

# PADAM COTTON YARNS LIMITED

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

CIN: - L17112HR1994PLC033641

Dated: October 03, 2016

Dept. of Corporate Services  
The Bombay Stock Exchange Limited  
Registered Office: Floor 25,  
P J Towers, Dalal Street  
Mumbai 400001

Sub: Compliance of Clause 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – (SCRIP CODE 531395).

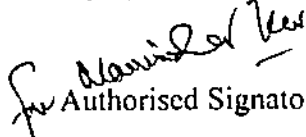
Dear Sir,

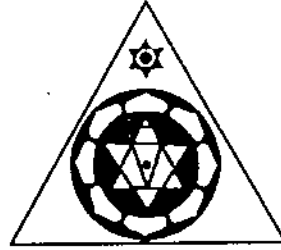
Please find enclosed a copy of annual report of the company for the year ended March 31, 2016 for your reference and records.

We request you to display the above on the notice board of the Exchange for the information of all the stakeholders.

Thanking You,

Yours faithfully

  
Authorized Signatory



**PADAM COTTON YARNS LIMITED**

**22nd Annual Report  
2015-16**

**BOARD OF DIRECTORS**

Shri Rajev Gupta Director/CEO  
 Shri Vivek Gupta Director  
 Shri Jai Kumar Independent Director  
 Shri Harbhajan Singh Independent Director  
 Shri Satwant Singh Independent Director  
 Mrs Radhika Gupta Women Director

**AUDIT COMMITTEE**

Mr. Jai Kumar (Member)  
 Mr. Satwant Singh (Member)  
 Mr. Harbhajan Singh (Chairman)

**REGISTERED OFFICE**

196, 1st Floor, G.T.Road,  
 Opp. Red Cross Market,  
 Kamal -132 001  
 www.padamcotton.com

**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,  
 Kamal-132001

**CONSULTING COMPANY SECRETARY**

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

**BANKERS TO THE COMPANY**

PUNJAB NATIONAL Bank  
 Spl. SSI Branch,  
 Namate Chowk,  
 Kamal (Haryana) - 132 001

**CHIEF FINANCIAL OFFICER**

Mr. Narinder Kumar Chutani

**NOMINATION & REMUNERATION COMMITTEE**

Mr. Jai Kumar (Member)  
 Mr. Satwant Singh (Member)  
 Mr. Harbhajan Singh (Chairman)

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Mr. Jai Kumar (Member)  
 Mr. Satwant Singh (Member)  
 Mr. Harbhajan Singh (Chairman)

**RISK MANAGEMENT COMMITTEE**

Mr. Jai Kumar (Member)  
 Mr. Satwant Singh (Member)  
 Mr. Harbhajan Singh (Chairman)

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## **PADAM COTTON YARNS LIMITED**

(CIN No. L17112HR1994PLC033841)

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

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

### **NOTICE**

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the members of the company will be held at the Registered Office of the Company at 196, Opposite Red Cross Market, Karnal-132001 on Friday, the 30th day of September, 2016 at 11.00 A.M. to consider and to transact the following business (s)

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Financial Statements of the company for the year ended on 31<sup>st</sup> March, 2016 along with the reports of Directors' and Auditors' there on.
2. To appoint a Director in place of Mr. Vivek Gupta who retires by rotation at this annual general meeting and being eligible offers himself for re-appointment
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General meeting and to fix their remuneration. M/s Viney Goel & Associates Chartered accountants, the retiring Auditors of the Company are eligible and offers themselves for re-appointment.

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

Place: Karnal.  
Dated: 03rd. August, 2016.

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

## **PADAM COTTON YARNS LIMITED**

### **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/herself and the proxy need not be a member of the company. Proxies in order to be valid must be lodged at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. Pursuant to the provisions of Section 91 of the Companies Act, 2013 read with Clause 42 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015, The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 20th day of September, 2016 to Friday, the 30<sup>th</sup> day of September, 2016 (both days inclusive).
3. In compliance with the provisions of Section 108 of the Companies Act, 2013 (The Act) and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and revised clause 44 of the SEBI (Listing Obligations And Administration) Regulations, 2015, the company is providing facility to its members to exercise their vote at the meeting through e-voting. Please refer to the instructions which are being sent along the Annual Report. The company has engaged the services of the Central Securities Depository Limited to provide remote electronic voting facility.
4. 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.
5. 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.
6. 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.
7. Members/proxies are requested to bring their copies of the Annual Report along with duly filled admission slip(s) for attending the meeting.
8. 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.
9. Pursuant to clause 49 of the Listing Agreement with the Stock Exchange additional information relating to Directors who are seeking appointment/re-appointment at the meeting have been added as a note to the Corporate Governance Report. The directors have furnished requisite declaration for their appointment/re-appointment.

**10. 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](http://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](http://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 :

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN *</b>	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"> <li>• 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.</li> <li>• 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.</li> </ul>
<b>DOB#</b>	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.
<b>Dividend Bank</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
<b>Detail#</b>	• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

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

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

- (x) Click on the EVSN for Padam Cotton Yarns Limited which is 160805005 on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
  - The Company has appointed Mr. Ramesh Bhatia, FCS a Company Secretary in Practice, as Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  - The scrutinizer shall immediately after conclusion of the AGM count the votes cast at the AGM and thereafter, unlock the votes cast through remote e-voting center in the presence of at least two witnesses (es) not in employment of the company. The scrutinizer shall submit a consolidated Scrutinizer report of the total votes cast in favor and of against if any not later than 48 hours after conclusion of the AGM to the Chairman.
  - The results declared along with the Scrutinizer's Report shall be available at the website of the company ([www.padamcotton.com](http://www.padamcotton.com)), and CDSL's website and the communication will be sent to the Bombay Stock Exchange Limited.
  - Details of the Director seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Regulation 36 (3) of the Listing Regulation and SS 2:

Name	: Vivek Gupta
Date of Birth	: 26/06/1969
Date of Appointment by the Board	: 02/11/1994
Relationship with other Director	: Mr. Vivek Gupta is the brother of Director/CEO
Qualification	: Graduate
Experience	: Over 20 years in Textile Industry
No of shares held in the Company	: 746600
List of the Companies in which he is Director	: Oswal Pumps Ltd. Shorya Trading Company Private Limited Ess Aar Corporate Services Pvt Ltd Singh Engcon Private Limited
Number of Board Meeting attended	: 5
Chairman/member of the committee	: Nil
Remuneration last Drawn	: Nil
Terms and Condition of Re-appointment	: Nil
Board Position Held	: Promoter Director

**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 Tuesday, the 27th Day of September, 2016 (9.00)AM and ends on Thursday, 29<sup>th</sup> September, 2016 (5.00) PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, the 23<sup>rd</sup> September, 2016, may cast their vote by remote e-voting. The e-voting module shall be disabled by CDSL for voting thereafter. Once vote on a resolution is cast by a member, the member shall not be allowed to re-cast or change it subsequently.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

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

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

Place: Kamal.  
Dated: 03rd. August, 2016.



# PADAM COTTON YARNS LIMITED

## DIRECTOR'S REPORT

### Dear Shareholders

Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2016.

### Financial Highlights

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

### OPERATIONAL & PERFORMANCE REVIEW

How-ever, your company has a miscellaneous income of Rs.5.29 Lacs against Rs. 3.24 Lacs during the previous year. Barring some un-foreseen circumstances, your directors are hopeful to give better results in terms of sales/ profits in the years to come.

### SUBSIDIARY COMPANY

During the year ended 31<sup>st</sup> March, 2016, the Company did not have any subsidiary company.

### FIXED DEPOSITS

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

### DIVIDEND

Keeping in view the non availability of the profits, your Directors do not recommend any dividend for the year under review.

### APPOINTMENT OF KEY MANAGERIAL PERSONS (KMPs) AND INDEPENDENT DIRECTORS

Pursuant to provisions of Sections 2(51) and 203 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 following persons are acting as key Managerial Personnel of the Company as on march, 2016.

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

None of the Key managerial Personnel has resigned during the year ended March 31, 2016.

### DIRECTORS

During the year under review, there has been no change in the composition of the Board of Directors. In accordance with the provisions of Sections 152 of the Companies Act, 2013 read with the Rules made there and articles of association of the Company, Mr. Vivek Gupta Director will retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. A brief resume of and particulars relating to them are given separately under the report on Corporate Governance/Notice calling the 22<sup>nd</sup> AGM.

### Formal Annual Evaluation

Your Company believes that systematic evaluation contribute significantly to improved performance at three levels Organizational, Board and Individual Board Member. It encourages the leadership, teamwork, accountability, decision making communication and efficiency of the Board. Evaluation also ensures teamwork by creating better understating of Board dynamics, board-management relation and thinking as a group within the Board. The Board has carried out an annual performance evaluation of its own, and that of its committees and individual Directors.

#### **STATUTORY AUDITORS**

At the 21st Annual General Meeting of Company held on 30<sup>th</sup> September 2015, held on M/s Viney Goel & Associates, Chartered Accountants, were re-appointed as Statutory Auditors of the Company, for a period of one year in accordance with the provisions of section 139 of Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014.

The Company has obtained a Letter of Eligibility in terms of provisions of section 139 of the Companies Act 2013 read with Companies (Audit & Auditors) Rules 2014 from M/s Viney Goel & Associates, Chartered Accountants, to the effect that their re-appointment, if made, would be in accordance of provisions of section 141 of the Companies Act 2013 and Rules made thereunder and that they are not disqualified for such appointment within the meaning of section 141 of the Companies Act, 2013, the Chartered Accountants Act 1949 and rules & regulations made thereunder. In terms of provisions of Section 139 of Companies Act, 2013, the appointment of Statutory Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s Viney Goel & Associates, Chartered Accountants, as Statutory Auditors of the Company, is placed for ratification by the shareholders.

#### **COST AUDIT**

Pursuant to provisions of section 148 of Companies Act 2013 & Rules made thereunder, your Company is, not now covered under these provisions.

#### **AUDITOR'S REPORT**

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

#### **SECRETARIAL AUDIT**

Shri Ramesh Bhatia, Practising Company Secretary has been appointed by the Board to conduct Secretarial Audit under provisions of section 204 of the Companies Act 2013. The Secretarial Audit report is annexed with the Director's Report as Annexure 2. There is no qualification in secretarial audit report.

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

Energy conservation continues to be an area of major emphasis in your Company. Efforts are made to optimize the energy cost while carrying out manufacturing operations. As required by the provisions of section 134 of the Companies Act, 2013, the relevant information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in the Annexure- 1 forming part of this report.

