

49th
ANNUAL REPORT
2002 - 2003



THE YAMUNA SYNDICATE LIMITED

THE YAMUNA SYNDICATE LIMITED

Regd. Office : YAMUNA NAGAR - 135 001 (HARYANA)

BOARD OF DIRECTORS :

1. **Mr. Ranjit Puri**
CHAIRMAN
2. **Mr. Aditya Puri**
MANAGING DIRECTOR
3. **Mr. Dina Nath**
DIRECTOR
4. **Mr. K.K. Vij**
DIRECTOR
5. **Mr. Man Mohan Singh**
DIRECTOR
6. **Lt. Gen. (Retd.) L.N. Budhraja**
DIRECTOR
7. **Mr. Vinod K. Nagpal**
DIRECTOR
8. **Mr. Romesh Malhan**
DIRECTOR
9. **Mr. D.D. Sharma**
DIRECTOR

COMPANY SECRETARY :

Mr. Ashish Kumar

AUDITORS :

M/s. K.C. Malhotra & Co.
Chartered Accountants
New Delhi.

BANKERS :

1. **Punjab National Bank**
2. **State Bank of Patiala**

DIRECTORS' REPORT

To Members :

The Directors hereby present their 49th Annual Report together with the audited accounts for the year ended 31st March, 2003 :-

1. FINANCIAL RESULTS :

The Financial results are as under :		<u>(Amount in Rs.)</u>
Net Profit for the year		69,84,302
Less : Provision for taxation :		
- Current Tax	26,00,000	
- Deferred Tax	38,560	<u>26,38,560</u>
Net Profit after tax		43,45,742
Excess provision for taxation relating to earlier years written back		<u>1,27,720</u>
		<u>44,73,462</u>
Less :		
- Transfer to General Reserve	4,39,000	
- Proposed Dividend @ 12.5%	26,45,600	
- Dividend Tax	<u>3,38,968</u>	<u>34,23,568</u>
Balance carried forward to Profit & Loss A/c.		<u>10,49,894</u>

2. DIVIDEND :

The Directors are pleased to recommend a dividend @12.5 %.

3. OPERATIONS :

The market for tractors was depressed and your company's sales were also lower. Despite this, the profits are higher because of control on expenses and improvement in operational efficiency.

The tractor business is likely to remain depressed during the current year.

Your Company has recently taken up the Distributorship of Castrol Lubricants for Panipat & Sonapat Districts in Haryana and Kangra, Una, Hamirpur & Chamba Districts in Himachal Pradesh.

Agricultural Farm taken on lease by the company was acquired by the Government under court orders.

4. DIRECTORS :

Lala Dina Nath, Lt. Gen. (Retd.) L.N. Budhreja and Mr. D.D. Sharma, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

5. AUDITORS :

M/s. K.C. Malhotra & Company, Chartered Accountants, New Delhi, Auditors of the Company, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

6. PARTICULARS OF DISCLOSURES UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 :

The particulars relating to conservation of energy and technology absorption are not applicable since the Company is mainly engaged in trading activity.

There is no foreign exchange earnings and outgo.

7. PARTICULARS OF EMPLOYEES :

The Company has not paid any remuneration attracting the provision of Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956 and hence no information is required to be appended in this regard.

8. FIXED DEPOSITS :

As on 31.03.2003, 17(Seventeen) Fixed Deposit Receipts amounting to Rs.1,95,000/- matured and remained unclaimed during the year under report.

9. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956 :

The Directors state :

- i) that in the preparation of the annual accounts for the year ended March 31, 2003, the applicable accounting standards had been followed alongwith proper explanation relating to material departures ;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period ;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv) that the Directors had prepared the annual accounts on a going concern basis.

10. ACKNOWLEDGEMENTS :

The Directors place on record their appreciation for the valuable services rendered by Mr. Aditya Puri, Managing Director. They also appreciate the hard work and services of the staff and workmen during the year under report.

By Order of the Board

sd/-

(RANJIT PURI)
Chairman

Dated : 19.06.2003
Place : NOIDA (U.P.)

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of The Yamuna Syndicate Limited, Yamuna Nagar as at 31st March, 2003 and also the Profit and Loss Account for the year ended on that date annexed thereto in which are incorporated the accounts of the branches not visited by us but checked by us, and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express our opinion on these financial statements based on our audit.

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

As required by Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we report a statement on the matters specified in paragraph '4' and '5' of the said order:

1. The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets. The Management has certified that it has conducted a physical verification of the fixed assets during the year and no serious discrepancies have been noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. Physical verification has been conducted by the Management during the year in respect of stock of goods, major items of stores and spares. In our opinion, the frequency of verification is reasonable.
4. The procedure of physical verification of stocks followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on physical verification of stocks as compared to books and records, which in our opinion, were not material, have been properly dealt within the books of accounts.
6. In our opinion, the valuation of the stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has not taken any loans, secured or unsecured, from companies or firms as listed in the Register maintained under Section 301 of the Companies Act, 1956. In respect of loan taken from a Company under the same management as defined under Sub-section (I-B) of the Section 370 of the Companies Act, 1956 and loan from other parties, as listed in the Register maintained under Section 301 of the Companies Act, 1956, we are of the opinion that the rate of interest, terms and conditions of such loans are not prima facie prejudicial to the interest of the Company. In terms of Sub-section (6) of Section 370 of the Companies Act, 1956, provisions of Section 370 are not applicable to a company on and after 31st October, 1998.

