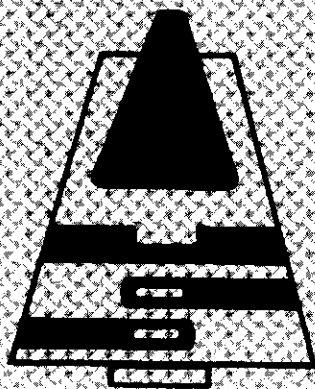


yarn syndicate limited.

Govt. Recognised Trading House



ANNUAL REPORT
FOR THE YEAR ENDED 31ST MARCH 2000

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

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 54TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty Fourth Annual General Meeting of the Members of the Company will be held at Patodia House, 23, Circus Avenue, Calcutta - 700 017 on Thursday, the 14th day of September, 2000 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, 2000 and the Profit & Loss Account for the year ended on that date together with the Auditors' and the Directors' Reports thereon.
2. To appoint a Director in place of Shri Krishna Prasad Bagaria who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Kailash Chandra Siotia who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.
5. To appoint Branch Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provision of Section 163 of the Companies Act, 1956, approval be and is hereby accorded to the keeping of the Register of Members, Index of Members and copies of all Annual Returns together with the copies of certificates and documents required to be annexed thereto with the Company's Transfer Agents, M/s. United Management Consultancy Private Limited, 76, Shakespeare Sarani, 2nd Floor, Calcutta-700 017."

7. Change in Articles of Association by virtue of the amendment in the Companies Act and Introduction of Depositories Act.

To consider, and if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions, as may be necessary from the appropriate Authorities and Bodies, the Articles of Association of the Company, be and is hereby altered in the following manner and to the extent, set out below :

Insert the following heading and Article as Article 43A after Article 43

DEMATERIALIZATION :

For the purpose of this Article :

1. DEFINITIONS

- a) "Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.
- b) "SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
- c) "Depositories Act" means the Depositories Act, 1996, including any statutory modification or re-enactment thereof for the time being in force.
- d) "Bye-Laws" means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.
- e) "Depository" shall mean a Depository as defined under clause (e) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.
- f) "Member" means the duly registered holder from time to time of the Shares of the Company and includes every person whose name is entered as a beneficial owner in the records of the Depository.
- g) "Issuer" means any person making an issue of Securities.
- h) "Participant" means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.

- i) "Registered owner" means a depository whose name is entered as such in the Register of the issuer.
- j) "Record" includes the records maintained in the form or books or stored in computer or in such other form as may be determined by regulation made by SEBI in relation to the Depositories Act.
- k) "Regulations" means the regulations made by the SEBI.
- l) "Security" means such security as may be specified by the SEBI.
- m) "Words and expression" used and not defined in the Act but defined in the Depositories Act shall have the same meanings respectively assigned to them in that Act.

2. **DEMATERIALIZATION OF SECURITIES**

Notwithstanding anything to the contrary or inconsistent contained in the Act or these Articles, the Company shall be entitled to Dematerialise its existing securities, rematerialise its securities, held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act and the Rules framed thereunder, if any.

3. **COMPANY TO RECOGNISE INTEREST IN DEMATERIALIZED SECURITIES UNDER DEPOSITORIES ACT**

Either the Company or the investor may exercise an option to issue, deal to hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

4. **OPTION FOR INVESTORS**

Every person acquiring / subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its records the name of the allottee as the beneficial owner of the security.

5. **SECURITIES IN DEPOSITORIES TO BE IN FUNGIBLE FORM**

All securities of the Company held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C, 372 and 372A of the Companies Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

6. **RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS**

- a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owner.
- b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

7. **BENEFICIAL OWNER DEEMED AS ABSOLUTE OWNER**

Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust of equitable, contingent, future or partial interest in any share, or (except only as is by these Articles

YARN SYNDICATE LIMITED

otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof, but the Board shall be at their sole discretion to register any share in the Joint names of any two or more persons or the survivor or survivors of them.

8. DEPOSITORY TO FURNISH INFORMATION

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by the by-laws and the Company in that behalf.

9. CANCELLATION OF CERTIFICATES UPON SURRENDER BY A PERSON

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

10. OPTION TO OPT OUT IN RESEPECT OF ANY SECURITY

If a beneficial owner seek to opt out of a Depository in respect of any security and beneficial owner shall inform the Depository accordingly.

The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company.

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

11. SERVICE OF DOCUMENTS

Notwithstanding anything in the Act or these Articles to the Contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

12. PROVISIONS OF ARTICLES TO APPLY TO SECURITIES HELD IN DEPOSITORY

Except as specifically provided in these Articles, the provisions relating to Joint holders of Securities, Calls, Lien on Securities forfeiture, Transfer and Transmission of Securities shall be applicable to Securities held in Depository so far as they apply to Securities held in physical form subject to the provisions of the Depository Act.

13. ALLOTMENT OF SECURITIES DEALT WITHIN A DEPOSITORY

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

14. DISTINCTIVE NUMBER OF SECURITIES HELD IN A DEPOSITORY

The Securities in the Capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the securities of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form, except in the manner herein before mentioned. No securities shall be sub-divided. Every forfeited or surrendered securities held in material form shall continue to bear the number by which the same was originally distinguished.

15. REGISTER AND INDEX OF BENEFICAL OWNERS

The Company shall cause to be kept a Register and Index of Members and a Register and Index of Debenture holder in accordance with Section 151 and 152 of the Act respectively, and the Depositories Act, with details of Shares and Debentures held in material and dematerialised forms in media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be for the purpose of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Members resident in that State of Country.

YARN SYNDICATE LIMITED

16. REGISTER OF TRANSFERS

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every Transfer or Transmission of any Securities held in material form.

17. OVERRIDING EFFECT OF THIS ARTICLE

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Article of these presents.

Registered Office :
7, Sambhu Nath Mullick Lane,
Calcutta - 700 007
Dated : the 30th day of June, 2000.

By order of the Board
For YARN SYNDICATE LIMITED
M. L. PATODIA
Chairman & Managing Director

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 not less than 48 hours before the Meeting.
2. The Register of Members and the Share Transfer Books shall remain closed from 1st September, 2000 to 14th September, 2000 (both days inclusive).

ANNEXURE TO NOTICE

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

Item No. 6 :

Under the provisions of the Companies Act, 1956 the Register and Index of Members and copies of all Annual Returns together with the copies of certificates and documents required to be annexed thereto are required to be kept at the Registered Office of the Company or with the approval of the Members at any other place within the city, town or village in which the Registered Office is situated. The Company has appointed M/s. United Management Consultancy Private Limited, having their Office at 76, Shakespeare Sarani, 2nd Floor, Calcutta-700 017 as the Share Transfer Agents of the Company. Since the records will be kept at the Office of the Share Transfer Agents, the Board recommends the said resolution for your approval.

None of the Directors of the Company is concerned or interested in the Resolution.