#### **STATUTORY DISCLOSURES**

None of the Directors of the Company are disqualified under the provisions of section 164 of the Companies Act 2013. The Directors have made the requisite disclosures, as required under the Companies Act 2013 and Clause 49 of the Listing Agreement.

#### **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance. The Company has complied with the Corporate Governance requirements as stipulated under Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Report on Corporate Governance together with certificate from the statutory auditors forms part of the Corporate Governance is annexed to this report.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed and that there are no material departures;
  - (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit or loss of the Company for the year ended on that date;
  - (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - (d) the annual accounts have been prepared on a going concern basis;
  - (e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.
  - (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequately and operating effectively.
- Based on the framework of internal financial controls and compliance system established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year.

#### **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 92 (3) of the Companies Act, 2013, extract of the Annual Return in Form MGT 9 is annexed to this report as annexure - 3.

#### **NUMBER OF BOARD MEETINGS**

During the financial year 2015-16, five meetings of the board of directors were held. The meetings were held on 29th May, 30th July, 08th September, 6th November 2015 and 25th January, 2016. As stipulated by Code of Independent Directors under Companies Act 2013 and under Listing Agreement, a separate meeting of independent directors was held on 25th January 2016. The other relevant details of Board meetings and the attendance of the Directors etc. is given under Corporate Governance Report annexed with Director's Report.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors of the Company have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act 2013 stating that they meet the criteria of independence as provided in sub-section (6) read with Regulation 16 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### **PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Details of Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are given in the notes to the financial statements provided in this Annual Report.

#### **RELATED PARTY TRANSACTIONS**

There are no related party transactions made by the Company with the Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

#### **POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

Being an equal employment opportunity company and to ensure that every employee of the Company is treated with dignity & respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has in place a formal policy for Prevention of Sexual Harassment of Employees at Workplace.

#### **MATERIAL CHANGES FROM END OF FINANCIAL YEAR TILL DATE OF REPORT**

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report other than those disclosed in the financial statements.

## **RISK MANAGEMENT POLICY**

Risk management is a continuous process across the organization designed to identify, assess and frame a response to threats that affect the achievement of its objectives. It enables management to prepare for risks before they devolve to improve the operational effectiveness. Therefore considering the same, Company's Risk Management Policy includes three key elements:

- I. Risk Assessment
- II. Risk Management and Risk Mitigation
- III. Risk Monitoring

Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed effectively.

**POLICY ON DIRECTOR'S APPOINTMENT & REMUNERATION AND OTHER PRESCRIBED MATTERS**  
The Nomination and Remuneration Committee constituted by the Company functions in accordance with the terms of reference as set out under provisions of Clause 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with provisions of Section 178 of the Companies Act, 2013 & rules made thereunder.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As the company is not having profits the report may be treated as NIL.

## **INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY**

Your Company maintains an adequate and effective Internal Control system commensurate with its size and complexity. The Company has dedicated Internal Audit Department. Internal control systems provide, among other things, a reasonable assurance that transactions are executed with Management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safeguarded against significant misuse or loss.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

During the year under review, there is no material order(s) passed by the regulators or courts or tribunal impacting the going concern status and company's operation in future.

## **DISCLOSURE REGARDING COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES 2014**

The paid up equity share capital of the Company as at 31<sup>st</sup> March 2016 comprises of 3873000 equity shares of Rs. 10/- each i.e. Rs. 3,87,30,000/-. As required under Companies (Share Capital and Debenture) Rules 2014, during the year under review, the Company has not issued equity shares with differential voting rights, sweat equity shares, preference shares, employee stock options and also not made any provision for purchase of its own shares by employees or by trustees.

## **DISCLOSURE REGARDING VOTING RIGHT NOT EXERCISED DIRECTLY BY THE EMPLOYEES**

During the year under review, there is NIL disclosure as required under provisions of section 67(3) of Companies Act 2013.

## **AUDIT COMMITTEE**

Audit Committee constituted by the Company functions in accordance with the terms of reference as set out under the provisions of Clause 18 of the SEBI (Listing Obligations and Requirements) Regulations, 2015 read with provisions of Section 177 of Companies Act, 2013 & rules made thereunder and additional responsibilities assigned to it by Board of Directors of the Company. The Committee reviews the internal audit reports and findings of internal auditors along with the comments of management. The functions of the Audit Committee among others, include approving and implementing the audit procedures, effective supervision of financial reporting system, Whistle Blower Mechanism, internal control and procedures, recommending appointment of Statutory Auditors, Cost Auditors to Board and also ensuring compliances with regulatory guidelines. The Board has constituted the Audit Committee comprises of following:

S. No.	Name of Member	Category
1.	Mr. Harbhajan Singh, Member	Independent/Non-Executive
2.	Mr. Satwant Singh, Member	Independent/Non-Executive
3.	Mr. Jai Kumar, Member	Independent/Non-Executive

The other relevant details of Audit Committee are given under Corporate Governance Report annexed with Director's Report.

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has adopted Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. This policy is reviewed quarterly by the Audit Committee to check the effectiveness of the policy.

#### **PERFORMANCE EVALUATION OF BOARD OF DIRECTORS**

During the year under review, the Board adopted a formal mechanism for evaluating its performance and as well as that of its committees, individual Directors, including the Chairman of the Board in compliance with the Companies Act 2013 and Clause 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation of various Board Committees constituted under Companies Act & Listing Agreement was made on the basis of their respective terms of reference, discharge of functions, governance etc.

As stipulated by Code of Independent Directors under Companies Act 2013 and Listing Agreement, a separate meeting of independent directors was held on 25<sup>th</sup> January 2016 to review the performance of Non-Independent directors including the Chairman and the Boards as a whole. The independent Directors also reviewed the quality, content and timeliness of flow of information between Management and the Board.

#### **Disclosure of Information's as required under rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The company has not paid any remuneration to the directors during the year ended on 31<sup>st</sup> March, 2016 as such necessary disclosures as required under rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not given.

#### **ACKNOWLEDGEMENT**

Your Directors wish to convey their appreciation to all of the Company's employees for their enormous efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank shareholders, customers, dealers, suppliers, Financial Institutions, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

By order of the Board

Place : Karnal  
Dated : 03.08.2016

Sd/-  
(Rajev Gupta)  
DIRECTOR  
DIN-00172828

Sd/-  
(Vivek Gupta)  
DIRECTOR  
DIN-00172835

## PADAM COTTON YARNS LIMITED

Annexure-1 to Directors' Report

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE PERIOD ENDED 31ST MARCH, 2016.

### I. CONSERVATION OF ENERGY

a) Energy conservation measures taken : Nil

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy : Nil

c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Nil

d) Total energy consumption and energy consumption per unit of production to the rules in respect of industries specified in the schedule thereto :

### A. POWER AND FULE CONSUMPTION

1. Electricity	Current Year	Previous Year
a) Purchased Units (KW)	Nil	Nil
Total amount (Rs. In Lacs)	Nil	Nil
Rate/Unit (Rs)	Nil	Nil
b) Own Generation through	Nil	Nil
FO/Diesel Generator Unit(KW)	Nil	Nil
Units/Ltr. of Diesel Oil /FO	Nil	Nil
Cost/Unit(Rs/KW)	Nil	Nil
2. Coal(Specify quality and where used)(KG)	Nil	Nil
Pet Coke for Boiler		
3. HSD & Furnace Oil Qty.(MT)		
Total amount (Rs. in lacs)	Nil	Nil
Average rate(Rs. per M.T )	Nil	Nil
4. GAS		
Total amount (Rs. in lacs)	Nil	Nil
Average rate(Rs. per Kg )	Nil	Nil
B) Consumption per Unit of Production		
Electricity /Own generation (KW)	Nil	Nil
HSD & Fumace Oil (Lts)	Nil	Nil
Gas (Kgs)	Nil	Nil

## II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption.

### 1) Research & Development (R & D)

- Being a conventional industry there is no activity of research and development.

### 2) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Production process of the Company is not energy intensive, discipline to switch off lights and machines tools, when not working is prevalent.
- There is no significant pollution of Air & Water involved in the manufacturing process of the company.

### 3) FOREIGN EXCHANGE EARNINGS AND OUTGO

- Total Foreign Exchange used and earned

	Current year	(Rs. in Lacs) Previous year
Earnings	Nil.	Nil
Outgo	Nil	Nil

By order of the Board

Place : Karnal  
Dated : 03.08.2016

Sd/-  
(Rajav Gupta)  
DIRECTOR  
DIN-00172828

Sd/-  
(Vivek Gupta)  
DIRECTOR  
DIN-00172835

**PADAM COTTON YARNS LIMITED**

**Annexure-2**

(Form No. MR - 3)

**SECRETARIAL AUDIT REPORT**

Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies ( Appointment and Remuneration Personnel ) Rules, 2014  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016**

To,

The Members,  
Padam Cotton Yarns Limited  
196, G.T. Road, Opp. Red Cross Market,  
Karnal -132001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Padam Cotton yarns Limited, Karnal. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon. Based on my verification of the company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers minute books, forms and returns filed and other records maintained by Padam Cotton Yarns Limited for the financial year ended on 31/03/2016 according to the provisions of



1. The companies Act, 2013 ( the Act ) and the rules made there under ;
2. The Securities Contracts ( Regulations ) Act, 1956 ( SCRA ) and the rules made there under ;
3. The Depositories Act, 1996 and the Regulations and Bye Laws framed there under ;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ( SEBI Act ) :
  - (a) The Securities and Exchange Board of India ( Substantial Acquisition of Shares and Takeover ) Regulations, 2011 ;
  - (b) The Securities and Exchange Board of India ( Prohibition of Insider Trading ) Regulations, 2011 ;
  - (c) The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirement ) Regulations, 2011 ;
  - (d) The Securities and Exchange Board of India ( Registrars to an Issue and share Transfer Agents ) Regulations ; 1993 regarding the Companies Act and dealing with client ;
  - (e) The company has complied with the requirements under the Equity Listing Agreements entered into with the Bombay Stock Exchange Limited,
  - (f) I have relied on the representation made by the company and its officers for systems and mechanism put in place by the company for compliances under the applicable Acts, laws and regulations to the company, the details of which are attached as Annexure to management representation.

I have also examined compliance with the applicable clauses of the following :

- A) Secretarial Standards issued by The Institute of Company Secretaries of India.
- B) The Listing Agreements entered into by the company with Bombay Stock Exchange Limited, during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non - Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, suits, rules, regulations and guidelines.