8. The Company has not granted any loans, secured or unsecured, to companies, firms or to other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. In respect of amount due from a company under the same management as defined under Sub-section (1-B) of Section 370 of the Companies Act, 1956, the terms and conditions of such outstanding amount are not prima-facie prejudicial to the interest of the Company. In terms of Sub-section (6) of Section 370 of the Companies Act, 1956, provisions of Section 370 are not applicable to a company on and after 31st October, 1998.
9. Loans or advances in the nature of loans have been given to employees and other parties in the ordinary course, who are (barring some advances to employees and parties including amount due from ex-employees in respect of which reasonable steps are being taken for recovery/settlement of their accounts) repaying the principal amounts as stipulated and also are regular in payment of interest wherever applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, materials including components, plant and machinery, equipments and other assets, and for sale of goods.
11. In our opinion and according to the information and explanations given to us, the transactions of (there being no purchase of goods and materials) sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods, materials or services have been made with other parties.
12. As explained to us, unserviceable or damaged stores, materials or goods have been determined by the Company and properly dealt within the books of accounts.
13. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
14. In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scraps. As explained, the Company does not have any by-product.
15. In our opinion, the Company has an Internal Audit System commensurate with its size and nature of the Company's business.
16. Maintenance of cost records has not been prescribed to the Company by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
17. According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited during the year with the appropriate authorities.
18. According to the information and explanations given to us, there are no undisputed amounts payable in

Balance Sheet as at 31st March, 2003

	Schedule Reference	Figures in Rupees		
		31.03.2003		31.03.2002
Sources of Funds :				
Shareholders Funds :				
Share Capital	(A)	2,11,64,800	2,11,64,800	
Reserves and Surplus	(B)	<u>5,58,13,309</u>	<u>5,43,24,415</u>	7,54,89,215
Loan Funds	(C)	<u>4,16,31,116</u>		<u>4,51,56,026</u>
		<u>11,86,09,225</u>		<u>12,06,45,241</u>
Application of Funds :				
Fixed Assets	(D)	55,96,014		49,07,710
Investments (at cost)	(E)	4,20,38,799		4,20,38,799
Current Assets, Loans and Advances :				
Current Assets :				
Interest Accrued		3,444	4,308	
Stores and Stocks	(F)	4,00,39,156	3,78,66,670	
Sundry Debtors	(G)	3,51,04,862	4,33,17,513	
Cash and Bank Balances	(H)	41,90,125	52,25,468	
Loans and Advances	(I)	<u>86,31,573</u>	<u>61,46,995</u>	
		<u>8,79,69,160</u>	<u>9,25,60,954</u>	
Less : Current Liabilities and Provisions	(J)	<u>1,69,62,378</u>	<u>1,88,68,412</u>	
Net Current Assets		7,10,06,782		7,36,92,542
Deferred tax :				
Deferred tax Asset		24,283	26,133	
Less : Deferred tax Liability		<u>56,653</u>	<u>19,943</u>	<u>6,190</u>
		<u>11,86,09,225</u>		<u>12,06,45,241</u>

Statement on Significant Accounting Policies and Notes to the Accounts (K)

sd/-
Ashish Kumar
Company Secretary

sd/-
H.R. Vij
General Manager
(Finance)

sd/-
Mahesh Gupta
Chief Executive

sd/-
Aditya Puri
Managing Director

sd/-
K.K. Vij
Director

In terms of our report attached
For K.C.Malhotra & Co.
Chartered Accountants

New Delhi
Dated : 19.06.2003

sd/-
Ramesh Malhotra
Partner

Profit and Loss Account for the year ended 31st March, 2003

	Schedule Reference	Figures in Rupees	
		31.03.2003	31.03.2002
Income :			
Sales		38,18,46,190	39,94,17,910
Profit of Farm	(I)	(850)	79,326
Other Income	(II)	52,68,653	45,39,205
Closing Stock		<u>4,00,15,142</u>	<u>3,77,75,090</u>
		42,71,29,135	44,18,11,531
Expenditure :			
Opening Stock		3,77,75,090	4,34,73,720
Purchases		35,47,29,806	36,53,99,758
Employees' Remuneration	(III)	1,22,28,258	1,18,72,235
Other Expenses	(IV)	1,47,28,598	1,53,12,763
Depreciation		<u>6,83,081</u>	<u>5,37,235</u>
Profit before Taxation		42,01,44,833	43,65,95,711
		69,84,302	52,15,820
Provision for Taxation :			
Current tax		26,00,000	18,80,000
Deferred tax		<u>38,560</u>	<u>12,480</u>
Profit after Taxation		26,38,560	18,92,480
		43,45,742	33,23,340
Excess provision for taxation relating to earlier years written back		1,27,720	2,05,946
		<u>44,73,462</u>	<u>35,29,286</u>
Balance of Profit from Previous Year		2,22,10,389	2,16,59,703
Profit available for Appropriation		2,66,83,851	2,51,88,989
Dividend - Proposed Final		26,45,600	26,45,600
Dividend Tax		3,38,968	-
General Reserve		<u>4,39,000</u>	<u>3,33,000</u>
Balance being Surplus Carried to Balance Sheet		34,23,568	29,78,600
		<u>2,32,60,283</u>	<u>2,22,10,389</u>
Earnings Per Share (Rs.) - Basic & Diluted (face value Rs.100/- each) - Refer Note 8 of Schedule 'K'		20.53	15.70