Item No. 7 :

Consequent to the introduction of the Depository System and considering the benefits of scripless Trading in Book Entry for electronically, the Company intends to participate in the Depository System. With the enactment of the Depositories Act, 1996 and amendments to certain provisions of the Companies Act, 1956, a new Article is proposed to be introduced, briefly stating the frame work of the System of Depository as per the provisions of the Depositories Act, 1996, with a view to facilitate operation of the Depository System. In view of this, consequent changes are required to be incorporated in the Articles of Association of the Company by inserting a new Article 43A so as to be in line with the amended provisions of the Companies Act, 1956, read with the provisions of the Depositories Act, 1996. A Special Resolution is therefor proposed for your approval.

None of the Directors of the Company is in any way concerned or interested in the Resolution.

Registered Office:
7, Sambhu Nath Mullick Lane,
Calcutta - 700 007
Dated : the 30th day of June, 2000

By order of the Board
For YARN SYNDICATE LIMITED
M. L. PATODIA
Chairman & Managing Director

YARN SYNDICATE LIMITED

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

Your Directors have pleasure in submitting their 54th Annual Report of the Company together with the Audited Accounts for the Year ended on 31st March, 2000.

FINANCIAL RESULTS :

	1999-2000	1998-1999
	Rs. in Lacs	Rs. in Lacs
Sales - Exports	4,279.66	4,807.26
Domestic	130.78	12.22
	4,410.44	4,819.48
Profit before Interest & Depreciation	187.66	145.03
Less : Interest	98.98	43.94
Depreciation	39.13	22.04
	138.11	65.98
Profit before Tax	49.55	79.05
Less : Provision for Taxation	1.00	5.00
Profit after Tax	48.55	74.05
Less : Provision for Income Tax for earlier years	10.26	1.52
	38.29	72.53
Add : Balance brought forward from last year	151.61	135.70
Profit available for Appropriation	189.90	208.23

Appropriations :

Transfer to General Reserve	20.00	15.00
Proposed Dividend	—	41.62
(includes Corporate Dividend Tax Rs. 4.12 Lacs; Previous Year : Rs. 3.75 Lacs)		
Balance carried forward to next year	169.90	151.61
	189.90	208.23

DIVIDEND :

Due to inadequacy of Profits, your Directors do not recommend dividend on Equity Shares for the Financial Year ended 31st March, 2000.

OUTLOOK :

The year 1999-2000 has been very difficult for the Company.

There has been all round recession particularly in Europe which used to be the main market.

This year has been also following the preceding year and there is in respite from the recession. However we are trying our best to overcome such situation by trying to explore new markets.

PARTICULARS OF EMPLOYEES :

Particulars of Employees as required under Section (2A) of Section 217 of the Companies Act, 1956 and the rules made thereunder are not applicable for the year under review.

YARN SYNDICATE LIMITED

SUBSIDIARY COMPANY :

YS Exports Limited is the Subsidiary Company of your Company.

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

DIRECTORS :

Shri Krishna Prasad Bagaria and Shri Kailash Chandra Siotia, 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 I forming part of this report.

Y2K COMPLYING :

The Company did not experience any Y2K related problem and achieved trouble free roll over to the new millennium.

AUDITOR'S OBSERVATIONS :

In respect of the reference to the Notes on Accounts in the Auditor's Report, your Directors have to state that the same are self explanatory and do not need further clarification.

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 & Co., Chartered Accountants, the Branch 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.

ACKNOWLEDGEMENTS :

The Board is grateful to the Company's Bankers, 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, 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 30th day of June, 2000.

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

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 :

	1999-2000	1998-1999
1. Electricity :		
a) Purchased - Units	30,068	39,684
Total Amount	1,11,730	1,21,653
Rate/Unit	3.07	3.70
b) Own Generation :		
From D.G. Sets - Units	—	640
Units/ltr. of Diesel	—	1.25
Cost/Unit	—	8.84
2. Coal	—	—
3. Furnace Oil	—	—
4. Other internal generation	—	—

B. Consumption per unit of Production :

a) Electricity :		
Total Production Cloth (Kgs.)	27,359.62	28,756
Consumption per 100 Kgs. (Unit)	109.90	140.23
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. 4095.80 Lacs (Previous Year Rs. 4645.77 Lacs)

Used : Rs. 90.02 Lacs (Previous Year Rs. 126.33 Lacs)

Registered Office :
7, Sambhu Nath Mullick Lane
Calcutta - 700 007
Dated : the 30th day of June, 2000.

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

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of YARN SYNDICATE LIMITED as at 31st March, 2000 and the annexed Profit & Loss Account for the year ended on that date together with the notes thereon and report that :-

1. 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. However, confirmations have been received in respect of stocks lying with third parties as on 31st March, 2000.
- iv) In our opinion, the procedure 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 except as mentioned in Note No. 9 of Schedule 14.
- 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 as defined under 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 as defined under 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. 41.54 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 procedure 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.

YARN SYNDICATE LIMITED

- 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.
 - 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, 2000 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 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. 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.
2. Attention is invited to the following notes of Schedule 14 regarding :-
- (a) Certain old debts from Overseas Buyers amounting to Rs. 133.16 Lacs, the extent of amount recoverable and provision there against if any presently not ascertainable (Note No. 4).
 - (b) Confirmations and reconciliation in respect of Sundry Debtors, Sundry Creditors and Loans and Advances are not available (Note No. 5).
 - (c) Certain Advances amounting to Rs. 15.64 Lacs, pending outcome of persuasive steps, the extent of amount realisability and consequential provisions of any required are presently not ascertainable (Note No. 7).

YARN SYNDICATE LIMITED

- (d) Advances amounting to Rs. 1085.42 Lacs, the extent of realisability of claim lodged against a supplier consequential provisions required if any are presently not ascertainable (Note No. 6).
 - (e) Investments in Equity Shares of certain body corporate valuing Rs. 73.99 Lacs, the amount of provision for diminution in value is not ascertainable (Note No. 8).
 - (f) Loans given to body corporate and others amounting to Rs. 37.89 Lacs, pending legal proceedings the extent of amount recoverable is presently not ascertainable (Note No. 9).
3. We further report that in respect of the Notes mentioned in Paragraph 2 above the impact thereof cannot be ascertained and therefore, cannot be commented upon by us.
4. Further to above :-
- 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 report 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. 8 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 Para 2 above, whereby impact as mentioned in Paragraph 3 above is not ascertainable and read together with significant accounting policies and other notes thereon, 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, 2000 and
 - (b) In so far as it relates to the Profit & Loss Account, of the Profit for the year ended on that date.

For LODHA & CO.
Chartered Accountants

14, Government Place East,
Calcutta

Dated : the 30th day of June, 2000.