Place : Chandigarh

Date : 30/05/2016

Sd/-  
(Ramesh Bhatia)  
Company Secretary in practice

FCS No. 2483

C P No. 1917

# PADAM COTTON YARNS LIMITED

## Annexure - 3

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2016

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014)

#### I. REGISTRATION AND OTHER DETAILS :

i)	CIN	:	L17112HR1994PLC033541
ii)	Registration Date	:	02.11.1994
iii)	Name of the Company	:	
iv)	Category / Sub-Category of the Company	:	Public Company limited by shares
v)	Address of the Registered office and contact details	:	# 196, 1st Floor, Opposite Red Cross Market, GT Road, Karnal PIN 132001 TELEPHONE 0184-6616601-09
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Beetal Financial & Computer Services Pvt. Ltd. 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110062. TELE :91-11-29961281 mail-id : beetal@beetalfinancial.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Spinning	99625312	nil
2	Dyeing	nil	nil

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :- Nil

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the Year [As on 01-April-2015]				No. of Shares held at the end of the Year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2021600	-	2021600	52.20	1998300	NIL	1998300	51.60	1.11
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	20000	20000	0.51	-	NIL	NIL	NIL	1.11
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>SubTotal (A)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
1. NRI - Individuals	-	-	-	-	-	-	-	-	-
2. Other - Individuals	-	-	-	-	-	-	-	-	-
3. Bodies Corp.	-	-	-	-	-	-	-	-	-
4. Banks / FI	-	-	-	-	-	-	-	-	-
5. Any Other	-	-	-	-	-	-	-	-	-
<b>Sub -Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding Of Promoter (A) = (A)(1)+(A)(2)</b>	2021600	20000	2041600	52.71	NIL	1998300	1998300	51.60	1.11
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Subtotal (B)(1)-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	18001	50000	68001	1.76	18154	70000	88154	2.28	0.52
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	1115600	1115600	28.80	0	1034100	1034100	26.70	-2.10
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	78447	566942	645389	16.67	78043	671742	749785	19.36	2.69
c) Others (specify)	-	2410	2410	0.06	2661	0	2661	0.06	-
<b>Sub total (B)(2)-</b>	<b>96448</b>	<b>1734952</b>	<b>1831400</b>	<b>47.29</b>	<b>98858</b>	<b>671742</b>	<b>1874700</b>	<b>48.40</b>	<b>1.11</b>
<b>Total Public Shareholding (B)-(B)(1)+ (B)(2)</b>	<b>96448</b>	<b>1734952</b>	<b>1831400</b>	<b>47.29</b>	<b>98858</b>	<b>1775842</b>	<b>1874700</b>	<b>48.40</b>	<b>1.11</b>
C. Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2118048</b>	<b>1754952</b>	<b>3873000</b>	<b>100</b>	<b>2097158</b>	<b>1775842</b>	<b>3873000</b>	<b>100</b>	<b>-</b>

**B) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Satwant Singh Bhullar	2500	0.06	0	0	0	0	-0.06
2	Kiran Gupta	2500	0.06	0	0	0	0	-0.06
3	Naresh Chand Gupta	3000	0.08	0	0	0	0	-0.08
4	Krishna Devi	7000	0.18	0	0	0	0	-0.18
5	Syega Ram	8300	0.21	0	0	0	0	-0.21
6	Radhika Gupta (AAPPG4042H)	44500	1.15	0	44500	1.15	0	0
7	Prem. Lata(AADPL3023F)	48500	1.25	0	48500	1.25	0	0
8	Rekha Gupta (AAPPG4033J)	53500	1.38	0	53500	1.38	0	0
9	Padam Sain Gupta (AAPPG4043G)	474500	12.25	0	474500	12.25	0	0
10	PRV Export Pvt. Ltd.	10000	0.26	0	0	0	0	-0.26

11	Padam Leasecredits P Ltd.	10000	0.26	0	0	0	0	0.26
12	Vivek Gupta (HUF) (AACHV1673G)	10475	0.27	0	10475	0.27	0	0
13	Rajev Gupta (HUF) (AAFHR4485P)	10475	0.27	0	10475	0.27	0	0
14	Rajev Gupta (AAPPG4046D)	609750	15.74	0	609750	15.74	0	0
15	Vivek Gupta (AAPPG4029A)	746600	19.28	0	746600	19.28	0	0
	TOTAL	2041600	52.71	0	1998300	51.60	0	-1.11

C) Change in Promoters' Shareholding (please specify, if there is no change) There has been no change in the Promoters shareholding.

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2041600	52.71	1998300	51.60
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	2041600	52.71	1998300	51.60

D) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	595600	15.38	595600	15.38
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. Allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
	At the end of the year	595600	15.38	595600	15.38

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year	Cumulative Shareholding during the year
----	--	---	---

	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year				
1. Vivek Gupta	609750	15.74	609750	15.74
2. Rujev Gupta	746600	19.28	746600	19.28
3. Radhika Gupta	44500	01.15	44500	01.15
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0
At the end of the year				
1. Vivek Gupta	609750	15.74	609750	15.74
4. Rujev Gupta	746600	19.28	746600	19.28
5. Radhika Gupta	44500	01.15	44500	01.15

**F) INDEBTEDNESS - indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time Directors and/or Manager : Nil**

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :- Nil**

1. Company

Penalty, Punishment, compounding

NIL

**2. Directors**

Penalty, Punishment, compounding NIL

**3. Other officers in default**

Penalty, Punishment, compounding NIL

B. Remuneration to other directors: Nil

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Rs. in Lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Sh. Rajev Gupta (CEO)	Sh. Narinder Chutani (CFO)		Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL		NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL		NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL		NIL
2.	Stock Option	NIL	NIL		NIL
3.	Sweat Equity	NIL	NIL		NIL
4.	Commlasion - as % of Profit  - others, specify...	NIL	NIL		NIL
5.	Others, please specify (Provident fund)	NIL	NIL		NIL
	Total	NIL	NIL		NIL

By order of the Board

Place : Karnal  
Dated : 03.08.2016

Sd/-  
(Rajev Gupta)  
DIRECTOR  
DIN-00172828

Sd/-  
(Vivek Gupta)  
DIRECTOR  
DIN-00172835



# PADAM COTTON YARNS LIMITED

## Corporate Governance Report

### 1. Company's philosophy on code of Governance

Corporate governance is a value-added framework to manage Company's affairs in a fair and transparent manner. This framework is used to maintain accountability in all affairs. The company has evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding financials, performance, leadership and governance of the Company.

### 2. Board of Directors

The Board of Directors of your Company as on 31<sup>st</sup> March 2016, consists of six Directors, out of which two are Promoter Directors, and three are Non-Executive Independent Directors and there is one woman Director i.e. Radhika Gupta who was appointed as Additional Director in the capacity of a Non-Executive Director. None of the Directors on the board is a member on more than 10 committees and Chairman of more than 5 committees (as specified in clause 49 of the Listing Agreement with Stock Exchange), across all the companies in which they are Directors. The necessary disclosures regarding committee memberships have been made by all the Directors. The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 of Companies Act 2013 and rules made thereunder and meet with requirements of Clause 49 of Listing Agreement.

During the financial year 2015-16, four board meetings were held. The meetings were held on 29th May, 2015, 30th July, 2015, 08th September 2015, 06th November, 2015 & 25th January 2016. As stipulated by Code of Independent Directors under Companies Act 2013 and under Listing Agreement, a separate meeting of independent directors was held on 25th January, 2016 to review the performance of Non-Independent Directors and the Boards as a whole.

The names and categories of Directors on the board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships/ Committee memberships/ Chairmanship held by them in other Companies are given below:

No. of Directorship and Committee Membership/Chairmanship as on 31.03.2016 :-

Name of Director	Category	Attendance Particulars		No. of Directorship	No. of Membership/Chairmanship in Committees		
		Board Meeting	Last AGM		Membership	Chairmanship	Total
Sh. Rajev Gupta	Director	5	Yes	7	-	-	-
Sh. Vivek Gupta	Director	5	Yes	4	-	-	-
Sh. Jai Kumar	INED	3	Yes	1	-	-	-
Sh. Harbhajan Singh	INED	3	Yes	2	-	-	-
Sh. Satwant Singh	INED	4	Yes	1	-	-	-
Smt. Radhika Gupta	Director	1	N.A.	-	-	-	-

### 3. Code of Conduct

In terms of provisions of Clause 27 of the SBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and contemporary practices of good Corporate Governance, the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company.

### 4. CEO and CFO Certification

Sh. Narinder Chutani, Chief Financial Officer (CFO) & Shri Rajev Gupta, Director & CEO of the Company have certified to the Board under the provisions of Clause 49 (IX) of the Listing Agreement, *inter-alia*, dealing with the review of financial statements and cash flow statement for the year ended on 31<sup>st</sup> March 2016, transactions entered into by the Company during the said period, their responsibility for establishing and maintaining internal control systems for financial reporting and evaluation of the effectiveness of the internal

control system and making of necessary disclosures to the Auditors and the Audit Committee have been duly complied with. The said certificate is attached and forms part of the Annual Report.

#### 5. Audit Committee

Audit Committee function in accordance with the terms of reference as set out under the provisions of Clause 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with provisions of Section 177 of the Companies Act, 2013 & rules made thereunder and additional responsibilities assigned to it by Board of Directors of the Company. The Committee reviews the internal audit report and findings of internal auditors along with the comments of management. The functions of the Audit Committee among others, include approving and implementing the audit procedures, effective supervision of financial reporting system, Whistle Blower Mechanism, internal control and procedures, recommending appointment of Statutory, Cost Auditors to Board and also ensuring compliances regulatory guidelines.

During the financial year 2015 - 16, Four Audit Committee meetings were held on 29th May, 30th July, 06th November and 25th January, 2016. The detailed data on the committee meetings is given as under:

S.No.	Name of members	Category	No. of meetings attended during the year 2015-2016
1	Sh Jal Kumar Member	Independent/Non-Executive	4
2	Sh Sarwant Singh, Member	Independent/Non-Executive	4
3	Sh Harbhajan Singh, Member	Independent/Non-Executive	4

The Director/promoter along with the Statutory Auditors, Cost Auditors and Internal Auditor were invitees to the meetings.

#### 6. Nomination and Remuneration Committee

The Nomination and Remuneration Committee functions in accordance with the terms of reference as set out under provisions of Clause 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with provisions of Section 178 of the Companies Act, 2013 & rules made there under. The Nomination and Remuneration Committee have formulated different policies as required under the Companies Act as well as under Listing Agreement. The company has not paid any remuneration to the directors during the year ended on 31/03/2016.

