



***PADAM COTTON YARNS LIMITED***

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

**BOARD OF DIRECTOR**

Shri Rajev Gupta  
Shri Vivek Gupta  
Shri Jai Kumar Gupta  
Shri Satwant Singh  
Shri Harbhajan Singh

Wholetime Director  
Wholetime Director  
Director  
Director  
Director

**REGISTERED OFFICE**

196, 1st Floor, G.T.Road,  
Opp. Red Cross Market,  
Karnal -132 001

**HEAD OFFICE**

C-5/2A, Rana Partap Bagh,  
Delhi-7

**STATUTORY AUDITORS**

M/S.Viney Goel & Associates  
Chartered Accountants,  
B-2, Parshotam Garden,  
Near Chandranchal Banquet Hall,  
Karnal-132001

**CONSULTING COMPANY SECRATERY**

Shri Ramesh Bhatia  
SCO-154-155, 1st. Floor,  
Sector-17-C, Chandigarh-160 017

**BANKERS TO THE COMPANY**

HDFC Bank Ltd.  
SCO 778-779,  
Opp. Mahabir Dal Hospital,  
Kunjpora Road, Karnal-132 001

CONTENTS	PAGE
NOTICE	1
DIRECTOR'S REPORT	3
AUDITOR'S CROP. GOVERNMENT CERT	7
AUDITOR'S REPORT	12
BALANCE SHEET	16
PROFIT & LOSS ACCOUNT	17
NOTES TO THE ACCOUNTS	18
ADDITIONAL INFORMATION	25
AUDITOR'S CERTIFICATE	26

# **PADAM COTTON YARNS LIMITED**

## **NOTICE**

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

1. To receive, consider and adopt the audited accounts of the company for the year ended on 31st March, 2013 along with the reports of Directors' and Auditors' there on.
2. To appoint a Director in place of Mr. Rajev Gupta who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Satwant Singh who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General meeting and to fix their remuneration. M/s Viney Goel & Associates Chartered accountants, the retiring Auditors of the Company are eligible and offers them selves for re-appointment.

**By Order of the Board of Directors**

For Padam Cotton Yarns Limited,

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

Sd/-  
Director

## Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and on a poll, to vote instead of himself and the proxy need not be a member of the company. Proxies in order to be valid must be lodged at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 24th day of September, 2013 to Monday, the 30th day of September, 2013 (both days inclusive).
3. Members are requested to notify the change of address, if any to the Company at the Registered office immediately quoting the folio number under which the shares are held
4. In case of Joint Holders, if more than one holder intends to attend the meeting they must obtain the additional admission (s) slip on request from the Registered Office of the Company.
5. All queries relating to the accounts must be sent to the Company at its Registered Office at least ten days before the holding of the Annual General Meeting.
6. Members/proxies are requested to bring their copies of the Annual Report along with duly filled admission slip(s) for attending the meeting.
7. Members who have multiple accounts in identical names or Joint accounts in the same order are requested to intimate the company, the ledger folio's of such accounts to enable the company to consolidate all such shareholdings into one account.

# PADAM COTTON YARNS LIMITED

## DIRECTOR'S REPORT

### Dear Shareholder(s),

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

### WORKING RESULTS

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

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

### DIVIDEND

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

### DEPOSITS

During the year under review, 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, 2013 have been prepared on a going concern basis.

#### **AUDITORS**

M/s Viney Goel & Associates, Chartered Accountants, the Company's Auditors shall retire at the conclusion of the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. The Auditors have informed that their re-appointment, if made, shall be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. The qualifications given by the Statutory Auditors regarding disputed excise duty were placed before the board and were discussed in detail. As the paragraphs are self explanatory, no further details are given here.