P. L. VADERA
Partner

YARN SYNDICATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2000

	SCHEDULE	1999-2000 Rs. in lacs	1998-1999 Rs. in lacs
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	375.00	375.00
Reserves & Surplus	2	1,447.40	1,409.11
		1,822.40	1,784.11
Loan Funds :			
Secured Loans	3	777.67	555.01
Unsecured Loans	4	2.27	2.27
		779.94	557.28
TOTAL :		2,602.34	2,341.39
APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	5	432.26	301.36
Less : Depreciation		162.42	153.87
Net Block		269.84	147.49
Capital Work-in-Progress		0.48	0.48
Investments	6	119.77	186.74
Current Assets, Loans & Advances :			
Inventories		382.52	795.94
Sundry Debtors		261.57	176.43
Cash & Bank Balances		138.33	379.37
Loans & Advances		1,606.42	767.04
		2,388.84	2,118.78
Less : Current Liabilities & Provisions :			
Current Liabilities	8	205.00	102.51
Provisions		38.00	98.12
		243.00	200.63
Net Current Assets		2,145.84	1,918.15
Miscellaneous Expenditure :			
To the extent not adjusted or written off			
Share Issue Expenses		30.42	37.72
Quota Expenses		35.99	50.81
TOTAL :		2,602.34	2,341.39
NOTES :			
14			

As per our report of even date

For LODHA & CO.

Chartered Accountants

P. L. VADERA

Partner

Place : Calcutta

Dated : the 30th day of June, 2000.

For and on behalf of the Board

M. L. PATODIA, Managing Director

R. K. PATODIA, Managing Director

K. C. SIOTIA, Executive Director

YARN SYNDICATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000

	SCHEDULE	1999-2000 Rs. in lacs	1998-1999 Rs. in lacs
INCOME :			
Sales	9	4,410.44	4,819.48
Other Income	10	142.91	75.68
Increase/(Decrease) in Stock	11	(433.81)	102.20
		4,119.54	4,997.36
EXPENDITURE :			
Purchases		3,414.15	4,270.19
Interest (Net)	12	98.98	43.94
Depreciation		39.13	22.04
Manufacturing, Administrative, Selling & Other Expenses	13	510.43	574.84
Share Issue Expenses Written Off		7.30	7.30
		4,069.99	4,918.31
Profit before Tax		49.55	79.05
Provision for Taxation		1.00	5.00
		48.55	74.05
Provision for Income Tax for earlier years		10.26	1.52
		38.29	72.53
Profit and Loss Account balance brought forward		151.61	135.70
		189.90	208.23
APPROPRIATIONS :			
General Reserve		20.00	15.00
Proposed Dividend		—	37.50
Corporate Dividend Tax		—	4.12
Balance carried to Balance Sheet		169.90	151.61
		189.90	208.23
NOTES :	14		

As per our report of even date

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

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 30th day of June, 2000

YARN SYNDICATE LIMITED

SCHEDULES TO THE ACCOUNTS

	1999-2000 Rs. in lacs	1998-1999 Rs. in lacs
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED :		
50,00,000 Equity Shares of Rs. 10/- each	500.00	500.00
ISSUED, SUBSCRIBED & PAID UP :		
37,50,000 Equity Shares of Rs. 10/- each	375.00	375.00
	375.00	375.00
SCHEDULE 2 : RESERVES & SURPLUS		
SHARE PREMIUM	437.50	437.50
GENERAL RESERVE :		
As per last Balance Sheet	820.00	805.00
Add : Transferred from Profit & Loss Account	20.00	15.00
	840.00	820.00
PROFIT & LOSS ACCOUNT :		
Balance Carried Forward	169.90	151.61
	1,447.40	1,409.11
SCHEDULE 3 : SECURED LOANS		
Cash Credit, Packing Credit and Extended Packing Credit Accounts from Bank	777.67	555.01
<i>(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)</i>		
	777.67	555.01
SCHEDULE 4 : UNSECURED LOANS		
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 01-04-99	Additions	Sales/ Adjustments	As at 31-03-2000	Upto 31-03-99	For the year	Deductions For Sales/ Adjustments	Total As at 31-03-2000	As at 31-03-2000	As at 31-03-99
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
FREEHOLD LAND	24.28	—	—	24.28	—	—	—	—	24.28	24.28
BUILDINGS	69.68 *	159.61 **	41.89	187.40	40.13	17.03	30.09	27.07	160.33	29.55
PLANT & MACHINERY	120.72	—	—	120.72	50.90	11.58	—	62.48	58.24	69.82
OFFICE APPLIANCES & OTHER EQUIPMENTS	33.61	2.38	0.61	35.38	28.45	3.25	0.49	31.21	4.17	5.16
FURNITURE & FITTINGS	20.02	0.12	—	20.14	13.90	1.15	—	15.05	5.09	6.12
VEHICLES	22.84	11.63	3.04	31.43	13.25	4.70	—	17.95	13.48	9.59
AIR-CONDITIONER, REFRIGERATOR, COOLER & GENERATOR	10.21	2.70	—	12.91	7.24	1.42	—	8.66	4.25	2.97
TOTAL :	301.36	176.44	45.54	432.26	153.87	39.13	30.58	162.42	269.84	147.49
PREVIOUS YEAR :	300.13	8.93	7.70	301.36	138.56	22.04	6.73	153.87	147.49	161.57

* Includes 20 shares (Previous year 25 shares) of Rs. 50/- each (Total face value Rs. 1,000/-) fully paid up, out of which

** 10 share sent for transfer in the name of the company are yet to be received back.

YARN SYNDICATE LIMITED

SCHEDULES TO THE ACCOUNTS

	Face Value Rs. in lacs	1999-2000 Rs. in lacs	1998-1999 Rs. in lacs
SCHEDULE 6 : INVESTMENTS			
(Long term unless otherwise stated)			
TRADE INVESTMENTS :			
UNQUOTED :			
Nos.			
— Canexpo Unit of Canbank Mutual Fund (50000) (Sold during the year)	5.00	—	5.00
739930 Equity Shares of Rs. 10/- each (Fully Paid) in YS Spinners Ltd.	73.99	73.99	73.99
1500 Equity Shares of Rs. 10/- each (Fully Paid) in Mona Textiles Ltd.	0.15	0.15	0.15
117750 Aarkay Credit Ltd.	11.77	11.77	11.77
118250 Prachi Credit Ltd.	11.82	11.83	11.83
Investments in Fully Paid Equity Shares of Rs. 10/- each in Subsidiary Company			
108100 YS Exports Ltd.	10.81	10.81	10.81
QUOTED : (Fully Paid Equity Shares of Rs. 10/- each)			
42 Mahavir Spinning Mills Ltd. (Current) (2442) (2,000 shares purchased and 4,400 shares sold during the year)	0.01	0.02	1.40
1300 Jaipur Polyspin Ltd.	0.13	0.14	0.14
75 Essar Steel Limited (Current) (5000) (75 shares purchased and 5,000 shares sold during the year)	0.01	0.01	0.44
— Pentafour Software Ltd. (3500) (1,750 shares purchased and 5,250 shares sold during the year)	0.35	—	39.70
— Balrampur Chini Limited (13500) (Sold during the year)	1.35	—	11.60
200 Satyam Computer Limited (Current) (1000) (1,950 shares purchased and 2,750 shares sold during the year)	0.02	9.01	15.10
— ITC Ltd. (500) (2,000 shares purchased and 2,500 shares sold during the year)	0.05	—	4.81
4500 Patspin Limited (Current) (4,500 shares purchased during the year)	0.45	0.23	—
1200 Shree Ramamulti Tech Ltd. (Current) (1,200 shares purchased during the year)	0.12	1.04	—
250 Geometric Soft Solution Ltd. (Current) (250 shares purchased during the year)	0.03	0.75	—
100 Integrated Hitech Ltd. (Current) (1,900 shares purchased and 1,800 shares sold during the year)	0.01	0.02	—
		119.77	186.74