During the financial year 2015-16, only one such meeting of Nomination and Remuneration committee was held on 29th May, 2015 and 25th January, 2016, as the company is not paying any remuneration to any of its directors

S.No.	Name of members	Category	No. of meeting attended during the year 2015-2016
1	Sh Jal Kumar Member	Independent/Non-Executive	2
2	Sh Sarwant Singh, Member	Independent/Non-Executive	2
3	Sh Harbhajan Singh, Member	Independent/Non-Executive	2

#### Remuneration Policy

The objective of this Policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Company has adopted and implemented the provisions of Section 178 of the Companies Act, 2013 on the requirement of the Committee to recommend to the Board a policy, however it has not paid any remuneration during the year under review to the directors or KMP's.

#### 7. Stakeholders Relationship Committee

The Stakeholders Relationship Committee functions in accordance with the terms of reference as set out under provisions of Clause 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with provisions of Section 178 of the Companies Act, 2013 & rules made there under i.e. Redressing of Shareholders/Investors complaints, regarding to share transfers, non-receipt of balance sheet/dividend by the shareholders etc.

During the financial year 2015-16, Four Committee meetings were held on 29<sup>th</sup> May, 30<sup>th</sup> July, 06<sup>th</sup> November, 25<sup>th</sup> January, 2016, the details of which are given below:

S.No.	Name of members	Category	No. of meetings attended during the year 2014-2015
1	Sh Jai Kumar, Member	Independent/Non-Executive	4
2	Sh Satwant Singh, Member	Independent/Non-Executive	4
3	Sh Harbhajan Singh, Member	Independent/Non-Executive	4
4	Sh. Rajev Gupta Member	Non Executive Director	4

During the financial year, the request for transfer/demat/remat of shares, change of address etc have been duly effected. During the year, complaints received received were resolved by the RTA under intimation to the Board. No grievance was pending at the end of the financial year. Sh Rajev Gupta, Director is the Compliance Officer of the Company for SEBI/ Stock Exchange/ROC related Issues etc.

#### 8. Risk Management Committee :

The Clause 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the constitution of risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

During the financial year 2015 - 16, four Committee meeting were held on 29<sup>th</sup> May, 30<sup>th</sup> July, 06<sup>th</sup> November and 25<sup>th</sup> January, 2016.

S.No.	Name of members	Category	No. of meetings attended during the year 2015-2016
1	Sh Jai Kumar, Member	Independent/Non-Executive	4
2	Sh Satwant Singh, Member	Independent/Non-Executive	4
3	Sh Harbhajan Singh, Member	Independent/Non-Executive	4
4	Sh Rajev Gupta	CEO/Compliance officer	4

#### 9. Corporate Social Responsibility (CSR) Committee:

The provisions of Section 135 of Companies Act, 2013 and rules made thereunder regarding CSR are not applicable to the company.

#### 10. Whistle Blower Policy

The Company has adopted Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. This policy is reviewed quarterly by the Audit Committee to check the effectiveness of the policy. No personnel have been denied access to the Audit Committee.

#### 11. General Body Meetings

The last three Annual General Meetings of the Company were held as under :

Year	Venue	Date	Time
2012-2013	196 opp Red Cross Market GT Road Karnal	30/09/13	11.00 A.M.
2013-2014	196 opp Red Cross Market GT Road Karnal	30/09/14	11.00 A.M.
2014-2015	196 opp Red Cross Market GT Road Karnal	30/09/15	11.00 A.M.

E-Voting facility through CDSL was provided in the last AGM.

#### 12. Subsidiary Company

During the year ended 31<sup>st</sup> March, 2016, neither the Company has any subsidiary nor any material listed/unlisted subsidiary company.

#### 13. Disclosures

The Company has formulated the policy on dealing with Related Party Transaction in pursuance to the provisions of clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, there were no party transactions of the Company under the said policy and as per provisions of section 188 of Company Act 2013 & rules made thereunder. There are no materially significant related party transaction made by the company with its promoters, Directors of management, their relatives etc. That may have potential conflict with the interest of the company at large. Suitable disclosures as required by the Accounting Standards (as 18) are disclosed.

During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital markets.

#### 14. Performance evaluation of Board of Directors

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its committees, individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning.

#### 15. Familiarisation Programme/Induction for Independent Directors

At the Board Meetings, apart from the regular agenda items, it is ensured that the Board members are provided a deep and thorough insight into the business model of the Company and updates either by way of presentation of business units or otherwise. The Board members get an open forum for discussion and share their experience.

#### 16. Board Diversity Policy

The Nomination and remuneration Committee have formulated Board Diversity Policy in accordance with the Clause 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Under the said policy, it is recognized that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the company.

#### 17. Details for Unclaimed Suspense Account for Unclaimed Shares

As per Clause 5A of the Listing Agreement, the information is NIL.

#### 18. Means of Communications

The quarterly, half yearly & annual financial results, notices etc. are published in widely circulating national & local dailies newspaper Business Standard (in English and Hindi) editions. The same are also being posted on the website of BSE [www.bseindia.com](http://www.bseindia.com) under Scrip Code '531395'.

#### 19. General Shareholder informations

Annual General Meeting at 11:00 A.M. on 30<sup>th</sup> September 2016 at Registered Office of the Company at 196, Opposite Red Cross Market, GT Road, Karnal.

Financial Calendar	: 1st April, 2015 to 31 <sup>st</sup> March, 2016
Date of Book Closure	: 20/09/2016 to 30/09/2016 (both days inclusive)
Dividend Payment Date	: N.A.
Listing on Stock Exchange	: Bombay Stock Exchange Limited (BSE)

Scrip Code : 531395  
 Global Depository Receipts (GDRs) : NA  
 ISIN & Trading Code of GDRs : NA  
 Demat ISIN Number In NSDL & CDSL : INE  
 Corporate Identity Number (CIN) : L17112HR1994PLC033641

Annual listing fee for the year 2016-2017 has duly been paid to Bombay Stock Exchange(BSE). The Company has also paid the Annual Custodial Fee to NSDL & CDSL for the year 2016-2017.

Market price data – High and Low during each month on BSE in the financial year 2015-16.  
 Stock code - 531395 (Source: www.bseindia.com)

Months	High	Low	Closed	Shares
April, 2015	30.20	28.80	30.20	77
May, 2015	NIL	NIL	NIL	NIL
June, 2015	NIL	NIL	NIL	NIL
July, 2015	NIL	NIL	NIL	NIL
August, 2015	NIL	NIL	NIL	NIL
September, 2015	31.70	30.15	30.15	504
October, 2015	30.50	28.65	30.05	61
November, 2015	NIL	NIL	NIL	NIL
December, 2015	28.55	28.55	28.55	25
January, 2016	27.15	27.15	27.15	38
February, 2016	NIL	NIL	NIL	NIL
March, 2016	NIL	NIL	NIL	NIL

Registrar and Share Transfer Agent : Beetal Financial & Computer Services Pvt. Ltd.  
 99, Madangir, Behind Local Shopping Centre,  
 Near Dada Harsukhdas Mandir,  
 New Delhi - 110062  
 Tele. No. 011-29961281-83 Fax No: 011-29961284  
 E-mail : beetal@beetalfinancial.com

Share Transfer System : Shares lodged in physical form with the RTA directly or through Company, are processed and returned, duly transferred, within fifteen days normally, except in cases which are under objection.  
 In respect of shares held in dematerialised mode, the transfer takes place Instantaneously between the transferor, transferee and the Depository Participant through electronic debit/credit of the accounts involved.

Compliance Officer : Sh. Rajev Gupta,  
 E-mail ID's : rajevoswal@yahoo.com

Distribution of shareholding as on 31<sup>st</sup> March, 2016.

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
001 - 500	1017	95.945	639545	16.51

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
501 - 1000	8	0.755	69555	1.80
1001 - 2000	8	0.755	102450	2.65
2001 - 3000	1	0.090	26900	0.69
3001 - 4000	2	0.190	76600	1.98
4001 - 5000	7	0.680	324900	8.39
5001 - 10000	14	1.325	802200	20.71
10001 and above	3	0.280	1830850	47.27
<b>Total</b>	<b>1057</b>	<b>100.00</b>	<b>3873000</b>	<b>100.00</b>

Shareholding Pattern as on 31<sup>st</sup> March, 2016.

Category	No. of shares	Percentage
Promoters/Promoter Group	1998300	51.60
FI's/FII's/ Banks/ Mutual Funds	0	0
NRIs	2661	0.06
Bodies Corporates	88154	2.28
Indian Public	1783885	46.06
Shares held by Custodian & against which Depository Receipts have been issued	0	0
<b>Total</b>	<b>3873000</b>	<b>100.00</b>

Details of shareholding of Directors in the Company as on 31.03.2016.

Name of Director	No. of shares held
Sh Rajev Gupta	609750
Sh Vivek Gupta	746600
Sh. Jai Kumar	0
Sh. Satwant Singh	0
Sh. Harbhajan Singh	0
Smt Radhika Gupta	44500

Dematerialisation of shares and liquidity : 54.148% of the shares issued by the Company have been dematerialized upto 31<sup>st</sup> March, 2016.

Plant(s) Location : NIL

Address for correspondence : 196, Opposite Red Cross Market, G T Road, Karnal

By order of the Board

Place : Karnal  
Dated : 03.08.2016

Sd/-  
(Rajev Gupta)  
DIRECTOR  
DIN-00172828

Sd/-  
(Vivek Gupta)  
DIRECTOR  
DIN-00172835

**Declaration on adherence to the Code of Conduct under Clause 49 (II) E  
of the Listing Agreement**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, it is hereby declared that all the Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March 2016.

For Padam Cotton Yarns Limited

Place : Karnal  
Dated : 03.08.2016

Sd/-  
(Rajev Gupta)  
DIRECTOR  
DIN-00172828

Sd/-  
(Vivek Gupta)  
DIRECTOR  
DIN-00172835

**Certificate on Compliance with Clause 49 of the Listing Agreement by  
M/s Padam Cotton Yarns Limited**

I have examined compliance by M/s Padam Cotton Yarns Limited with the requirements under Clause 49 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange for the year ended on March 31, 2016.

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Director and the management, I certify that the Company has complied with the condition of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

The compliance of condition of Corporate Governance is the responsibility of the management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under Clause 49. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

I state that no investor's grievance is pending unresolved by the Company for a period exceeding one month against as per the records maintained by the Investor Grievance Committee.

