

50th
ANNUAL REPORT
2003 - 2004



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. K.K. Vij**
DIRECTOR
3. **Mr. Manmohan Singh**
DIRECTOR
4. **Lt. Gen. (Retd.) L.N. Budhraja**
DIRECTOR
5. **Mr. Vinod K. Nagpal**
DIRECTOR
6. **Mr. Romesh Malhan**
DIRECTOR
7. **Mr. D.D. Sharma**
DIRECTOR
8. **Mr. Aditya Puri**
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 50th Annual Report together with the audited accounts for the year ended 31st March, 2004 :-

1. FINANCIAL RESULTS :

The Financial results are as under:		<u>(Amount in Rs.)</u>
Net Profit for the year		1,30,31,241
Less : Provision for taxation :		
-Current Tax	36,70,000	
-Deferred Tax	40,280	37,10,280
Net Profit after Tax		<u>93,20,961</u>
Less :		
- Proposed Dividend @ 22.50% (12.50% + 10% golden jubilee dividend)	47,62,080	
- Dividend Tax	6,10,142	
- Transfer to General Reserve	9,33,000	63,05,222
Balance carried forward to Profit & Loss A/c.		<u>30,15,739</u>

2. DIVIDEND :

The Directors are pleased to recommend a dividend @ 12.50% and an additional golden jubilee dividend @ 10%, making a total of 22.50%.

3. OPERATIONS :

The sales & profits of your Company during the year have been higher at Rs. 4381 lacs and Rs. 130.31 lacs as compared to Rs. 3818 lacs & Rs. 69.84 lacs respectively during the previous year.

In tractor business, we have been able to improve our market share. We have also been allocated additional territories of Saharanpur and Doraha (Distt. Ludhiana) by Escorts.

The tractor market in our area continues to remain unstable. It is a saturated market and therefore there is no urgency for farmers to replace their existing tractors, who often change their purchase decisions on small extraneous considerations.

Indian Oil Corporation Limited has recently awarded us Stockistship for Industrial Lubricants for Yamuna Nagar, Ambala, Panchkula, Kurukshetra & Kaithal Districts with operations from Yamuna Nagar.

Other businesses, on the whole, have done well with the exception of the Yamaha Motorcycle and Bajaj Tempo dealerships. We are in the process of exiting both these businesses.

4. DIRECTORS :

Mr. Vinod K. Nagpal, Mr. Manmohan Singh and Mr. Ranjit Puri, 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 31.03.2004, 9 (Nine) Fixed Deposit Receipts amounting to Rs.1,23,000/- 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, 2004, 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 hard work and services rendered by the staff and workmen during the year under report.

By Order of the Board

sd/-

(RANJIT PURI)
CHAIRMAN

Dated : 29.06.2004
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, 2004 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 an 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 provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 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. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
b) The Management has certified that it has conducted a physical verification of the fixed assets at reasonable intervals, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies have been noticed on such verification.
c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) The procedures of physical verification of Inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) The Company has maintained proper records of Inventories. The discrepancies noticed on physical verification of inventory as compared to the book records, which in our opinion, were not material, have been properly dealt within the books of account.
3. a) The Company has not granted or taken any loan, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except taken from three parties aggregating to Rs. 32,50,000/- in the nature of Fixed Deposits.
b) In our opinion and according to the information and explanations given to us, the rate of interest, terms and conditions of such loans, i.e., Fixed Deposits are not prima facie, prejudicial to the interest of the Company.
c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
d) There is no overdue amount of loans taken from parties listed in the register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of Inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not noticed any major weaknesses in internal controls.
5. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the National Company Law Tribunal.
7. In our opinion, the Company has an Internal Audit System commensurate with its size and nature of the Company's business.
8. 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.
9. a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2004 for a period of more than six months from the date they became payable.
- b) As at 31st March, 2004 according to the records of the Company, the following are the particulars of disputed dues on account of Sales Tax and Income Tax matters that have not been deposited:

<u>Nature of the Statute</u>	<u>Amount (Rs.)</u>	<u>Forum where dispute is pending</u>
Sales tax	3,15,418	Sales tax Tribunal.
Income tax	3,65,954	Commissioner of Income Tax (Appeals).

