



PADAM COTTON YARNS LIMITED

*17TH Annual Report
2010-11*

BOARD OF DIRECTOR

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

Wholetime Director
Wholetime Director
Director
Director
Director

REGISTERED OFFICE

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

HEAD OFFICE

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

STATUTORY AUDITORS

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

CONSULTING COMPANY SECRATERY

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

BANKERS TO THE COMPANY

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

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PADAM COTTON YARNS LIMITED

NOTICE

Notice is hereby given that the 17th. Annual General Meeting of the Company will be held at the Registered Office of the Company at 196, Opposite Red Cross Market, G.T.Road, Karnal on Friday, the 30th Day of September, 2011 at 11.00A.M. To consider and transact the following Ordinary business:-

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended on 31st. March, 2011 and the report of Auditors' and Directors' there on.
2. To appoint a Director in place of Mr. Rajev Gupta, who retires by rotation but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Harbhajan Singh, who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of 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 offer themselves for re- appointment.

Palce : KARNAL
Dated : 30th. August, 2011

FOR AND ON THE BE HALF OF THE BOARD
For Padam Cotton Yarns Limited

Sd/-
(Rajev Gupta)
Whole Time Director

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint another person as his/ her proxy to attend and on poll to vote instead of himself/ herself. The proxy need not be a member of the company. A blank proxy form is enclosed and should be returned duly completed at the registered office of the company not later than 48 hours before scheduled time of the meeting.
2. The Register of Members and share Transfer Books of the Company shall remain Closed from Tuesday, the 20th. Day of September, 2011 to Friday, the 30th. Day of September, 2011 (Both days inclusive).
3. Member are requested to notify the change of address, if any, to the company at the Registered office immediately quoting the folio number under which the shares are held.
4. In case of joint holders, if more than one holder intends to attend the meeting they must obtain additional admission slip(s) on request from the registered office of the company.
5. All queries relating to the accounts must be sent to the company at its Registered Office at least ten days before the holding of the Annual General Meeting.
6. Members/Proxies are requested to bring their copy of Annual Report along with duly filled admission slip for attending the meeting.
7. Members who have multiple accounts in identical names or joint accounts in same order are requested to intimate the company, the ledger folios of such accounts to enable the company to consolidate all such shareholdings into one account.

DIRECTOR'S REPORT

DEAR MEMBERS,

Your Directors take pleasure in presenting their 17th. Annual Report together with the Audited Accounts for the year ended 31st. March, 2011.

FINANCIAL RESULTS:

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

Your directors have commenced the business of trading of various commodities during the year ended on 31st. March, 2011 and have recorded an annual turn over of Rs. 20.477 Crores as compared to Rs. 1.385 lacs during the previous year. Barring some unforeseen circumstances, your directors are of the opinion to have much better results during the years to come.

DIVIDEND

In view of the non availability of the profits during the year under review, your Directors do not recommend any dividend.

Deposits

During the year under review, your company does not have any loans outstanding.

Information Pursuant to section 217 of the Companies Act, 1956:

Under sub-section(1)(e)

Information with regard to power and fuel consumption, own generation, conservation of energy, absorption of technology and foreign exchange earning and outgo is enclosed as Annexure 1 and forms an integral part of the report.

Under sub-section ((2A)):

No employee was in receipt of remuneration in excess of the limits prescribed under the act whose particulars are required to be disclosed in this report.

Under sub section 2AA Directors' Responsibility statement

To the best of their Knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of section 217(2AA) of the companies Act 1956:

1. That in the preparation of the annual accounts for the year ended 31st. March, 2011, the applicable accounting standards have been followed, along with proper explanations relating to material departures, if any.

2. That such Accounting policies as mentioned in Schedule XI i.e. Annual accounts have been selected and applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2011 and of the Profit/loss of the Company for that year.
3. That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the companies Act 1956, for safeguarding the assets of the company and for preventing frauds and other irregularities.
4. That Annual Account as at 31st. March,2011 have been prepared on a going concern basis.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 read with Articles of Association of the company, Mr. Rajev Gupta and Mr. Harbhajan Singh, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, Offer themselves for re-appointment.

CORPORATE GOVERNANCE

As per clause 49 of the listing Agreement entered with the stock Exchanges, a separate report on the Corporate Governance practices followed by the Company together with a certificate of the Statutory Auditors of the Company is attached as Annexure II to this report.