I further state that such compliance is neither an assurance to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Viney Goel & Associates  
Chartered Accountant

Place : Karnal  
Dated : 30.05.2016

Sd/-  
(Vineya Goel)  
Partner  
M. No. 090739

# PADAM COTTON YARNS LIMITED

## CEO AND CFO CERTIFICATION

To  
The Board of Directors  
Padam Cotton Yarns Limited,

- (a) We have reviewed the financial statements and the cash flow statement of Padam Cotton Yarns Ltd. for the year ended 31<sup>st</sup> March, 2016 and to the best of our knowledge and belief, we state that;
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware.

Yours sincerely,

Sd/-  
(Rajev Gupta)  
Chief Executive Officer

Sd/-  
(Narinder Chutani)  
Chief Financial Officer

Place:Karnal.  
Date: 30.05.2016



# **PADAM COTTON YARNS LIMITED**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDIAN COTTON & TEXTILE INDUSTRIES**

India is the world's second largest producer of textiles and garments, with a massive and diverse raw material base. It is the second largest sector in the country after agriculture in terms of employment and provides direct employment to over 45 million people. Besides, another 60 million people are engaged in allied activities. Due to this, Indian Textile Industry is not only of paramount importance to the national economy, it also has an influential presence in global market. The Indian textile industry is set for strong growth, followed by both strong domestic consumption as well as export demand. Indian textiles industry has a strong presence across the value chain. India is the 4th largest exporter of textiles & clothing products to the world. The domestic textile and apparel industry in India is estimated to reach US\$ 141 billion by 2021 as per CII.

### **COTTON SCENARIO DURING THE YEAR UNDER REVIEW**

Cotton is the main cash crops in India. During the cotton year 2015-2016, the Indian cotton crop production as estimated by the Cotton Advisory Board is less than the bales during the cotton year 2014-15. During the year, China changed its cotton policy due to which World cotton prices starting declining will also affect the domestic cotton prices.

### **IMPACT OF BUDGET 2016-2017 ON TEXTILE INDUSTRIES**

The Indian textile industry was hoping for some good schemes as well as favorable incentives from the budget for achieving its high potential for increasing industrial production, generating additional employment and improving export earnings.

### **SWOT ANALYSIS**

#### **STRENGTHS & OPPORTUNITIES**

India has always been self-sufficient with textiles and is not Dependant on imports. This is the only industry which has been posting a growth graph year after year. However, textile industry is expected to grow well into the future, with improved bilateral relationships with countries that have been the biggest clients of India. Technical textiles are among the most promising and fastest growing areas of Indian Textile Industry. India is also leader in the production of organic cotton. This leadership position has given India the leverage to be among the top producers of organic cotton based products.

#### **WEAKNESS AND THREATS**

Textile industry contributes to nearly 12% of India's forex earnings. But, the branding of India's prowess especially pertaining to the exports have been about technology. It's a pity that textile industry, despite being on the export forefront, has never been given its due despite its heavy potential irrespective of the weather in the market.

The major challenge which are being faced by the textile industry is that the rising production cost, rising wages, cost of input materials, increased rates of interest, levy of direct and indirect taxes/duties, volatile foreign exchange, logistic & freight cost.

### **FUTURE OUTLOOK**

The new government at the Center appears to be pro-investment and many new policies and planned policy changes are expected to provide a boost to the business environment in the country. With a stable government, the business sentiments in the country has improved substantially. It is expected that this shall drive investment and further growth in the textile industry as well.

### **INTERNAL CONTROL SYSTEM**

A strong internal control is pervasive in the Company. The Company has a well established framework of internal control in all areas of its operations, including suitable monitoring procedures, competent and qualified personnel. The Internal Audit department also assesses the opportunities for improvement in business processes, systems and controls, provides recommendations, designed to add value to the Company.

### **POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACES**

Being an equal employment opportunity company and to ensure that every employee of the Company is treated with dignity & respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has in place a formal policy for Prevention of Sexual Harassment of Employees at Workplace.

### **RISK MANAGEMENT FRAMEWORK**

The Company firmly believes that to ensure effective risk management, there ought to be risk management plans to handle the risks based on the priorities and challenges of the business. The main risk factors of the industry are:

- a) Foreign Exchange Risk*
- b) Financial and Liquidity Risk*
- c) Credit Risk*
- d) Business Operational Risk*

**ACTIVITY SCHEDULE FOR AGM**  
**COMPANY:- PADAM COTTON YARNS LIMITED**

S.No.	Activities	Date/Date Time
1.	Date of AGM (DATE & TIME)	30/09/2016 (11:00 AM)
2.	Book Closure Start Date	20/09/2016
3.	Book Closure End Date	30/09/2016
4.	Cut-off date to whom AGM Notice to be dispatched	23/08/2016
5.	Dispatch date of Notice	05/09/2016
6.	E-Voting advertisement in Newspaper (21 days prior) AGM	09/09/2016
7.	Cut-off Date for Cast for E-Voting (the Cut-off date not earlier than seven days before the date of general meeting.)	23/09/2016
8.	E-Voting Start Date & Time	27/09/2016 (9:00 AM)
9.	E-Voting End Date & Time	29/09/2016 (5:00 PM)
10.	Last Date of submission of Report by Scrutinizer	03/10/2016
11.	Date of declaration of results of E-Voting by the Chairman	03/10/2016
12.	EVSN NO( ONLY FOR CDSL-GENERATE EVSN ON CDSL EVOTING SITE)	160805005

## Nomination and Remuneration Policy of Winsome Textile Industries Limited

1.	<b>Introduction</b>
	<p>Pursuant to provisions of Section 178 of Companies Act, 2013 &amp; rules made thereunder and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee.</p> <p>Although the Company has already constituted a Remuneration Committee comprising of three non-executive Independent Directors as required under Listing Agreement but in order to align with the provisions of Companies Act, 2013 &amp; rules made thereunder and according to revised Clause 49 of Listing Agreement, the Board of Directors have renamed the "Remuneration Committee" as "Nomination and Remuneration Committee" and revised its terms of reference/area of operation in compliance of Section 178 of the Companies Act, 2013 &amp; rules made thereunder and as per revised Clause 49 of the Listing Agreement, as amended time to time.</p>
2.	<b>Key Objectives of Policy</b>
	The Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and as per revised Clause 49 of the Listing Agreement, as amended time to time.
3.	<b>Applicability</b>
	<p>This policy is applicable to :</p> <ol style="list-style-type: none"> <li>1. Directors viz. Executive Directors, Non-executive Director, Whole Time Director, Managing Director and Independent Director</li> <li>2. Key Managerial Personnel</li> <li>3. Senior Management Personnel</li> <li>4. Other Employees of the Company</li> </ol> <p>The said policy is applicable with immediate effect.</p>
4.	<b>Definitions</b>
i	"Act" means Companies Act, 2013 and rules thereunder, as amended time to time.
ii	"Board of Directors" or 'Board', in relation to the Company, means the collective body of the directors of the Company including the Chairperson/Chairman of the Company.
iii	"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the provisions of Section 178 of Companies Act, 2013 and the Listing Agreement, as amended time to time.
iv	"Director" means a Director appointed to the Board of a Company.
v	"Independent Director" means a Director referred under provisions of Section 149 of the Companies Act, 2013 and rules thereunder and as provided under Clause 49 of Listing Agreement, as amended time to time.
vi	<p>"Key Managerial Personnel" mean key managerial personnel as defined under the Companies Act, 2013 &amp; rules made thereunder, including any amendment or modification thereof, and includes</p> <ol style="list-style-type: none"> <li>i. Managing Director, or Chief Executive Officer or manager and in their absence, a whole time director;</li> </ol>

	ii. Company Secretary iii. Chief Financial Officer and iv. Such other officer as may be prescribed.
vii	"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.
viii	"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
ix	"Policy or This Policy" means "Nomination and Remuneration Policy."
x	" Interpretation" The terms, words & expressions, that have not been defined in this Policy shall have the same meaning respectively assigned to them in the Companies Act, 2013, rules made thereunder, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.
5.	<b>Major Functions of Nomination and Remuneration Committee</b>  The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel and will look after the following functions:- <ul style="list-style-type: none"> <li>• To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.</li> <li>• To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.</li> <li>• To carry out/to perform such other function as as may be necessary or appropriate or as may be assigned/delegated/mandated to it by the Board from time to time and/ or enforced by any Statutory notification, Amendment or Modification, as may be applicable.</li> </ul> The aforesaid Policy will ensure that: <ul style="list-style-type: none"> <li>(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully</li> <li>(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;</li> <li>(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.</li> </ul>
6.	<b>APPOINTMENT AND REMOVAL OF DIRECTOR'S, KMP'S AND SENIOR MANAGEMENT PERSONNEL</b>
(1)	<b>Appointment criteria and qualifications:</b>

A	The Committee shall identify and ascertain the suitable person(s) and recommend to the Board his/her appointment/re-appointment for appointment as Director(s), KMP(s) or at Senior Management level.
B	A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment/re-appointment. The Committee/Board has discretion to decide whether the qualification, knowledge, expertise, functional skill and experience etc. possessed by a person are sufficient / satisfactory for the concerned position.
C	The Company shall appoint or re-appoint the Director/Managing Director/Whole-time Director/Manager in accordance with the provisions, rules and regulations as framed under the Companies Act 2013, rules made thereunder and under Listing Agreement, as amended time to time.
D	Appointment of Independent Director is subject to the compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules made thereunder, and under Listing Agreement, as amended time to time.
(2)	<b>Term / Tenure :</b>
(i)	<i>Managing Director/Whole-time Director/Manager (Managerial Person):</i> The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
(ii)	<i>Independent Director :</i> An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.  No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.  The term/ tenure of Independent Directors and reckoning of the limit of Companies, in which a person can be appointed as Director, Independent Director, Managerial Person, as the case may be, will be fixed or determined as per the provisions of Companies Act 2013, rules made thereunder and as per Listing Agreement, as amended time to time.
(3)	<b>Letter of Appointment</b>
	Each Independent Director/KMP's/Senior Management Personnel, as the case may be, is required to sign the Letter of appointment with the Company containing the terms & conditions of his/her appointment/re-appointment and the role/profile assigned in the Company.
(4)	<b>Removal</b>
	Due to reasons for any disqualification(s) mentioned in the Companies Act, 2013, rules made thereunder, under Listing Agreement or under any other laws, rules & regulations, the Committee may recommend to the Board with reasons recorded in writing, for removal of Director and for removal/termination/suspension/dismissal of KMP's or Senior