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or immediately preceding financial year.
11. According to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial Institution, Bank, or debenture holders.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a Chit fund or a Nidhi/Mutual benefit fund/Society. Therefore clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
14. The company is not dealing or trading in shares, securities, debentures and other investments and therefore the question of maintenance of records in respect of these does not arise. We also report that the company has held the shares and other investments in its own name.

15. The Company has not given any guarantee for loans taken by others from Bank or financial institutions.
16. The Company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance for short-term assets.
18. Based on our examination of record and the information provided to us by management we report that the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. During the period covered by our audit report, the Company has not issued debentures and therefore the question of creation of any security in respect of these debentures does not arise.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Further to our comments referred to above, we report that 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. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from examination of those books. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account. In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956. On the basis of written representations received from the directors as on 31st March, 2004, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004;
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For K.C. MALHOTRA & CO.
Chartered Accountants

sd/-

Ramesh Malhotra
Partner

Place : New Delhi
Dated : 29.06.2004

Balance Sheet as at 31st March, 2004

	Schedule Reference	Figures in Rupees		
		31.03.2004		31.03.2003
Sources of Funds :				
Shareholders Funds :				
Share Capital	(A)	2,11,64,800		2,11,64,800
Reserves and Surplus	(B)	<u>5,97,61,548</u>	8,09,26,348	<u>5,58,13,309</u> 7,69,78,109
Loan Funds	(C)		<u>4,69,80,579</u>	<u>4,16,31,116</u>
			<u>12,79,06,927</u>	<u>11,86,09,225</u>
Application of Funds :				
Fixed Assets	(D)		34,31,950	55,96,014
Investments (at cost)	(E)		4,20,38,799	4,20,38,799
Current Assets, Loans and Advances :				
Current Assets :				
Interest Accrued		16,858		3,444
Stores and Stocks	(F)	4,02,28,805		4,00,39,156
Sundry Debtors	(G)	5,45,03,134		3,51,04,862
Cash and Bank Balances	(H)	39,54,967		41,90,125
Loans and Advances	(I)	<u>1,26,67,637</u>		<u>86,31,573</u>
		<u>11,13,71,401</u>		<u>8,79,69,160</u>
Less: Current Liabilities and Provisions	(J)	<u>2,88,62,573</u>		<u>1,69,62,378</u>
Net Current Assets			8,25,08,828	7,10,06,782
Deferred tax :				
Deferred tax Asset		18,355		24,283
Less : Deferred tax Liability		<u>91,005</u>	<u>(72,650)</u>	<u>56,653</u> <u>(32,370)</u>
			<u>12,79,06,927</u>	<u>11,86,09,225</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/-
K.K. Vij
Director

sd/-
Aditya Puri
Director

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

New Delhi
Dated : 29.06.2004

sd/-
Ramesh Malhotra
Partner

Profit and Loss Account for the year ended 31st March, 2004

	Schedule Reference	Figures in Rupees	
		31.03.2004	31.03.2003
Income :			
Sales		43,80,94,690	38,18,46,190
Profit of Farm	(I)	—	(850)
Other Income	(II)	81,37,310	52,68,653
Closing Stock		<u>4,01,11,297</u>	<u>4,00,15,142</u>
		48,63,43,297	4,27,129,135
Expenditure :			
Opening Stock		3,88,83,535*	3,77,75,090
Purchases		40,39,37,403	35,47,29,806
Employees' Remuneration	(III)	1,29,18,847	1,22,28,258
Other Expenses	(IV)	1,67,05,906	1,47,28,598
Depreciation		<u>8,66,365</u>	<u>6,83,081</u>
Profit before Taxation		47,33,12,056	4,20,144,833
		<u>1,30,31,241</u>	<u>69,84,302</u>
Provision for Taxation:			
Current tax		36,70,000	26,00,000
Deferred tax		<u>40,280</u>	<u>37,10,280</u>
		37,10,280	38,560
Profit after Taxation		<u>93,20,961</u>	<u>26,38,560</u>
Excess provision for taxation relating to earlier years written back		—	1,27,720
		<u>93,20,961</u>	<u>44,73,462</u>
Balance of Profit from Previous Year		<u>2,32,60,283</u>	<u>2,22,10,389</u>
Profit available for Appropriation		3,25,81,244	2,66,83,851
Dividend - Proposed Final		47,62,080	26,45,600
Dividend Tax		6,10,142	3,38,968
General Reserve		<u>9,33,000</u>	<u>4,39,000</u>
Balance being Surplus Carried to Balance Sheet		<u>2,62,76,022</u>	<u>34,23,568</u>
		<u>2,62,76,022</u>	<u>2,32,60,283</u>
Earnings Per Share (Rs.) - Basic & Diluted (face value Rs.100/- each) - Refer Note 8 - Schedule 'K'		44.04	20.53
* Refer Note 3(iii) - Schedule 'K'.			