Statement on Significant Accounting Policies and Notes to the Accounts (K)

sd/-
Ashish Kumar
Company Secretary

sd/-
H.R. Vij
General Manager
(Finance)

sd/-
Mahesh Gupta
Chief Executive

sd/-
Aditya Puri
Managing Director

sd/-
K.K. Vij
Director

In terms of our report attached
For K.C.Malhotra & Co.
Chartered Accountants

New Delhi
Dated : 19.06.2003

sd/-
Ramesh Malhotra
Partner

Figures in Rupees

Schedule 'A' - Share Capital :

Authorised :

3,00,000	Equity Shares of Rs. 100/- each	31.03.2003	31.03.2002
		3,00,00,000	3,00,00,000
		<u>3,00,00,000</u>	<u>3,00,00,000</u>

Issued :

2,13,856	Equity Shares of Rs. 100/- each	2,13,85,600	2,13,85,600
		<u>2,13,85,600</u>	<u>2,13,85,600</u>

Subscribed :

2,11,648	Equity Shares of Rs. 100/- each Fully Paid Up	2,11,64,800	2,11,64,800
		<u>2,11,64,800</u>	<u>2,11,64,800</u>

Note :

The above Shares include shares allotted without payment received in cash as under :-

- Bonus Shares by capitalisation of Reserves (Bonus Shares of the value of Rs. 2,09,100/- are yet to be allotted) 1,99,88,400/-
- Under Scheme of Arrangement with Punjab Textile Mills Ltd. (Shares of the value of Rs. 11,700/- to be allotted as and when claim is made with the Company) 8,61,300/-

Schedule 'B' - Reserves and Surplus :

	31.03.2002	Additions	Deductions	31.03.2003
Capital	2,02,400	-	-	2,02,400
* Capital Redemption (a)	89,200	-	-	89,200
Revenue :				
* General Reserve (b)	3,18,22,426	4,39,000	-	3,22,61,426
Profit and Loss Account Balance	<u>2,22,10,389</u>	<u>44,73,462</u>	<u>34,23,568</u>	<u>2,32,60,283</u>
	<u>5,43,24,415</u>	<u>49,12,462</u>	<u>34,23,568</u>	<u>5,58,13,309</u>

* includes (a) Rs. 11,300/- and (b) Rs. 12,486/- on account of consideration to be met under Scheme of Arrangement with Punjab Textile Mills Ltd.

Schedule 'C' - Loan Funds :

Secured :

From Banks against Hypothecation of Stocks	31.03.2003	31.03.2002
	1,77,47,116	2,23,20,026

Unsecured :

* Fixed Deposits	2,37,94,000	2,28,36,000
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Short -term Loan :

From a company under the same management, viz. Himachal Polyolefins Limited (Maximum amount due at any time during the year Rs. 90,000/-)

	90,000	-
	<u>4,16,31,116</u>	<u>4,51,56,026</u>

* Includes from Directors	28,50,000	28,65,000
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Schedule 'D'

FIXED ASSETS

Figures in Rupees

Particulars	COST				DEPRECIATION				WRITTEN DOWN VALUE	
	As per last Balance Sheet	Additions during the year	Deductions during the year	As at 31st March, 2003	As per last Balance Sheet	Additions during the year	Deductions during the year	As at 31st March, 2003	31.03.2003	31.03.2002
Land	24,07,572	-	-	24,07,572	-	-	-	-	24,07,572	24,07,572
Building on Freehold and Leasehold Land	23,55,506	-	-	23,55,506	13,48,961	54,241	-	14,03,202	9,52,304	10,06,545
Plant and Machinery	12,27,797	18,647	3,114	12,43,330	10,19,268	47,651	3,114	10,63,805	1,79,525	2,08,529
Plant and Machinery - Farm	4,388	-	-	4,388	4,332	8	-	4,340	48	56
Furniture, Fixtures and Equipments	36,20,822	3,38,599	48,972	39,10,449	29,58,627	3,37,456	44,549	32,51,534	6,58,915	6,62,195
Vehicles	14,15,525	10,18,570	-	24,34,095	7,92,712	2,43,733	-	10,36,445	13,97,650	6,22,813
TOTAL	1,10,31,610	13,75,816	52,086	1,23,55,340	61,23,900	6,83,089	47,663	67,59,326	55,96,014	49,07,710
Previous year	1,10,56,548	13,28,245	13,53,183	1,10,31,610	68,54,248	5,37,244	12,67,592	61,23,900	49,07,710	

Figures in Rupees

Schedule 'E' - Investments at Cost :

(Long term, unless otherwise stated)
(Other than Trade)

31.03.2003

31.03.2002

28,39,640 fully paid Equity Shares of Rs. 10/- each
including 21,67,500 bonus shares of Rs. 10/- each of
The Saraswati Industrial Syndicate Limited (quoted)

4,20,36,049

4,20,36,049

Government Securities (unquoted):

7 Years National Savings Certificates

(face value Rs. 2,000/-; previous year Rs. 2,000/-)*

2,000

2,000

12 Years National Defence Certificates

(face value Rs. 750/-; previous year Rs. 750/-)*

750

750

4,20,38,799

4,20,38,799

* Pledged with District Food and Supplies Controllers.