AUDITORS

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

ACKNOWLEDGEMENT

Your Directors would like to thank financial institutions, bank and all other central / state Government Departments for their continued support and assistance. Your Directors would also like to thank all employees and officers of the company without whose efforts it could not have been possible to obtain these results.

Place: Karnal.
Dated: 30th. August, 2011

FOR AND ON THE BEHALF OF THE BOARD
Padam Cotton Yarns Limited.

sd/-
(Vivek Gupta)
Whole Time Director

sd/-
(Rajev Gupta)
Whole Time Director

**Annexure-I
(FORM A)**

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and fuel consumption

1. Electricity	2009-10	2010-11
(A) Purchased		
Unit	nil	nil
Total amount (Rs. In lacs)	nil	nil
Rate/ Unit (Rs.)	Nil	nil
(B) Own Generation		
(i) Through Diesel Generator.		
Units	nil	nil
Unit per ltr. Of Diesel oil.		
Cost/ unit (Rs)	nil	nil
(ii) Through steam Turbine / Generator	nil	nil
Units		
Unit per ltr. of Fuel oil/Gas Cost/ unit(Rs.)		
2. Coal	nil	nil
Quantity (tonnes)		
Total Cost		
Average Rate(Rs.)		
3. Furnace Oil	nil	nil
Quantity(K.Ltr)		
Total amount		
Average Rate(Rs.)		
4. Others/ internal generation	nil	nil
Quantity(tonnes)		
Total cost		
Rate/unit		

B. Consumption per unit of production

Standards	2009-2010	2010-2011
	1	2
Products (with details)unit KG.		
Electricity	nil	nil
Furnace oil	nil	nil
Coal	nil	nil
Others	nil	nil

(FORM)

Technology Absorption

The company did not import any technology. Information under this head may be taken as nil.

(FORM C)

Foreign Exchange

A. Activities relating to exports

nil

B. Foreign exchange earning & outgo

nil

FOR AND ON THE BEHALF OF THAT BOARD
For Padam Cotton Yarns Ltd.

Place : Karnal

Dated: 30th. August, 2011

sd/-
(Vivek Gupta)
Whole Time Director

sd/-
(Rajev Gupta)
Whole Time Director

Annexure -II
TO THE DIRECTOR'S REPORT
REPORT ON CORPORATE GEVERNANCE

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

BOARD OF DIRECTORS

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

Information as on 31.03.2011

DIRECTOR	NO OF BOARD MEETING ATTENDED	ATTENDENCE AT PREVIOUS AGM ON 10.09.2010	NO OF OUTSIDE DIRECTORSHIP HELD	NO.OF MEMBERSHIP / CHAIRMANSHIP IN OTHER BOARD COMMITTEES
Mr. Rajev Gupta	04	yes	one	Nil
Mr.Vivek Gupta	04	yes	Nil	Nil
Mr.Jai Kumar Gupta	01	Nil	Nil	Nil
Mr.Satwant singh	02	Nil	Nil	Nil
Mr.Harbhajan singh	04	Nil	Nil	Nil

BOARD MEETING HELD DURING THE YEAR 2009-2010

During the year four meetings of the board of Directors were held on : 28th. April, 28th. July, 29th. October, 2010 and 28th. Jan 2011.

BOARD COMMITTEES

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

Audit Committee

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

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

Remuneration committee

1. Mr. Jai Kumar Singh,
2. Mr. Harbhajan Singh,
3. Mr. Satwant Singh,

Number of meeting attended

3
4
2

Shareholders Redressal Committee

1. Mr. Jai Kumar Gupta,
2. Mr. Harbhajan Singh,
3. Mr. Satwant Singh,

Number of meeting Attended

3
4
2

GENERAL BODY MEETINGS

YEAR	VENUE	DATE	TIME
2010	71/3Miles Stone, G.T. Road, Karnal	10/09/2010	11.00AM
2009	71/3Miles Stone, G.T. Road, Karnal	14/09/2009	11.00AM
2008	71/3Miles Stone, G.T. Road, Karnal	29/08/2008	11.00Am

DISCLOSURES

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

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDERS' INFORMATION**ANNUAL GENERAL MEETING**

DAY	Friday
DATE	30th. Sept. 2011
TIME	11.00AM
VENUE	196, Opposite Red Cross Market, G.T. Road, Karnal.

