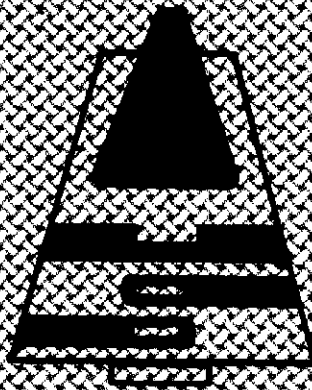


# **yarn syndicate limited.**

**Govt. Recognised Trading House**



**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31ST MARCH 1999**

## **YARN SYNDICATE LIMITED**

REGD. OFF. 7, SAMBHU NATH MULLICK LANE, CALCUTTA-700 007

Dear Shareholder(s),

The Company has appointed

**UNITED MANAGEMENT CONSULTANCY PRIVATE LIMITED  
76, SHAKESPEARE SARANI  
2ND FLOOR  
CALCUTTA-700 017**

as Registrar and Share Transfer Agent (RTA) w.e.f. 2nd August, 1999 instead of

**SPS INTERNATIONAL LIMITED  
DUKE'S COURT  
76, SHAKESPEARE SARANI  
FLAT NO. 6  
CALCUTTA-700 017**

Shareholders are requested to address all correspondence regarding transfer and transmission of shares and other related matters to the said Registrar and Share Transfer Agent.

Yours faithfully,

For YARN SYNDICATE LIMITED

**RAJENDRA KUMAR PATODIA  
Managing Director**

Date : 2nd August, 1999.

Place : CALCUTTA

# **YARN SYNDICATE LIMITED**

## **BOARD OF DIRECTORS**

SHRI MADANLAL PATODIA, Chairman & Managing Director

SHRI KRISHNA PRASAD BAGARIA

SHRI SITA RAM SARAF

SHRI SURESH S. TODI

SHRI VIKASH SINGHAL

SHRI RAJENDRA KUMAR PATODIA, Managing Director

SHRI KAILASH CHANDRA SIOTIA, Executive Director

## **COMPANY SECRETARY**

SHRI SUNIL KUMAR SANGANERIA

## **BANKERS**

CANARA BANK

Overseas Branch

2/1, Russel Street, Calcutta-700 071

## **AUDITORS**

LODHA & CO.

Chartered Accountants

14, Government Place East, Calcutta-700 069

## **REGISTERED OFFICE**

7, Sambhu Nath Mullick Lane, Calcutta-700 007

# YARN SYNDICATE LIMITED

## NOTICE OF THE 53RD ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty Third Annual General Meeting of the Members of the Company will be held at Patodia House, 23, Circus Avenue, Calcutta - 700 017 on Monday, the 6th day of September, 1999 at 10.00 A.M. to transact the following business :-

### ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date together with the Auditors' and the Directors' Reports thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Sita Ram Saraf who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Suresh S. Todi who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.
6. To appoint Branch Auditors and to fix their remuneration.

### SPECIAL BUSINESS :

7. To consider, and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 the Company hereby approves the re-appointment of Shri M. L. Patodia, as Managing Director of the Company for a further period of five years with effect from 1st April, 1999 on the terms and conditions set out in the draft Agreement between the Company and Shri M. L. Patodia produced at this meeting and for the purpose of identification, initialled by the Chairman hereof."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions in accordance with the laws in force from time to time and to do all such acts, deeds, matters, and things as may be expedient for giving effect to the resolution."

- 8) To consider, and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 & 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, the Company hereby approves and accords its consent to the revision in the remuneration and perquisites payable to Shri K. C. Siotia, Executive Director of the Company from 1st April, 1999 to 31st March, 2001 being the residual period of his existing term of five years on the terms and condition set out in the draft Agreement between the Company and Shri K. C. Siotia produced at this meeting and for the purpose of identification, initialled by the Chairman hereof."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary the terms and conditions in accordance with the laws in force from time to time and to do such acts, deeds, matters, and things as may be expedient for giving effect to the resolution."

Registered Office :  
7, Sambhu Nath Mullick Lane,  
Calcutta - 700 007  
Dated : the 31st day of May, 1999.

By order of the Board  
For YARN SYNDICATE LIMITED  
S. K. SANGANERIA  
Company Secretary

# YARN SYNDICATE LIMITED

## NOTES :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective, must be received by the Company at the Registered Office not less than 48 hours before the Meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item Nos. 7 & 8 is annexed hereto and form part of the Notice.
3. The Register of Members and the Share Transfer Books shall remain closed from 30th August, 1999 to 6th September, 1999 (both days inclusive).
4. The Dividend, if declared, will be paid to those shareholders whose names appear on the Register of Members of the Company on the date of the Annual General Meeting.
5. Pursuant to Section 205 of the Companies Act, 1956 the unclaimed dividend upto Financial Year 1993-94 has been deposited in the General Revenue Account of the Central Government. Members who have not yet encashed their Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, West Bengal, Nizam Palace, 234/4 A.J.C. Bose Road, Calcutta - 700 020.
6. Members are requested to notify of Change in address, if any, immediately to the Company quoting their folio numbers so as to enable the Company to despatch dividend warrants and any future communications at their correct address.
7. Members are requested to furnish their bank account number, name and address of the bank and type of bank account so as to enable the Company to print the details on the dividend warrants in order to avoid any loss to the members.
8. Members holding shares in identical order of names in more than one folio are requested to write to the Company to consolidate their holdings in a single folio.

## ANNEXURE TO NOTICE

### Explanatory Statement Pursuant To Section 173(2) of the Companies Act, 1956.

#### Item No. 7 :

Shri M. L. Patodia was appointed as Managing Director of the Company for a period of 5 years with the approval of the Central Government from 01/04/1994 to 31/03/1999. In view of the amendment in Schedule XIII of the Companies Act, 1956, Shri M. L. Patodia may be re-appointed as Managing Director of the Company by the Shareholders through Special Resolution passed in General Meeting.

Shri. M. L. Patodia is associated with the Company since its inception and has a vast experience in the field of yarn & textile. In view of the foregoing, it is considered in the interest of the Company to re-appoint Shri M. L. Patodia as Managing Director of the Company for a period of five years. The Board of Directors at their meeting held on 13th March, 1999 have re-appointed him as Managing Director for a period of Five years w.e.f. 01/04/1999 on the term and conditions set out in the agreement subject to your approval. An abstract of the remuneration payable to Shri M. L. Patodia as Managing Director of the Company is given below :—

#### A) Salary :

Rs. 10,000/- per month.

## YARN SYNDICATE LIMITED

### B) Perquisites :

#### i) Housing :

- a) House Rent Allowance of Rs. 1,000/- Per month.
- b) The Expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income-tax Rules, 1962 subject to a ceiling of 10% of his Salary.

#### ii) Medical Reimbursement :

Expenses incurred for self and family subject to a ceiling of one months' salary in a year or three months' salary over a period of three years.

#### iii) Leave Travel Concession :

For self and family once in a year, provided that only actual fare shall be paid to and from any place in India and no Hotel Expenses shall be paid.

#### iv) Earned/Privileged leave not exceeding one month for every eleven months of service. Leave accumulated but not availed of shall not be allowed to be encashed.

#### v) The Company shall provide Shri M. L. Patodia with a car and telephone facility at his residence. Provision of car for use on Company's business and telephone at his residence will not be considered as perquisites. Personal long distance calls and use of car for private purposes shall be billed by the Company.

### C) i) In the case of inadequate or absence of profit, Shri M. L. Patodia, will get the same remuneration as mentioned herein above.

#### ii) So long as Shri M. L. Patodia functions as the Managing Director of the Company he will not be entitled to any sitting fee for attending the meeting of the Board of Directors or any Committee thereof.

#### iii) So long as Shri M. L. Patodia holds the office of the Managing Director he will not be liable to retire by rotation.

#### iv) So long as Shri M. L. Patodia holds the office of the Managing Director of the Company he will not become interested or concerned in any selling agency directly or through his wife or children without prior approval of the Central Government.

#### v) The appointment of Shri M. L. Patodia may be terminated by giving three months' notice by either side.

The agreement between the Company and Shri M. L. Patodia is available for inspection by the members of the Company at Registered Office between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

None of the Directors except Shri M. L. Patodia and Shri R. K. Patodia is concerned or interested in the resolution.

This may be treated as an abstract of the draft Agreement made by the Company with Shri M. L. Patodia pursuant to Section 302 of the Companies Act, 1956.

The Board of Directors recommend this resolution for approval of members at this meeting.

### Item No. 8 :

Shri K. C. Siotia was re-appointed as the Executive Director of the Company by the shareholders at the Annual General Meeting of the Company held on 30th September, 1996 for a period of five years from 1st April, 1996 to 31st March, 2001 on a monthly remuneration of Rs. 10,000/- plus other perquisites and benefits. The remuneration and perquisites payable to Shri K. C. Siotia was subsequently revised by shareholders at the Annual General Meeting of the Company held on 26th September, 1997.

## YARN SYNDICATE LIMITED

The Board of Directors of the Company have, at their meeting held on 13th March, 1999, revised the salary and perquisites of Shri K. C. Siotia for the period commencing from 1st April, 1999 to 31st March, 2001 on the terms and conditions set out in the draft supplementary agreement entered into between the Company and Shri K. C. Siotia. The main terms and conditions are set out below :-

**A) Period :**

2 Years from 01.04.1999 to 31.03.2001.

**B) Salary :**

Rs. 20,000/- per month.

**C) Perquisites :**

- i) Contribution to Provident Fund as per Rules of the Company and will not be included in the Computation of ceiling in perquisites to the extent it is not taxable under the Income Tax Act.
- ii) Gratuity payable should not exceed half months' salary for each completed year of service.
- iii) Earned/Priviledged leave not exceeding one month for every eleven months of service. Leave accumulated but not availed of shall not be allowed to be encashed.
- iv) The Company shall provide Shri K. C. Siotia a car and telephone facility at his residence. Provision of car for use on Company's business and telephone at his residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.

- D)**
- i) In the case of inadequate or absence of profit, Shri K. C. Siotia, will get the same remuneration as mentioned herein above.
  - ii) So long as Shri K. C. Siotia functions as the Executive Director of the Company he will not be entitled to any sitting fee for attending the meeting of the Board of Directors or any Committee thereof.
  - iii) So long Shri K. C. Siotia holds the office of the Executive Director of the Company he will not become interested or concerned in any selling agency directly or through his wife or children without prior approval of the Central Government.
  - iv) The appointment of Shri K. C. Siotia may be terminated by giving two months' notice by either side.
  - v) Shri K. C. Siotia, even if holds the office of the Executive Director, shall be liable to retire by rotation and shall vacate the office of Executive Director if he does not get re-elected on such retirement.

The Draft Agreement between the Company and Shri K. C. Siotia is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

None of the Directors except Shri K. C. Siotia is concerned or interested in the resolution. This may be treated as an abstract of the draft Agreement made by the Company with Shri K. C. Siotia pursuant to Section 302 of the Companies Act, 1956.

The Board of Directors recommend this resolution for approval of members at this meeting.

Registered Office:  
7, Sambhu Nath Mullick Lane,  
Calcutta - 700 007  
Dated : the 31st day of May, 1999.

By order of the Board  
For YARN SYNDICATE LIMITED  
S. K. SANGANERIA  
Company Secretary

# YARN SYNDICATE LIMITED

## REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

Your Directors have pleasure in submitting their 53rd Annual Report of the Company together with the Audited Accounts for the Year ended on 31st March, 1999.