Aggregate book value of investments :

Unquoted

2,750

2,750

Quoted (Market value Rs. 4,40,14,420/-;

previous year Rs. 8,51,89,200/-)

4,20,36,049

4,20,36,049

4,20,38,799

4,20,38,799

Schedule 'F' - Stores and Stocks :

As per inventories, valued and certified
by the Management :

Stock-in-hand (at lower of cost or market value)

4,00,15,142

3,77,75,090

Standing crops (Farm) at estimated cost

-

14,880

*Stores at cost

24,014

75,240

Jobs at estimated cost

-

1,460

4,00,39,156

3,78,66,670

*Including in Transit

-

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Schedule 'G' - Sundry Debtors (Unsecured) :

Considered good :

Debts outstanding for more than six months

46,11,472

32,08,385

Other debts

3,04,93,390

3,51,04,862

4,01,09,128

4,33,17,513

3,51,04,862

4,33,17,513

Schedule 'H' – Cash and Bank Balances :

Figures in Rupees

	31.03.2003	31.03.2002
Cash in hand	1,91,406	8,29,744
Imprest with staff	3,36,191	6,92,693
With Post Office in Saving Account (Pass books pledged with District Food and Supplies Controllers)	2,000	2,000
With Scheduled Banks in :		
Current Accounts	30,37,028	31,16,531
Fixed Deposits	88,000	84,000
Fixed Deposits (Employees' Security Deposits)	5,35,500	5,00,500
	<u>41,90,125</u>	<u>52,25,468</u>

Schedule 'I' - Loans and Advances :

(Unsecured considered good unless otherwise specified)

*Advances recoverable in cash or in kind or for value to be received	57,22,158	29,32,857
Advance Income Tax Less provisions	2,79,369	(2,87,022)
Pre-paid expenses	3,03,857	1,56,951
Bills for Collection	5,85,627	4,47,651
Security Deposits	13,40,298	23,22,225
Other Loans (Secured)	4,00,264	5,74,333
	<u>86,31,573</u>	<u>61,46,995</u>

* Includes amount due from Himachal Polyolefins Ltd.,
a Company under the same management (maximum
amount due at any time during the year Rs. 1,820/-)

Schedule 'J' - Current Liabilities and Provisions :

Current Liabilities :		
Sundry Creditors	37,39,027	43,21,548
Other Liabilities (including employees security Rs. 5,35,500/-: previous year Rs. 5,00,500/-)	95,74,499	1,10,10,658
Unclaimed dividend	3,50,605	3,90,709
	<u>1,36,64,131 *</u>	<u>1,57,22,915</u>
Provisions for :		
Pension	1,18,526	94,784
Leave Salary	5,34,121	4,05,113
Proposed Dividend	26,45,600	26,45,600
	<u>1,69,62,378</u>	<u>1,88,68,412</u>

* There is no amount due and outstanding to be credited to
Investor Education and Protection Fund

Figures in Rupees

Schedule 'I' - Profit of Agricultural Farm :

31.03.2003

31.03.2002

Income :

Sale of Farm produce	15,390	1,92,037
Miscellaneous Receipts	-	1,952
Closing Stock (Standing Crops)	-	14,880
	<u>15,390</u>	<u>2,08,869</u>

Expenditure :

Opening Stock (Standing Crops)	14,880	82,112
Lease and revenue on land	1,121	6,724
Expenses on manure and pesticides	-	11,863
Seeds and plants	-	1,660
Water and Electricity	-	3,416
Mechanical cultivation	-	21,381
General expenses	231	842
Transport charges and octroi	-	1,008
Machinery repairs	-	528
Depreciation	8	9
Profit carried to main Profit and Loss Account	(850)	79,326
	<u>15,390</u>	<u>2,08,869</u>

Schedule 'II' - Other Income :

Repair receipts	8,82,900	7,71,725
Scrap and waste sale	1,06,000	1,04,510
Commission earned (Gross-tax deducted at source Rs. 50,672/-; previous year Rs. 65,484/-)	10,45,075	11,04,584
Miscellaneous receipts	27,06,878	20,98,861
Profit on sale of fixed assets	10,864	24,327
Interest on Fixed Deposits and others (Gross-tax deducted at source Rs. 69,233/-; previous year Rs. 65,682/-)	2,86,936	4,35,198
Realisation for Bad Debts Written Off	2,30,000	-
	<u>52,68,653</u>	<u>45,39,205</u>

Figures in Rupees

Schedule 'III' - Employees' Remuneration :	31.03.2003	31.03.2002
* Salaries, Wages and Bonus	1,09,23,169	1,05,29,639
Contribution to LIC's Group-Gratuity-cum-Life Assurance Fund	1,50,000	1,70,417
Contribution to LIC's Group Superannuation Fund	79,499	81,927
Contribution to Provident Fund, E.S.I., and Administration charges	8,32,459	9,37,556
Staff Welfare expenses	2,43,131	1,52,696
	<u>1,22,28,258</u>	<u>1,18,72,235</u>

* Includes provision for leave salary 1,29,008 72,026

Schedule 'IV' - Other Expenses :

Stores consumed and charges	32,750	19,304
Transport and octroi	9,37,285	10,21,192
Demonstration expenses	82,291	1,24,588
Maintenance, Installation and service charges	5,83,676	5,08,088
Rent	10,45,456	10,26,444
Rates and taxes	1,73,003	1,30,577
Insurance	4,99,082	4,36,504
Electric Maintenance and charges	4,16,403	3,83,698
Repairs to :		
a) Machinery	34,465	53,646
b) Building	2,98,522	1,55,648
Commission and Brokerage	5,51,609	8,47,783
Rebate & Discount	3,17,216	3,39,260
General Expenses (a)	51,59,360	52,44,592
Incentive to customers	27,928	18,123
Directors' fee	56,000	54,000
Directors' and Managing Director's travelling expenses	13,870	11,520
Managerial Remuneration	40,000	40,589
Interest paid (b)	44,59,682	48,05,893
Bad Debts	-	91,314
	<u>1,47,28,598</u>	<u>1,53,12,763</u>