	<p>Management Personnel subject to the compliance of applicable Acts, Rules &amp; Regulations, if any.</p> <p>Although for removal/termination/suspension/dismissal of KMP's or any other Senior Management Personnel of the Company, the Committee may, if so required, refer the HR Policy of the Company.</p>
(5)	<b>Retirement</b>
	<p>The Director, KMP's and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and as per the prevailing HR policy of the Company, as amended time to time. The Board will have the discretion to retain the Director, KMP's, Personnel of Senior Management in the same position/ role, remuneration or otherwise, even after attaining the retirement age, in the bonafide interest and for the benefit of the Company, if so required.</p>
7.	<b>PROVISIONS RELATING TO REMUNERATION OF DIRECTORS, KMP's, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES</b>
	<p>The Guiding Principle is that the level and composition of remuneration shall be reasonable &amp; sufficient so as to attract, retain, motivate Directors, Key Managerial Personnel's, Senior Management Personnel &amp; other employees. The Directors, Key Managerial Personnel's, Senior Management Personnel &amp; other employee's salary shall be based &amp; shall be determined on the basis of Individual person's qualifications, profile, related experience, responsibilities, role in the organization and his/her performance and in accordance with the limits as prescribed Statutorily, if any.</p> <p>Further, the Nomination &amp; Remuneration Committee while determining the individual remuneration packages/structure for Directors, KMP's, Senior Management Personnel and for other employee's of the Company will consider all relevant factors including but not limited to Company's HR Policy, market survey, business performance &amp; prevailing practice in comparable companies, benchmarks fixed for same grade of employees, particular industry growth, prevailing laws, government guidelines and also having due regard to financial health/profitability of the Company.</p>
TA	<b>General Provisions:</b>
i	The remuneration/compensation/commission etc. to Directors, KMP's, Senior Management Personnel will be determined by the Committee and recommended to the Board for approval.
ii	The remuneration /compensation/commission etc. to be paid to Directors, shall be as per the Statutory provisions of Companies Act, 2013, and rules made thereunder for the time being in force and shall be subject to the prior/post approval of shareholders of the Company and Central Government, wherever required/applicable.
iii	Where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Directors, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

7B		<b>Specific Provisions regarding remuneration to Directors, KMP's, Senior Management Personnel and Other Employees :</b>
	(1)	<b>Fixed Pay/ Base Compensation</b>
	i	Directors, KMP's and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of Committee in accordance with the provisions of Companies Act, 2013, and the rules made thereunder for the time being in force.
	ii	Increments to the existing remuneration structure shall be approved by the Committee for KMP's and Senior Management Personnel and for other employees of the Company. The increments will be effective from 1st April in respect of Whole-time Director, Managing Director, Executive Director (as the case may be) as well as in respect of other employees of the Company, unless otherwise decided.
	iii	The Committee may refer Company's HR Policy, if so required, in respect of aforesaid matters.
	(2)	<b>Minimum Remuneration</b>
		If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director, Whole Time Director or Manager in accordance with the provisions of Schedule V of the Companies Act, 2013 & rules made thereunder, as amended time to time, with approval of Central Government, wherever required/applicable.
	(3)	<b>Provisions for excess remuneration</b>
		If Managing Director, Whole Time Director or Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 & rules made thereunder, as amended time to time or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
7C		<b>Remuneration to Non-Executive / Independent Directors</b>
	i	<b>Remuneration / Commission</b>
		The remuneration / commission shall be in accordance with the Statutory Provisions of the Companies Act, 2013, and the rules made thereunder and as per Listing Agreement, for the time being in force.
	ii	<b>Sitting Fees</b>
		The Non- Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Further the boarding, lodging, traveling expenses & out of pocket expenses, if any shall be reimbursed to the Non- Executive/ Independent Directors on actual basis, residing out of Chandigarh.
	iii	<b>Stock Options</b>
		Pursuant to the provisions of the Companies Act, 2013 & rules made thereunder, an Independent Director shall not be entitled to any stock option of the Company.
8.		<b>Review and Amendment</b>
		The Nomination and Remuneration Committee shall periodically review the Nomination and Remuneration Policy. The Board of Directors after considering the recommendations of Nomination and Remuneration Committee is empowered to amend this policy either in whole or in part, at any time consistent with requirements of applicable laws, rules and regulations.



## Form No. AOC-2

(Pursuant to clause (h) of sub-section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts), Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

### 1. Details of contracts or arrangements or transactions not at arm's length basis

- (a) Name(s) of the related party and nature of relationship : Nil
- (b) Nature of contracts/arrangements/transactions : Nil
- (c) Duration of the contracts / arrangements/transactions : Nil
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any (e) Justification for entering into such contracts or arrangements or transactions: Nil
- (f) date(s) of approval by the Board : Nil
- (g) Amount paid as advances, if any : Nil
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : N.A.

### 2. Details of material contracts or arrangement or transactions at arm's length basis

- (a) Name(s) of the related party and nature of relationship : Nil
- (b) Nature of contracts/arrangements/transactions : Nil
- (c) Duration of the contracts / arrangements/transactions : NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: (e) Date(s) of approval by the Board, if any : Nil
- (f) Amount paid as advances, if any : Nil

# **PADAM COTTON YARNS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

To The Members of  
**Padam Cotton Yarns Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Padam Cotton Yarns Limited ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss, the 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**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 amount and the 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 that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit including evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 a basis for our audit opinion on the financial statements.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2016, and its Profit/Loss and its Cash Flow for the year ended on that date.

#### **Report on other legal and regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended issued by the Central Government of India in terms of sub-section (11) of section 143 of Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
- i) The Company has disclosed the impact of pending litigation on its financial position in its financial statements Refer Note 2.14 to the financial statements.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of  
**FOR VINEYA GOEL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No. 012188N

Sd/-  
(VINEYA GOEL)  
PARTNER  
M. No. 090739

PLACE : KARNAL  
DATED : 30.05.2016

**"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph I under the heading 'Report on Other Legal & Regulatory Requirement'

Of our report of even date to the financial statements of the Company for the year ended March 31, 2016.

- 1) The company is not having any fixed assets. Accordingly the provisions of clause 3(i) (a) to (C) of the order are not applicable to the company and hence not commented upon.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.  
(b) The discrepancies noticed on physical verification of the inventory as compared to book records Which has been properly dealt with in the book of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnership or other parties covered in the Register maintained under section 189 of the Act, Accordingly the provisions of clause 3 (iii) (a) to (c) of the order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has Complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of Loans, investments, guarantees and security.
- 5) The company has not accepted any deposits from the public and hence the directives issued by The Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits Accepted from the public are not applicable.
- 6) As informed to us the maintenance of Cost Records has not been specified by the Central Government Under sub-section (1) of section 148 of the Act, In respect of the activities carried to the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.  
(b) According to the information and explanation given to us, there are no dues of Income tax, Sales tax, Service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of due. The Company ha not taken any loan either from financial institutions of from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer of further public offer including debt instruments and term Loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report the no fraud by the Company or on the company by its officer or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the company has not paid any managerial remuneration during the year. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the Company and hence not commented upon.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as Required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 1A of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the order are not applicable to the Company and hence not commented upon.

FOR VINEY GOEL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 012188N

Sd/-  
(VINEYA GOEL)  
PARTNER  
M. No. 090739

PLACE : KARNAL  
DATED : 30.05.2016

**"Annexure B" to the Independent Auditor's Report of even date on the Financial Statement of Padam Cotton Yarns Limited**  
**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Padam Cotton Yarns Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities included the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the companies Act, 2013

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**PADAM COTTON YARNS LIMITED**  
 (CIN : L17112HR1994PLC033641)  
**BALANCE SHEET AS ON 31ST MARCH 2016**

PARTICULARS	Note No.	As at 31/03/16		As at 31/03/15	
		Rs.	Rs.	Rs.	Rs.
<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	(11,875,916.90)		(10,485,820.90)	
(c) Money received against share warrants			26,854,083.10		28,244,179.10
<b>2. Share application money pending allotment (To the extent not refundable)</b>					
<b>3. Non-current liabilities</b>					
(a) Long-term borrowings					
(b) Deferred Tax liabilities (Net)	5				
(c) Other Long term liabilities	6	43,913,515.00		43,913,515.00	
(d) Long-term Provisions			43,913,515.00		43,913,515.00
<b>4. Current Liabilities</b>					
(a) Short term borrowings					
(b) Trade payables					
(c) Other current liabilities	7	75,549.00		20,753.00	
(d) Short term provisions	8	439.00		316.00	
			75,988.00		21,069.00
<b>TOTAL</b>			<b>70,843,586.10</b>		<b>72,178,763.10</b>
<b>II. ASSETS</b>					
<b>1. Non-current assets</b>					
<b>(a) Fixed assets</b>					
(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			1,391,960.00	
(d) Long-term loans and advances					
(e) Other non-current assets	9	52,955,114.55	52,955,114.55	52,951,550.55	54,343,510.55
<b>2. Current assets</b>					
(a) Current Investments					
(b) Inventories	10	17,775,530.00		17,545,530.00	
(c) Trade receivables					
(d) Cash and Bank Balances	11	112,941.55		289,722.55	
(e) Short-term loans and advances					
(f) Other current assets					
			17,888,471.55		17,835,252.55
<b>TOTAL</b>			<b>70,843,586.10</b>		<b>72,178,763.10</b>
See accompanying notes forming part of financial Statements					
For and on behalf of		<b>FOR AND ON BEHALF OF BOARD</b>			
In terms of our report attached		<b>RAJEV GUPTA DIRECTOR (DIN : 00172828)</b>			
For VINEY GOEL & ASSOCIATES		<b>VIVEK GUPTA DIRECTOR (DIN : 00172835)</b>			
Chartered Accountants		<b>RADHIKA GUPTA DIRECTOR (DIN : 07071267)</b>			
FRN : 012188N					
Sd/-					
(Viney Goel)					
Partner					
M.No. 090739		<b>NARINDER KUMAR CHUTANI</b>			
Place:- Karnal		Chief Financial Officer			
Date:- 30.03.2016					



**PADAM COTTON YARNS LIMITED**  
(CIN : L17122HR199APLCO33641)  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2016**