YARN SYNDICATE LIMITED

SCHEDULES TO THE ACCOUNTS

	1999-2000 Rs. in lacs	1998-1999 Rs. in lacs
SCHEDULE 6 : INVESTMENTS (Contd.)		
AGGREGATE VALUE OF INVESTMENTS :		
Book Value :		
Quoted	11.22	73.19
Unquoted	108.55	113.55
	119.77	186.74
Market Value :		
Quoted	12.48	78.06

Figures in brackets indicates previous year's figures.

PURCHASE AND SALE OF CURRENT INVESTMENTS DURING THE YEAR :

Name of the Companies	No. of Shares	Face Value Rs.	Purchase Value Rs.
Reliance Industries Ltd.	15,000	1,50,000	22,44,961
Kesoram Industries Ltd.	10,000	1,00,000	1,89,000
Vans Information & Investor Service of India	10,000	1,00,000	1,82,130
GNFC Ltd.	10,000	1,00,000	2,62,500
ITI Ltd.	10,000	1,00,000	2,17,500
Shipping Corporation of India Ltd.	2,000	20,000	46,500
Great E. Shipping Ltd.	5,000	50,000	1,31,500
Titan Industries Limited	2,000	20,000	2,15,000
Zee Telefilm Ltd.	1,400	1,400	60,85,183
Boss Industries Ltd.	5,000	50,000	4,16,250
Amex infosys Ltd.	2,000	20,000	1,97,500
Bongaigaon Refinery & Petrochemicals Ltd.	10,000	1,00,000	1,51,500
Colgate Pamolive (India) Ltd.	1,000	10,000	2,62,450
LIC Housing Finance Ltd.	5,000	50,000	1,97,500
Crompton Greaves Ltd.	1,000	10,000	51,000
India Cement Ltd.	1,000	10,000	88,100
HCL Technologies Ltd.	4,400	44,000	48,19,459
Hughes Software Ltd.	400	4,000	13,47,520
Glen Mark Pharmaceuticals Ltd.	1,150	11,500	2,30,000
STG International Ltd.	1,200	12,000	79,200
Sibar Software Service Ltd.	200	2,000	2,000
Melstar Information Technologies Ltd.	1,600	16,000	1,88,801
DSQ Software Ltd.	1,500	15,000	30,66,645
Wipro Limited	200	2,000	10,15,354

YARN SYNDICATE LIMITED

SCHEDULES TO THE ACCOUNTS

	1999-2000 Rs. in lacs	1998-1999 Rs. in lacs
SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES :		
CURRENT ASSETS :		
Inventories including goods-in-transit (As taken, valued and certified by the Management)		
Stores & Spare Parts	—	1.34
Finished Goods	—	13.82
Trading Goods	382.52	780.78
	382.52	795.94
Sundry Debtors (Unsecured, considered good by the Management) :		
Debts due for a period exceeding six months Considered Doubtful	122.87	53.73
Other Debts	—	—
	138.70	122.70
	261.57	176.43
Cash and Bank Balances :		
Cash Balance	12.69	3.68
Balance with Scheduled Banks :		
In Current Account	81.28	158.89
In Fixed Deposit	40.05	140.05
In Dividend Account	2.52	1.93
In Share Application Refund Account	1.01	1.01
In E.E.F.C. Account	0.78	73.81
	138.33	379.37
LOANS & ADVANCES :		
Loans/Inter-Corporate Deposits	310.93	373.75
Advance recoverable in Cash or in kind or for value to be received :		
Unsecured :		
Advances and loans to Subsidiaries	79.80	128.50
Advance to Staff	0.91	1.35
Advance to Others	1,133.56	140.02
Advance Payment of Income Tax	29.62	37.12
Income Tax refundable	0.83	15.36
Sundry Deposits	7.90	7.56
Tax Deducted at Source	41.60	52.45
Interest Receivable	1.27	10.93
	1,606.42	767.04
	2,388.84	2,118.78

YARN SYNDICATE LIMITED

SCHEDULES TO THE ACCOUNTS

	1999-2000 Rs. in lacs	1998-1999 Rs. in lacs
SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors :		
For Goods Supplied	37.05	32.07
For Expenses	44.95	50.26
For Others	119.54	17.31
	201.54	99.64
Share Application Money Refundable	0.94	0.94
Dividend Payable (Un-encashed Warrants)	2.52	1.93
	205.00	102.51
PROVISIONS :		
For Proposed Dividend	—	37.50
For Corporate Dividend Tax	—	4.12
For Taxation	38.00	56.50
	38.00	98.12
	243.00	200.63
SCHEDULE 9 : SALES		
Export (On C.I.F. Value)	4,279.66	4,807.26
Domestic	130.78	12.22
	4,410.44	4,819.48
SCHEDULE 10 : OTHER INCOME		
Export Incentives	44.54	14.02
Miscellaneous Receipts	0.21	0.08
Difference in Foreign Exchange (Net)	22.97	35.57
Job Charge	4.88	7.67
Dividend	1.43	0.77
Profit on Sale of Fixed Assets (Net)	6.60	0.85
Profit on Sale of Current Investments (Net)	62.28	—
Sundry Balances written back (Net)	—	16.72
	142.91	75.68
SCHEDULE 11 : INCREASE/(DECREASE) IN STOCK		
Stock at Closing :		
Finished Goods	—	13.82
Trading Goods	351.95	771.94
	351.95	785.76
Stock at Opening :		
Finished Goods	13.82	18.50
Trading Goods	771.94	665.06
	785.76	683.56
	(433.81)	102.20