#### **DIRECTORS**

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

#### **CORPORATE GOVERNANCE REPORT**

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

#### **ACKNOWLEDGEMENT**

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

**By Order of the Board of Directors**

For Padam Cotton Yarns Limited,

Sd/-  
Rajev Gupta  
Director

Sd/-  
Vivek Gupta  
Director

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

# PADAM COTTON YARNS LIMITED

## Annexure-I

### Form - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

#### A. POWER AND FULE CONSUMPTION

	2012-13	2011-12
<b>1. Electricity</b>		
a) Purchased		
Units	Nil	Nil
Total amount Rs. In Lacs	Nil	Nil
Rate/Unit (Rs)	Nil	Nil
b) Own generation		
(i) Through Diesel Generator.		
Total Units	Nil	Nil
Unit per Ltr of Diesel Oil	Nil	Nil
Cost/Unit (Rs)		Nil
(ii) Through Steam Turbine/Generator.		
Units	Nil	Nil
Unit per Ltr of fuel oil/gas	Nil	Nil
Cost/Unit (Rs)	Nil	Nil
<b>2. Coal</b>		
Quantity (Tonnes)		Nil
Total Cost		Nil
Average Rate (Rs)		Nil
<b>3. Furnace Oil</b>		
Quantity (k.Ltr)		Nil
Total Amount		Nil
Average Rate (Rs)		Nil
<b>4. Others/internal generation</b>		
Quantity (Tonnes)		Nil
Total Cost		Nil
Rate /unit (Rs)		Nil

**B. Consumption per unit of production**

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

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

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

- 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****Foriegin Exchange**

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

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

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

Sd/-  
Rajev Gupta  
Director

Sd/-  
Vivek Gupta  
Director



**Annexure -II**  
**TO THE BOARD OF DIRECTORS**  
**REPORT ON CORPORATE GOVERNANCE**

The company has over the years followed best practices of Corporate Governance by adhering to the practices laid down by the management. The most important part of the Corporate Governance is the best business principles and leadership. As per the schedule of implementation of Corporate Governance Code mentioned in Clause 49 of the Listing Agreement, the Company has implemented the mandatory requirement of the code. The Directors are pleased to report the same as under.

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

Information as on 31.03.2013

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

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

The Board of Directors in their meeting held on 30th December, 2002 reconstituted the following sub-committees consisting of the following non-executive and independent directors, as per the requirements of Clause 49 of the listing Agreement:

**Audit Committee**

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

The Audit committee acts as a link between the management, the Auditors and the Board of Directors. The Committee provides the board with additional assurance as to the adequacy of the Company's internal control systems and financial disclosures.

**Remuneration committee**

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

**Shareholders Redressal Committee**

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

## GENERAL BODY MEETINGS

YEAR	VENUE	DATE	TIME
2012	71/3Miles Stone, G.T.Road, Karnal	29/09/2012	11.00AM
2011	71/3Miles Stone, G.T.Road, Karnal	30/09/2011	11.00AM
2010	71/3Miles Stone, G.T.Road, Karnal	10/09/2010	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	Monday
DATE	30th September, 2013
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 : April, 2012 to March, 2013

Month	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Traders	Total Turnover (Rs.)	Spread (Rs.)	
								HL	CO
Apr., 12			Nil						
May, 12			Nil						
Jun., 12			Nil						
Jul., 12			Nil						
Aug., 12			Nil						
Sept., 12			Nil						
Oct., 12			Nil						
Nov., 12			Nil						
Dec., 12			Nil						
Jan., 13			Nil						
Feb., 13			Nil						
Mar., 13			Nil						

**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. Rajev 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. Satwant 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 31.3.2013**

CATEGORY	NO OF SHARES	PERCENTAGE
PROMOTERS AND ASSOCIATES		
(1) INDIVIDUALS	2021600	52.20
(2) BODIES CORPORATE	0020000	00.51
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	0060693	01.57
INDIVIDUALS	0652697	16.86
(LESS THAN ONE LAC)		
(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 :18th. July, 2013.

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, 2013, 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, 2013, 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 : 30.05.2013

FOR VINEY GOEL & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(VINEYAGOEL)  
PARTNER

## AUDITOR'S REPORT

To

The Members of Padam Cotton Yarns Limited

We have audited the attached Balance Sheet of M/S PADAM COTTON YARNS LIMITED as at 31st March, 2013, the Profit & Loss A/c and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conduct our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order 2004 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to above we report that :
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
  - ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
  - iii) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
  - iv) In our opinion, the Balance Sheet, Profit & Loss A/c and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v) On the basis of the written representations received from the Directors, as on 31st March, 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31st, 2013 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
  - vi) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.
  - vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31.3.2013 and
    - ii) In the case of the Profit & Loss Account, of the profit for the year ended on that date.