(a) Includes Auditor's Remuneration :

Audit fee	60,000	55,000
Re-imburement of expenses	3,975	3,986

In other capacity :

Tax audit fee	7,500	7,500
Company Law Matters	22,200	25,900
Other services	5,050	4,250
Re-imburement of expenses	2,815	2,969

(b) Includes interest on fixed deposits Rs. 32,14,964/- (Previous year Rs. 33,54,060/-)

Schedule 'K'**I. Significant Accounting Policies:****i) Accounting Convention :**

The accounts have been prepared in accordance with the relevant presentation of the Companies Act, 1956 under the historical cost convention, and in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India.

ii) Fixed Assets and Depreciation :

Fixed Assets are stated at cost less depreciation.

Depreciation on all Fixed Assets has been provided for the year on the written down value method at the rates specified in Schedule XIV to the Companies Act, 1956.

iii) Investments :

Investments are long term investments and valued at its acquisition cost.

Interest income is accounted for on accrual basis. Dividends are accounted for when the right to receive the payment is established.

iv) Inventories :

Inventories are valued "at cost", "at estimated cost" and "at cost or market value, whichever is lower" depending upon the nature of various inventories.

v) Revenue recognition :

Sales comprise sale of trading goods. Profit/Loss on sale of Fixed Assets is recognised in the year of sale. Claims and incentives, etc. are accounted for as and when the amounts recoverable can be reasonably determined as being acceptable to the concerned authorities/parties.

vi) Retirement Benefits :

a) The Company makes regular contributions to the Provident Fund, Gratuity Fund and Superannuation Fund, which are charged against revenue. For Gratuity Scheme, refer note '2'. The Company has an arrangement with Life Insurance Corporation of India to administer its Superannuation Scheme also the premium paid is debited to the Profit and Loss Account. Provident Fund and Family Pension Fund Contributions are statutorily deposited with the Government.

b) Leave Salaries: Provision is made for value of unutilised leave due to employees on the basis of Actuarial valuation.

c) Pension: Provision is made for pension liability in respect of employees covered under the Company's Pension Scheme.

vii) Taxes on Income :

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

Other Accounting Policies:

These are consistent with generally accepted accounting principles.

II. Notes to the Accounts:

1. Contingent Liabilities :

- a) Disputed Sales Tax liability under Appeal Rs. 3,15,418/- (Previous year Rs. 3,15,418/-).
- b) Surety given in favour of Customs Authorities Rs. 742.34 lacs (Previous year Rs. 739.52 lacs) on behalf of company: The Saraswati Industrial Syndicate Limited.

2. The Company operates a Gratuity Fund Trust, which in turn has taken Group-Gratuity-cum-Life Assurance Policy with the Life Insurance Corporation of India for all the employees. In respect of gratuity, the liability is estimated annually and premium is deposited with LIC based on their demand notice. The funding with LIC is updated based on actuarial valuation done by LIC periodically.

3. i) Other Liabilities include balance in Director's Current Account Rs. 4,017/- (Previous year Rs. 4,017/-) and managerial remuneration payable Rs. 46,025/- (Previous year Rs. 46,614/-).

ii) a) Sundry Creditors shown in Schedule 'J' includes Rs. 89,859/- (Previous year Rs. 2,78,936/-) due to Small Scale Industrial Undertakings.

b) The names of Small Scale Industrial Undertakings to whom the Company owes dues outstanding for more than thirty days are as under:

Name of Party	(Amount in Rs.)	
	31.03.2003	31.03.2002
Bharat Development Industries	26,700	78,840
R.S.K. Industries	32,584	1,23,588
Grip Tight Devices	25,580	72,660
A-One Enterprises	4,995	3,848
Total	89,859	2,78,936

c) Above information has been compiled in respect of parties to the extent to which they could be identified as Small Scale Industrial Undertakings on the basis of information available with the Company.

4. Previous year's figures have been re-cast/re-grouped wherever necessary to make it comparable with those of the current year's figures.

5. The net Deferred tax liability of Rs. 32,370/- (previous year net Deferred tax asset of Rs. 6,190/-) as at 31st March, 2003 in respect of :

	(Amount in Rs.)	
	31.03.2003	31.03.2002
Deferred tax asset consisting of :		
Expenses allowable in tax on cash basis	24,283	26,133
Deferred tax liability consisting of :		
Book-tax timing difference on account of depreciation	56,653	19,943

6. Segment information for the year ended 31st March, 2003 :

(i) Information about Primary Business Segments:

Revenue:	31.03.2003			31.03.2002		
	External	Inter Segment	Total	External	Inter Segment	Total
Vehicles	24,01,51,152	-	24,01,51,152	26,87,57,198	-	26,87,57,198
Petrol Pump	12,51,52,202	-	12,51,52,202	11,28,17,239	-	11,28,17,239
Other						
Businesses	2,15,24,554	-	2,15,24,554	2,19,47,480	-	2,19,47,480
Unallocated	-	-	-	-	-	-
Total Revenue	38,68,27,908	-	38,68,27,908	40,35,21,917	-	40,35,21,917

Result:

(Amount in Rs.)