### FINANCIAL RESULTS :

	<b>1998-99</b>	<b>1997-98</b>
	<b>Rs. in Lacs</b>	<b>Rs. in Lacs</b>
Sales - Exports	4,807.26	8,340.36
Domestic	12.22	37.94
	<u>4,819.48</u>	<u>8,378.30</u>
Profit before Interest & Depreciation	145.03	423.34
Less : Interest	43.94	172.49
Depreciation	<u>22.04</u>	<u>22.33</u>
	<u>65.98</u>	194.82
Profit before Tax	79.05	228.52
Less : Provision for Taxation	5.00	10.00
Profit after Tax	74.05	218.52
Less : Provision for Income Tax for earlier years	1.52	—
	<u>72.53</u>	218.52
Add : Balance brought forward from last year	135.70	108.43
Profit available for Appropriation	<u>208.23</u>	<u>326.95</u>
<b>*Appropriations :</b>		
Transfer to General Reserve	15.00	150.00
Proposed Dividend	41.62	41.25
(includes Corporate Dividend Tax Rs. 4.12 lacs; Previous Year : Rs. 3.75 Lacs)		
Balance carried forward to next year	151.61	135.70
	<u>208.23</u>	<u>326.95</u>

### DIVIDEND :

Your Directors are pleased to recommend a Dividend at the rate of Re. 1/- per Share. It along with Tax on Dividend will absorb Rs. 41.62 lacs. The Dividend, if approved at the forthcoming Annual General Meeting, will be paid to those Shareholders whose names appear on the Register of Members as on the date of the Annual General Meeting.

### 1998-99 IN RETROSPECT :

Your Directors wishes to put on record that due to worldwide recession the turnover of the Company were Rs. 48.19 Crores against the previous year's turnover of Rs. 83.78 Crores. In spite of international recession lower turnover, the Company has managed to have a profit before tax amounting to Rs. 79.05 Lacs.

### AWARDS & RECOGNISATION :

Your Company has been awarded Golden Trophy by FIEO, the highest award among the Trading House, for its Export performance during the Year 1996-97.

Your Company has received "Golden Status certificate" from the Government of India during the year.

### CURRENT YEAR'S OUTLOOK AND FUTURE PLANS :

The Country has not yet overcome the cycle of recession and the export of Cotton Yarn & textiles is continuously deteriorating. Even your Directors are hopeful to improve the Turnover & Profitability



## YARN SYNDICATE LIMITED

of the Company during the Year by virtue of the goodwill created in the International Market. The Company is also exploring the possibilities of Export of other products in the international market.

### **PARTICULARS REQUIRED AS PER LISTING AGREEMENT WITH STOCK EXCHANGES :**

The Equity Shares of the Company are listed at the Stock Exchanges at Calcutta, Mumbai, Coimbatore, Chennai and Ahmedabad and the annual listing fees has been paid in time to each of the Stock Exchanges.

### **PARTICULARS OF EMPLOYEES :**

The Statement about employment of employees as required to be made under Section 217(2A) is given in Annexure I forming part of this report.

### **SUBSIDIARY COMPANIES :**

YS Exports Limited, Aarkay Credit Ltd. and Prachi Credit Ltd. are the Subsidiary Companies of your Company.

As required U/S. 212 of the Companies Act, 1956, the necessary particulars as to the Subsidiaries are attached.

### **DIRECTORS :**

Shri Sita Ram Saraf and Shri Suresh S. Todi Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

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

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 issued under Section 217(1)(e) of the Companies Act, 1956, the information in respect of Energy Conservation, Technology Absorption and Foreign Exchange earning and outgo is given in Annexure II forming part of this report.

### **AUDITORS :**

M/s. Lodha & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

M/s. K. Ramkrishnan, Chartered Accountants, Auditors of the Company's Knitting Unit retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

M/s. Subbaraman Shankar & Co., Chartered Accountants, the Auditors of the Company's Surat Branch retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### **Y2K COMPLIANCE :**

Your Company has taken necessary steps to ensure Y2K compliance for all its computer system. The estimated cost of Y2K compliance is not significant. The Company do not anticipate any Y2K problem.

### **ACKNOWLEDGEMENTS :**

The Board is grateful to the Company's Banker, Canara Bank for their continued co-operation and financial assistance. The Board is thankful to the Management, Officers and Staff of Canara Bank for the prompt and timely assistance rendered by them as and when required. The Board is grateful to Reserve Bank of India, State Bank of India & United Bank of India, Burrabazar Branch, The Cotton Textiles Export Promotion Council, Textile Committee, Export Credit Guarantee Corporation of India Limited, Collector of Central Excise, Director General of Foreign Trade, New Delhi, Joint Director General of Foreign Trade, Calcutta, Registrar of Companies, West Bengal and other institutions for their kind co-operation in day to day activities of the Company. Your Directors are thankful to all the Executives and staff members of the Company for their whole hearted co-operation.

Registered Office :

7, Sambhu Nath Mullick Lane

Calcutta - 700 007

Dated : the 31st day of May, 1999.

For and on behalf of the Board

**M. L. PATODIA**

Chairman and Managing Director

# YARN SYNDICATE LIMITED

## ANNEXURE I TO THE REPORT OF THE BOARD OF DIRECTORS

Particulars of the employees as required Under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder forming part of the Report of the Board of Directors.

Persons who worked throughout the year and entitled to receive a remuneration of Rs. 6,00,000/- or more per year or Rs. 50,000/- or more per month :

Sl. No.	Name	Age	Designation	Nature of Duties	Remuneration Rs.	Qualification & Experience	Date of Commencement	Last Employment held
1	Shri R. K. Patodia	53	Managing Director	Managing the affairs of the Company	6.37 Lacs	B.Sc. (Eng.) 29	01.04.1971	NIL

### NOTES :

1. Remuneration includes Salary, Commission, Medical Expenses and Company's contribution to Provident Fund.
2. Shri R. K. Patodia is related to Shri M. L. Patodia, Chairman & Managing Director.
3. Appointment of Shri R. K. Patodia is contractual.

Registered Office :  
7, Sambhu Nath Mullick Lane,  
Calcutta-700 007  
Dated : the 31st day of May, 1999.

For and on behalf of the Board  
**M. L. PATODIA**  
Chairman and Managing Director

# YARN SYNDICATE LIMITED

## ANNEXURE II TO THE REPORT OF THE BOARD OF DIRECTORS

**A. The Company is making all-round efforts for the conservation of energy by optimum withdrawal of power.**

Total energy consumption and energy consumption per unit of production as prescribed in Form "A".

**A. Power Consumption :**

	1998-99	1997-98
1. Electricity :		
a) Purchased - Units	39,684	27,703
Total Amount	121,653	107,716
Rate/Unit	3.07	3.89
b) Own Generation :		
From D.G. Sets - Units	640	800
Units/ltr. of Diesel	1.25	0.80
Cost/Unit	8.84	11.75
2. Coal	—	—
3. Furnace Oil	—	—
4. Other internal generation	—	—

**B. Consumption per unit of Production :**

a) Electricity :		
Total Production Cloth (Kgs.)	28,756	82,502
Consumption per 100 Kgs. (Unit)	140.23	34.55
b) Coal and Furnace Oil	—	—

**B. Technology absorption :**

**Efforts made in Technology Absorption as per Form "B"**

Indigenous technology alone is used. In view of size of the Knitting Unit of the Company, the scope for Research and Development is not affordable.

**C. Foreign Exchange Earning & Outgo :**

**a) Activities relating to export, initiatives taken to increase exports, development of new export market for products and services and export plans :**

The Company is presently exporting yarn and textiles. Endeavours are being made to explore untapped markets.

**b) Total Foreign Exchange earned and used excluding capital goods, components and spares :**

Earned : Rs. 4,645.77 Lacs (Previous Year Rs. 8,030.76 Lacs)

Used : Rs. 126.33 Lacs (Previous Year Rs. 111.01 Lacs)

Registered Office :  
7, Sambhu Nath Mullick Lane  
Calcutta - 700 007  
Dated : the 31st day of May, 1999.

For and on behalf of the Board  
**M. L. PATODIA**  
Chairman and Managing Director

## **YARN SYNDICATE LIMITED**

### **AUDITORS' REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of YARN SYNDICATE LIMITED as at 31st March, 1999 and the annexed Profit & Loss Account for the year ended on that date together with the notes thereon and 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 account as required by law, have been kept by the Company, so far as appears from our examination of such books.
- iii) The reports on the audit of Branches forwarded by Branch auditors have been duly considered in preparing the report.
- iv) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account and with the audited returns from the Branches.
- v) Except as given in Note No. 7 regarding non-provision of diminution in value of Investments, the Profit & Loss Account and Balance Sheet comply with the Accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to :
  - (a) Note No. 5 regarding non-provision of doubtful debts of overseas buyers amounting to Rs. 42.70 lacs in respect of which amount recoverable and consequential adjustments are presently not ascertainable.
  - (b) Note No. 6 regarding non-availability of confirmation and reconciliation of Sundry Debtors, Sundry Creditors and Loans and Advances.
  - (c) Note No. 7 and 8 regarding Investments in a body corporate and Loans given to bodies corporate respectively, the extent of provision/realisability can not be commented upon and read together with other notes of Schedule 14, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
    - (a) In so far as it relates to the Balance Sheet, of the State of affairs of the Company as at 31st March, 1999 and
    - (b) In so far as it relates to the Profit & Loss Account, of the Profit for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in exercise of the powers conferred by Section 227(4A) of the Companies Act, 1956 and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, we further report that :

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As informed to us, the management has, at regular intervals, conducted physical verification of fixed assets and no material discrepancies were noticed on such verification.
- ii) None of the fixed assets of the Company have been revalued during the year.
- iii) The stock of goods traded in by the Company except stock in transit and stock with third party, have been physically verified by the Management during the year at reasonable intervals.

## YARN SYNDICATE LIMITED

However, confirmations have been received in respect of stocks lying with third parties as on 31st March, 1999.

- iv) In our opinion, 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.
- v) As explained, no discrepancies were noticed on verification of stock as compared to book records to the extent stocks verified.
- vi) On the basis of our examination of stocks, we are satisfied that the valuation of stock of goods traded in by the Company is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- vii) The rate of interest and other terms and conditions pertaining to loans taken from the parties listed in the register maintained under Section 301 of the Companies Act, 1956 are, prima facie not prejudicial to the interest of the Company. As informed, there are no Companies under the same management within the meaning of Section 370(1-B) (since omitted) of the Companies Act, 1956.
- viii) The Company has granted Unsecured Loans to Companies listed in the register maintained under Section 301 of the Companies Act, 1956 and to its Subsidiary Companies which in a certain case is interest free. The rate of interest and other terms and conditions of these loans are prima facie not prejudicial to the interest of the Company. As informed, there are no Companies under the same management within the meaning of Section 370(1-B) (since omitted) of the Companies Act, 1956.
- ix) In respect of loans and advances in the nature of loans given by the Company to its employees and other parties are being repaid as per stipulation, wherever such stipulation with regard to payment of principal and interest exist. However Rs. 42.55 Lacs (including interest Rs. 3.65 Lacs) have become overdue from bodies corporate as referred in Note No. 8. The Company has taken necessary steps for recovery of the said amount.
- x) In our opinion and according to the explanations given to us during the course of our audit, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for the purchase of goods, equipment and other assets and with regard to sale of goods.
- xi) Transactions of purchase of goods aggregating during the year Rs. 50,000 or more in respect of each party in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at the prices which are reasonable having regard to explanations given that some of the items purchased are of special type and / or quotations etc. are available for such goods, the prices at which transactions for similar goods have been made with other parties. As explained there are no transactions of sale of goods, materials or services with such parties.
- xii) The Company has procedures for determination of unserviceable and damaged stores, raw materials and finished goods. Necessary adjustments for the losses as and when determined, are made in the accounts.
- xiii) As informed to us, the Company has not accepted any deposit from the public within the purview of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

## YARN SYNDICATE LIMITED

- xiv) As explained reasonable records are being maintained by the Company for the sale and disposal of scrap. The Company has no by-product.
- xv) In our opinion, the Company's internal audit system is commensurate with its size and nature of its business.
- xvi) The Central Government has not prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 for the product of the Company.
- xvii) The Company has been regular in depositing Provident Fund and Employees' State Insurance dues with the appropriate authorities.
- xviii) There are no undisputed amounts outstanding as on 31st March, 1999 in respect of Income Tax, Sales Tax, Custom Duty and Excise Duty which are outstanding for more than six months from the date they became payable.
- xix) During the course of our audit of the books of account carried out in accordance with generally accepted auditing practices and to the extent checked and examined by us and according to information and explanations given to us, we have not come across any personal expenses of employees or directors other than those payable under contractual obligations or in accordance with prevailing practices which have been charged to Revenue Account.
- xx) The Company is not a Sick Industrial Company within the meaning of Section 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- xxi) In respect of Service activities, namely conversion, Company has a reasonable System of recording receipts, issues & consumption of materials and stores commensurate with its size and nature of its business along with a reasonable system for authorisation of proper level with necessary hand. The allocation of material and manpower consumed to relative job is not made but in our opinion control is exercised on total materials and labour consumed on the job.
- xxii) In respect of Company's trading activities, as informed there were no damaged goods.