**PLACE : KARNAL**

**DATE : 30.05.2013**

**FOR VINEY GOEL & ASSOCIATES  
CHARTERED ACCOUNTANTS**

**FRN : 012188N**

**Sd/-  
(VINEYA GOEL)  
PARTNER  
M.NO.90739**

**Re : PADAM COTTON YARNS LIMITED**

**Annexure 'A' to Auditor's Report dated 30.05.2013 on the accounts for the year ended 31.03.2013**

1. (a) Not Applicable as the company is not having any fixed assets as on 31.03.2013.  
(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 has also discontinued its trading operations 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 covered in the register maintained U/S 301 of the Companies Act, 1956. The number of parties is one and the maximum outstanding amount was Rs. 870000.  
(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) Not Applicable.  
(d) Not Applicable.  
(e) The Company has not taken loans, secured or unsecured, from companies firm or other parties listed in the register maintained U/S 301 of the Company Act, 1956, and from the companies under the same management during the year.  
(f) 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.  
(g) According to the information and explanations given to us no principal as well as interest was due against the company which was to be paid.

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 stores and other assets and with regard to 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 of the Companies Act 1956 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.
10. According to the records of the company, the company has not incurred any cash loss during the current financial year.
11. According to the records of the company, the company has not defaulted in repayment of dues to any financial institution or bank or debenture 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. Not Applicable.
14. Not Applicable.
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 not taken any term loan during the year.
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 made any preferential allotment of 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 have 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 : 30.05.2013**

**FOR VINEY GOEL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

**Sd/-**  
**(VINEYA GOEL)**  
**PARTNER**

**M/S PADAM COTTON YARNS LIMITED**  
**BALANCE SHEET AS ON 31st. March 2013**

PARTICULARS	Note No.	As at 31/03/13		As at 31/03/12	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' funds</b>					
(a) Share Capital	3	38,730,000.00		38,730,000.00	
(b) Reserves and Surplus	4	(7,108,948.59)		(5,434,822.00)	
(c) Money received against share warrants			31,621,051.41		33,295,178.00
<b>2. Share application money pending allotment</b> (To the extent not refundable)					
<b>3. Non-current liabilities</b>					
(a) Long-term borrowings		-	-	-	-
(b) Deferred Tax liabilities (Net)		-	-	-	-
(c) Other Long term liabilities		-	-	-	-
(d) Long-term Provisions		-	-	-	-
<b>4. Current Liabilities</b>					
(a) Short term borrowings		-	-	3,000.00	-
(b) Trade payables	6	-	-	43,913,515.00	-
(c) Other current liabilities	7	43,926,998.00	-	201.00	-
(d) Short term provisions	8	564.97	-	-	-
			43,927,562.97		43,916,716.00
			<b>75,548,614.38</b>		<b>77,211,894.00</b>
<b>II ASSETS</b>					
<b>1. Non-current assets</b>					
<b>(a) Fixed assets</b>					
<b>(i) Tangible assets</b>					
<b>(ii) Intangible assets</b>					
<b>(iii) Capital work-in-progress</b>					
<b>(iv) Intangible assets under development</b>					
(b) Non-current investments		-	-	-	-
(c) Deferred tax assets (net)	5	4,770,570.00	-	4,770,960.00	-
(d) Long-term loans and advances	9	870,000.00	-	19,140,000.00	-
(e) Other non-current assets	10	53,251,550.55	-	53,251,551.00	-
			58,892,120.55		77,162,511.00
<b>2. Current assets</b>					
(a) Current investments		-	-	-	-
(b) Inventories	11	16,500,070.00	-	-	-
(c) Trade receivables		-	-	-	-
(d) Cash and Bank Balances	12	156,423.83	-	49,383.00	-
(e) Short-term loans and advances		-	-	-	-
(f) Other current assets		-	-	-	-
			16,656,493.83		49,383.00
			<b>75,548,614.38</b>		<b>77,211,894.00</b>
See accompanying notes forming part of financial					