	31.03.2003	31.03.2002
Segment Result:		
Vehicles	1,31,30,998	1,17,38,089
Petrol Pump	22,49,379	16,31,991
Other Businesses	10,31,916	11,62,668
Unallocated	-	-
Segment Result	1,64,12,293	1,45,32,748
Unallocated expenditure net of unallocated income	(52,55,244)	(49,46,233)
Interest expenses	(44,59,682)	(48,05,893)
Interest income	2,86,935	4,35,198
Profit before taxation	69,84,302	52,15,820
Provision for taxation :		
Current Tax	(26,00,000)	(18,80,000)
Deferred Tax	(38,560)	(12,480)
Profit after taxation	43,45,742	33,23,340
Excess provision for taxation written back	1,27,720	2,05,946
Net Profit	44,73,462	35,29,286

Other information:

(Amount in Rs.)

	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02
	Segment Assets		Segment Liabilities		Capital Expenditure		Depreciation		Non-cash expenses other than Depreciation	
Vehicles	6,81,55,608	8,22,87,100	4,42,15,548	4,92,68,497	2,40,102	11,73,510	3,60,861	2,32,964	-	-
Petrol Pump	15,63,991	18,48,463	(1,53,825)	15,78,907	2,460	21,205	7,902	8,089	-	-
Other Businesses	1,41,03,274	58,92,373	55,97,486	40,38,268	5,00,095	-	37,445	7,884	-	-
Unallocated	5,18,05,383	4,94,98,197	89,90,938	91,51,246	6,33,159	1,33,530	2,76,861	2,88,307	-	-
Total	13,56,28,256	13,95,26,133	5,86,50,147	6,40,36,918	13,75,816	13,28,245	6,83,089	5,37,244	-	-

(ii) Information about Secondary Business Segments:

(Amount in Rs.)

	2002-03	2001-02	2002-03	2001-02	2002-03	2001-02
	Revenue by geographical market		Carrying amount of Segment Assets		Additions to Fixed Assets	
India	38,68,27,908	40,35,21,917	13,56,28,256	13,95,26,133	13,75,816	13,28,245
Outside India	-	-	-	-	-	-
Total	38,68,27,908	40,35,21,917	13,56,28,256	13,95,26,133	13,75,816	13,28,245

(iii) (a) The Company has considered business segment as the primary segment for disclosure. The products included in each of the reported domestic business segments are as follows:

1. Vehicles - comprising of Tractors, Motor cycles and Bajaj Tempo vehicles and their Spare Parts, Accessories, Lubricants, Agricultural Implements, Tyres & Tubes and Batteries.
2. Petrol Pump - comprising of Motor Spirit/HSD and Lubricants.
3. Others - primarily comprising of Farm, Fertilisers, Pesticides, Seeds, Electrical goods including Generators, etc.

Segments have been identified by the management and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure and the internal financing reporting systems.

(b) Segment revenue in each of the above domestic business segments primarily includes sales, repair receipts and commission earned, etc.

Segment Revenue comprises of:

(Amount in Rs.)

	31.03.2003	31.03.2002
Sales	38,18,46,190	39,94,17,910
Other Income excluding Interest (net)	49,81,718	41,04,007
Total	38,68,27,908	40,35,21,917

- (c) The segment revenue in the geographical segments considered for disclosure are as follows :
Revenue within India includes sales to customers located within India and earnings in India.
- (d) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

7. Related Party Disclosures :

Related party disclosures, as required by AS-18 "Related Party Disclosures", are given below:

A) Relationship :

(i) Shareholders in the Company :

Mr. Ranjit Puri, Chairman and Mr. Aditya Puri, Managing Director and their relatives hold 43.69 % Equity Shares in the Company.
(No transaction has taken place during the year).

(ii) Other related parties :

- a) The Saraswati Industrial Syndicate Limited in which the Company holds 38.53% Equity Shares.
b) Himachal Polyolefins Ltd. in which Mr. Ranjit Puri, Chairman and Mr. Aditya Puri, Managing Director can exercise significant influence.

(iii) Directors and their relatives :

Directors:

Mr. Ranjit Puri, Chairman
Mr. Aditya Puri, Managing Director

Mr. Dina Nath
Mr. Man Mohan Singh
Lt. Gen. (Retd.) L.N. Budhraja
Mr. Vinod K. Nagpal

Mr. K.K. Vij
Mr. Romesh Malhan

Mr. D. D. Sharma

Relatives:

Mrs. Nina Puri (Wife)
Mrs. Tanu Priya Puri (Wife)
Ms. Tanvi Puri (Daughter)
Ms. Naina Puri (Daughter)

Mr. Ramit Budhraja (Son)
Mrs. Kaushalya Nagpal (Mother)
Mr. Pardeep Nagpal (Brother)
Mrs. Ravi Kanta Vij (Wife)
Mrs. Satya Malhan (Mother)
Mr. Arvind Malhan (Son)
Mrs. Sujata Varadarajan (Daughter)

B) The following transactions were carried out with the related party in the ordinary course of business :

(i) Details relating to party referred to in item (A) (ii) (a) above :

	(Amount in Rs.)	
	<u>31.03.2003</u>	<u>31.03.2002</u>
(a) Commission earned	8,04,520	8,19,772
(b) Sale of finished goods and service charges	84,34,458	86,25,405
(c) Interest Receipt	18,000	23,500
(d) Payment of Staff deputed	5,70,810	6,07,061
(e) Payment of guest house charges, telephone, electricity, bank charges and professional fee	1,69,966	1,14,915
(f) Lease rent & House tax for land & building	1,01,728	35,737
* (g) Outstanding payable/(receivable) by the Company (Net)	(40,93,869)	(18,30,926)
(h) Surety given in favour of Customs Authorities by the Company	7,42,34,500	7,39,52,500

(ii) Details relating to party referred to in item (A) (ii) (b) above :

(a) Payment of expenses on behalf of the Company	1,820	-
(b) Loan taken and outstanding at the year end	90,000	-
(c) Interest expenses on loan taken	1,073	-
* (d) Outstanding payable/ (receivable) by the Company	(1,820)	-

* Transactions with the above parties are accounted in the respective current accounts.