14, Government Place East,  
Calcutta  
Dated : the 31st day of May, 1999.

For LODHA & CO.  
Chartered Accountants

P. L. VADERA  
Partner

# YARN SYNDICATE LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 1999

	SCHEDULE	1998-99 Rs. in lacs	1997-98 Rs. in lacs
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	375.00	375.00
Reserves & Surplus	2	1,409.11	1,378.20
		1,784.11	1,753.20
<b>Loan Funds :</b>			
Secured Loans	3	555.01	431.97
Unsecured Loans	4	2.27	2.27
		557.28	434.24
TOTAL :		2,341.39	2,187.44
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets :</b>			
Gross Block	5	301.36	300.13
Less : Depreciation		153.87	138.56
Net Block		147.49	161.57
Capital Work-in-Progress		0.48	0.48
<b>Investments</b>	6	186.74	148.16
<b>Current Assets, Loans &amp; Advances :</b>			
Inventories		795.94	686.38
Sundry Debtors		176.43	718.53
Cash & Bank Balances		379.37	356.38
Loans & Advances		767.04	726.39
		2,118.78	2,487.68
<b>Less : Current Liabilities &amp; Provisions :</b>			
Current Liabilities	8	102.51	582.01
Provisions		98.12	131.73
		200.63	713.74
<b>Net Current Assets</b>		1,918.15	1,773.94
<b>Miscellaneous Expenditure :</b>			
To the extent not adjusted or written off			
Share Issue Expenses		37.72	45.02
Quota Expenses		50.81	58.27
TOTAL :		2,341.39	2,187.44
<b>NOTES :</b>	14		

As per our report of even date  
**For LODHA & CO.**  
Chartered Accountants  
**P. L. VADERA**  
Partner

**S. K. SANGANERIA**  
Secretary

For and on behalf of the Board  
**M. L. PATODIA**, Managing Director  
**R. K. PATODIA**, Managing Director  
**K. C. SIOTIA**, Executive Director

Place : Calcutta  
Dated : the 31st day of May, 1999

## YARN SYNDICATE LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

	SCHEDULE	1998-99 Rs. in lacs	1997-98 Rs. in lacs
<b>INCOME :</b>			
Sales	9	4,819.48	8,378.30
Other Income	10	75.68	177.62
Increase/(Decrease) in Stock	11	102.20	(253.14)
		4,997.36	8,302.78
<b>EXPENDITURE :</b>			
Purchases		4,270.19	7,036.99
Interest (Net)	12	43.94	172.49
Depreciation		22.04	22.33
Manufacturing, Administrative, Selling & Other Expenses	13	574.84	835.15
Share Issue Expenses Written Off		7.30	7.30
		4,918.31	8,074.26
Profit before Tax		79.05	228.52
Provision for Taxation		5.00	10.00
		74.05	218.52
Provision for Income Tax for earlier years		1.52	—
		72.53	218.52
Profit and Loss Account balance brought forward		135.70	108.43
		208.23	326.95
<b>APPROPRIATIONS :</b>			
General Reserve		15.00	150.00
Proposed Dividend		37.50	37.50
Corporate Dividend Tax		4.12	3.75
Balance carried to Balance Sheet		151.61	135.70
		208.23	326.95
<b>NOTES :</b>	14		

As per our report of even date

**For LODHA & CO.**  
Chartered Accountants  
**P. L. VADERA**  
Partner

**S. K. SANGANERIA**  
Secretary

For and on behalf of the Board  
**M. L. PATODIA**, Managing Director  
**R. K. PATODIA**, Managing Director  
**K. C. SIOTIA**, Executive Director

Place : Calcutta

Dated : the 31st day of May, 1999



# YARN SYNDICATE LIMITED

## SCHEDULES TO THE ACCOUNTS

	1998-99 Rs. in lacs	1997-98 Rs. in lacs
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
50,00,000 Equity Shares of Rs. 10/- each	500.00	500.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP :</b>		
37,50,000 Equity Shares of Rs. 10/- each	375.00	375.00
	375.00	375.00
<b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>		
<b>SHARE PREMIUM</b>	437.50	437.50
<b>GENERAL RESERVE :</b>		
As per last Balance Sheet	805.00	655.00
Add : Transferred from Profit & Loss Account	15.00	150.00
	820.00	805.00
<b>PROFIT &amp; LOSS ACCOUNT :</b>		
Balance Carried Forward	151.61	135.70
	1,409.11	1,378.20
<b>SCHEDULE 3 : SECURED LOANS</b>		
Cash Credit, Packing Credit and Extended Packing Credit Accounts from Bank	555.01	431.97
(Secured by Hypothecation of Stock-in-trade including goods-in-transit and Export Goods lying with manufacturers. Guaranteed by Personal Guarantee of Managing Directors of the Company)		
	555.01	431.97
<b>SCHEDULE 4 : UNSECURED LOANS</b>		
Short Term Loans from : Director	2.27	2.27
	2.27	2.27

**YARN SYNDICATE LIMITED**

**SCHEDULES TO THE ACCOUNTS**

**SCHEDULE 5 : FIXED ASSETS**

(Rs. in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-04-98	Additions	Sales/ Adjustments	As at 31-03-99	Upto 31-03-98	For the year	Deductions For Sales/ Adjustments	Total As at 31-03-99	As at 31-03-99	As at 31-03-98
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
FREEHOLD LAND	24.28	—	—	24.28	—	—	—	—	24.28	24.28
BUILDINGS	69.68 *	—	—	69.68	37.69	2.44	—	40.13	29.55	31.99
PLANT & MACHINERY	120.72	—	—	120.72	39.32	11.58	—	50.90	69.82	81.40
OFFICE APPLIANCES & OTHER EQUIPMENTS	32.89	0.87	0.15	33.61	26.08	2.45	0.08	28.45	5.16	6.81
FURNITURE & FITTINGS	20.01	0.01	—	20.02	12.64	1.26	—	13.90	6.12	7.37
VEHICLES	23.66	5.84	6.66	22.84	15.70	3.32	5.77	13.25	9.59	7.96
AIR-CONDITIONER, REFRIGERATOR, COOLER & GENERATOR	8.89	2.21	0.89	10.21	7.13	0.99	0.88	7.24	2.97	1.76
<b>TOTAL :</b>	<b>300.13</b>	<b>8.93</b>	<b>7.70</b>	<b>301.36</b>	<b>138.56</b>	<b>22.04</b>	<b>6.73</b>	<b>153.87</b>	<b>147.49</b>	<b>161.57</b>
PREVIOUS YEAR :	292.22	8.67	0.76	300.13	116.94	22.33	0.71	138.56	161.57	175.28

\* Includes 25 shares of Rs. 50/- each (Total face value Rs. 1,250/-) fully paid in Co-operative Societies.

# YARN SYNDICATE LIMITED

## SCHEDULES TO THE ACCOUNTS

	Face Value Rs. in lacs	1998-99 Rs. in lacs	1997-98 Rs. in lacs
<b>SCHEDULE 6 : INVESTMENTS</b>			
<b>(Long term unless otherwise stated)</b>			
<b>TRADE INVESTMENTS :</b>			
<b>UNQUOTED :</b>			
Nos.			
50000	Canexpo Unit of Canbank Mutual Fund	5.00	5.00
739930	Equity Shares of Rs. 10/- each (Fully Paid) in YS Spinners Ltd.	73.99	73.99
1500	Equity Shares of Rs. 10/- each (Fully Paid) in Mona Textiles Ltd.	0.15	0.15
Investments in Fully Paid Equity Shares of Rs. 10/- each in Subsidiary Companies :			
108100	YS Exports Ltd.	10.81	10.81
117750	Aarkay Credit Ltd.	11.77	11.77
118250	Prachi Credit Ltd.	11.82	11.83
<b>QUOTED : (Fully Paid Equity Shares of Rs. 10/- each)</b>			
2442	Mahavir Spinning Mills Ltd. (1,221 shares received as bonus shares in the ratio of 1 : 1)	0.24	1.40
1300	Jaipur Polyspin Ltd.	0.13	0.14
5000	Essar Steel Limited (Current)	0.50	0.44
500	Tata Iron & Steel Co. Limited (sold during the year)	0.50	—
15000	Reliance Industries Ltd. (21,000 shares purchased and 36,000 shares sold during the year)	1.50	—
25000	Reliance Petroleum Limited (1,300 shares purchased and 26,300 shares sold during the year)	2.50	—
* 3500	Pentafour Software Exports Ltd. (Current) (5,000 shares purchased and 1,500 shares sold during the year)	0.35	39.70
* 13500	Balrampur Chini Mills Limited (Current) (19,000 shares purchased and 5,500 shares sold during the year)	1.35	11.60
* 1000	Satyam Computer Services Limited (Current) (1,500 shares purchased and 500 shares sold during the year)	1.00	15.10
* 500	ITC Ltd. (Current) (6,500 shares purchased and 6,000 shares sold during the year)	0.05	4.81
		<b>186.74</b>	<b>148.16</b>
* Shares yet to be transferred in the Company's name			
<b>AGGREGATE VALUE OF INVESTMENTS :</b>			
<b>Book Value :</b>			
Quoted		73.19	34.61
Unquoted		113.55	113.55
		<b>186.74</b>	<b>148.16</b>
<b>Market Value :</b>			
Quoted		78.06	33.90