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

Sd/-  
(Vineya Goel)  
Partner  
Place : Karnal  
Dated : 30.05.2013

For and on behalf of  
For Padam Cotton Yarns Limited

Sd/-  
Rajev Gupta  
Director

Sd/-  
Vivek Gupta  
Director

**M/S PADAM COTTON YARNS LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST. MARCH 2013**

PARTICULARS	Note No.	As at 31/03/13		As at 31/03/12	
I Revenue from operations:	13				
Sale of Products					
Sale of Services					
Other Operating Revenues		209,000.00		282,500.00	
Less: Excise Duty			209,000.00		282,500.00
II Other Income					
III Total Revenue (I + II)			209,000.00		282,500.00
IV Expenses					
Cost of Materials Consumed					
Purchases of Stock in Trade	14	165,000,70.00			
Changes in inventories of finished goods, work in progress and Stock-in-trade	15	(165,000,70.00)			
Employee benefits expense					
Finance Costs	17	56.18			
Depreciation and amortization expense					
Other expense	16	207115.44		281,417.00	
Total Expense			207171.62		281,417.00
V Profit before exceptional and extraordinary items and tax (III-IV)			1,828.38		1,083.00
VI Exceptional Items					
VII Profit before extraordinary items and tax (V-VI)			1,828.38		1,083.00
VIII Extraordinary Items					
IX Profit before tax (VII-VIII)			1,828.38		1,083.00
X Tax expense:					
(1) P. Year Tax Liability					
(2) Current tax		564.97		201.00	
(3) Deferred tax		390.00		1,040.00	
Profit/(Loss) for the period from continuing operations (IX - X)			954.97		1,241.00
XI Profit/(Loss) for the period from discontinuing operations			873.41		(158.00)
XII Tax expense of discontinuing operations					
XIII Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)					
XIV Profit/(Loss) for the period (XI + XIII)			873.41		(158.00)
XV Earnings per equity share:					
(1) Basic					
(2) Diluted					
See accompanying notes forming part of financial statements					

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

Sd/-  
(Vineya Goel)  
Partner  
Place : Karnal  
Dated: 30.05.2013

For and on behalf of  
For Padam Cotton Yarns Limited

Sd/-  
Rajev Gupta  
Director

Sd/-  
Vivek Gupta  
Director

**PADAM COTTON YARNS LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

**NOTE '1'**

**Corporate Information**

The company is engaged in the business of trading. 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 non 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 relevant 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 expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could 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 known / materialise.

**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 and other losses, 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 commencements 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-Integral foreign operations outstanding at the Balance Sheet date are restated at the year-end bank ask 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 Schem. 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 judiced. 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 Contigent Liabilities**

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

	2012-13	2011-12
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 31/03/13	On 31/03/12
<b>NOTE '3'</b>		
<b>SHARE CAPITAL</b>		
-Authorised		
7000000 (2011: 8000000) Equity Shares of Rs. 10/- each	70,000,000.00	70,000,000.00
-Issued and Subscribed Capital		
5975200(2011: 5975200) Equity Shares of Rs10/- each fully paid-up.	59,752,000.00	59,752,000.00
-Paid up Capital		
3873000(2011: 3873000) Equity Shares of Rs10/- each fully paid-up.	38,730,000.00	38,730,000.00
<b>TOTAL</b>	<b>38,730,000.00</b>	<b>38,730,000.00</b>

**PADAM COTTON YARNS LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

(I) Reconciliation of Shares:	Nos	Amt(Rs)	Nos	Amt(Rs)
<b>Authorised Share Capital</b>				
Opening Share Capital	7,000,000	70,000,000.00	7,000,000	70,000,000
Add: Increased during the year	-	-	-	-
Closing Share Capital	7,000,000	70,000,000.00	7,000,000	70,000,000
<b>Issued Share Capital</b>				
Opening Share Capital	59,752,000	597,520,000.00	59,752,000	597,520,000.00
Add: Shares issued During the year	-	-	-	-
Add: Rights/Bonus Shares Issued	-	-	-	-
Total	59,752,000	597,520,000.00	59,752,000	597,520,000.00
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Closing Share Capital	59,752,000	597,520,000.00	59,752,000	597,520,000.00
<b>Paid up Capital</b>				
Opening Share Capital	3,873,000	38,730,000.00	3,873,000	38,730,000.00
Add: Shares issued During the year	-	-	-	-
Add: Rights/Bonus Shares Issued	-	-	-	-
Total	3,873,000	38,730,000.00	3,873,000	38,730,000.00
Less: Buy back of Shares	-	-	-	-
Less Reduction in Capital	-	-	-	-
Closing Share Capital	3,873,000	38,730,000.00	3,873,000	38,730,000.00

(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 2013, 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 Sain Gupta	474500	12.25	474500	12.25