	PARTICULARS	Nota No.	As at 31/03/16		As at 31/03/15	
			Rs.	Rs.	Rs.	Rs.
I	Revenue from operations:	12				
	Sale of Products		-			
	Sale of Services					
	Other Operating Revenues		529,600.00		324,400.00	
	Less: Excise Duty		-	529,600.00		324,400.00
II	Other Income					
III	Total Revenue (I + II)			529,600.00		324,400.00
IV	Expenses					
	Cost of Materials Consumed					
	Purchases of Stock in Trade	13	230,000.00		17,545,530.00	
	Changes in inventories of finished goods, work in progress and Stock-in-trade	14	(230,000.00)		(17,545,530.00)	
	Employee benefits expense					
	Finance Costs	15	3,042.00			
	Depreciation and amortization expense					
	Other expense	16	524,250.00		322,741.10	
	Total Expense			527,297.00		322,741.10
V	Profit before exceptional and extraordinary items and tax (III-IV)			2,303.00		1,658.90
VI	Exceptional Items					
VII	Profit before extraordinary items and Tax (V-VI)			2,303.00		1,658.90
VIII	Extraordinary items					
IX	Profit before tax (VII-VIII)			2,303.00		1,658.90
X	Tax expense:					
	(1) P. Year Tax Liability				(210.00)	
	(2) Current tax		439.00		316.00	
	(3) Deferred tax		1,391,960.00		3,378,610.00	
				1,392,399.00		3,378,716.00
XI	Profit/(Loss) for the period from continuing operations (IX - X)			(1,390,096.00)		(3,377,057.10)
XII	Profit/(Loss) for the period from discontinuing operations					
XIII	Tax expense of discontinuing operations					
XIV	Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)					
XV	Profit/(Loss) for the period (XI + XIV)			(1,390,096.00)		(3,377,057.10)
XVI	Earnings per equity share:					
	(1) Basic					
	(2) Diluted					
	See accompanying notes forming part of Financial statements					
For and on behalf of In terms of our report attached For VANEY GOEL & ASSOCIATES Chartered Accountants FRN : 012188M Sd/- (Vineya Goel) Partner M.No. 030739 Place:- Karnal Date:- 30.05.2016			FOR AND ON BEHALF OF BOARD			
			RAJEV GUPTA	DIRECTOR	(DIN : 00172828)	
			VIVEK GUPTA	DIRECTOR	(DIN : 00172835)	
			RADHRKA GUPTA	DIRECTOR	(DIN : 07071267)	
			NARINDER KUMAR CHUTANI Chief Financial Officer			

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

**NOTE '1'**

**Corporate Information**

The company is engaged in the business of providing consultation relating to textile industry and wholesale trading in Agricultural Pumping Sets and Implements 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 C-5/2A, Rana Pratap Bagh, Opp CC Colony, 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) & under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Company has compiled 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 to comply with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the companies Act, 2013. The financial statements are prepared on accrual basis under the Historical cost convention. Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Previous years Figures have been regrouped and reclassified wherever required.

**2.3 Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to Make estimates, judgements and assumptions in the reported amounts of assets and liabilities (including contingent Liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised. 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 / materialised.

**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**

Items of inventories are valued at the lower of Cost and net realisable value after providing for obsolescence, if any, except in case of by-product which are valued at net realisable value (on FIFO basis). Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

**2.6 Depreciation and amortisation**

In respect of fixed assets (other than freehold land and capital work in progress) acquired during the year, depreciation/amortisation is charged. On a Written Down Value Method so as to write off the cost of the assets over the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013 for the assets acquired prior to April, 1st, 2014, the carrying amount as on April, 1st, 2014, is depreciated over the remaining Useful life as prescribed under Part C of schedule II of the companies Act, 2013. For the assets whose useful life has been completed before April, 1st, 2014 the balance after deducting salvage value have been adjusted to Reserve and Surplus. Intangible assets have been amortised using Written Down Value Method adopting 25% rate of amorsission.

**2.7 Revenue Recognition**

**Sale of Goods**

Revenue from operations including Sales of goods and services 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.

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

**2.8 Tangible fixed assets**

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Tangible fixed assets comprised its Purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working conditions for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variation attributable to the assets. Subsequent expenditure related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance. Projects under which assets are not ready for their intended use are disclosed under capital work-in progress.

**2.9 Intangible fixed assets**

Intangible assets are stated at cost of acquisition net of recoverable taxed less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs; and any cost directly attributable to bringing the asset to its working condition for its intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variation attributable to the intangible assets.

**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.

**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. These benefits include performance incentive and compensated absences.

**2.12 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.

**2.13 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.

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

**2.14 Other Issues**

The Company's unit for manufacturing of cotton yarns 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 of issuance of insurance claim in favour of the company against which the insurance company has filed an appeal before Hon'ble Supreme Court. The Company was 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, due to its contingent nature as a matter of abundant precaution and sheer uncertainty of the verdict of Hon'ble Supreme court.

**2.15 CONTINGENT LIABILITIES**

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

	2015-2016	2014-2015
a) Claims against the company not acknowledge as debt	NIL	NIL
b) Uncalled liability on shares 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 under litigation	43913515.00	43913515.00

Particulars On 31/03/16 Rs. On 31/03/15 Rs.

**NOTE 3**

**SHARE CAPITAL**

**-Authorised**

7000000 (2015: 7000000) Equity Shares of Rs. 10/- each

70,000,000.00

70,000,000.00

**-Issued and Subscribed Capital**

5975200(2015: 5975200) Equity Shares of Rs10/- each fully paid-up.

59,752,000.00

59,752,000.00

**-Paid up Capital**

3873000(2015: 3873000) Equity Shares of Rs10/- each fully paid-up.

38,730,000.00

38,730,000.00

**TOTAL**

38,730,000.00

38,730,000.00

**(i) Reconciliation of Shares:**

**Authorised Share Capital**

Opening Share Capital

Nos

Amt(Rs)

Nos

Amt(Rs)

7,000,000

70,000,000.00

7,000,000

70,000,000.00

Add: Increased during the year

7,000,000

70,000,000.00

7,000,000

70,000,000.00

Closing Share Capital

**Issued Share Capital**

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

59,752,000

597,520,000.00

59,752,000

597,520,000.00

Total

Less: Buy back of Shares

-

-

-

-

Less Reduction in Capital

59,752,000

597,520,000.00

59,752,000

597,520,000.00

Closing Share Capital

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

**Paid up Capital**

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

**(i) 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 2015, 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.

**(ii) 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

Particulars	On 31/03/16	On 31/03/15
-------------	-------------	-------------

**NOTE 'a'**

**RESERVES AND SURPLUS**

Particulars	On 31/03/16	On 31/03/15
<b>Capital Redemption Reserve</b>		
Opening Balance	8,558,684.00	8,558,684.00
Add: Raised during the year	-	-
Less: Utilised during the Year	-	-
Closing Balance	8,558,684.00	8,558,684.00
<b>General Reserve</b>		
Opening Balance	-	-
Add: Raised during the year	-	-
Less: Utilised/written off during the Year	-	-
Closing Balance	-	-
<b>Profit and Loss Account</b>		
Opening Balance	(19,044,504.90)	(15,667,447.80)
Add: Net Profit after tax During The Year	(1,390,096.00)	(3,377,057.10)
Closing Balance	(20,434,600.90)	(19,044,504.10)
<b>TOTAL</b>	<b>(11,875,916.00)</b>	<b>(10,485,820.90)</b>

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

Particulars On 31/03/16 On 31/03/15

**NOTE '5'**  
**DEFERRED TAX ASSETS (LIABILITY)**

Deferred Tax Assets		
Unabsorbed Depreciation	4,504,736.62	
Short Term Capital Loss C/T		
Gross deferred tax (Liability)/Assets		4,504,736.62
Net deferred tax (Liability)/Assets		4,504,736.62
Tax effect of items constituting deferred tax (Liability) /Assets		1,391,960.00

Particulars On 31/03/16 On 31/03/15

**NOTE '6'**  
**OTHER LONG TERM LIABILITIES**

New India Assurance Co Limited-Protsted A/c	43,913,515.00	43,913,515.00
<b>TOTAL</b>	<b>43,913,515.00</b>	<b>43,913,515.00</b>

Particulars On 31/03/16 On 31/03/15

**NOTE '7'**  
**OTHER CURRENT LIABILITIES**

Tds on professional fees	6,450.00	
Beetal Financial & Computer Services (p)	1,019.00	3,899.00
Audit Fee Payable	67,080.00	16,854.00
Anish Kumar Arora	1,000.00	
<b>TOTAL</b>	<b>75,549.00</b>	<b>20,753.00</b>

Particulars On 31/03/16 On 31/03/15

**NOTE '8'**  
**SHORT TERM PROVISIONS**

Provision for Income Tax	439.00	316.00
<b>TOTAL</b>	<b>439.00</b>	<b>316.00</b>

Particulars On 31/03/16 On 31/03/15

**NOTE '9'**  
**OTHER NON CURRENT ASSETS**

Insurance Claim Receivable	52,951,550.55	52,951,550.55
Central Depository Services (India) Ltd.	3,564.00	
<b>TOTAL</b>	<b>52,955,114.55</b>	<b>52,951,550.55</b>

PADAM COTTON YARNS LIMITED		
NOTES FORMING PART OF ACCOUNTS		
Particulars	On 31/03/16	On 31/12/15
<b>NOTE '10'</b>		
<b>INVENTORIES</b>		
(As Taken, Valued & Certified by the Management of the Company)		
Finished Goods (At Cost)	17,775,530.00	17,545,530.00
<b>TOTAL</b>	<b>17,775,530.00</b>	<b>17,545,530.00</b>
Particulars	On 31/03/16	On 31/03/15
<b>NOTE '11'</b>		
<b>CASH AND BANK BALANCES</b>		
Cash and Cash Equivalents		
Cash on Hand	14,451.90	286,622.65
Other Bank Balances		
-In Current Accounts		
HDFC Bank Limited- Karnal	98,489.65	3,099.90
<b>TOTAL</b>	<b>112,941.55</b>	<b>289,722.55</b>
Particulars	On 31/03/16	On 31/03/15
<b>NOTE '12'</b>		
<b>REVENUE FROM OPERATION</b>		
Indigenous Sales		
Manufactured Goods		
Traded Goods		
Other Operating Revenues	529,600.00	324,400.00
Consultancy Charges		
<b>TOTAL</b>	<b>529,600.00</b>	<b>324,400.00</b>
Particulars	On 31/03/16	On 31/03/15
<b>NOTE '13'</b>		
<b>PURCHASE OF TRADED GOODS</b>		
Purchase of Trading Materials	230,000.00	17,545,530.00
	230,000.00	17,545,530.00
Particulars	On 31/03/16	On 31/03/15
<b>NOTE '14'</b>		
On difference between book balance and tax balance of fixed assets		
Stock at Commencement		
Stock in Trade	17,545,530.00	
	17,545,530.00	
Less: Stock at Close		
Stock in Trade	17,775,530.00	17,545,530.00
	17,775,530.00	17,545,530.00
Stock Decreased / (Increased) by	(230,000.00)	(17,545,530.00)