YARN SYNDICATE LIMITED

SCHEDULES TO THE ACCOUNTS

	1999-2000 Rs. in lacs	1998-1999 Rs. in lacs
SCHEDULE 12 : INTEREST (Net)		
On Loan from Managing Directors	0.30	0.30
To Banks and others	177.47	130.96
	177.77	131.26
Less : Received on Loans/Inter- Corporate Deposits & from Banks (Gross : TDS Rs. 17.05 lacs, Previous Year Rs. 15.43 lacs)	78.79	87.32
	98.98	43.94
SCHEDULE 13 : MANUFACTURING, ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Raw Materials Consumed	8.84	32.10
Power	1.12	1.22
Stores Consumption	1.70	3.81
Salaries, Wages, Bonus & Gratuity	22.08	23.36
Contribution to Provident & Other Funds	2.20	2.42
Staff Welfare Expenses	1.18	0.81
Directors' Remuneration	8.13	9.23
Insurance	25.41	26.37
Rent	1.64	5.58
Rates & Taxes (Including Licence Fee)	1.38	1.52
House Rent Allowance	0.04	0.12
Repairs :		
Building	0.89	0.72
Machinery	0.03	0.11
Others	5.74	4.38
	6.66	5.21
Shipping Expenses	212.99	182.83
Commission (Net)	38.74	66.92
Brokerage	0.33	12.96
Discount/Claims/Samples	31.83	37.16
Packing Materials	0.04	0.14
Payment to Auditors :		
Audit Fee	0.50	0.48
Tax Audit Fee	0.04	0.04
Certificate etc.	0.04	0.06
Re-imbusement of out of Pocket Expenses	0.01	0.05
	0.59	0.63
Branch Auditor's Remuneration		
Audit Fee	0.08	0.07
Tax Audit Fee	—	0.02
Re-imbusement of out of Pockt Expenses	—	—
	0.08	0.09
Bank Charges	31.02	26.69
Charity & Donation	0.77	0.01
Quota Expenses	28.57	29.96
Sundry Balance w/off (Net)	1.16	—
Loss on Sales of current Investment (Net)	—	5.07
Provision for diminution in Investments	1.84	7.13
Miscellaneous Expenses	82.09	93.50
	510.43	574.84

YARN SYNDICATE LIMITED

SCHEDULE 14 :

Notes forming part of the Accounts for The Year Ended 31st March, 2000

1. Contingent Liability not Provided for :
 - a) Outstanding Bills Purchased/Discounted for Rs. 511.62 lacs (Previous Year Rs. 554.90 lacs).
 - b) Income Tax demand not acknowledged and under appeal Rs. 6.07 lacs (Previous Year Rs. 16.56 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, 2000 amounting to Rs. 1.18 lacs (Previous Year Rs. 0.70 lacs) determined on the basis of actuarial valuation has been funded with Employee's Gratuity Fund.
3. Sundry Debtors include an amount of Rs. 88.43 lacs (Previous Year Rs. 106.86 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.
4. Sundry Debtors include Rs. 133.16 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.
5. Balance of Debtors, Creditors, Loans and Advances are subject to confirmation and reconciliation and consequential adjustment, if any with respect to individual details etc.
6. Advances considered good include Rs. 1078.73 lacs (excluding interest and other compensations) given to M/s. Coimbatore Pioneer Mills Ltd. against supply of cotton yarn. The said party has not supplied the materials and in certain cases where supplies were made, materials were not found to be of required specification. Accordingly, the Company has filed a suit before Hon'ble High Court at Calcutta for the recovery of the said sum and Interest etc. Pending decision of the Court, the said amount has been considered good and recoverable. Interest and other compensation claimed by the Company will be accounted for on realisation/ settlement.
7. Advances considered good include Rs. 15.64 lacs given to certain parties with whom persuasive actions have been taken for recovery. Pending final outcome, no provision has been made in the accounts.
8. 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.
9. Loans considered good include Rs. 37.89 Lacs from certain bodies corporate which has become overdue. Interest amounting to Rs. 8.15 Lacs (including Rs. 4.50 Lacs for current year) has also not been recovered on Loan to 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 and interest for current year has not been accounted for.
10. The Company has changed the method of valuation of Stock of Trading goods from "AT cost"

YARN SYNDICATE LIMITED

to "AT lower of cost and net realisable value" to comply with the requirements of Accounting standard-2 which has resulted in decrease in inventory and Profit by Rs. 16,74,074.

11. From the current year Depreciation on Computers has been provided at the rates as per income Tax Rules which hitherto was provided at the rates as per schedule XIV to the Companies Act, 1956. Due to this change Profit for the year is lower by Rs. 79,409.
12. Provision for minimum Alternate Tax (MAT) amounting to Rs. 1.00 Lac has been made considering, exemptions/deductions eligible under the Income Tax Act, 1961 and payment against which is available for set off towards regular Tax liability of future years.
13. Expenses and Income pertaining to earlier years Rs. 6,332 and Rs. 1,80,172 respectively remain adjusted under respective heads of account.
14. There are no dues to small scale and ancillary industrial undertaking (SSI) to the extent ascertained from the information available from suppliers regarding their status as SSI Unit.
15. Difference in Foreign Exchange includes Rs. 12,95,507 being gain on account of cancellation of forward exchange Contract:
16. A. Directors' Remuneration :

	Rs. in Lacs	
	1999-2000	1998-1999
Salary	6.85	6.11
Contribution to Employees Provident Fund & Other Funds *	0.70	0.77
Other Perquisites	0.50	1.12
Commission	—	1.09
Directors' Fees	0.08	0.14
Total	8.13	9.23

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

- B. Commission to Managing Directors has been waived by him and hence no calculation of Managing Directors' Commission has been given. Moreover remuneration payable to Managing Directors and Executive Director has not been provided in view of the waiver by them w.e.f. 1.2.2000.
17. 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	
		1999-2000	1998-1999	1999-2000	1998-1999
a) Opening Stock :					
Yarn	Packages	14026	13321	780.78	639.73
Cloth	Packages	601	1907	13.82	45.27
Commodity	Bags	—	—	—	—
b) Purchases :					
Yarn	Packages	37405	75168	3359.89	4210.19
Cloth	Packages	—	—	—	—
Commodity	Bags	7600	—	54.26	—
c) Production :					
Cloth	Kg.	8259.13 *	28756.50		
	(Packages)	(402)	(1417)		

* Excluding Job work done 19773.21 Kgs. for others.