# YARN SYNDICATE LIMITED

## SCHEDULES TO THE ACCOUNTS

	1998-99 Rs. in lacs	1997-98 Rs. in lacs	
<b>SCHEDULE 6 : INVESTMENTS (Contd.)</b>			
<b>PURCHASE AND SALE OF CURRENT INVESTMENTS DURING THE YEAR :</b>			
<b>Name of the Companies</b>	<b>No. of Shares</b>	<b>Face Value Rs.</b>	<b>Purchase Value Rs.</b>
State Bank of India	12,000	1,20,000	30,66,990
Tata Tea Limited	4,000	40,000	14,64,080
Castrol Limited	1,000	10,000	6,87,547
Arvind Mills Limited	10,000	1,00,000	8,10,000
Reckitt & Colman of India Ltd.	100	1,000	34,542
<b>SCHEDULE 7 : CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
<b>CURRENT ASSETS :</b>			
Inventories including goods-in-transit (As taken, valued and certified by the Management)			
Stores & Spare Parts	1.34	1.38	
Finished Goods	13.82	18.50	
Trading Goods	780.78	666.50	
	795.94	686.38	
Sundry Debtors (Unsecured, considered good by the Management) :			
Debts due for a period exceeding six months	53.73	42.70	
Considered Doubtful	—	—	
Other Debts	122.70	675.83	
	176.43	718.53	
Cash and Bank Balances :			
Cash Balance	3.68	4.66	
Balance with Scheduled Banks :			
In Current Account	158.89	28.70	
In Fixed Deposit	140.05	319.75	
In Dividend Account	1.93	1.19	
In Share Application Refund Account	1.01	0.93	
In E.E.F.C. Account	73.81	1.15	
	379.37	356.38	
<b>LOANS &amp; ADVANCES :</b>			
Loans/Inter-Corporate Deposits	373.75	317.07	
Advance recoverable in Cash or in kind or for value to be received :			
Unsecured :			
Advances and loans to Subsidiaries	128.50	120.75	
Advance to Staff	1.35	1.98	
Advance to Others	140.02	145.54	
Advance Payment of Income Tax	37.12	71.87	
Income Tax refundable	15.36	—	
Sundry Deposits	7.56	7.40	
Tax Deducted at Source	52.45	58.72	
Interest Receivable	10.93	3.06	
	767.04	726.39	
	2,118.78	2,487.68	

# YARN SYNDICATE LIMITED

## SCHEDULES TO THE ACCOUNTS

	1998-99 Rs. in lacs	1997-98 Rs. in lacs
<b>SCHEDULE 8 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES :</b>		
Sundry Creditors :		
For Goods Supplied	32.07	90.06
For Expenses	50.26	110.62
For Others	17.31	379.20
	99.64	579.88
Share Application Money Refundable	0.94	0.94
Dividend Payable (Un-encashed Warrants)	1.93	1.19
	102.51	582.01
<b>PROVISIONS :</b>		
For Proposed Dividend	37.50	37.50
For Corporate Dividend Tax	4.12	3.75
For Taxation	56.50	90.48
	98.12	131.73
	200.63	713.74
<b>SCHEDULE 9 : SALES</b>		
Export (On C.I.F. Value)	4,807.26	8,340.36
Domestic	12.22	37.94
	4,819.48	8,378.30
<b>SCHEDULE 10 : OTHER INCOME</b>		
Export Incentives	14.02	135.21
Miscellaneous Receipts	0.08	0.60
Difference in Foreign Exchange (Net)	35.57	35.11
Job Charge	7.67	—
Dividend	0.77	3.82
Profit on Sale of Fixed Assets (Net)	0.85	0.15
Profit on Sale of Current Investments (Net)	—	2.73
Sundry Balances written back (Net)	16.72	—
	75.68	177.62
<b>SCHEDULE 11 : INCREASE/(DECREASE) IN STOCK</b>		
Stock at Closing :		
Finished Goods	13.82	18.50
Trading Goods	771.94	665.06
	785.76	683.56
Stock at Opening :		
Finished Goods	18.50	17.86
Trading Goods	665.06	918.84
	683.56	936.70
	102.20	(253.14)

# YARN SYNDICATE LIMITED

## SCHEDULES TO THE ACCOUNTS

	1998-99 Rs. in lacs	1997-98 Rs. in lacs
<b>SCHEDULE 12 : INTEREST (Net)</b>		
On Loan from Managing Directors	0.30	0.30
To Banks and others	130.96	211.07
	131.26	211.37
Less : Received on Loans/Inter-Corporate Deposits & from Banks (Gross : TDS Rs. 15.43 lacs, Previous Year Rs. 9.67 lacs)	87.32	38.88
	43.94	172.49
<b>SCHEDULE 13 : MANUFACTURING, ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Raw Materials Consumed	32.10	106.29
Power	1.22	1.08
Stores Consumption	3.81	3.13
Salaries, Wages, Bonus & Gratuity	23.36	23.82
Contribution to Provident & Other Funds	2.42	2.01
Staff Welfare Expenses	0.81	0.87
Directors' Remuneration	9.23	8.08
Insurance	26.37	28.22
Rent	5.58	4.76
Rates & Taxes (Including Licence Fee)	1.52	1.80
House Rent Allowance	0.12	0.12
Repairs :		
Building	0.72	0.36
Machinery	0.11	0.32
Others	4.38	3.05
	5.21	3.73
Shipping Expenses	182.83	344.12
Commission (Net)	66.92	87.21
Brokerage	12.96	38.67
Discount/Claims/Samples	37.16	4.09
Packing Materials	0.14	0.22
Payment to Auditors :		
Audit Fee	0.48	0.37
Tax Audit Fee	0.04	0.04
Certificate etc.	0.06	0.06
Re-imbusement of out of Pocket Expenses	0.05	0.05
	0.63	0.52
Branch Auditor's Remuneration		
Audit Fee	0.07	0.09
Tax Audit Fee	0.02	0.01
Re-imbusement of out of Pockt Expenses	—	0.01
	0.09	0.11
Bank Charges	26.69	36.75
Charity & Donation	0.01	0.01
Quota Expenses	29.96	25.46
Loss on Sales of current Investment (Net)	5.07	—
Provision for diminution in Investments	7.13	1.72
Miscellaneous Expenses	93.50	112.36
	574.84	835.15

# YARN SYNDICATE LIMITED

## SCHEDULE 14 :

### Notes forming part of the Accounts for The Year Ended 31st March, 1999

1. Contingent Liability not Provided for :
  - a) Outstanding Bills Purchased/Discounted for Rs. 554.90 lacs (Previous Year Rs. 1703.92 lacs).
  - b) Income Tax demand not acknowledged and under appeal Rs. 16.56 lacs (Previous Year Rs. 11.79 lacs).
  - c) Sales Tax demands under appeal Rs. 0.17 lac (Previous Year Rs. 0.17 lac) and Sales Tax payable if any, amount not ascertainable.
  - d) Claims against the Company not acknowledged as debts Rs. 1.53 lacs (Previous Year Rs. 1.53 lacs).
2. Gratuity liability for the Year Ended 31st March, 1999 amounting to Rs. 0.70 lac (Previous Year Rs. 1.40 lacs) determined on the basis of actuarial valuation has been funded with Employee's Gratuity Fund.
3. Purchase and Sales are net of returns, claims, rebates, discounts and rate difference in respect of Sales of Previous Year.
4. Sundry Debtors include an amount of Rs. 106.86 lacs (Previous Year Rs. 244.87 lacs) for the goods shipped pending negotiations of documents as on the date of Balance Sheet and have been expressed in Rupees at the Year end rate.
5. Sundry Debtors include Rs. 42.70 lacs (Previous Year Rs. 42.70 lacs) outstanding from certain overseas buyers beyond the due dates. In the opinion of the management, these will be recovered in due course and as such no provision is considered necessary in this respect.
6. Balances of Debtors, Creditors, Loans and Advances are subject to confirmation and reconciliation and consequential adjustment, if any with respect to individual details etc.
7. The Company has an investment of Rs. 73.99 lacs in Equity Shares of Y. S. Spinners Ltd. (YSPL).

The net worth of the YSPL is in negative. The agreement between YSPL and Shri Ambica Mills Ltd. with respect to acquisition of Fixed Assets of Unit No. 2 was held to be void. YSPL has lodged a claim on Shri Ambica Mills Ltd. in respect of its investment in Fixed and other Assets. Pending outcome, no provision has been considered necessary by the management for the investment in shares of YSPL.

8. Loans considered good include Rs. 38.90 Lacs from certain bodies corporate which has become overdue. Interest for the period up to 31.03.99 amounting to Rs. 3.65 Lacs has also not been recovered on loan of Rs. 25.00 Lacs. The Company has filed suit for recovery of the loans together with interest accrued on these loans. Pending outcome, no provision has been considered necessary by the management.
9. The Company has made an objective evaluation of the potential impact of Y2K on its Operating System and has reviewed Y2K issues in dealing with external agencies.

# YARN SYNDICATE LIMITED

## 10. Calculation of Managing Director's Commission

	Rs. In Lacs	
	1998-99	1997-98
Profit as per Profit & Loss A/c.	79.05	228.69
Add : Depreciation as per Books	22.04	22.33
Managing/Executive		
Directors' Remuneration	9.23	8.08
Share Issue Expenses Written Off	7.30	7.30
Provision for diminution in value of Investments	7.13	1.72
Loss on sale of Investments	5.07	—
	<u>50.77</u>	<u>39.43</u>
	<u>129.82</u>	<u>268.12</u>
Less : Depreciation under Section 350 of The Companies Act, 1956	20.33	20.14
Profit on Sale of Fixed Assets	0.85	0.15
Profit on Sale of Investments	—	2.73
	<u>21.18</u>	<u>23.02</u>
	<u>108.64</u>	<u>245.10</u>
1% of above or 50% of Salary whichever is lower	1.09	1.73

## 11. Directors' Remuneration :

	Rs. in Lacs	
	1998-99	1997-98
Salary	6.11	5.49
Contribution to Provident Fund & Other Funds *	0.77	0.52
Other Perquisites	1.12	0.26
Commission	1.09	1.73
Directors' Fees	0.14	0.08
Total	<u>9.23</u>	<u>8.08</u>

\* (Contribution to Employees Gratuity Fund which are based on actuarial valuation done on an overall Company basis are excluded above)

## 12. Additional Information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956 :-

A. QUANTITATIVE INFORMATION	Unit	QUANTITY		AMOUNT Rs. in lacs	
		1998-99	1997-98	1998-99	1997-98
<b>a) Opening Stock :</b>					
Yarn	Packages	13321	17744	639.73	916.80
Cloth	Packages	1907	1198	45.27	37.29
<b>b) Purchases :</b>					
Yarn	Packages	75168	141970	4210.19	6809.89
Cloth	Packages	—	6608	—	227.10
<b>c) Production :</b>					
Cloth	Kg.	28756.50 *	82502.11		
	(Packages)	(1417)	(4125)		

\* Excluding Job work done 30921 Kgs. for others



## YARN SYNDICATE LIMITED

A. QUANTITATIVE INFORMATION		QUANTITY		AMOUNT Rs. in lacs	
		1998-99	1997-98	1998-99	1997-98
	Unit				
d) Sales :					
Yarn	Packages	74463	146393	4759.76	8010.30
Cloth	Packages	2723	10024	59.72	368.00
e) Closing Stock :					
Yarn	Packages	14026	13321	780.78	639.73
Cloth	Packages	601	1907	13.82	45.27
f) Raw Material :					
consumed : (Yarn)					
Opening Stock		1125.43 (56)	14289.18 (476)	1.44	17.38
Purchases	Kg. (Packages)	36247.75 (1785)	69756.42 (3726)	39.50	90.35
Less Closing Stock		8504.44 (419)	1125.43 (56)	8.84	1.44
Consumption	Kg. (Packages)	28868.74 (1422)	82920.17 (4146)	32.10	106.29
g) Licensed Capacity :					
Cloth	Kg.	Not Applicable		Not Applicable	
h) Installed Capacity :					
Cloth (Per annum)	Kg.	485000	485000	Not Applicable	
i) Purchase and Sales on Consignment :					
Yarn	Packages	660	653	26.38	67.69
B. EXPENDITURE IN FOREIGN CURRENCY				Rs. in Lacs	
			1998-99	1997-98	
Travelling			22.21	19.80	
Commission (Including outstanding)			67.52	87.21	
Claims paid to Overseas Buyers			36.60	4.00	
C. EARNING IN FOREIGN CURRENCY					
F.O.B. value of goods Exported			4645.77	8030.76	

## YARN SYNDICATE LIMITED

**13. ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :**

**1. Registration Details :**

Registration No.	21-13842
State Code	21
Balance Sheet Date	31.03.99

**2. Capital Raised During the Year : (Rs. In lacs)**

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

**3. Position of Mobilisation and Deployment of Funds : (Rs. in ,000)**

Total Liabilities	234139
Total Assets	234139

**Sources of Funds :**

Paid up Capital	37500
Reserves & Surplus	140911
Secured Loans	55501
Unsecured Loans	227

**Application of Funds :**

Net Fixed Assets	14797
Investments	18674
Net Current Assets	191815
Miscellaneous Expenditure	8853
Accumulated Losses	NIL

**4. Performance of Company : (Rs. in ,000)**

Turnover (Including other Income)	489516
Total Expenditure	481611
Profit/(Loss) before Tax	7905
Profit/(Loss) after Tax	7253
Earning per Share (Rs.)	1.93
Dividend Rate	10%

**5. Generic Names of Principal Products, Services of the Company :**

Item Code No.	52.05
Product Description	Cotton Yarn

**14. Raw Materials and Stores & Spare Parts consumed : indigenous. 100%**

**15. Figures are given in Lacs and rounded to nearest Thousand.**

**16. Previous Year figures have been regrouped/rearranged wherever considered necessary.**

# YARN SYNDICATE LIMITED

## 17. ACCOUNTING POLICIES :

### A) General :

These Accounts have been prepared on the historical cost basis and on the accounting principles of a going concern.

Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

### B) Revenue Recognition :

- i) All expenses and income are accounted on accrual basis except where there is uncertainty about the receipt thereof in view of the claims/disputes.
- ii) Income from Export Incentives is recognised on the basis of certainties as to its utilisation and related realisation.

### C) Retirement benefits :

- i) Gratuity liability is determined on the basis of actuarial valuation and funded with Employees' Gratuity Fund.
- ii) Accrued liability in respect of leave encashment is provided/paid during the year.

### D) Fixed Assets :

Fixed Assets are stated at Cost.

### E) Depreciation :

- a) In respect of Fixed Assets of Knitting Unit, depreciation has been provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- b) In respect of Fixed Assets other than those of Knitting Unit :
  - i) Depreciation on Fixed Assets has been provided on written down value basis at the rates as prescribed under the Income Tax Rules 1962, except in the case of assets mentioned at serial Nos. (b), (f) and (g) herein below whereon it has been provided at the rates as prescribed under Schedule XIV to the Companies Act, 1956.

	Rates as per Schedule XIV to the Companies Act, 1956 (%)	Rates as per Income Tax Rules, (%)
<b>a) Building :</b>		
Office	5	10
Residential (Area less than 80 Sq. Meters)	5	20
<b>b) Furniture &amp; Fixtures</b>	18.10	10
<b>c) Office Equipments</b>	13.91	25
<b>d) Air Conditioning Machine</b>	13.91	25
<b>e) Refrigerator</b>	13.91	25
<b>f) Motor Car</b>	25.89	20
<b>g) Computer</b>	40	60

## YARN SYNDICATE LIMITED

- ii) Depreciation on additions to assets during the year valuing upto Rs. 5,000/- has been provided at the rate of 95%.
- iii) Depreciation on additions to assets has been provided for the full year. No depreciation is being provided on assets sold during the year.

**F) Exchange Fluctuation :**

- i) **Assets & Liabilities :**

Transactions in foreign currencies related to the current assets and liabilities are accounted for on the basis of the exchange rates prevailing at the time the transactions take place and at the year end these are expressed at the year end exchange rates.

- ii) **Export Sales :**

At the rates as on the date of negotiation or collection or at forward contract rates, wherever applicable.

**G) Inventories :**

- i) Stock of Trading Goods is stated at cost.
- ii) Stock of Finished Goods (Knitted Fabrics) is stated at the lower of cost or estimated net realisable value.
- iii) Stores and Spare Parts is stated at cost.

**H) Investments :**

Long Term Investments are stated at cost less provision for diminution in value other than temporary if any. Current Investments are valued at cost or below cost as the case may be.

**I) Share Issue Expenses :**

Share Issue Expenses are being amortised proportionately over a period of ten years.

**J) Quota Expenses :**

Quota Expenses are written off over the period during which benefits therefrom are expected to be derived.

**K) Contingent Liabilities :**

Contingent Liabilities are not provided but disclosed by way of Note.

As per our report of even date

**For LODHA & CO.**  
Chartered Accountants  
**P. L. VADERA**  
Partner

**S. K. SANGANERIA**  
Secretary

For and on behalf of the Board  
**M. L. PATODIA**, Managing Director  
**R. K. PATODIA**, Managing Director  
**K. C. SIOTIA**, Executive Director

Place : Calcutta

Dated : the 31st day of May, 1999

# YARN SYNDICATE LIMITED

## CASH FLOW STATEMENT OF YARN SYNDICATE LIMITED AS PER LISTING AGREEMENT

CASH FLOW STATEMENT	Year ended 31st March, 1999 Rs. in lacs	Year ended 31st March, 1998 Rs. in lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxes	79.05	228.52
Depreciation	22.04	22.33
Interest paid	131.26	211.37
Share Issue Expenses	7.30	7.30
Quota Expenses	29.96	25.46
Loss on Diminution in Investment	7.13	1.72
Loss on Sale of Investments (Net)	5.07	(2.73)
Profit on Sale of Assets (Net)	(0.85)	(0.15)
Interest Received	(87.32)	(38.88)
Dividend Received	(0.77)	(3.82)
Miscellaneous Expenditure	(22.50)	(1.59)
Exchange Fluctuation (Loss)/Gain (to the extent not paid / realised)	7.88	(2.86)
Sundry Balances Written back (Net)	(16.72)	—
Operating Profit before working Capital Changes	<u>161.53</u>	<u>446.67</u>
Adjustment for :		
Inventories	(109.56)	268.81
Trade and Other Receivables	540.84	(466.73)
Advances	(14.64)	24.00
Trade Payables	(454.61)	282.77
Cash Generated From Operations	<u>123.56</u>	<u>555.52</u>
Direct Taxes Paid (Including Dividend Tax)	(18.59)	(18.42)
Net Cash Flow from Operating Activities (A)	<u>104.97</u>	<u>537.10</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(8.93)	(8.67)
Sale of Fixed Assets	1.82	0.20
Sale of Investment	178.56	105.98
Purchase of Investment	(229.26)	(118.75)
Loans & Inter-corporate Deposits	(44.27)	(95.73)
Interest Received	59.29	37.07
Dividend Received	0.77	3.82
Net Cash used in Investing Activities (B)	<u>(42.02)</u>	<u>(76.08)</u>
	<u>(42.02)</u>	<u>(76.08)</u>

# YARN SYNDICATE LIMITED

## CASH FLOW STATEMENT (Contd.)

	Year ended 31st March, 1999 Rs. in lacs	Year ended 31st March, 1998 Rs. in lacs
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Increase/Decrease in Secured Borrowing	123.04	(120.82)
Dividend Paid	(36.76)	(38.54)
Interest Paid	(118.45)	(204.95)
Net Cash from Financing Activities (C)	(32.17)	(364.31)
Net Increase in Cash & Cash equivalents (A+B+C)	30.78	96.71
Cash & Cash equivalents as at opening	352.66	255.95
Cash & Cash equivalents as at closing *	383.44	352.66

\* Net of adjustment on account of Exchange Fluctuation loss amounting to Rs. 4.07 Lacs. (Previous year Rs. 3.72 Lacs gain)

**S. K. SANGANERIA**  
Secretary

For and on behalf of the Board  
**M. L. PATODIA**, Managing Director  
**R. K. PATODIA**, Managing Director  
**K. C. SIOTIA**, Executive Director

Dated : the 31st day of May, 1999.

## AUDITORS' REPORT

We have examined the above Cash Flow Statement of YARN SYNDICATE LIMITED for the year ended 31st March 1999. The Statement read with note No. 9 of Schedule 14 to the accounts has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with Stock Exchange and is based on and in agreement with the books and records of the Company and also the Profit and Loss Account and Balance Sheet of the Company covered by our Report of even date to the members of the Company.

For **LODHA & CO.**  
Chartered Accountants  
**P. L. VADERA**  
Partner

14, Government Place East,  
Calcutta-700 001

Dated : the 31st day of May, 1999.

## YARN SYNDICATE LIMITED

### STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

#### INTEREST OF HOLDING COMPANY IN THE SUBSIDIARY COMPANIES

SL. NO.	NAME OF THE SUBSIDIARY COMPANIES	YEAR ENDED	NO. OF EQUITY SHARES	FACE VALUE RS. IN LACS	EXTENT OF HOLDING %	NET PROFIT/LOSS NOT DEALT WITH IN HOLDING COMPANY'S ACCOUNTS RS. IN LACS.			
						CURRENT YEAR		PREVIOUS YEAR	
1.	YS Exports Limited	31.03.99	108100	10.81	52.73	LOSS	9.07	LOSS	1.94
2.	Aarkay Credit Limited	31.03.99	117750	11.77	98.96	LOSS	1.05	PROFIT	1.32
3.	Prachi Credit Limited	31.03.99	118250	11.82	98.96	LOSS	1.30	PROFIT	1.40

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**S. K. SANGANERIA**  
Secretary

For and on behalf of the Board

**M. L. PATODIA**      Managing Director

**R. K. PATODIA**      Managing Director

**K. C. SIOTIA**      Executive Director

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ANNUAL REPORTS  
OF  
SUBSIDIARY COMPANIES

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**BOARD OF DIRECTORS**

SHRI M. L. PATODIA  
SHRI R. K. PATODIA  
SHRI K. C. SIOTIA

**AUDITORS**

S. NARAYAN AGARWAL & CO.  
Chartered Accountants  
42/1, B. B. Ganguly Street  
Calcutta - 700 012

**REGISTERED OFFICE**

7, Sambhu Nath Mullick Lane,  
Calcutta - 700 007

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting their Eleventh Report alongwith Annual Audited Accounts for the Year ended 31st March, 1999 together with Auditors' Report thereon.

**ACCOUNTS :**

From the Accounts you would observe that after accounting for all expenses and income the Company has suffered a Net Loss of Rs. 9,06,974/-. The final position stands as follows :-

Net Loss as per Profit and Loss A/c	<b>(Rs. 9,06,974)</b>
Credit Balance brought forward from last year	<b>Rs. 10,36,529</b>
Credit Balance in Profit and Loss A/c carried forward to next year	<b><u>Rs. 1,29,555</u></b>

**DIVIDEND :**

In view of loss suffered during the year under review your Directors do not recommend any dividend.

**BUSINESS ACTIVITIES :**

During the year under report, the Company continued the business as commission agents of various manufacturers. Although the financial results have not been satisfactory, your Directors are hopeful of better results in future.

**DIRECTORS :**

Shri M. L. Patodia, Director of the Company retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

**HOLDING COMPANY :**

By virtue of holding more than 50% Shares in your Company, M/s. Yarn Syndicate Limited, the Holding Company, continues to be the Holding Company of your Company.

**Y2K COMPLIANCE :**

The Company's management has taken effective steps to ensure that it becomes year 2000 (Y2K) Compliant. The Management further feels that the impact of Y2K issue due to external failure, if any, would not materially affect the operations of the Company.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING/  
OUTGO :**

The particulars required in respect of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable for the year under review.

**AUDITORS' NOTES :**

Auditors' Notes in their Report referring to Schedule 4 of Fixed Assets and Schedule 12 of Notes on Accounts are self-explanatory and do not require any further clarification.