**PADAM COTTON YARNS LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

Particulars	On 31/03/13 Rs.	On 31/03/12 Rs.
<b>NOTE '4'</b>		
<b>RESERVES AND SURPLUS</b>		
Capital Redemption Reserve		
Opening Balance	8,558,684.00	8,558,684.00
Add : Raised during the year	-	-
Less: Utilised during the Year	-	-
Closing Balance	<u>8,558,684.00</u>	<u>8,558,684.00</u>
General Reserve		
Opening Balance	1,675,000.00	1,675,000.00
Add : Raised during the year	-	-
Less: Utilised during the Year	1,675,000.00	-
Closing Balance	<u>-</u>	<u>1,675,000.00</u>
Profit and Loss Account		
Opening Balance	(15,668,506.00)	(15,668,348.00)
Add: Net Profit after tax During The Year	873.41	(158.00)
Closing Balance	<u>(15,667,632.59)</u>	<u>(15,668,506.00)</u>
<b>TOTAL</b>	<b>(7,108,948.59)</b>	<b>(5,434,822.00)</b>

Particulars	On 31/03/13 Rs.	On 31/03/12 Rs.
<b>NOTE '5'</b>		
<b>DEFERRED TAX LIABILITY(ASSETS)</b>		
Deferred Tax Assets		
Unabsorbed Depreciation	4,504,736.62	4,506,000.00
Short Term Capital Loss C/I	10,934,000.00	10,934,000.00
Gross deferred tax liability/Assets	<u>15,438,736.62</u>	<u>15,440,000.00</u>
Net deferred tax Liability/Assets	<u>15,438,736.62</u>	<u>15,440,000.00</u>
Tax effect of Items constituting deferred tax (liability) /Assets	4,770,570.00	4,770,960.00

Particulars	On 31/03/13 Rs.	On 31/03/12 Rs.
<b>NOTE '6'</b>		
<b>TRADE PAYABLES</b>		
For Goods		
For Expenses		3,000.00
<b>TOTAL</b>		<u>3,000.00</u>

Particulars	On 31/03/13 Rs.	On 31/03/12 Rs.
<b>NOTE '7'</b>		
<b>OTHER CURRENT LIABILITIES</b>		
New India Assurance Co Limited-Proteted A/c	43,913,515.00	43,913,515.00
Sanjay Kumar Garg & Associates	13,483.00	
<b>TOTAL</b>	<u>43,926,998.00</u>	<u>43,913,515.00</u>

**PADAM COTTON YARNS LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

Particulars	On 31/03/13 Rs.	On 31/03/12 Rs.
<b>NOTE '8'</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for Income Tax	564.97	201.00
<b>TOTAL</b>	<u>564.97</u>	<u>201.00</u>
<b>NOTE '9'</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
Unsecured, Considered Good		
Loan and Advances to Related Parties	870,000.00	17,465,000.00
Doubtful		
Capital Subsidy Receivable		1,675,000.00
<b>TOTAL</b>	<u>870,000.00</u>	<u>19,140,000.00</u>
<b>NOTE '10'</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Insurance Claim Receivable	52,951,550.55	52,951,551.00
Centvat Refundable ( Appeal A/c)	300,000.00	300,000.00
<b>TOTAL</b>	<u>53,251,550.55</u>	<u>53,251,551.00</u>
<b>NOTE '11'</b>		
<b>INVENTORIES</b>		
Finished Goods	16,500,070.00	
	<u>16,500,070.00</u>	
<b>NOTE '12'</b>		
<b>CASH AND BANK BALANCES</b>		
<b>-Cash and Cash Equivalents</b>		
Cash on Hand	136,007.75	30,146.00
Other Bank Balances		
-In Current Accounts		
HDFC Bank Limited- Karnal	20,416.08	19,237.00
<b>TOTAL</b>	<u>156,423.83</u>	<u>49,383.00</u>
<b>NOTE '13'</b>		
<b>REVENUE FROM OPERATION</b>		
<b>Indigenous Sales</b>		
Manufactured Goods		
Traded Goods		
Other Operating Revenues	209,000.00	282,500.00
<b>TOTAL</b>	<u>209,000.00</u>	<u>282,500.00</u>