LISTING ON STOCK EXCHANGES

The shares of the Company are listed on following stock exchanges:

The stock Exchange, Mumbai,
Phiroze Jeejeebhoy Tower,
25th Floor, Dalal Street,
Mumbai-400023.

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

DATA PERTAINING TO TRADING / HIGH / LOW RATES AND VOLUMES

Company : PADAM COTTON YARNS LIMITED (531395)

Period : April, 2010 to August, 2011

Month	Open Price	High Price	Low Price	Close Price	No.of Shares	No.of Traders	Total Turnover (Rs.)	Spread(Rs.)	
								HL	CO
Apr.,10	35.00	36.00	30.75	32.25	48	7	1,572	5.25	-2.75
May,10	30.65	30.85	30.65	30.65	4	1	122	0.00	0.00
Jun.,10	29.15	30.60	29.15	30.60	501	2	15,328	1.45	1.45
Jul.,10	32.10	32.10	32.10	32.10	18	1	577	0.00	0.00
Aug.,10	30.50	30.50	30.50	30.50	19	1	579	0.00	0.00
Sep.,10	29.00	29.00	27.60	27.60	12	4	348	1.40	-1.40
Jan.,11	27.60	27.60	26.25	26.25	2	2	53	1.35	-1.35
Feb.,11	28.25	28.25	26.25	26.25	2	2	52	0.00	0.00
Mar.,11	24.95	24.95	24.95	24.95	8596	2	2,14,470	0.00	0.00

REGISTRAR AND SHARE TRANSFER AGENT

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

RESUME OF THE DIRECTORS SEEKING REAPPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Mr. Rajev Gupta, who is retiring by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General meeting is a Whole Time Director on the board for the Company and is involved in day to day commercial and production activities. Mr. Harbhajan Singh, who is also retiring by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting is a non working and independent Director of the company and is having a vast experience and knowledge of marketing and distribution of the industrial products.

In addition to the Directorship in the above company, none of them is holding any position as Director on the Board of any other company.

CATEGORIES OF SHARE HOLDING AS ON 31.3.11

CATEGORY	NO OF SHARES	%
PROMOTERS AND ASSOCIATES		
(1) INDIVIDUALS	2021600	52.20
(2) BODIES CORPORATE	0020000	00.51
TOTAL	2041600	52.71%
FOREIGN INSTITUTIONAL INVESTORS	NIL	NIL
PUBLIC FINANCIAL INSTITUTIONS	NIL	NIL
MUTUAL FUNDS	NIL	NIL
NATIONALISED BANKS AND OTHER BANKS		
NRI	NIL	NIL
OTHERS		
BODIES CORPORATES	0064819	01.67
INDIVIDUALS (LESS THAN ONE LAC)	0650981	16.81
(MORE THAN ONE LAC)	1115600	28.81
TOTAL	3873000	100%

LOCATION OF THE PLANT

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

Place: KARNAL
Dated: 30th. August, 2011

FOR AND ON THE BEHALF OF THE BOARD
Padam Cotton Yarns Limited

Sd/-
(Vivek Gupta)
whole time Director

Sd/-
(Rajev Gupta)
whole time Director

AUDITOR'S CERTIFICATE

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

To

The Members of Padam Cotton Yarns Limited

We have examined the compliance of conditions of Corporate Governance by M/s Padam Cotton Yarns Limited for the year ended 31st March, 2011, as stipulated in clause 49 of the listing agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that, as per record maintained by the Company, and certified by the registrar of the company as on March 31st, 2011, there were no investor grievances remaining pending for a period exceeding one month.

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

PLACE : KARNAL
DATE : 30.08.2011

FOR VINEY GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

sd/-
(VINEYA GOEL)
PARTNER

AUDITOR'S REPORT

To

The Members of Padam Cotton Yarns Limited

We have audited the attached Balance Sheet of M/S PADAM COTTON YARNS LIMITED as at 31st March, 2011, the Profit & Loss A/c and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditor's Report) Order 2004 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the annexure referred to above we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet, Profit & Loss A/c and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v) On the basis of the written representations received from the Directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31st, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - vi) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.
 - vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31.3.2011 and
 - ii) In the case of the Profit & Loss Account, of the profit for the year ended on that date.