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

Particulars On 31/03/16 On 31/03/15

**NOTE '15'**  
**FINANCE COST**

Bank Charges	687.00	
Interest on TDS	2,360.00	
	<u>3,047.00</u>	

Particulars On 31/03/16 On 31/03/15

**NOTE '16'**  
**OTHER EXPENSES**

Accounting Charges	11,000.00	12,000.00
AGM Exp	22,432.00	29,579.00
Annual Listing Fee	271,684.00	112,360.00
Audit Fees	73,530.00	16,854.00
Rent Paid	28,350.00	16,854.00
Fees & Taxes	14,680.00	53,299.10
Legal & Professional Exp	53,462.00	43,539.00
Office / General Exp	16,785.00	9,521.00
Photostate Exp	2,904.00	2,089.00
Printing and Stationery	3,176.00	2,231.00
Website Exp	7,557.00	26,068.00
Telephone Exp	5,780.00	5,823.00
Travelling Exp.	12,960.00	9,378.00
	<u>524,250.00</u>	<u>322,741.10</u>

**Notes**

Payment to the auditors comprises (incl. of Service tax)		
As Auditors- Statutory Audit	73,530.00	16,854.00
For Taxation Matters		
For Company Law Matters		
<b>Total</b>	<u>73,530.00</u>	<u>16,854.00</u>

Particulars On 31/03/16 On 31/03/15

**NOTE '17' ADDITIONAL INFORMATION**

17.1. Value of imports calculated on CIF basis

Raw Materials	NIL	NIL
	<u>NIL</u>	<u>NIL</u>

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



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

Particulars	On 31/03/16	On 31/03/15
-------------	-------------	-------------

**NOTE '18' EARNING PER SHARE (EPS)**

i) Net profit after Tax as per Profit and Loss Statement		
Attributable to Equity Shareholders	(1,390,096.00)	(3,357,057.00)
ii) Weighted Average number of Equity Shares used as denominator for calculating EPS	3,873,000	3,873,000
iii) Basic and Diluted Earning Per Share	(0.3589)	(0.87)
iv) Face Value per Equity Share	10.00	10.00

Particulars	On 31/03/16	On 31/03/15
-------------	-------------	-------------

**NOTE '19' RELATED PARTY DISCLOSURES**

As per accounting Standard 18, the disclosures of transactions with the related parties are given below

i) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Name of Related Party ( Relationship)

1. Oswal Pumps Limited ( Associate )
2. Rajev Gupta ( Key Managerial Person)
3. Vivek Gupta ( Key Managerial Person)

ii) Transactions During the year with related Parties:

1. Net Loans and advances, deposits Given(Returned)	NH	17695000 ( 17695000)
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iii) Balance As on 31st March

1. Loans and Advances	NH	NH
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**PADAM COTTON YARNS LIMITED**  
**NOTE '20' SEGMENT INFORMATION:**

The Company has identified two reportable segments viz, consultation and whole sale trading. Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted are in line with the accounting policy of the company with following policies for segment reporting

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenues and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable"

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallocable

(i) Primary Segment Information

Particulars	Consulting		Wholesale Trading		Unallocable		(Rs. In Lacs) Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>1. Segment Revenue</b>								
External Turnover	5.30	3.24	-	-	-	-	5.30	3.24
Inter Segment Turnover	-	-	-	-	-	-	-	-
Gross Turnover	5.30	3.24	-	-	-	-	5.30	3.24
Less: Excluded/Service Tax	-	-	-	-	-	-	-	-
Net Turnover	5.30	3.24	-	-	-	-	5.30	3.24
<b>2. Segment Results before</b>								
Interest and Taxes	5.30	3.24	-	-	(5.28)	(3.23)	5.28	0.02
Less: Interest Expenses	-	-	-	-	-	-	-	-
Add: Interest Income	-	-	-	-	-	-	-	-
Profit Before Tax	5.30	3.24	-	-	(5.28)	(3.23)	0.02	0.02
Current Tax	-	-	-	-	-	-	-	-
Deferred Tax	-	-	-	-	-	33.79	-	33.79
Profit after Tax	5.30	3.24	-	-	(5.28)	(37.02)	0.02	(33.77)
<b>3. Other Information</b>								
Segment Assets	-	-	177.76	175.45	544.60	546.34	727.36	721.79
Segment Liabilities	-	-	-	-	439.90	439.35	439.90	439.90
Capital Expenditure	-	-	-	-	-	-	-	-
Depreciation/Amortisation and Depletion expense	-	-	-	-	-	-	-	-
Non Cash Expenses other than depreciation and Amortisation	-	-	-	-	-	-	-	-

For and on behalf of

In terms of our report attached  
 For VINEY GOEL & ASSOCIATES  
 Chartered Accountants  
 FRN : 012188N

Sd/-  
 (Vineya Goel)  
 Partner  
 M.No. 090739  
 Place:- Karnal  
 Date:- 30.05.2016

FOR AND ON BEHALF OF BOARD

RAJIV GUPTA                      DIRECTOR    (DIN : 00172828)  
 VIVEK GUPTA                    DIRECTOR    (DIN : 00172835)  
 RADHIKA GUPTA                DIRECTOR    (DIN : 07071267)

NARINDER KUMAR CHUTANI  
 Chief Financial Officer

**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	31.03.2016

**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	70311
Total Assets	70344

**Sources of Funds**

Paid up Capital	38730
Reserve & Surplus	(11875.92)
Secured Loans	NIL
Unsecured Loans	NIL

**Application of Funds**

Net Fixed Assets	NIL
Investments	NIL
Net Current Assets	17812.49
Miscellaneous Exp.	NIL
Accumulated Losses	NIL

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

Turnover	529.60
Total Expenditure	527.30
Prof.(Loss) before Tax	2.30
Prof.(After Tax)	(1390.10)
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 Lim ted

Sd/-  
Rajev Gupta  
Director

Sd/-  
Vivek Gupta  
Director

**PADAM COTTON YARNS LIMITED**  
(CIN : U17112HR1994PLC033641 )

**Cash flow statement for the year ended 31st March 2016**

	31st March 2016 (Rupees)	31st March 2015 (Rupees)
<b>A. Cash flow from operating activities</b>		
Net profit before tax but after exceptional / extraordinary Items	2,303.00	1,658.90
Adjustments for non-cash items:		
Preliminary Expenses Written off	-	-
Depreciation / amortization	-	-
Interest & finance expense	3,047.00	-
Operating profit before working capital changes	5,350.00	1,658.90
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables	-	-
(Increase)/decrease in other current assets	-	-
(Increase)/decrease in other non-current assets	(3,564.00)	318,652.00
(Increase)/decrease in long-term loans & advances	-	17,425,000.00
(Increase)/decrease in short-term loans & advances	-	-
(Increase)/decrease in Inventories	(230,000.00)	(17,545,530.00)
Increase/(decrease) in trade payables	-	-
Increase /(decrease) in other long-term liabilities	-	43,913,515.00
Increase /(decrease) in other current liabilities	54,796.00	(43,926,630.00)
Increase /(decrease) in long-term provisions	-	-
Increase /(decrease) in short-term provisions	123.00	135.00
Cash generated from/(used in) operations	(173,295.00)	186,800.90
Taxes (paid) / received (net of withholding taxes TDS)	439.00	106.00
Prior period (expenses)/income (net)	-	-
Net cash from/(used in) operating activities	(173,734.00)	186,694.90
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	-	-
Proceeds from sale of fixed assets	-	-
Sale of non-current investments	-	-
Purchase of current investments	-	-
Share application money	-	-
Net cash from/(used in) investing activities	-	-
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital	-	-
Raising of unsecured loans	-	-
Repayment of unsecured loans	-	-
Raising Of Secured Loans	-	-
Interest & finance charges paid	(3,047.00)	-

Net cash from/(used in) financing activities	(3,047.00)	
Net Increase/(decrease) in cash & cash equivalents	(176,781.00)	186,694.90
Cash & cash equivalents - opening balance	289,722.55	103,027.65
Cash & cash equivalents - closing balance	112,941.55	289,722.55
Net Increase/(decrease) in cash & cash equivalents		
<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:		
	31st March 2016	31st March 2015
Cash, cheques & drafts (in hand) and remittances in Transit	14,451.90	286,622.65
Balance with banks		
Current account	98,489.65	3,099.90
Deposit account		
	112,941.55	289,722.55

For and on behalf of  
In terms of our report attached  
For VINEY GOEL & ASSOCIATES  
Chartered Accountants  
FRN : 012188N

Sd/-  
(Vineya Goel)  
Partner  
M.No. 090739  
Place:- Karnal  
Date:- 30.05.2016

FOR AND ON BEHALF OF BOARD

RAJIV GUPTA DIRECTOR (DIN : 00172828)  
VIVEK GUPTA DIRECTOR (DIN : 00172835)  
RADHIKA GUPTA DIRECTOR (DIN : 07071267)  
NARINDER KUMAR CHUTANI  
Chief Financial Officer

**FORM MGT-11  
PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) R.les, 2014)

CIN : L17112HR1994PLC033641

Name of the Company : PADAM COTTON YARNS Limited

Registered office : 196, OPPOSITE RED CROSS MARKET, GT ROAD, KARNAL-132001

I/We, being the member (s) of ..... Shares of the above named company, hereby appoint

Name:

Address:

Email ID:

Signature:..... or failing him

Name:

Address:

Email ID:

Signature:..... or failing him

Name:

Address:

Email ID:

Signature:.....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the Company, to be held on Wednesday, the 30<sup>th</sup> day of September, 2016 at 11.00 A.M at 196, Opposite Red Cross Market, GT Road, Karnal-132001 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.NO.	RESOLUTIONS
1	Consider and adopt the Audited Financial Statements, Reports of the Board of Directors and Auditors
2	Re-appointment of Mr. Vivck Gupta, retiring by rotation
3	Appointment of Auditors and fix their remuneration

Signed this ..... day of ..... 2016

Signature of Shareholder:

Signature of Proxy Holder (s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the 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 22<sup>nd</sup> Annual General Meeting held on Friday, 30<sup>th</sup>.

September, 2016 at 11-00 A.M. at Registered Office.

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

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If Undelivered Please Return  
**PADAM COTTON YARNS LIMITED**  
CIN : L17112HR1994PLC033641  
Regd. Office : 196, G.T. Road,  
Opp. Red Cross Market,  
Karnal-132 001  
[www.padamcotton.com](http://www.padamcotton.com)