets	NIL
Miscellaneous Exp.	(43845)
Accumulated Losses	NIL

4. PERFORMANCE OF THE COMPANY (Amount in Rs. '000)

Turnover	
Total Expenditure	16724
Profit (Loss) before Tax	16723
Profit After Tax	1
Earning per Share	-
Dividend Rate (%)	N.A.
	N.A.

5. GENERIC NAMES OF PRINCIPAL PRODUCTS, SERVICES OF THE COMPANY

Item Code No.	
Product Description	Whole Sale Trading

For and on behalf of
For Padam Cotton Yarns Limited

Sd/-
Rajev Gupta
Director

Sd/-
Vivek Gupta
Director

The Board of Directors,
Padam CottonYarns Limited
71/3, Mile Stone, G.T. Road,
Karnal

We have examined the attached cash flow statement of the Company for the year ending 31st. March, 2014. The statement has been prepared by the Company in accordance with the requirements of the listing agreement Clause 32 with stock exchange and is Base done and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of 30th. May, 2014 to members of the Company.

PLACE : KARNAL
DATE : 11.07.2014

FOR VINEY GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(VINEYA GOEL)
PARTNER

PADAM COTTON YARNS LIMITED
Cash flow statement for the year ended 31st March 2014

	31st March 2014	31st March 2013
	(Rupees)	(Rupees)
A. Cash flow from operating activities		
Net profit before tax but after exceptional / extraordinary items	976.79	1828.38
Adjustments for non-cash items:		
Preliminary Expenses Written off	-	-
Depreciation / amortization	-	-
Interest & finance expense	56.18	56.18
Operating profit before working capital changes	1032.97	1884.56
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	-	-
(Increase)/decrease in other current assets	-	-
(Increase)/decrease in other non-current assets	(18652.00)	-
(Increase)/decrease in long-term loans & advances	(16555000.00)	18270000.00
(Increase)/decrease in short-term loans & advances	-	-
(Increase)/decrease in inventories	16,500,070.00	(16500070.00)
Increase/(decrease) in trade payables	-	(3000.00)
Increase/(decrease) in other long-term liabilities	-	(1675000.00)
Increase/(decrease) in other current liabilities	20385.00	13483.00
Increase/(decrease) in long-term provisions	-	-
Increase/(decrease) in short-term provisions	(383.97)	363.97
Cash generated from/(used in) operations	(52548.00)	107661.53
Taxes (paid) / received (net of withholding taxes TDS)	792.00	564.97
Prior period (expenses)/income (net)	-	-
Net cash from/(used in) operating activities	(53340.00)	107096.56
B. Cash flow from investing activities		
Purchase of fixed assets	-	-
Proceeds from sale of fixed assets	-	-
Purchase of non-current investments	-	-
Purchase of current investments	-	-
Share application money	-	-
Net cash from/(used in) investing activities	-	-

C. Cash flow from financing activities		
Proceeds from issue of share capital		-
Raising of unsecured loans		-
Repayment of unsecured loans		-
Raising Of Secured Loans	(56.18)	(56.18)
Interest & finance charges paid	(56.18)	(56.18)
Net cash from/(used in) financing activities		
	(53396.18)	107040.83
Net increase/(decrease) in cash & cash equivalents		
Cash & cash equivalents - opening balance	156423.84	49383.00
Cash & cash equivalents - closing balance	103027.65	156423.83
Net increase/(decrease) in cash & cash equivalents	0.00	(0.45)

NOTES:

1 The above cash flow statement has been prepared under the "Indirect method" as set out in the Accounting standard 3 on cash flow statements.

2 Cash and cash equivalents at the end of the year consist of cash in hand and balance with banks as follows:

	31st March 2014	31st March 2013
Cash, cheques & drafts (in hand) and remittances in transit	90328.65	136007.75
Balance with banks		
Current account	12699.00	29298.00
Deposit account	103027.65	165305.75

In terms of our report attached
For Vineya Goel & Associates
Chartered Accountants

Sd/-
(Vineya Goel)
Partner
Place : Karnal
Dated : 11.07.2014

For and on behalf of
For Padam Cotton Yarns Limited

Sd/-
Rajev Gupta
Director
(DIN-00172828)

Sd/-
Vivek Gupta
Director
(DIN-00172835)

PROXY FORM

I/We
of
being a Member/Members of PADAM COTTON YARNS LIMITED hereby appoint
..... of
of failing him/her of
as my/our absence to attend and vote for me/us, and on my/our behalf at the 20th. Annual
General Meeting of the company to be held on Tuesday, 30th. September, 2014 at 11-00 A.M.
at Registered Office or at any adjournment thereof.
Signed this day of 2014
Signature of proxy/s
For Office Use Only
Proxy No.
Folio/Depository I.D. No.
No. of Shares.....