PLACE : KARNAL
DATE : 30.08.2011

FOR VINEY GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(VINEY GOEL)
PARTNER

Re : PADAM COTTON YARNS LIMITED

Annexure `A' to Auditor's Report dated 30.08.2011 on the accounts for the year ended 31.03.2011

- 1.(a) NotApplicable as the company is not having any fixed assets as on 31.03.2011.
- (b) NotApplicable.
- (c) **According to information and explanations given to us, the Company has been awarded insurance claim by the National Consumer Redressal Commission, the insurance company has preferred an appeal before Hon,ble Supreme Court against the same. Though the company and its management is hopeful to get its claim from Insurance Company in finality and shall commence commercial operations immediately after receipt of claim amount. The Company has commenced operations of trading during the year. Hence, the going concern of the Company shall not be affected in view of changed circumstances.**
2. (a) The stocks of Finished Goods, spare parts and raw materials have been physically verified during the year by the management at reasonable intervals.
- (b) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has maintained proper records of inventory and the discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3.(a) The Company has granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained U/S 301 of the Companies Act, 1956. The number of parties is one and amount is Rs. 20140000.00
- ✍(b) According to the information and explanations given to us the rate of interest and other terms & conditions of loans taken by the company, secured or unsecured, are not prima facie prejudicial to the interest of the company.
- (c) NotApplicable.
- (d) NotApplicable.
- (e) The Company has taken loans, secured or unsecured, from companies firm or other parties listed in the register maintained U/S 301 of the Company Act, 1956, and from the companies under the same management during the year. The maximum outstanding during the year was Rs.4055000/-.The number of parties is one & the amount outstanding is Rs 55000.
- (f) According to the information and explanations given to us the rate of interest and other terms & conditions of loans taken by the company, secured or unsecured, are not prima facie prejudicial to the interest of the company.

- (g) According to the information and explanations given to us no principal as well as interest was due against the company which was to be paid.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of stores and other assets and with regard to the sale of goods & services. According to the information and explanations given to us there is no visible continuing failure to correct major weaknesses in internal control system.
- 5.(a) According to the information and explanations given to us, no transaction of purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the companies act, 1956.
- (b) No such transaction has been made by the company during the year.
6. The Company has accepted the deposits and In our opinion and according to the information and explanations given to us, the company has generally complied with the provisions of section 58A & 58AA of the Companies Act 1956 and the companies (Acceptance of Deposits) Rules 1975 as well as relevant directives of the Reserve Bank of India.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The Company has not maintained any cost records required under section 209(1)(d) of the Companies Act 1956 for the product of the company.
- 9.(a) According to the records of the company, the company has generally complied with in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance Dues, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess & other statutory dues with the appropriate authority during the year.
- (b) **According to the records of the company, the company has not deposited disputed Excise Duty of Rs. 33,60,128.00 which is pending in appeal before Central Excise Service Tax Appellate Tribunal.**
10. According to the records of the company, the company has not incurred any cash loss during the current financial year.
11. According to the records of the company, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. The Company has not granted any loan and advances in the nature of loans on the basis of security by way of pledge of shares, debentures and other securities.

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

PLACE : KARNAL
DATE : 30.08.2011

FOR VINEY GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(VINEYA GOEL)
PARTNER

M/S PADAM COTTON YARNS LIMITED
BALANCE SHEET AS ON 31.03.2011

PARTICULARS	SCHEDULE	AMOUNT RS 31.03.2011	AMOUNT RS 31.03.2010
<u>SOURCES OF FUNDS</u>			
<u>1. SHARE HOLDER'S FUNDS</u>			
a) Share Capital	I	38730000.00	38730000.00
b) Reserve & Surplus	II	<u>10233684.00</u>	<u>10233684.00</u>
Sub Total		<u>48963684.00</u>	<u>48963684.00</u>
<u>2) LOANS</u>			
a) Secured Loans		0.00	0.00
b) Unsecured Loans	III	<u>55000.00</u>	<u>0.00</u>
Sub Total		<u>55000.00</u>	<u>0.00</u>
Total		<u>49018684.00</u>	<u>48963684.00</u>
<u>APPLICATION OF FUNDS</u>			
<u>1. FIXED ASSETS</u>			
a) Gross Block		0.00	0.00
b) Less: Depreciation		<u>0.00</u>	<u>0.00</u>
c) Net Block		<u>0.00</u>	<u>0.00</u>
2. DEFERRED TAX ASSETS		4772000.00	4898000.00
<u>3. CURRENT ASSETS, LOANS & ADVANCES</u>			
a) Current Assets	IV	31862.66	68064.29
b) Loans & Advances	V	<u>75156135.55</u>	<u>74866135.55</u>
Sub Total		<u>75187998.21</u>	<u>74934199.84</u>
c) Less: Current Liabilities & Provisions	VI	<u>46609662.65</u>	<u>46565943.00</u>
d) Net Current Assets		28578335.56	28368256.84
<u>3. MISCELLANEOUS EXPENSES</u>			
(To the extent not written off or adjusted)	VII		
Profit & Loss Account		<u>15668348.44</u>	<u>15697427.16</u>
Total		<u>49018684.00</u>	<u>48963684.00</u>
<u>NOTES ON ACCOUNTS</u>			
	XI		