YARN SYNDICATE LIMITED

A. QUANTITATIVE INFORMATION		QUANTITY		AMOUNT Rs. in lacs	
		1999-2000	1998-1999	1999-2000	1998-1999
	Unit				
d) Sales :					
Yarn	Packages	46518	74463	4339.87	4759.76
Cloth	Packages	1003	2723	18.43	59.72
Commodity	Bags	7600	—	52.14	—
e) Closing Stock :					
Yarn	Packages	4913	14026	382.52	780.78
Cloth	Packages	—	601	—	13.82
Commodity	Bags	—	—	—	—
f) Raw Material Consumed :					
(Yarn)					
Opening Stock		8504.44 (419)	1125.43 (56)	8.84	1.44
Purchases	Kg. (Packages)	30574.00 (729)	36247.75 (1785)	30.57	39.50
Less : Closing Stock		30574.00 (729)	8504.44 (419)	30.57	8.84
Consumption	Kg. (Packages)	8504.44 (419)	28868.74 (1422)	8.84	32.10
g) Licensed Capacity :					
Cloth	Kg.		Not Applicable		Not Applicable
h) Installed Capacity :					
Cloth (Per annum)	Kg.	485000	485000		
i) Purchase and Sales on Consignment :					
Yarn	Packages	4369	660	205.13	26.38
B. EXPENDITURE IN FOREIGN CURRENCY				Rs. in Lacs	
		1999-2000		1998-1999	
Travelling		10.60		22.21	
Commission (Including outstanding)		47.26		67.52	
Claims paid to Overseas Buyers		32.34		36.60	
C. EARNING IN FOREIGN CURRENCY					
F.O.B. value of goods Exported		4095.80		4645.77	

YARN SYNDICATE LIMITED

18. 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	31.03.2000

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	260234
Total Assets	260234

Sources of Funds :

Paid up Capital	37500
Reserves & Surplus	144740
Secured Loans	77767
Unsecured Loans	227

Application of Funds :

Net Fixed Assets	27032
Investments	11977
Net Current Assets	214584
Miscellaneous Expenditure	6641
Accumulated Losses	NIL

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

Turnover (Including other Income)	455335
Total Expenditure	450380
Profit/(Loss) before Tax	4955
Profit/(Loss) after Tax	3829
Earning per Share (Rs.)	102
Dividend Rate	NIL

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

Item Code No.	52.05
Product Description	Cotton Yarn

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

20. Figures are given in Lacs and rounded to nearest Thousand.

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

22. 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/dispute.
- ii) Income from Export Incentives is recognised on the basis of certainties as to its utilisation and related realisation.
- iii) Purchase and Sales are net of returns, claims, rebates, discounts and rate difference in respect of Sales of Previous Year.

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) and (f) 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 (%)
a) Building :		
Office	5	10
Residential (Area less than 80 Sq. Meters)	5	20
b) Furniture & Fixtures	18.10	10
c) Office Equipments	13.91	25
d) Air Conditioning Machine	13.91	25
e) Refrigerator	13.91	25
f) Motor Car	25.89	20
g) Computer	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.

G) Inventories :

i) Stock of Trading Goods is stated at lower of the cost and estimated net realisable value.

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 lower of the cost and net realisable value.

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

Place : Calcutta

Dated : the 30th day of June, 2000.

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

YARN SYNDICATE LIMITED

CASH FLOW STATEMENT OF YARN SYNDICATE LIMITED AS PER LISTING AGREEMENT

CASH FLOW STATEMENT	Year ended 31st March, 2000 Rs. in lacs	Year ended 31st March, 1999 Rs. in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxes	49.55	79.05
Depreciation	39.13	22.04
Interest paid	177.77	131.26
Share Issue Expenses	7.30	7.30
Quota Expenses	28.57	29.96
Loss on Diminution in Investment	1.84	7.13
Profit on Sale of Investments (Net)	(62.28)	5.07
Profit on Sale of Assets (Net)	(6.60)	(0.85)
Interest Received	(78.79)	(87.32)
Dividend Received	(1.43)	(0.77)
Miscellaneous Expenditure	(13.75)	(22.50)
Exchange Fluctuation (Loss)/Gain (to the extent not paid / realised)	(2.28)	7.88
Sundry Balances Written off/(back) (Net)	1.16	(16.72)
Operating Profit before working Capital Changes	<u>140.19</u>	<u>161.53</u>
Adjustment for :		
Inventories	413.42	(109.56)
Trade and Other Receivables	(88.73)	540.84
Advances	(995.60)	(14.64)
Trade Payables	17.14	(454.61)
Cash Generated From Operations	<u>(513.58)</u>	<u>123.56</u>
Direct Taxes Paid (Including Dividend Tax)	(1.00)	(18.59)
Net Cash Flow from Operating Activities (A)	<u>(514.58)</u>	<u>104.97</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(90.04)	(8.93)
Sale of Fixed Assets	21.56	1.82
Sale of Investment	425.01	178.56
Purchase of Investment	(297.60)	(229.26)
Loans & Inter-corporate Deposits	125.71	(44.27)
Interest Received	74.26	59.29
Dividend Received	1.43	0.77
Net Cash used in Investing Activities (B)	<u>260.33</u>	<u>(42.02)</u>
	<u>260.33</u>	<u>(42.02)</u>

YARN SYNDICATE LIMITED

CASH FLOW STATEMENT (Contd.)

	Year ended 31st March, 2000 Rs. in lacs	Year ended 31st March, 1999 Rs. in lacs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase/Decrease in Secured Borrowing	222.66	123.04
Dividend Paid	(36.91)	(36.76)
Interest Paid	(175.61)	(118.45)
Net Cash from Financing Activities (C)	10.14	(32.17)
Net Increase in Cash & Cash equivalents (A+B+C)	(244.11)	30.78
Cash & Cash equivalents as at opening	383.44	352.66
Cash & Cash equivalents as at closing *	139.33	383.44

* Net of adjustment on account of Exchange Fluctuation loss amounting to Rs. 1.00 Lac. (Previous year Rs. 4.07 Lacs loss)

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

Calcutta, the 30th day of June, 2000

AUDITORS' REPORT

We have examined the above Cash Flow Statement of YARN SYNDICATE LIMITED for the year ended 31st March 2000. 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 30th day of June, 2000

YARN SYNDICATE LIMITED

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

INTEREST OF HOLDING COMPANY IN THE SUBSIDIARY COMPANY

SL. NO.	NAME OF THE SUBSIDIARY COMPANY	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	31.03.2000	108100	10.81	52.73	PROFIT 6.69	LOSS 9.07

For and on behalf of the Board

M. L. PATODIA Managing Director

R. K. PATODIA Managing Director

K. C. SIOTIA Executive Director

ANNUAL REPORTS
OF
SUBSIDIARY COMPANY

YS EXPORTS LIMITED

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

YS EXPORTS LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting their Twelfth Report alongwith Annual Audited Accounts for the Year ended 31st March, 2000 together with Auditors' Report thereon.

ACCOUNTS :

From the Accounts, you would observe that after accounting for all expenses and income the Company has earned a Net Profit of Rs. 6,69,415/-. The final position stands as follows :-

Net Profit as per Profit and Loss A/c.	Rs. 6,69,415
Less : Provision for Taxation	(Rs. 33,707)
	<hr/>
	Rs. 6,35,708
Add : Credit Balance brought forward from last year	Rs. 1,29,555
	<hr/>
Credit Balance in Profit and Loss A/c. carried forward to next year	Rs. 7,65,263

DIVIDEND :

In view of conserving the resources your Directors do not recommend any dividend for the year under review.

BUSINESS ACTIVITIES :

During the year under report, the Company continued the business as commission agents of various manufacturers. Since the financial result has taken upward direction, your Directors are hopeful of better results in future.

DIRECTORS :

Shri K. C. Siotia, 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.