(iii) Details relating to persons related to the item (A) (iii) above:

		(Amount in Rs.)	
		<u>31.03.2003</u>	<u>31.03.2002</u>
(a)	Remuneration/Board Meeting Fees	96,000	94,589
(b)	Interest expenses on deposits taken	3,49,776	4,15,715
(c)	Outstanding fixed deposits payable	28,60,000	28,95,000
8.	Earnings per share :		
	Profit for the year after taxation	43,45,742	33,23,340
	Weighted average number of equity shares outstanding (Nos.)	2,11,648	2,11,648
	Basic and diluted earnings per share in rupees (face value - Rs. 100/- per share)	20.53	15.70
9.	Managerial Remuneration :		
i)	Managing Director	-	-
ii)	Other Directors :		
	Directors' fee	56,000	54,000
	Commission	40,000	40,589
		<u>96,000</u>	<u>94,589</u>
Computation of Net Profit as per Section 198 read with Section 309(5) and Section 349 of the Companies Act, 1956 :			
	Profit for the year before tax	69,84,302	52,15,820
	Less : Profit on Sale of Fixed assets as per accounts	10,864	24,327
	: Realisation for Bad Debts Written Off	<u>2,30,000</u>	-
		67,43,438	<u>51,91,493</u>
	Add : Profit on Sale of Fixed assets as per Section 349	10,864	24,327
	: Provision for leave salary	1,29,008	72,026
		68,83,310	<u>52,87,846</u>
	Add : Managerial Remuneration	96,000	94,589
		69,79,310	<u>53,82,435</u>
	Commission at 1% of the above Net Profit	69,793	<u>53,824</u>
	Restricted to a maximum of :	40,000	40,589

10. Particulars in respect of stock, purchases and sales :

	Unit	Opening Stock		Purchases		Sales		Closing Stock	
		Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)	Quantity	Value (Rs.)
Tractors	Nos.	86 (100)	2,33,84,251 (2,61,29,451)	582 (680)	16,54,91,938 (19,45,53,459)	598 (694)	19,07,29,983 (21,76,10,694)	70 (86)	1,86,89,916 (2,33,84,251)
Motorcycles	Nos.	58 (86)	19,49,978 (31,81,619)	329 (634)	1,07,74,322 (2,13,72,721)	348 (662)	1,17,65,772 (2,33,69,594)	39 (58)	14,21,713 (19,49,978)
Fertilizers	Qtls.	306.2 (141)	1,60,338 (58,743)	3710 (5352.8)	17,91,831 (30,66,356)	3833.2 (5187.6)	19,65,722 (32,39,276)	183 (306.2)	1,12,841 (1,60,338)
Pesticides	(a) -	- (-)	9,47,504 (20,19,426)	- (-)	85,01,750 (73,08,731)	- (-)	98,02,089 (89,50,885)	- (-)	3,06,416 (9,47,504)
Seeds	Qtls.	- (-)	- (-)	837.5 (471.51)	9,96,854 (4,87,202)	837.5 (471.51)	10,74,801 (5,23,874)	- (-)	- (-)
Motor Spirit/HSD	Ltrs.	40939.2 (50005.2)	7,51,409 (9,51,094)	6464630 (6264497)	12,18,30,837 (10,95,56,785)	6461255.3 (6273563)	12,42,51,008 (11,17,41,642)	44313.9 (40939.2)	10,54,322 (7,51,409)
Lubricants	(a) -	- (-)	4,83,233 (6,72,446)	- (-)	76,39,373 (26,13,651)	- (-)	45,59,507 (34,71,222)	- (-)	43,65,577 (4,83,233)
Spare parts, Accessories and Agricultural Implements	(a) -	- (-)	72,46,068 (66,67,391)	- (-)	1,42,68,572 (1,26,45,118)	- (-)	1,49,86,877 (1,44,25,909)	- (-)	88,34,261 (72,46,068)
Electrical Goods	(a) -	- (-)	21,00,877 (20,84,797)	- (-)	73,02,468 (75,38,067)	- (-)	76,02,492 (81,47,794)	- (-)	23,80,102 (21,00,877)
Generator Sets	Nos.	1 (1)	19,805 (19,805)	- (-)	- (-)	1 (-)	18,304 (-)	- (1)	- (19,805)
Computer components (a)	-	- (-)	- (19,200)	- (-)	- (-)	- (-)	- (6,058)	- (-)	- (-)
Tyres & Tubes	Nos.	51 (200)	3,32,545 (13,97,368)	4 (164)	39,498 (9,23,151)	46 (313)	2,56,223 (20,34,371)	9 (51)	85,097 (3,32,545)
Batteries	Nos.	101 (165)	3,99,082 (2,72,380)	3063 (2667)	63,15,605 (53,34,517)	2842 (2731)	67,64,649 (58,96,591)	322 (101)	6,69,239 (3,99,082)
Bajaj Tempo Vehicles	Nos.	- (-)	- (-)	57 (-)	97,76,758 (-)	43 (-)	80,68,783 (-)	14 (-)	20,95,658 (-)
TOTAL			3,77,75,090 (4,34,73,720)		35,47,29,806 (36,53,99,758)		38,18,46,190 (39,94,17,910)		4,00,15,142 (3,77,75,090)

(a) : Quantity not easily ascertainable.