Schedule I to VII & XI forms an integral part of this Balance Sheet.

AUDITORS REPORT

As per our report of even date attached

For Viney Goel & Associates

Chartered Accountants

FOR PADAM COTTON YARNS LTD.

(Vineya Goel)

Partner

Place: Karnal

Dated: 30.08.2011

Sd/-

RAJEV GUPTA
(W.T.D.)

Sd/-

VIVEK GUPTA
(W.T.D.)

M/S PADAM COTTON YARNS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

PARTICULARS	SCHEDULE	AMOUNT RS CURRENT YR	AMOUNT RS PREVIOUS YR
<u>INCOME</u>			
Sales		204765178.94	0.00
Consultancy Income		338500.00	138500.00
		<u>205103678.94</u>	<u>138500.00</u>
<u>EXPENDITURE</u>			
Purchase		204551250.50	0.00
Payment to Employees	VIII	28000.00	12000.00
Office, Selling & Admn. Exp.	IX	329892.72	122844.00
Financial Charges	X	157.00	398.00
		<u>204909300.22</u>	<u>135242.00</u>
Profit (Loss) for the year		194378.72	3258.00
<u>Provision For Income Tax</u>			
Less: Income Tax Payable		39300.00	504.00
-Frinege Benefit Tax		0.00	0.00
Deferred Tax Liability (Assets)		126000.00	1917000.00
Previous Year Tax Liability		0.00	0.00
Net Profit after Tax		29078.72	-1914246.00
Brought Forward Balance of Profit & Loss A/c		-15697427.16	-13783181.16
Previous Year Adjustments		0.00	0.00
Balance in Profit & Loss A/c Carried forward to Balance Sheet		-15668348.44	-15697427.16

NOTES ON ACCOUNTS

XI

Schedule VIII to X & XI forms an integral part of the Profit & Loss Account

AUDITORS REPORT

As per our report of even date attached

For Viney Goel & Associates

Chartered Accountants

FOR PADAM COTTON YARNS LTD.

(Vineya Goel)

Sd/-

Sd/-

Partner

RAJEV GUPTA

VIVEK GUPTA

Place: Karnal

(W.T.D.)

(W.T.D)

Dated: 30.08.2011

M/S PADAM COTTON YARNS LIMITED

PARTICULARS	AMOUNT RS CURRENT YR	AMOUNT RS PREVIOUS YR
<u>SCHEDULE I</u>		
<u>SHARE CAPITAL</u>		
<u>Authorised Share Capital</u>		
7000000 Equity Shares of Rs 10 each	<u>70000000.00</u>	<u>70000000.00</u>
<u>ISSUED & SUBSCRIBED CAPITAL</u>		
5975200 Equity Shares of Rs 10 Each Fully Paid up	<u>59752000.00</u>	<u>59752000.00</u>
	<u>59752000.00</u>	<u>59752000.00</u>
<u>PAID UP CAPITAL</u>		
3873000 Equity Shares of Rs 10 Each Fully Paid up	<u>38730000.00</u>	<u>38730000.00</u>
	<u>38730000.00</u>	<u>38730000.00</u>
<u>SCHEDULE II</u>		
<u>RESERVES & SURPLUS</u>		
<u>GENERAL RESERVE</u>		
Capital Subsidy	1675000.00	1675000.00
<u>Capital Reserve</u>		
Share Foreiture A/c	<u>8558684.00</u>	<u>8558684.00</u>
	<u>10233684.00</u>	<u>10233684.00</u>
<u>SCHEDULE III</u>		
<u>UNSECURED LOANS & ADVANCES</u>		
From Directors	<u>55000.00</u>	<u>0.00</u>
	<u>55000.00</u>	<u>0.00</u>
<u>SCHEDULE IV</u>		
<u>CURRENT ASSETS, LOANS & ADV.</u>		
<u>CASH & BANK BALANCE</u>		
i) Cash in Hand	2563.40	22591.72
ii) Balance with Scheduled Banks	29299.26	45472.57
HDFC	<u>31862.66</u>	<u>68064.29</u>
<u>SCHEDULE V</u>		
<u>LOANS & ADVANCES</u>		
(Advances recoverable in cash or for value to be received)		
Balance with Excise Deptt.	300000.00	300000.00
Capital Subsidy Receivable	1675000.00	1675000.00
Advances- Oswal Pumps Limited	20140000.00	19850000.00
Insurance Claim Receivable	<u>53041135.55</u>	<u>53041135.55</u>
	<u>75156135.55</u>	<u>74866135.55</u>