STATUS OF Y2K COMPLIANCE :

The Y2K change was smooth without any disruption to 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 10 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 30th day of June, 2000.

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

YS EXPORTS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of M/S. YS EXPORTS LIMITED of 7, Sambhu Nath Mullick Lane, Calcutta-700 007 as at 31st March, 2000 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 received from Mumbai Branch have been considered in framing out 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. (i) regarding gratuity & Note No. (iii) relating to Sundry debtors in Schedule '10' 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, 2000 ; and
 - ii) in the case of the Profit and Loss Account, of the Profit 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. The stock of goods traded in by the Company has been physically verified by the Management during the year at reasonable intervals ;
4. 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 nature of its business ;
5. No material discrepancies have been noticed on physical verification of stocks as compared to book records ;
6. 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) (non-operative) of the Companies Act except interest free loan from Holding Company ;
7. The Company has not granted any loans, secured or unsecured, to the companies, firms or the parties listed in the Register maintained under Section 301 of the Companies Act and/or

YS EXPORTS LIMITED

the Companies under the same management as defined under Section 370 (1-B) (non-operative) of the Companies Act ;

8. The Company has given interest free loans and advances in the nature of loans to its employees without any stipulation as to repayment, however, the same are generally recovered ;
9. There are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of goods, equipment and other assets and with regard to the sale of goods traded in ;
10. No transactions of purchase of goods and materials and sale of goods, materials and services have been made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act, and aggregating during the year to Rs. 50,000 or more in respect of each party ;
11. The Company has not accepted any deposits from the public within the meaning of Section 58A of the Act and the Rules framed there under ;
12. 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 ;
13. 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, 2000 for a period exceeding six months from the date they become payable ;
14. 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 other than payable under contractual obligation or in accordance with generally accepted practices ;
15. In respect of trading activities there were no damaged goods ;
16. 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 ;
17. In respect of dealing or trading in Shares, Securities and other investments, the Company has maintained proper records of the transactions and contracts and timely entries have been made therein. As informed to us and on the basis of such checks as we considered appropriate, the investments are held by the Company in its own name except National Savings Certificate which is held in the name of a Director ;
18. 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 30th day of June, 2000.

YS EXPORTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2000

	SCHEDULE	31-03-2000 Rs.	31-03-1999 Rs.
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	20,50,000	20,50,000
Reserves & Surplus	2	7,65,263	1,29,555
		<u>28,15,263</u>	<u>21,79,555</u>
Loan Funds :			
Unsecured Loans	3	79,80,211	88,30,211
		<u>79,80,211</u>	<u>88,30,211</u>
TOTAL :		<u>1,07,95,474</u>	<u>1,10,09,766</u>
APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	4	1,74,28,506	1,74,28,506
Less : Depreciation		66,34,463	60,26,570
Net Block		<u>1,07,94,043</u>	<u>1,14,01,936</u>
Investments :	5	4,92,252	15,000
Current Assets, Loans & Advances :			
Inventories		38,00,054	—
Sundry Debtors		7,96,065	33,295
Cash & Bank Balances		8,11,655	3,16,218
Loans & Advances		7,86,257	7,91,082
		<u>61,94,031</u>	<u>11,40,595</u>
Less : Current Liabilities & Provisions	7		
Current Liabilities		60,11,145	9,07,765
Provisions		6,73,707	6,40,000
		<u>66,84,852</u>	<u>15,47,765</u>
Net Current Assets		<u>(4,90,821)</u>	<u>(4,07,170)</u>
TOTAL :		<u>1,07,95,474</u>	<u>1,10,09,766</u>
Notes on Accounts	10		
As per our report of even date			
For S. NARAYAN AGARWAL & CO.		For and on behalf of the Board	
Chartered Accountants		R. K. PATODIA	
S. N. AGARWAL		K. C. SIOTIA	
Proprietor		Directors	
42/1, B. B. Ganguly Street, Calcutta-700 012			
Dated, the 30th day of June, 2000			

YS EXPORTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000

	SCHEDULE	31-03-2000 Rs.	31-03-1999 Rs.
INCOME :	8		
Sales		42,12,101	—
Commission		9,75,149	8,43,625
Sundry Balances Written back		3,72,368	6,056
Profit on Sale of Current Investments (Net)		7,88,521	—
Closing Stock		38,00,054	—
		1,01,48,193	8,49,681
 EXPENDITURE :			
Other Expenses	9	88,70,885	11,08,021
Depreciation		6,07,893	6,48,634
		94,78,778	17,56,655
Profit/(Loss) before Taxation		6,69,415	(9,06,974)
Provision for Taxation		(33,707)	—
Balance brought forward from last year		1,29,555	10,36,529
Balance carried forward to next year		7,65,263	1,29,555
 Notes on Accounts	10		

As per our report of even date

For S. NARAYAN AGARWAL & CO.
Chartered Accountants

For and on behalf of the Board

S. N. AGARWAL
Proprietor

R. K. PATODIA
K. C. SIOTIA
Directors

42/1, B. B. Ganguly Street, Calcutta-700 012
Dated, the 30th day of June, 2000

YS EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

	31-03-2000 Rs.	31-03-1999 Rs.
SCHEDULE 1 : SHARE CAPITAL		
Authorised :		
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
	60,00,000	60,00,000
Issued, Subscribed & Paid up :		
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
	20,50,000	20,50,000
 SCHEDULE 2 : RESERVES & SURPLUS		
PROFIT & LOSS ACCOUNT :		
Balance Carried Forward	7,65,263	1,29,555
	7,65,263	1,29,555
 SCHEDULE 3 : UNSECURED LOANS		
From Holding Company (Interest Free)	79,80,211	88,30,211
	79,80,211	88,30,211

SCHEDULES TO THE ACCOUNTS

SCHEDULE 4 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-04-1999	Additions during the year	Sales/ Adjustments	As at 31-03-2000	Upto 31-03-1999	Provided during the year	Deduction For Sales/ Adjustments	Total As at 31-03-2000	As at 31-03-2000	As at 31-03-1999
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
* OWNERSHIP PREMISES IN A CO-OPERATIVE SOCIETY	1,62,75,335	—	—	1,62,75,335	52,05,507	5,53,491	—	57,58,998	1,05,16,337	1,10,69,828
FURNITURE & FIXTURES	5,88,681	—	—	5,88,681	4,25,614	29,515	—	4,55,129	1,33,552	1,63,067
AIR CONDITIONERS & WATER FILTER	3,71,104	—	—	3,71,104	2,40,707	18,138	—	2,58,845	1,12,259	1,30,397
TELEPHONE EQUIPMENTS	96,636	—	—	96,636	63,258	4,643	—	67,901	28,735	33,378
COMPUTER	96,750	—	—	96,750	91,484	2,106	—	93,590	3,160	5,266
TOTAL :	1,74,28,506	—	—	1,74,28,506	60,26,570	6,07,893	—	66,34,463	1,07,94,043	1,14,01,936
PREVIOUS YEAR :	1,74,28,506	—	—	1,74,28,506	53,77,936	6,48,634	—	60,26,570	1,14,01,936	—