**AUDITORS :**

M/s. S. Narayan Agarwal & Co. Chartered Accountants, the Auditors of the Company retire but being eligible have offered themselves for re-appointment.

M/s. Rungta & Associates, Chartered Accountants, the Branch Auditors of the Company's branch at Mumbai retire but being eligible have offered themselves for re-appointment.

Registered Office :  
7, Sambhu Nath Mullick Lane,  
Calcutta-700 007  
Dated : the 27th day of May, 1999

By Order of the Board  
**R. K. PATODIA**  
**K. C. SIOTIA**  
Directors

**AUDITORS' REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of YS EXPORTS LIMITED of 7, Sambhu Nath Mullick Lane, Calcutta-700 007 as at 31st March, 1999 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report that :

1. 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.
2. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Account of the Company.
3. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the mandatory accounting standards referred to in sub-section 3(c) of Section 211 of the Companies Act, 1956.
4. The Audited Statements of Account together with Auditors' Report thereon have been received from Mumbai Branch and the same have been considered in framing our report.
5. 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 and according to explanations given to us, the said accounts subject to Note no. 2 of the Notes on Accounts regarding change in method of accounting of bonus expenses and read together with Schedule '12' of Notes on Accounts give the information required by the Companies Act, 1956 (hereinafter referred to as the Act) in the manner so required and give a true and fair view :-
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999 ; and
  - ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Act and on the basis of such checks as were considered appropriate, we further report that :

1. The Company has maintained proper records to show full particulars and situation of Fixed Assets. As informed to us, physical verification of the Fixed Assets has been carried out by the Management and no material discrepancies were noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. There was no stock of finished goods, raw materials and stores, hence the question of physical verification and valuation does not arise.
4. The Company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act and/or the Companies under the same management as defined under Section 370 (1-B) of the Companies Act except interest free loan from Holding Company.
5. The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act and/or the Companies under the same management as defined under Section 370 (1-B) of the Companies Act.

6. Provident Fund dues have been regularly deposited with the appropriate authorities during the year. As explained, the provisions of the Employees' State Insurance Act, 1948 are not applicable to the Company.
7. According to the information and explanations given to us and the books and records examined by us, there are no undisputed amount payable in respect of Income-tax, Excise duty, Sales-tax and Customs duty outstanding as at 31st March, 1999 for a period exceeding six months from the date they become payable.
8. According to the information and explanations given to us and as per the records of the Company examined by us, no personal expenses have been charged to Revenue Account.
9. Investments are held in the name of a Director.
10. Other clauses of the said order are not applicable to the Company.

Place : Calcutta  
Dated : the 27th day of May, 1999

**For S. NARAYAN AGARWAL & CO.**  
Chartered Accountants  
**S. N. AGARWAL**  
Proprietor,

## YS EXPORTS LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 1999

	SCHEDULE	31-03-1999 Rs.	31-03-1998 Rs.
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders' Funds :</b>			
Share Capital	1	20,50,000	20,50,000
Reserves & Surplus	2	1,29,555	10,36,529
		21,79,555	30,86,529
<b>Loan Funds :</b>			
Unsecured Loans	3	88,30,211	81,60,211
		88,30,211	81,60,211
<b>TOTAL :</b>		1,10,09,766	1,12,46,740
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets :</b>			
Gross Block	4	1,74,28,506	1,74,28,506
Less : Depreciation		60,26,570	53,77,936
Net Block		1,14,01,936	1,20,50,570
<b>Investments :</b>	5	15,000	15,000
<b>Current Assets, Loans &amp; Advances :</b>			
Sundry Debtors	6	33,295	3,56,250
Cash & Bank Balances	7	3,16,218	1,24,331
Loans & Advances	8	7,91,082	8,39,445
		11,40,595	13,20,026
<b>Less : Current Liabilities &amp; Provisions</b>	9		
Current Liabilities		9,07,765	14,98,856
Provisions		6,40,000	6,40,000
		15,47,765	21,38,856
<b>Net Current Assets</b>		(4,07,170)	(8,18,830)
<b>TOTAL :</b>		1,10,09,766	1,12,46,740
<b>Notes on Accounts</b>	12		

As per our report of even date

**For S. NARAYAN AGARWAL & CO.**

Chartered Accountants

**S. N. AGARWAL**

Proprietor

42/1, B. B. Ganguly Street, Calcutta-700 012

Dated : 27th day of May, 1999

For and on behalf of the Board

**R. K. PATODIA**

**K. C. SIOTIA**

Directors

**YS EXPORTS LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999**

	Schedule	31-03-1999 Rs.	31-03-1998 Rs.
<b>INCOME :</b>			
Other Income	10	8,49,681	19,48,677
		<u>8,49,681</u>	<u>19,48,677</u>
<b>EXPENDITURE :</b>			
Other Expenses	11	11,08,021	14,48,469
Depreciation		6,48,634	6,93,879
		<u>17,56,655</u>	<u>21,42,348</u>
Profit/(Loss) before Taxation		(9,06,974)	(1,93,671)
Balance brought forward from last year		10,36,529	12,30,200
<b>Balance carried forward</b>		<u>1,29,555</u>	<u>10,36,529</u>
<b>Notes on Accounts</b>	12		

As per our report of even date

**For S. NARAYAN AGARWAL & CO.**  
Chartered Accountants

**S. N. AGARWAL**  
Proprietor

42/1, B. B. Ganguly Street, Calcutta-700 012  
Dated : 27th day of May, 1999

For and on behalf of the Board

**R. K. PATODIA**  
**K. C. SIOTIA**  
Directors

# YS EXPORTS LIMITED

## SCHEDULES TO THE ACCOUNTS

	31-03-1999 Rs.	31-03-1998 Rs.
<b>SCHEDULE 1 : SHARE CAPITAL</b>		
<b>Authorised :</b>		
5,00,000 Equity Shares of Rs. 10/- each	50,00,000	50,00,000
1,00,000 Preference Shares of Rs. 10/- each	10,00,000	10,00,000
	<b>60,00,000</b>	<b>60,00,000</b>
<b>Issued, Subscribed &amp; Paid up :</b>		
2,05,000 Equity Shares of Rs. 10/- each Fully paid up in cash out of which 1,08,100 Equity Shares are held by Holding Company M/s Yarn Syndicate Limited.	20,50,000	20,50,000
	<b>20,50,000</b>	<b>20,50,000</b>
 <b>SCHEDULE 2 : RESERVES &amp; SURPLUS</b>		
<b>PROFIT &amp; LOSS ACCOUNT :</b>		
Balance Carried Forward	1,29,555	10,36,529
	<b>1,29,555</b>	<b>10,36,529</b>
 <b>SCHEDULE 3 : UNSECURED LOANS</b>		
From Holding Company (Interest Free)	88,30,211	81,60,211
	<b>88,30,211</b>	<b>81,60,211</b>



**SCHEDULES TO THE ACCOUNTS**

**SCHEDULE 4 : FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-04-98	Additions during the year	Sales/ Adjustments	As at 31-03-99	Upto 31-03-98	Provided during the year	Deduction For Sales/ Adjustments	Total As at 31-03-99	As at 31-03-99	As at 31-03-98
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
OWNERSHIP PREMISES	1,62,75,335	—	—	1,62,75,335	46,22,884	5,82,623	—	52,05,507	1,10,69,828	1,16,52,451
FURNITURE & FIXTURES	5,88,681	—	—	5,88,681	3,89,576	36,038	—	4,25,614	1,63,067	1,99,105
AIR CONDITIONER & WATER FILTER	3,71,104	—	—	3,71,104	2,19,638	21,069	—	2,40,707	1,30,397	1,51,466
TELEPHONE EQUIPMENTS	96,636	—	—	96,636	57,865	5,393	—	63,258	33,378	38,771
COMPUTER	96,750	—	—	96,750	87,973	3,511	—	91,484	5,266	8,777
<b>TOTAL :</b>	<b>1,74,28,506</b>	<b>—</b>	<b>—</b>	<b>1,74,28,506</b>	<b>53,77,936</b>	<b>6,48,634</b>	<b>—</b>	<b>60,26,570</b>	<b>1,14,01,936</b>	<b>1,20,50,570</b>
PREVIOUS YEAR :	1,74,28,506	—	—	1,74,28,506	46,84,057	6,93,879	—	53,77,936	1,20,50,570	—

NOTE : Though a residential premises, as explained, the same is used as office for the business of the branch.

# YS EXPORTS LIMITED

## SCHEDULES TO THE ACCOUNTS

	31-03-1999 Rs.	31-03-1998 Rs.
<b>SCHEDULE 5 : INVESTMENTS (At Cost)</b>		
(Other than Trade)		
<b>Unquoted :</b>		
National Savings Certificate (Held in the Name of a Director on behalf of the Company)	15,000	15,000
	<u>15,000</u>	<u>15,000</u>
<b>SCHEDULE 6 : SUNDRY DEBTORS</b>		
(Unsecured - Considered Good)		
Debts due for a period exceeding six months	28,750	28,750
Other Debts	4,545	3,27,500
	<u>33,295</u>	<u>3,56,250</u>
<b>SCHEDULE 7 : CASH &amp; BANK BALANCES</b>		
a) Cash in hand	1,61,810	77,893
b) Balances with Scheduled Banks :		
In Current Accounts	1,54,408	22,438
In Fixed Deposit Account	—	24,000
	<u>3,16,218</u>	<u>1,24,331</u>
<b>SCHEDULE 8 : LOANS &amp; ADVANCES</b>		
(Unsecured - Considered Good)		
Advance recoverable in Cash or in kind or for value to be received	5,325	16,260
Advance/Provisional payment of Income Tax	6,60,716	6,60,716
Tax Deducted at Source	87,221	87,221
Staff Advance	20,500	57,928
Deposits	17,320	17,320
	<u>7,91,082</u>	<u>8,39,445</u>
<b>SCHEDULE 9 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
a) <b>Current Liabilities :</b>		
Sundry Creditors for Goods & Expenses	9,03,195	14,93,688
Tax Deducted at Source	4,570	5,168
	9,07,765	14,98,856
b) <b>Provisions :</b>		
For Taxation	6,40,000	6,40,000
	<u>15,47,765</u>	<u>21,38,856</u>

**YS EXPORTS LIMITED**

**SCHEDULES TO THE ACCOUNTS**

	31-03-1999 Rs.	31-03-1998 Rs.
<b>SCHEDULE 10 : OTHER INCOME</b>		
Commission	8,43,625	19,48,677
Interest	6,056	—
	<u>8,49,681</u>	<u>19,48,677</u>
 <b>SCHEDULE 11 : OTHER EXPENSES</b>		
Salary, Bonus & Gratuity	6,33,633	4,87,453
Contribution to Provident Fund	52,541	43,904
Staff Welfare	2,272	2,791
Electricity Charges	1,01,099	1,02,306
Building Repairs & Maintenance	1,99,831	4,03,197
Travelling Expenses	2,180	—
Conveyance Charges	25,875	19,051
Printing & Stationery	3,972	14,620
Postage, Telegrams, Telephones & Telex	7,959	13,932
Rates & Taxes	1,010	3,090
Legal & Professional Expenses	19,100	23,600
Brokerage & Commission	38,640	3,19,537
Bank Charges	1,488	1,999
Filing Fees	240	240
General Expenses	1,997	280
Subscription to associations	10,000	4,500
Auditors' Remuneration (including Branch Auditors) :		
For Audit	4,600	4,600
For Tax Audit	750	750
For Certification Work	500	500
For out of Pocket Expenses	334	264
Preliminary Expenses Written Off	—	1,263
Debit Balances Written Off	—	592
	<u>11,08,021</u>	<u>14,48,469</u>

# YS EXPORTS LIMITED

## SCHEDULES TO THE ACCOUNTS

### SCHEDULE 12 : NOTES ON ACCOUNTS

- i. Gratuity liability is being accounted for as and when paid.
- ii. The Company's management has taken effective steps to ensure that it becomes year 2000 (Y2K) Compliant. The Management further feels that the impact of Y2K issue due to external failure, if any, would not materially affect the operations of the Company.
- iii. During the year, the company has changed the method of accounting of accrued liability for Bonus from cash to accrual basis resulting in higher loss of Rs. 38,400/- for the year and relevant current liability being stated higher by Rs. 38,400/-.
- iv. **Significant Accounting Policies :**
  - A. (a) These accounts have been prepared on historical cost basis and on accounting principles of a going concern.
  - (b) Accounting policies not specifically referred to otherwise are consistent and are in consonance with generally accepted accounting principles.
  - B. Depreciation is provided on written down value method at the rates specified in Schedule XIV to the Companies Act, 1956.
  - C. All expenses and income have been accounted for on accrual basis except otherwise mentioned.
  - D. Investments are stated at cost.
  - E. Fixed Assets are stated at cost less accumulated depreciation.
- v. Balances of Sundry debtors, Creditors and Loan & Advances are subject to confirmation.
- vi. Previous year's figures have been re-grouped/re-arranged wherever necessary.
- vii. Additional information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956 ;

Quantitative information (as certified by the management).