M/S PADAM COTTON YARNS LIMITED

PARTICULARS	AMOUNT RS		AMOUNT RS
	CURRENT YR		PREVIOUS YR
<u>SCHEDULE VI</u>			
CURRENT LIABILITIES & PROV.			
Sundry Creditors			
-Towards SSI Units	0.00	0.00	0.00
-Other	2649612.00	2649612.00	2651924.00
New India Assurance co Ltd (Protested A/c)		43913515.00	43913515.00
Income Tax Payable		39300.00	504.00
VAT Payable		7235.65	0.00
		<u>46609662.65</u>	<u>46565943.00</u>
<u>SCHEDULE VII</u>			
MISCELLANEOUS EXP.			
(To the extent not written off or adjusted)			
Profit & Loss Account		(15668348.44)	(15697427.16)
		<u>(15668348.44)</u>	<u>(15697427.16)</u>
<u>SCHEDULE VIII</u>			
PAYMENT TO EMPLOYEES			
Wages/Salary		28000.00	12000.00
		<u>28000.00</u>	<u>12000.00</u>
<u>SCHEDULE IX</u>			
OFFICE, SELLING & ADMN. EXP.			
Audit Fees		10000.00	10000.00
Legal & Professional Exp.		36659.00	46500.00
Photostate Exp.		1963.72	1208.00
A.G.M. Exp.		24195.00	13950.00
Rent		19500.00	18000.00
Annual Listing Fee		24266.00	23648.00
Fees & Taxes		2934.00	2414.00
Office Exp.		3913.00	6117.00
Travelling		5444.00	0.00
Freight		19855.00	0.00
Printing & Stationery		2463.00	1007.00
		<u>329892.72</u>	<u>122844.00</u>
<u>SCHEDULE X</u>			
FINANCIAL CHARGES			
Bank Charges		157.00	398.00
		<u>157.00</u>	<u>398.00</u>

M/S PADAM COTTON YARNS LIMITED
SUNDRY CREDITORS AS ON 31.03.2011

<u>S.NO.</u>	<u>PARTICULARS</u>	<u>AMOUNT(RS.)</u>
1	Nirmal Fibres Ltd.	2344924.00
2	M.G. Enterprises	300000.00
3	Beetal Financial & Computer Services	4688.00
		<u>2649612.00</u>

VAT PAYABLE AS ON 31.03.2011

<u>S.NO.</u>	<u>PARTICULARS</u>	<u>AMOUNT(RS.)</u>
1	VAT 13.125%	1946.59
2	VAT 4%	4526.08
3	VAT 5.25%	762.98
		<u>7235.65</u>

M/S PADAM COTTON YARNS LIMITED

SCHEDULE - XI

NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICES

- a) GENERAL: The Accounts are prepared on the accounting principle of going concern Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting polices.
- b) REVENUE RECOGNITION: Expenses and Income are considered payable and receivable on accrual basis. Except where stated otherwise.
- c) FIXED ASSETS: There was no Fixed Assets with the Company during the F.Y. under audit.
- d) INVENTORIES: There was no inventories as at the close of the Financial Year.
- e) RETIREMENT BENEFITS: The Company has created a trust with Life Insurance Corporation of India under group gratuity scheme. The premium paid towards this scheme is charged to profit & loss account on accrual basis.
- f) CURRENT ASSETS:
Debtors & Loans & Advances are valued on net realisation basis.
- g) PRELIMINARY EXPENSES:
Preliminary Expenses are amortized over a period of 5 years.

2. SEGMENT REPORTING

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

3. RELATED PARTY DISCLOSURES

The Company has transactions with the following related parties:

A. ASSOCIATES

- a) Oswal Pumps Limited.