Note : Figures in brackets pertain to previous year.

11. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	01837	State Code	05
Balance Sheet Date	31.03.2003		

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

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

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

Total Liabilities	13,56,28,256	Total Assets	13,56,28,256
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SOURCES OF FUNDS :

Paid-up Capital	2,11,64,800	Reserves and Surplus	5,58,13,309
Secured Loans	1,77,47,116	Unsecured Loans	2,38,84,000

APPLICATION OF FUNDS :

Net Fixed Assets	55,96,014	Investments	4,20,38,799
* Net Current Assets	7,39,58,980	Misc. Expenditure	NIL
Accumulated Losses	NIL		

* Including net Deferred tax asset

IV. PERFORMANCE OF COMPANY (Amount in Rs.)

Turnover	38,71,13,993	Total Expenditure	38,01,29,691
Profit Before Tax	69,84,302	Profit After Tax	43,45,742
Earning per share in Rs.	20.53	Dividend Rate (%)	12.50

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

<u>Item Code No.</u> <u>(ITC Code)</u>	<u>Product Description</u>
870130.09	TRACTORS
871120.03	MOTOR CYCLES
271000.21	H.S.D.

Signatures to Schedules 'A' to 'J' of Balance Sheet and 'I' to 'IV' of Profit and Loss Account and Schedule 'K' of Statement on Significant Accounting Policies and Notes to the Accounts.

sd/- Ashish Kumar Company Secretary	sd/- H.R. Vij General Manager (Finance)	sd/- Mahesh Gupta Chief Executive	sd/- Aditya Puri Managing Director	sd/- K.K. Vij Director
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In terms of our report attached
For **K.C.Malhotra & Co.**
Chartered Accountants

New Delhi
Dated : 19.06.2003

sd/-
Ramesh Malhotra
Partner

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2003

Figures in Rupees

31.03.2003

31.03.2002

A. CASH FLOW FROM OPERATING ACTIVITIES :

Net Profit Before Tax	69,84,302	52,15,820
Adjustments for :		
Depreciation	6,83,089	5,37,244
(Profit)/Loss on sale of Fixed Assets - Net	(10,864)	(24,327)
Interest Income	(2,86,936)	(4,35,198)
Interest Expenses	44,59,682	48,05,893
Provision for Leave Salary & Pension	1,52,750	92,405
Operating Profit Before Working Capital Changes	1,19,82,023	1,01,91,837
Adjustments for :		
(Increase)/Decrease in Inventories	(21,72,486)	57,69,158
(Increase)/Decrease in Debtors	82,12,651	(82,20,858)
(Increase)/Decrease in Loans & Advances	(19,18,187)	12,21,663
Increase/(Decrease) in Creditors	(23,57,648)	(1,24,01,171)
Cash Generated From Operations	1,37,46,353	(34,39,371)
Interest Paid	(44,59,682)	(48,05,893)
Direct Taxes Paid/Refund received	(30,38,671)	(11,61,033)
Net Cash Flow From Operating Activities	62,48,000	(94,06,297)

B. CASH FLOW FROM INVESTING ACTIVITIES :

Purchase of Fixed Assets	(13,75,816)	(13,28,245)
Sale of Fixed Assets	15,287	1,09,918
Interest Received	2,87,800	4,30,890
Net Cash used in Investing Activities	(10,72,729)	(7,87,437)

C. CASH FLOW FROM FINANCING ACTIVITIES :

Borrowings - From Banks	(45,72,910)	1,00,11,048
- Others	10,48,000	9,72,500
Dividend Paid	(26,85,704)	(21,19,059)
Others - Capital Redemption (Pref. Shares)	-	(2,175)
Net Cash Used in Financing Activities	(62,10,614)	88,62,314
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(10,35,343)	(13,31,420)

Figures in Rupees

	31.03.2003	31.03.2002
Cash and Cash equivalents as at 1st April, 2002 (Opening Balance)	<u>52,25,468</u>	<u>65,56,888</u>
Cash and Cash equivalents as at 31st March, 2003 (Closing Balance)	<u>41,90,125</u>	<u>52,25,468</u>

For and on behalf of the Board

sd/-
Ashish Kumar
Company Secretary

sd/-
H.R. Vij
General Manager
(Finance)

sd/-
Mahesh Gupta
Chief Executive

sd/-
Aditya Puri
Managing Director

sd/-
K.K. Vij
Director

PLACE : NOIDA (U.P.)

DATED : 19.06.2003

- Notes : 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- 2) Cash and cash equivalents at the end of the year consist of cash in hand and balances with banks.
- 3) Previous year's figures have been regrouped wherever necessary to conform to the current year classification.

AUDITORS' CERTIFICATE

The above Cash Flow Statement has been compiled from and is based on audited accounts of The Yamuna Syndicate Limited for the year ended 31st March, 2003 reported upon by us on 19.06.2003. According to the information and explanations given to us and read together with the Notes thereon, the aforesaid Cash Flow Statement has been prepared pursuant to Clause 32 of the Listing Agreement with Stock Exchange and the reallocations required for the purpose are as made by the Company.

For **K.C. Malhotra & Co.**
Chartered Accountants

sd/-
Ramesh Malhotra
Partner

PLACE : New Delhi

DATED : 19.06.2003