Purchase and Sales of Yarn on Account of Consignment :

Current Year		Previous Year	
Qty.	Amount	Qty.	Amount
Bags	(Rs.)	Bags	(Rs.)
1,510	96,38,150	913	75,24,894

- viii. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 :

#### I. REGISTRATION DETAILS :

Registration No.			21-044154
State Code			21
Balance Sheet Date	31	03	1999
	Date	Month	Year

#### II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.) :

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

# YS EXPORTS LIMITED

## SCHEDULES TO THE ACCOUNTS

### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.)

Total Liabilities	1,25,57,531
Total Assets	1,25,57,531

#### Sources of Funds :

Paid-up Capital	20,50,000
Reserves & Surplus	1,29,555
Secured Loans	NIL
Unsecured Loans	88,30,211

#### Application of Funds :

Net Fixed Assets	1,14,01,936
Investments	15,000
Net Current Assets	(4,07,170)
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL

### IV. PERFORMANCE OF COMPANY (Amount in Rs.)

Turnover	8,49,681
Total Expenditure	17,56,655
Profit/(Loss) before Tax	(9,06,974)
Profit/(Loss) after Tax	(9,06,974)
Earning per Share in Rs.	NIL
Dividend Rate %	NIL

### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY (As per Monetary Terms)

1) Item Code No. : (ITC Code)	NOT APPLICABLE
2) Product Description :	NOT APPLICABLE

As per our report of even date.  
Signature to Schedules 1 to 12

**For S. NARAYAN AGARWAL & CO.**  
Chartered Accountants

**S. N. AGARWAL**  
Proprietor

For and on behalf of the Board  
**R. K. PATODIA**  
**K. C. SIOTIA**  
Directors

42/1, B. B. Ganguly Street, Calcutta-700 012  
Dated : 27th day of May, 1999

# AARKAY CREDIT LIMITED

**REGISTERED OFFICE :**

7, Sambhu Nath Mullick Lane  
Calcutta-700 007

**AUDITORS :**

M/s. S. Narayan Agarwal & Co.  
Chartered Accountants, Calcutta.

**BOARD OF DIRECTORS :**

SHRI P. D. PATODIA  
SHRI R. K. PATODIA  
SHRI K. C. SIOTIA

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in submitting their Eleventh Report together with Audited Accounts for the year ended 31st March, 1999 and the Auditors' Report thereon.

**ACCOUNTS :**

From the Accounts you would observe that the Company has incurred a Net Loss of Rs. 1,04,871/-. The Final Position as per Audited Accounts stands as follows :

	Rs.	
Net Loss as per Profit & Loss Account	(1,04,871)	
Add : Credit Balance in Profit & Loss Account brought forward from last year	1,76,922	72,051
Less : Transferred to Capital Redemption Reserve	23,000	
Short Provision of Income Tax	2,084	25,084
✓ Credit Balance in Profit & Loss Account carried forward to next year	46,967	

**DIVIDEND :**

In view of loss during the year under review, your Directors do not recommend any dividend for the year.

**BUSINESS ACTIVITIES :**

Your Directors are hopeful of better results in future.

**DIRECTORS :**

Shri R. K. Patodia, Director of the Company retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

**HOLDING COMPANY :**

By virtue of holding more than 50% Shares in your Company, M/s. Yarn Syndicate Limited, the Holding Company continues to be so.

**Y2K COMPLIANCE :**

The Company's management has taken effective steps to ensure that it becomes year 2000 (Y2K) Compliant. The Management further feels that the impact of Y2K issue due to external failure, if any, would not materially affect the operations of the Company.

**AUDITORS :**

M/s. S. Narayan Agarwal & Co. Chartered Accountants, retire but being eligible have offered themselves for re-appointment.

By order of the Board  
R. K. PATODIA  
K. C. SIOTIA  
Directors

Registered Office :  
7, Sambhu Nath Mullick Lane,  
Calcutta-700 007.

Dated : the 26th day of May, 1999.

**AUDITORS' REPORT**

**To The Shareholders**

We have audited the attached Balance Sheet of AARKAY CREDIT LIMITED 7, Sambhu Nath Mullick Lane, Calcutta - 700 007 as at 31st March, 1999 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report :

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.

The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Account of the Company and have complied with the accounting standards referred to in sub section 3(c) of Section 211 of the Companies Act, 1956.

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.

In our opinion and to the best of our information and according to 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 :-

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999; and
- ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Act and on the basis of such checks as were considered appropriate, we further report that :

- i) The Company has taken unsecured loan from Holding Company. The rate of interest, other terms and conditions of such loan are not prima facie prejudicial to the interest of the Company.
- ii) The investments are being held by the Company in its own name.
- iii) Other clauses of the said order are not applicable to the Company.

For S. NARAYAN AGARWAL & CO.  
Chartered Accountants  
S. N. AGARWAL  
Proprietor

Place : Calcutta

Dated : the 26th day of May, 1999.

# AARKAY CREDIT LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 1999

	SCHEDULE	31-03-1999 Rs.	31-03-1998 Rs.
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUNDS :</b>			
Share Capital	1	11,89,900	12,12,900
<b>RESERVES &amp; SURPLUS :</b>			
General Reserve		30,000	30,000
Reserve Fund		26,384	26,384
Capital Redemption Reserve		23,000	—
Profit & Loss Account - Balance at Credit		46,967	1,76,922
		<u>13,16,251</u>	<u>14,46,206</u>
<b>LOAN FUNDS :</b>			
Unsecured Loan from Holding Company		18,65,295	18,23,934
<b>TOTAL :</b>		<u>31,81,546</u>	<u>32,70,140</u>
<b>APPLICATION OF FUNDS :</b>			
Investments	2	32,23,253	32,23,253
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
Cash & Bank Balances	3	6,883	11,665
Loans & Advances	4	—	1,13,302
		<u>6,883</u>	<u>1,24,967</u>
Less : Current Liabilities & Provisions	5	48,590	78,080
Net Current Assets		(41,707)	46,887
<b>TOTAL :</b>		<u>31,81,546</u>	<u>32,70,140</u>

NOTE : Schedules 1 to 6 form an integral part of this Balance Sheet.

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

	31-03-1999 Rs.	31-03-1998 Rs.
<b>INCOME :</b>		
Dividend	1,22,515	3,67,545
Interest from Income Tax Department	10,080	15,344
	<u>1,32,595</u>	<u>3,83,389</u>
<b>EXPENDITURE :</b>		
Audit Fees	2,000	2,000
Professional Tax	900	900
Interest (To Holding Company)	2,32,951	2,44,400
Trade Licence	110	90
Filing Fees	360	240
General Expenses	70	121
Bank Charges	75	—
Law Charges	1,000	2,750
Preliminary Expenses Written off	—	966
	<u>2,37,466</u>	<u>2,51,467</u>
Profit/(Loss) for the year	(1,04,871)	1,31,922
Excess Provision for Income Tax in earlier year Written back	—	72
Short Provision of Income Tax for Assessment Year 1997 - 98	(2,084)	—
Transferred to Reserve Fund	—	(26,384)
Transferred to Capital Redemption Reserve	(23,000)	—
Profit/(Loss) as per last account	<u>1,76,922</u>	<u>71,312</u>
Balance Carried to Balance Sheet	<u>46,967</u>	<u>1,76,922</u>

In terms of our report of even date  
**For S. NARAYAN AGARWAL & CO.**  
Chartered Accountants  
**S. N. AGARWAL**  
Proprietor  
42/1, B. B. Ganguly Street, Calcutta-700 012  
Dated : the 26th day of May, 1999

For and on behalf of the Board  
**R. K. PATODIA**  
**K. C. SIOTIA**  
Directors

# AARKAY CREDIT LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1999

	31-03-1999 Rs.	31-03-1998 Rs.
<b>(SHARE CAPITAL : (SCHEDULE '1'))</b>		
<b>Authorised :</b>		
2,70,000 Equity Shares of Rs. 10/- each	27,00,000	27,00,000
30,000 Preference Shares of Rs. 10/- each	3,00,000	3,00,000
	<u>30,00,000</u>	<u>30,00,000</u>
<b>Issued, Subscribed &amp; Paid up :</b>		
1,18,990 Equity Shares of Rs. 10/- each fully paid up in cash out of which 1,17,750 Equity Shares are held by the Holding Company Yarn Syndicate Limited.	11,89,900	11,89,900
2,300 10% Redeemable Preference Shares of Rs. 10/- each fully paid up in cash (Redeemed on 02.05.1998)	—	23,000
	<u>11,89,900</u>	<u>12,12,900</u>
<b>INVESTMENTS : (SCHEDULE '2')</b>		
<b>(AT COST)</b>		
2,45,030 Equity Shares of Rs. 10/- each fully paid up in M/s. ATL Textiles Limited (Market Price Rs. 12,25,150/-; Previous Year Rs. 29,40,360/-)	32,23,253	32,23,253
<b>CASH AND BANK BALANCES : (SCHEDULE '3')</b>		
Cash in Hand	945	1,485
Balance with Scheduled Bank in Current Account	5,938	10,180
	<u>6,883</u>	<u>11,665</u>
<b>LOANS AND ADVANCES : (SCHEDULE '4')</b>		
Income Tax Deducted at Source	—	1,13,302
	<u>—</u>	<u>1,13,302</u>
<b>CURRENT LIABILITIES &amp; PROVISIONS : (SCHEDULE '5')</b>		
<b>Current Liabilities :</b>		
Creditors for Expenses	2,000	2,000
Tax Deducted at Source	46,590	48,880
<b>Provisions :</b>		
For Taxation	—	27,200
	<u>48,590</u>	<u>78,080</u>
<b>NOTES ON ACCOUNTS : (SCHEDULE '6')</b>		
i) <b>Significant Accounting Policies :</b>		
A. (a) These accounts have been prepared on historical cost basis and on accounting principles of a going concern.		
(b) Accounting policies not specifically referred to otherwise are consistent and are in consonance with generally accepted accounting principles.		
B. All expenses and income have been accounted for on accrual basis except otherwise mentioned.		
C. Investments are stated at cost.		
ii) The Company has applied for registration as provided in Section 45-IA of the RBI Act and communication from RBI is awaited.		
iii) Previous Year's figures have been re-grouped/re-arranged wherever necessary.		