B. DIRECTORS : Sh. Rajev Gupta, Sh. Vivek Gupta

The transactions carried out with the persons and firms referred above are made at market price prevalent at that time. The transactions entered into were not in any way prejudicial to the interests of the Company.

4. EARNING PER SHARE	31.3.11	31.3.10
1) Weighted Average Number of Shares at the beginning & at end of the year	3873000	3873000
2) Net Profit (Loss) after tax attributable to equity share holders	29078.72	(1914246)
3) E.P.S.	.007	-0.49

5. In compliance with the accounting standard AS-22 "Accounting For Taxes on Income' Issued by ICAI, the Company had accumulated deferred tax assets of Rs. 48.98 Lacs as on 31.03.2010. For the current year the Company has deferred tax liability of Rs. 1.26 Lacs & the total deferred tax assets of Rs. 47.72 Lacs has been charged to reserves & surplus.

A)	DEFERRED TAX LIABILITIES	AS ON 31.03.10	FOR THE CURRENT YEAR	UPTO 31.03.11
	-Difference between amount of interest on account of Insurance Claim	NIL	NIL	NIL
B)	DEFERRED TAX ASSETS			
	-Unabsorbed Depreciation as per income tax return	47.02	(1.94)	45.08
	-Short Term Capital Loss C/F	109.34	--	109.34
	Net Deferred tax Assets	156.36	(1.94)	154.42
	Tax Impact	48.98	(1.26)	47.72

6. **CONTINGENT LIABILITIES**

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

(Amt. in Lacs)

2010-11 2009-10

a) Claims against the company not acknowledge as Debtors

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

NIL NIL

account & not provided for

e) Sales Tax Exemption

NIL NIL

f) Central Excise Duty

33.60 33.60

7. Previous year figures have been regrouped/reclassified wherever necessary.

8. The amount of Balance Sheet & Profit & Loss Account are rounded off to the nearest rupees.

9. Provision for income tax liability has been made of Rs. 39300/- in the F.Y. 2010-11.

10. The Balances of the parties under the head Debtors, Creditors, and Loans & Advances are subject to confirmation.

11. No Board meeting fee charged by the Directors.

12. Remuneration paid to the Auditors

a) Audit Fees Rs. 8000/-

b) Misc. Services Rs. 2000/-

TOTAL Rs. 10000/-

13. The Company has got an interim order from Hon'ble National Consume Dispute Redressal Commission, New Delhi against New India Assurance Co. Ltd. for payment of pending insurance claim. The Insurance Company has filed an appeal before Hon'ble Supreme Court against the said order. Matter is sub judiced Before Hon'ble Supreme Court.

14. Additional Information pursuant to provisions of paragraph 3, 4C & 4D of Part II of Schedule VI of the companies Act, 1956.

1. **PARTICULARS OF CAPACITY AND PRODUCTION. ***

ITEM	UNIT	LICENCED CAPACITY	INSTALLED CAPACITY	PRODUCTION IN KGS.
Yarn	Rotors	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)

* As Per Excise Records/Certificate by the management.

2. **INFORMATION IN RESPECT OF PR ODUCTION, SALES & STOCK OF
GOODS:-**

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b. PARTICULARS OF STOCKS & SALES

ITEM	OPENING STOCK		CLOSING STOCK		SALES	
	QTY.	(RS.)	QTY.	(RS.)	QTY.	(RS.)
Rice	NIL	NIL	NIL	NIL	25950.13 Qtl	121811617.44
Pumps	NIL	NIL	NIL	NIL	92400 Nos	51863530.00
Medicine	NIL	NIL	NIL	NIL	642120 Nos	29417081.50
Bardana	NIL	NIL	NIL	NIL	44025 Nos	1672950.00

3. **INFORMATION IN RESPECT OF RAW MATERIAL CONSUMED**

ITEM	2009-10		2010-11	
	QTY.(IN QTL.)	AMOUNT(RS.)	QTY.(IN QTL.)	AMOUNT(RS.)
		--NIL--		

4. **INFORMATION IN RESPECT OF CO NSUMPTION OF IMPORTED &
INDIGENOUS MATERIAL & PERCENTAGE THEREOF**

PRODUCT	2009-10		2010-11	
	VALUE(RS.)	% AGE	VALUE(RS.)	% AGE
		--NIL--		

5. **OTHER PARTICULARS**

	2009-10	2010-11
A) CIF Value of Imports Stores & Spares	NIL	NIL

As Per Excise Records/Certificate by the management.