Note : (a) The form should be signed across the stamp as per specimen signature .
(b) The proxy form duly completed must be deposited Registered Office of the
Company within not less than 48 hours before the time fixed for holding the
aforesaid meeting.

**(ATTENDANCE SLIP TO BE FILED IN AND HANDED
OVER AT THE ENTRANCE OF THE MEETING HALL)**

Full Name of the attending member.....

Reg. Folio/Depository I.D. No.

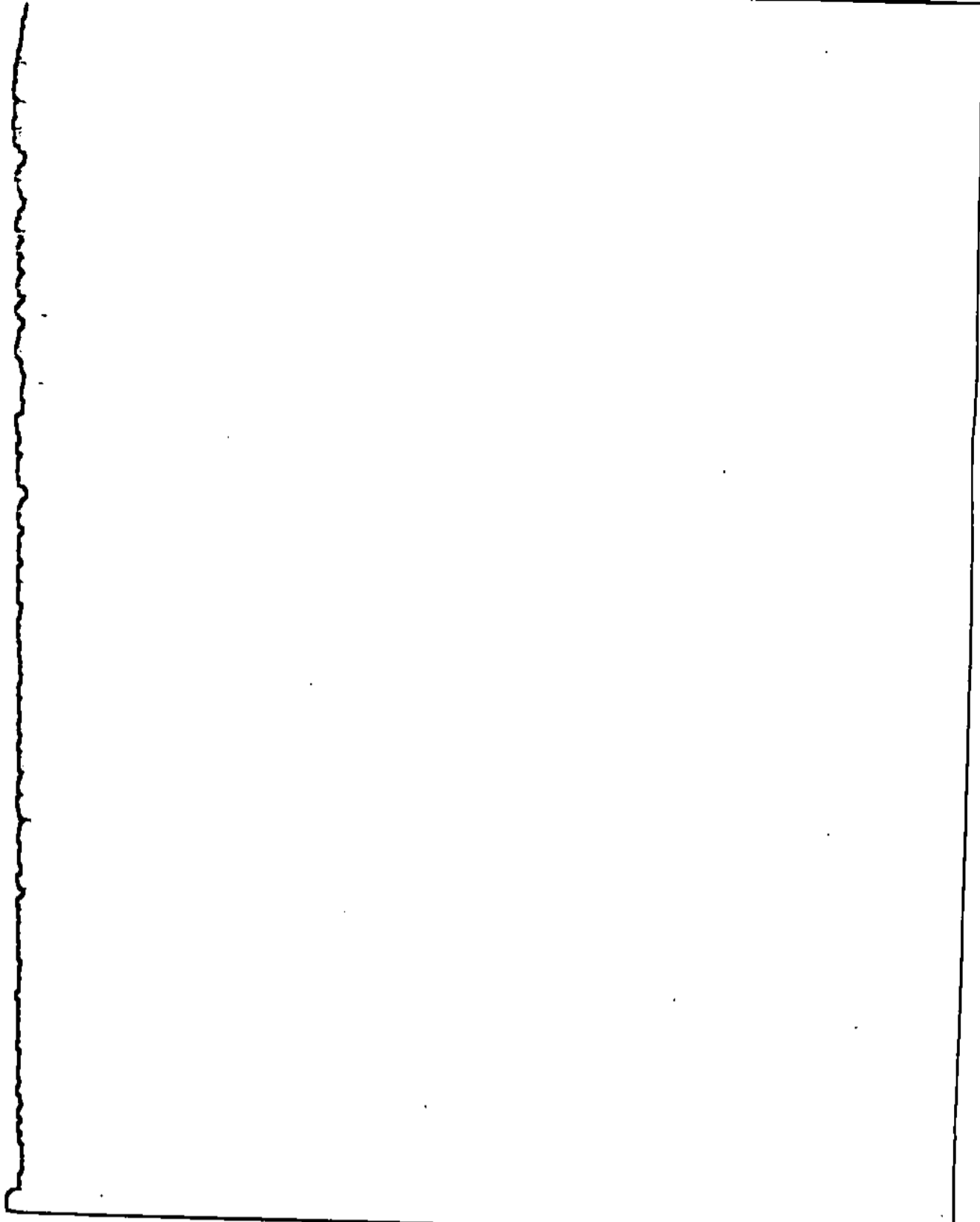
No. of Shares held.....

Full Name of proxy/s (in Block letter).....

I hereby record my presence at the 20th. Annual General Meeting held on Tuesday, 30th.
September, 2014 at 11-00 A.M at Registered Office.

SIGNATURE OF THE MEMBER (S) OR PROXY/PROXIES PRESENT.....

1000



BOOK POST
PRINTED MATTER

If Undelivered Please Return
PADAM COTTON YARNS LIMITED
CIN : L17112HR1994PLC033641
Regd. Office : 196, 1st Floor, G.t. Road,
Opp. Red Cross Market,
Karnal-132 001