# AARKAY CREDIT LIMITED

iv) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

**I. REGISTRATION DETAILS :**

Registration No.	21-044204
State Code	21
Balance Sheet Date	31 03 1999
	Date Month Year

**II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.) :**

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.) :**

Total Liabilities	32,30,136
Total Assets	32,30,136
<b>Sources of Funds :</b>	
Paid-up Capital	11,89,900
Reserves & Surplus	1,26,351
Secured Loans	NIL
Unsecured Loans	18,65,295
<b>Application of Funds :</b>	
Net Fixed Assets	NIL
Investments	32,23,253
Net Current Assets	(41,707)
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL

**IV. PERFORMANCE OF COMPANY (Amount in Rs.) :**

Turnover	1,32,595
Total Expenditure	2,37,466
Profit/(Loss) before Tax	(1,04,871)
Profit/(Loss) after Tax	(1,04,871)
Earning per Share in Rs.	NIL
Dividend rate %	NIL

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY :  
(As per monetary terms)**

1) Item Code No. : (ITC Code)	NOT APPLICABLE
2) Product Description :	NOT APPLICABLE

In terms of our report of even date.

**For S. NARAYAN AGARWAL & CO.**  
Chartered Accountants  
**S. N. AGARWAL**  
Proprietor

42/1, B. B. Ganguly Street, Calcutta-700 012  
Dated : the 26th day of May, 1999

For and on behalf of the Board  
**R. K. PATODIA**  
**K. C. SIOTIA**  
Directors

# PRACHI CREDIT LIMITED

**REGISTERED OFFICE :**

7, Sambhu Nath Mullick Lane  
Calcutta-700 007

**AUDITORS :**

M/s. S. Narayan Agarwal & Co.  
Chartered Accountants, Calcutta.

**BOARD OF DIRECTORS :**

SHRI R. K. PATODIA  
SHRI K. C. SIOTIA  
SHRI MANOJ PATODIA

**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in submitting their Eleventh Report together with Audited Accounts for the year ended 31st March, 1999 and the Auditors' Report thereon.

**ACCOUNTS :**

From the Accounts you would observe that the Company has incurred a Net Loss of Rs. 1,30,416/-. The final position as per Audited Accounts stands as follows :

	Rs.	
Net Loss as per Profit & Loss Account	(1,30,416)	
Add : Credit Balance in Profit & Loss Account brought forward from last year	1,81,486	
	51,070	
Less : Transferred to Capital Redemption Reserve	23,000	
Short Provision of Income Tax	6,194	29,194
Credit Balance in Profit & Loss Account carried forward to next year	21,876	

**DIVIDEND :**

In view of loss during the year under review, your Directors do not recommend any dividend for the year.

**BUSINESS ACTIVITIES :**

Your Directors are hopeful of better results in future.

**DIRECTORS :**

Shri R. K. Patodia, Director of the Company retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

**HOLDING COMPANY :**

By virtue of holding more than 50% Shares in your Company, M/s. Yarn Syndicate Limited, the Holding Company continues to be so.

**Y2K COMPLIANCE :**

The Company's management has taken effective steps to ensure that it becomes year 2000 (Y2K) Compliant. The Management further feels that the impact of Y2K issue due to external failure, if any, would not materially affect the operations of the Company.

**AUDITORS :**

M/s. S. Narayan Agarwal & Co. Chartered Accountants, retire but being eligible have offered themselves for re-appointment.

By order of the Board  
**R. K. PATODIA**  
**K. C. SIOTIA**  
Directors

Registered Office :  
7, Sambhu Nath Mullick Lane,  
Calcutta-700 007.  
Dated : the 26th day of May, 1999.

**AUDITORS' REPORT  
To The Shareholders**

We have audited the attached Balance Sheet of PRACHI CREDIT LIMITED 7, Sambhu Nath Mullick Lane, Calcutta - 700 007 as at 31st March, 1999 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report :

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.

The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Account of the Company and have complied with the accounting standards referred to in sub section 3(c) of Section 211 of the Companies Act, 1956.

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.

In our opinion and to the best of our information and according to 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 :-

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999; and
- ii) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Act and on the basis of such checks as were considered appropriate, we further report that :

- i) The Company has taken unsecured loan from Holding Company. The rate of interest, other terms and conditions of such loan are not prima facie prejudicial to the interest of the Company.
- ii) The investments are being held by the Company in its own name.
- iii) Other clauses of the said order are not applicable to the Company.

For **S. NARAYAN AGARWAL & CO.**  
Chartered Accountants  
**S. N. AGARWAL**  
Proprietor

Place : Calcutta  
Dated : the 26th day of May, 1999.

# PRACHI CREDIT LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 1999

	SCHEDULE	31-03-1999 Rs.	31-03-1998 Rs.
<b>SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUNDS :</b>			
Share Capital	1	11,94,900	12,17,900
<b>RESERVES &amp; SURPLUS :</b>			
General Reserve		25,000	25,000
Reserve Fund		27,986	27,986
Capital Redemption Reserve		23,000	—
Profit & Loss Account - Balance at Credit		21,876	1,81,486
		<u>12,92,762</u>	<u>14,52,372</u>
<b>LOAN FUNDS :</b>			
Unsecured Loan from Holding Company		21,54,810	20,90,691
	TOTAL :	<u>34,47,372</u>	<u>35,43,063</u>
<b>APPLICATION OF FUNDS :</b>			
Investments	2	33,93,350	33,93,350
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
Cash & Bank Balances	3	8,193	10,120
Loans & Advances	4	1,30,309	2,52,134
		<u>1,38,502</u>	<u>2,62,254</u>
Less : Current Liabilities & Provisions	5	84,480	1,12,541
Net Current Assets		54,022	1,49,713
	TOTAL :	<u>34,47,372</u>	<u>35,43,063</u>

Note : Schedules 1 to 6 form an integral part of this Balance Sheet.

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1999

	31-03-1999 Rs.	31-03-1998 Rs.
<b>INCOME :</b>		
Dividend	1,31,730	3,95,195
Interest from Income Tax Department	9,768	25,560
	<u>1,41,498</u>	<u>4,20,755</u>
<b>EXPENDITURE :</b>		
Audit Fees	2,000	2,000
Professional Tax	900	900
Interest (To Holding Company)	2,67,399	2,73,707
Trade Licence	110	90
Filing Fees	360	240
General Expenses	70	121
Bank Charges	75	50
Law Charges	1,000	2,750
Preliminary Expenses Written off	—	966
	<u>2,71,914</u>	<u>2,80,824</u>
Profit/(Loss) for the year	(1,30,416)	1,39,931
Short Provision of Income Tax for Assessment Year 1997-98	(6,194)	—
Transferred to Reserve Fund	—	(27,986)
Transferred to Capital Redemption Reserve	(23,000)	—
Profit/(Loss) as per last account	1,81,486	69,541
Balance Carried to Balance Sheet	<u>21,876</u>	<u>1,81,486</u>

In terms of our report of even date  
**For S. NARAYAN AGARWAL & CO.**  
 Chartered Accountants  
**S. N. AGARWAL**  
 Proprietor  
 42/1, B. B. Ganguly Street, Calcutta-700 012  
 Dated : the 26th day of May, 1999

For and on behalf of the Board  
**R. K. PATODIA**  
**K. C. SIOTIA**  
 Directors

# PRACHI CREDIT LIMITED

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 1999

	31-03-1999 Rs.	31-03-1998 Rs.
<b>SHARE CAPITAL : (SCHEDULE '1')</b>		
<b>Authorised :</b>		
2,70,000 Equity Shares of Rs. 10/- each	27,00,000	27,00,000
30,000 Preference Shares of Rs. 10/- each	3,00,000	3,00,000
	<u>30,00,000</u>	<u>30,00,000</u>
<b>Issued, Subscribed &amp; Paid up :</b>		
1,19,490 Equity Shares of Rs. 10/- each fully paid up in cash out of which 1,18,250 Equity Shares are held by the Holding Company Yarn Syndicate Limited.	11,94,900	11,94,900
2,300 10% Redeemable Preference Shares of Rs. 10/- each fully paid up in cash (Redeemed on 02.05.1998)	—	23,000
	<u>11,94,900</u>	<u>12,17,900</u>
<b>INVESTMENTS : (SCHEDULE '2')</b>		
<b>(AT COST)</b>		
2,63,463 Equity Shares of Rs. 10/- each fully paid up in M/s. ATL Textiles Limited (Market Price Rs. 13,17,315/-; Previous Year Rs. 31,61,556/-)	33,93,350	33,93,350
<b>CASH AND BANK BALANCES : (SCHEDULE '3')</b>		
Cash in Hand	890	1,430
Balance with Scheduled Bank in Current Account	7,303	8,690
	<u>8,193</u>	<u>10,120</u>
<b>LOANS AND ADVANCES : (SCHEDULE '4')</b>		
Income Tax Deducted at Source	1,30,309	2,52,134
	<u>1,30,309</u>	<u>2,52,134</u>
<b>CURRENT LIABILITIES &amp; PROVISIONS : (SCHEDULE '5')</b>		
<b>Current Liabilities :</b>		
Creditors for Expenses	2,000	2,000
Tax Deducted at Source	53,480	54,741
<b>Provisions :</b>		
For Taxation	29,000	55,800
	<u>84,480</u>	<u>1,12,541</u>
<b>NOTES ON ACCOUNTS : (SCHEDULE '6')</b>		
i) <b>Significant Accounting Policies :</b>		
A. (a) These accounts have been prepared on historical cost basis and on accounting principles of a going concern.		
(b) Accounting policies not specifically referred to otherwise are consistent and are in consonance with generally accepted accounting principles.		
B. All expenses and income have been accounted for on accrual basis except otherwise mentioned.		
C. Investments are stated at cost.		
ii) The Company has applied for registration as provided in Section 45-IA of the RBI Act and communication from RBI is awaited.		
iii) Previous Year's figures have been re-grouped/re-arranged wherever necessary.		

# PRACHI CREDIT LIMITED

iv) BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

**I. REGISTRATION DETAILS :**

Registration No.	21-044208
State Code	21
Balance Sheet Date	31 03 1999
	Date Month Year

**II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.) :**

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.) :**

Total Liabilities	35,31,852
Total Assets	35,31,852
<b>Sources of Funds :</b>	
Paid-up Capital	11,94,900
Reserves & Surplus	97,862
Secured Loans	NIL
Unsecured Loans	21,54,610
<b>Application of Funds :</b>	
Net Fixed Assets	NIL
Investments	33,93,350
Net Current Assets	54,022
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL

**IV. PERFORMANCE OF COMPANY (Amount in Rs.) :**

Turnover	1,41,498
Total Expenditure	2,71,914
Profit/(Loss) before Tax	(1,30,416)
Profit/(Loss) after Tax	(1,30,416)
Earning per Share in Rs.	NIL
Dividend rate %	NIL

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICE OF COMPANY :  
(As per monetary terms)**

1) Item Code No. : (ITC Code)	NOT APPLICABLE
2) Product Description :	NOT APPLICABLE

*In terms of our report of even date*

**For S. NARAYAN AGARWAL & CO.**

Chartered Accountants

**S. N. AGARWAL**

Proprietor

42/1, B. B. Ganguly Street, Calcutta-700 012

Dated : the 26th day of May, 1999

For and on behalf of the Board

**R. K. PATODIA**

**K. C. SIOTIA**

Directors

**BOOK-POST**

If undelivered, please return to :

**YARN SYNDICATE LIMITED**

7, Sambhu Nath Mullick Lane

Calcutta-700 007