FOR & ON BEHALF OF THE BOARD

Sd/-
RAJEV GUPTA
(W.T.D.)

Sd/-
VIVEK GUPTA
(W.T.D.)

M/S PADAM COTTON YARNS LIMITED

**ADDITIONAL INFORMATION AS REQUIRED UNDER PARTSCHEDULE 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	31.03.2011

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 FUN DS (Amount in Rs.`000)

Total Liabilities	44247
Total Assets	44247

Sources of Funds

Paid up Capital	38730
Reserve & Surplus	5462
Secured Loans	NIL
Unsecured Loans	55

Application of Funds

Net Fixed Assets	NIL
Investments	NIL
Net Current Assets	28578
Miscellaneous Exp.	15669
Accumulated Losses	NIL

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

Turnover	205103
Total Expenditure	204909
Profit (Loss) before Tax	194
Profit After Tax	29
Earning per Share	N.A.
Dividend Rate (%)	N.A.
28	

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

Item Code No.	
Product Description	Whole Sale Trading

FOR & ON BEHALF OF THE BOARD

Sd/-

**RAJEV GUPTA
(WTD)**

Sd/-

**VIVEK GUPTA
(WTD)**

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

We have examined the attached cash flow statement of the Company for the year ending 31st. March,2011. The statement has been prepared by the Company in accordance with the requirements of the listing agreement Clause 32 with stock exchange and is Basedon and in agreement with the corresponding profit and loss account and balance sheet of the Company covered by our report of 30th. August,2011 to members of the Company.

PLACE : KARNAL
DATE : 30th.August,2011

FOR VINEY GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(VINEYA GOEL)
PARTNER

M/S PADAM COTTON YARNS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

	(In terms of clause 32 of the listing agreement)	Year Ended 31.3.2011	Year Ended 31.3.2010
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit (Loss) before tax, Interest & Extra Ordinary Items	194378	3258
	Adjustment For:-		
	Profit(Loss) on Sale of Fixed Assets	-	-
	Expenses Written off	-	-
	Depreciation	-	-
	Interest Paid	-	-
	Income Tax	(39300)	(504)
	Loss by Fire	-	-
	Operating Profit before working capital change	155078	2754
	Adjustment For:-		
	Inventories	-	-
	Trade and other receivables	(290000)	(19850000)
	Trade Payable & Other Liabilities	43720	43916766
	Net Cash From (used in) Operating Activities - A	(90202)	24069520
B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Sale(Purchase) of Fixed Assets	-	-
	Sale of Investments(Equity Shares)	-	-
	Net Cash From (used in) Investing Activities - B		
C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Bank Over Draft (Net)	-	-
	Long Term Borrowings	-	-
	Unsecured Loans (Used in)	55000	(24043000)
	Net Cash From (used in) Financing Activities - C	55000	(2404300)
	Net Increase(Decrease) in Cash & Cash equivalents (A+B+C)	(36202)	26520
	Cash & Cash Equivalents (Opening Bal.)	68064	41544
	Cash & Cash Equivalents (Closing Bal.)	31862	68064

NOTES:-

1. Cash & cash equipments represents Cash & Bank Balances.
2. Proceeds from long term & other borrowings are shown net of repayments.

FOR & ON BEHALF OF THE BOARD

RAJEV GUPTA
(W.T.D.)

VIVEK GUPTA
(W.T.D.)

PROXY FORM

I/We.....
of
being a Member/Members of PADAM COTTON YARNS LIMITED hereby appoint.....
.....of.....
of failing him/her.....of.....
as my/our absence to attend and vote for me/us, and on my/our behalf at the 17th. Annual
General Meeting of the company to be held on Friday, 30th. September, 2011 at 11-00 A.M.
at Registered Office or at any adjournamnet thereof.
Signed this.....day of.....2011
Signature of proxy/s.....
For Office Use Only
Proxy No.
Folio/Depository I.D. No.
No. of Shares.....

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

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

Full Name of the attending member.....

Reg. Folio/Depository I.D. No.

No. of Shares held.....

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

I hereby record my presence at the 17th. Annual General Meeting held on Friday, 30th.
September, 2011 at 11-00 A.M. at Registered Office.

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

BOOK POST
PRINTED MATTER

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