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

YS EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

	31-03-2000 Rs.	31-03-1999 Rs.	
SCHEDULE 5 : INVESTMENTS (At Cost)			
<i>(Other than Trade)</i>			
Unquoted :			
National Savings Certificate (Held in the name of a Director on behalf of the Company)	15,000	15,000	
	15,000	15,000	
Trade Investments :			
Quoted :			
1,200 Eq. shr. of Shree Rama Multi Tech Ltd.	1,58,650	—	
250 Eq. shr. of Geometric Software Solutions Co. Limited	3,18,602	—	
	4,92,252	15,000	
PURCHASE AND SALE OF CURRENT INVESTMENTS DURING THE YEAR :			
Name of the Companies	No. of Shares	Face Value Rs.	Purchase Value Rs.
Prism Cement Limited	25,000	2,50,000	5,27,445.00
Melstar Information Technologies Ltd.	1,100	11,000	2,96,879.00
Satyam Computers Limited	200	2,000	10,49,048.00
Zee Telefilms Limited	1,000	1,000	15,36,535.00
Software Technology Group International Ltd.	1,200	12,000	1,38,856.00
Glenmark Pharmaceuticals Ltd.	1,150	11,500	4,18,098.00
HCL Technologies Limited	2,200	8,800	14,28,864.45
TV-Eighteen India Limited	50	500	9,000.00
Sibar Software Limited	200	2,000	2,000.00
Gautam Resources Limited	1,40,000	14,00,000	14,00,000.00
Zee Telefilms Limited	500	500	7,07,905.00
Wipro Limited	200	2,000	14,01,276.77
Zee Telefilms Limited	500	500	7,57,755.00
Wipro Limited	200	2,000	15,01,500.00
Zee Telefilms Limited	500	500	7,45,795.00
SCHEDULE 6 : CURRENT ASSETS, LOANS & ADVANCES :			
Current Assets :			
<i>Inventories</i>			
(As taken, valued & certified by the Management)	38,00,054	—	
	38,00,054	—	
Sundry Debtors :			
<i>(Unsecured - Considered Good)</i>			
Debts due for a period exceeding six months	28,750	28,750	
Other Debts	7,67,315	4,545	
	7,96,065	33,295	
CASH & BANK BALANCES :			
Cash in hand	26,395	1,61,810	
Balance with Scheduled Banks :			
In Current Accounts	7,85,260	1,54,408	
	8,11,655	3,16,218	

YS EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

	31-03-2000 Rs.	31-03-1999 Rs.
SCHEDULE 6 : CURRENT ASSETS, LOANS & ADVANCES : (Contd.)		
LOANS & ADVANCES		
(Unsecured - Considered Good)		
Advance recoverable in Cash or in kind or for value to be received	21,000	5,325
Advance/Provisional payment of Income Tax	6,60,716	6,60,716
Tax Deducted at Source	87,221	87,221
Staff Advance	—	20,500
Deposits	17,320	17,320
	7,86,257	7,91,082
SCHEDULE 7 : CURRENT LIABILITIES & PROVISIONS		
a) Current Liabilities :		
Sundry Creditors for Goods & Expenses	60,11,145	9,03,195
Tax Deducted at Source	—	4,570
	60,11,145	9,07,765
b) Provision :		
For Taxation	6,73,707	6,40,000
	66,84,852	15,47,765
SCHEDULE 8 : INCOME		
Sales	42,12,101	—
Commission	9,75,149	8,43,625
Sundry Balances Written back	3,72,368	6,056
Profit on Sale of Current Investments (Net)	7,88,521	—
Closing Stock	38,00,054	—
	1,01,48,193	8,49,681
SCHEDULE 9 : OTHER EXPENSES		
Purchases	81,32,817	—
Salary, Bonus & Gratuity	3,74,121	6,33,633
Contribution to Provident Fund	33,451	52,541
Staff Welfare	1,440	2,272
Electricity Charges	75,448	1,01,099
Building Repairs & Maintenance	67,627	1,99,831
Travelling Expenses	—	2,180
Conveyance Charges	49,875	25,875
Printing & Stationery	2,795	3,972
Postage, Telegrams, Telephones & Telex	14,889	7,959
Rates & Taxes	4,910	1,010
Legal & Professional Expenses	7,400	19,100
Brokerage & Commission	21,805	38,640
Bank Charges	8,476	1,488
Filing Fees	240	240
General Expenses	1,843	1,997
Subscription to association	—	10,000
Auditors' Remuneration (Including to Branch Auditors) :		
For Audit	4,725	4,600
For Tax Audit	750	750
For Certification Work	500	500
For out of Pocket Expenses	334	334
Freight	18,520	—
Sales Tax	46,144	—
Demat Expenses	2,775	—
	88,70,885	11,08,021

YS EXPORTS LIMITED

SCHEDULES TO THE ACCOUNTS

SCHEDULE 10 : NOTES ON ACCOUNTS

- i. Gratuity liability is being accounted for as and when paid.
- ii. The Computer System of the Company is fully year 2000 (Y2K) compliant.
- iii. No Provision has been considered necessary for Sundry Debtor of Rs. 28,750/- considered doubtful as concerted efforts are being made of its recovery.
- 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. However, depreciation on assets added during the year is provided for full year and no depreciation is being provided on the assets sold/disposed off during the year.
 - 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.
 - F. Sales are stated inclusive of sales tax.
 - G. Inventories are valued at lower of cost and net realisable value.
- v. Balances of Sundry debtors, creditors and loans & 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).

(A) Purchase and Sales of Yarn on account of Consignment :

	Current Year		Previous Year	
	Qty.	Amount	Qty.	Amount
	Bags	(Rs.)	Bags	(Rs.)
	100	7,11,735	1510	96,38,150
(B) Trading of Yarn in own Account :				
i) Purchases	1063	81,32,817	NIL	NIL
ii) Sales	598	42,12,101	NIL	NIL
iii) Closing Stock	465	38,00,054	NIL	NIL

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	2000
	Date	Month	Year

SCHEDULES TO THE ACCOUNTS

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	1,74,80,326
Total Assets	1,74,80,326

Sources of Funds :

Paid-up Capital	20,50,000
Reserves & Surplus	7,65,263
Secured Loans	NIL
Unsecured Loans	79,80,211

Application of Funds :

Net Fixed Assets	1,07,94,043
Investments	4,92,252
Net Current Assets	(4,90,821)
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL

IV. PERFORMANCE OF COMPANY (Amount in Rs.)

Turnover	1,01,48,193
Total Expenditure	94,78,778
Profit/(Loss) before Tax	6,69,415
Profit /(Loss) after Tax	6,35,708
Earning per Share in Rs.	3.10
Dividend Rate %	NIL

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES 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 10

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, the 30th day of June, 2000.