**PADAM COTTON YARNS LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

Particulars	On 31/03/13 Rs.	On 31/03/12 Rs.
<b>NOTE '14'</b>		
<b>PURCHASE OF TRADED GOODS</b>		
Purchase of Trading Materials	16,500,070.00	
	<u>16,500,070.00</u>	
Particulars	On 31/03/13 Rs.	On 31/03/12 Rs.
<b>NOTE '15'</b>		
On difference between book balance and tax balance of fixed assets		
Stock at Commencement		
Stock in Trade.		
Less : Stock at Close		
Stock in Trade.	16,500,070.00	
	<u>16,500,070.00</u>	
Stock Decreased/(Increased) by	<u>(16,500,070.00)</u>	
Particulars	On 31/03/13 Rs.	On 31/03/12 Rs.
<b>NOTE '16'</b>		
<b>OTHER EXPENSES</b>		
Audit Fees	16854.00	10000.00
Generator Repair and Maintainance	0.00	89585.00
Legal & Professional Exp	50475.00	51755.00
Photostate Exp	1011.00	1997.00
AGM Exp	21845.00	21570.00
Rent	36000.00	36000.00
Annual Listing Fee	30436.00	29881.00
Fees & Taxes	15500.00	5100.00
Office Exp	3301.44	10885.00
Travelling Exp.	2239.00	7448.00
Telephone Exp	1743.00	2560.00
Freight	0.00	0.00
Printing and Stationery	2228.00	2636.00
Bank Charges	0.00	0.00
Cost Audit Fees	13483.00	0.00
Accounting Charges	12000.00	12000.00
<b>TOTAL</b>	<u>207,115.44</u>	<u>281,417.00</u>
<b>Notes</b>		
Payment to the auditors comprises (Incl. of Service tax)		
As Auditors- Statutory Audit	16,854.00	10,000.00
For Taxation Matters		
For Company Law Matters		
<b>Total</b>	<u>16,854.00</u>	<u>10,000.00</u>
Particulars	On 31/03/13 Rs.	On 31/03/12 Rs.
<b>NOTE '17'</b>		
<b>FINANCE COST</b>		
Bank Charges	56.18	
	<u>56.18</u>	

**PADAM COTTON YARNS LIMITED**  
**NOTES FORMING PART OF ACCOUNTS**

NOTE '18' ADDITIONAL INFORMATION		
Particulars	On 31/03/13 Rs.	On 31/03/12 Rs.
<b>18.1. Value of Imports calculated on CIF basis</b>		
Raw Materials	NIL	NIL
Disclosure is with regard to 'direct' imports by the Company		
Particulars	On 31/03/13 Rs.	On 31/03/12 Rs.
<b>NOTE '19' Related party disclosures</b>		
<b>Details of related parties:</b>		
Description of relationship		
Key Management Personnel (KMP)	Sh. Rajev Gupta	Sh. Rajev Gupta
Relatives of KMP	Sh. Padam Sain Gupta	Sh. Padam Sain Gupta
	Sh. Vivek Gupta	Sh. Vivek Gupta
Associate Concern	M/s Oswal Pumps Limited	M/s Oswal Pumps Limited
<b>(a) Summary of related party transactions</b>		
Transactions	Nil	Nil
Balance outstanding Oswal Pumps Limited	870,000.00	17,465,000.00

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

Sd/-  
(Viney Goel)  
Partner  
Place:- Karnal  
Date:- 30.05.2013

Padam Cotton Yarns Limited

Sd/-                      Sd/-  
(Rajev Gupta)                      (Vivek Gupta)

**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	31.03.2013

**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	75549
Total Assets	75549
Sources of Funds	
Paid up Capital	38730
Reserve & Surplus	(11879)
Secured Loans	NIL
Unsecured Loans	NIL
Application of Funds	
Net Fixed Assets	NIL
Investments	NIL
Net Current Assets	26851
Miscellaneous Exp.	NIL
Accumulated Losses	NIL

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

Turnover	209
Total Expenditure	207
Profit (Loss) before Tax	2
Profit After Tax	1
Earning per Share	N.A.
Dividend Rate (%)	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, 2013. 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, 2013 to members of the Company.

PLACE : KARNAL  
DATE : 30.05.2013

FOR VINEY GOEL & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(VINEYA GOEL)  
PARTNER

**PADAM COTTON YARNS LIMITED**

**Cash flow statement for the year ended 31st March 2013**

		31st March 2013	31st March 2012
		(Rupees)	(Rupees)
<b>A.</b>	<b>Cash flow from operating activities</b>		
	Net profit before tax but after exceptional / extraordinary items	1,828.38	1,083.00
	Adjustments for non-cash items:		
	Preliminary Expenses Written off	-	-
	Depreciation / amortization	-	-
	Interest & finance expense	56.18	-
	<b>Operating profit before working capital changes</b>	<b>1,884.56</b>	<b>1,083.00</b>
	Adjustments for changes in working capital :		
	(Increase)/decrease in trade receivables	-	-
	(Increase)/decrease in other current assets	-	-
	(Increase)/decrease in other non-current assets	0.45	89,585.00
	(Increase)/decrease in long-term loans & advances	18,270,000.00	2,675,000.00
	(Increase)/decrease in short-term loans & advances	-	-
	(Increase)/decrease in inventories	(16,500,070.00)	-
	Increase/(decrease) in trade payables	(3,000.00)	(2,646,612.00)
	Increase /(decrease) in other long-term liabilities	(1,675,000.00)	-
	Increase /(decrease) in other current liabilities	13,483.00	(7,235.00)
	Increase /(decrease) in long-term provisions	-	-
	Increase /(decrease) in short-term provisions	363.97	(39,099.00)
	<b>Cash generated from/(used in) operations</b>	<b>107,661.98</b>	<b>72,722.00</b>
	Taxes (paid) / received (net of withholding taxes TDS)	564.97	201.00
	Prior period (expenses)/income (net)	-	-
	<b>Net cash from/(used in) operating activities</b>	<b>107,097.01</b>	<b>- 72,521.00</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets		
	Proceeds from sale of fixed assets	-	-
	Purchase of non-current investments	-	-
	Purchase of current investments	-	-
	Share application money	-	-
	<b>Net cash from/(used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital		-
Raising of unsecured loans	-	-
Repayment of unsecured loans	-	(55,000.00)
Raising Of Secured Loans	-	-
Interest & finance charges paid	(56.18)	-
<b>Net cash from/(used in) financing activities</b>	<b>(56.18)</b>	<b>(55,000.00)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>107,040.83</b>	<b>17,521.00</b>
Cash & cash equivalents - opening balance	49,383.00	31,862.00
Cash & cash equivalents - closing balance	156,423.83	49,383.00
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>-</b>	<b>-</b>
<b>NOTES:</b>		
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:	
	<b>31st March 2013</b>	<b>31st March 2012</b>
Cash, cheques & drafts (in hand) and remittances in transit	136,007.75	30,146.00
Balance with banks		
Current account	20,416.08.	19,237.00
Deposit account	-	-
	156,423.83	49,383.00

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

Sd/-  
(Vineya Goel)  
Partner  
Place : Karnal  
Dated: 30.05.2013

For and on behalf of  
For Padam Cotton Yarns Limited

Sd/-  
Rajev Gupta  
Director

Sd/-  
Vivek Gupta  
Director

**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 19th. Annual  
General Meeting of the company to be held on Monday, 30th. September, 2013 at 11-00 A.M.  
at Registered Office or at any adjournment thereof.  
Signed this.....day of.....2013  
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 19th. Annual General Meeting held on Monday, 30th.  
September, 2013 at 11-00 A.M. at Registered Office.  
SIGNATURE OF THE MEMBER (S) OR PROXY/PROXIES PRESENT.....

**BOOK POST**  
PRINTED MATTER

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



# PADAM COTTON YARNS LIMITED

Regd. Office : 196, 1st Floor, G.T. Road,  
Opp. Red Cross Market, Karnal - 132 001  
CIN: - L17112HR1994PLC033641

## FORM B

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	PADAM COTTON YARNS LIMITED
2	Annual Financial Statements for the period ended	31 <sup>st</sup> March, 2013
3	Type of Audit Qualification	Qualified 1) Affect on the Company's working as a going concern as per AS-1
4	Frequency of Qualification	Qualification I appeared for the Second Time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Qualification appears at Page 13 of Annual Report & point 1(c) of CARO Report
	Additional comments from the board/audit committee chair	Nil
5	To be signed by- <ul style="list-style-type: none"> <li>• CEO/Managing-Director</li> <li>• CFO</li> <li>• Auditor of the company</li> <li>• Audit Committee Chairman</li> </ul>	<p>For Padam Cotton Yarns Ltd. <i>Rajesh Chandra</i> Director</p> <p>Nil</p> 