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/-
K.K. Vij
Director

sd/-
Aditya Puri
Director

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

New Delhi
Dated : 29.06.2004

sd/-
Ramesh Malhotra
Partner

Figures in Rupees

Schedule 'A' - Share Capital :		31.03.2004	31.03.2003
Authorised :			
3,00,000	Equity Shares of Rs. 100/- each	<u>3,00,00,000</u>	<u>3,00,00,000</u>
		<u>3,00,00,000</u>	<u>3,00,00,000</u>
Issued :			
2,13,856	Equity Shares of Rs. 100/- each	<u>2,13,85,600</u>	<u>2,13,85,600</u>
		<u>2,13,85,600</u>	<u>2,13,85,600</u>
Subscribed :			
2,11,648	Equity Shares of Rs. 100/- each	<u>2,11,64,800</u>	<u>2,11,64,800</u>
	Fully Paid Up	<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 :

	31.03.2003	Additions	Deductions	31.03.2004
Capital	2,02,400	-	-	2,02,400
* Capital Redemption (a)	89,200	-	500	88,700
Revenue :				
* General Reserve (b)	3,22,61,426	9,33,000	-	3,31,94,426
Profit and Loss Account Balance	<u>2,32,60,283</u>	<u>93,20,961</u>	<u>63,05,222</u>	<u>2,62,76,022</u>
	<u>5,58,13,309</u>	<u>1,02,53,961</u>	<u>63,05,722</u>	<u>5,97,61,548</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 :

	31.03.2004	31.03.2003
Secured :		
From Banks:		
Cash Credit Accounts	2,20,87,579	1,77,47,116
(Secured by Hypothecation of Stocks on Pari-Passu basis with Punjab National Bank and State Bank of Patiala and by a charge on Book Debts of the Company with State Bank of Patiala)		
Unsecured :		
* Fixed Deposits	2,48,93,000	2,37,94,000
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/-; previous year Rs. 90,000/-)	-	90,000
	<u>4,69,80,579</u>	<u>4,16,31,116</u>
* Includes from Directors	27,50,000	28,50,000

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, 2004	As per last Balance Sheet	Additions during the year	Deductions during the year	As at 31st March, 2004	31.03.2004	31.03.2003
Land	24,07,572	-	22,43,999	1,63,573	-	-	-	-	1,63,573	24,07,572
Building on Freehold and Leasehold Land	23,55,506	20,000	-	23,75,506	14,03,202	71,143	-	14,74,345	9,01,161	9,52,304
Plant and Machinery	12,47,718	19,800	8,187	12,59,331	10,68,145	44,778	8,183	11,04,740	1,54,591	1,79,573
Furniture, Fixtures and Equipments	39,10,449	2,19,544	1,30,254	39,99,739	32,51,534	2,68,344	1,07,149	34,12,729	5,87,010	6,58,915
Vehicles	24,34,095	9,33,213	7,01,015	26,66,293	10,36,445	4,82,100	4,77,867	10,40,678	16,25,615	13,97,650
TOTAL	1,23,55,340	11,92,557	30,83,455	1,04,64,442	67,59,326	8,66,365	5,93,199	70,32,492	34,31,950	55,96,014
Previous Year	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	

Figures in Rupees

Schedule 'E' - Investments at Cost : 31.03.2004 31.03.2003
 (Long term, unless otherwise stated)
 (Other than Trade)

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
	<u>4,20,38,799</u>	<u>4,20,38,799</u>
* Pledged with District Food and Supplies Controllers.		
Aggregate book value of investments :		
Unquoted	2,750	2,750
Quoted (Market value Rs. 5,67,92,800/-; previous year Rs. 4,40,14,420/-)	4,20,36,049	4,20,36,049
	<u>4,20,38,799</u>	<u>4,20,38,799</u>

Schedule 'F' - Stores and Stocks :

As per inventories, valued and certified by the Management :		
Stock-in-hand (at lower of cost or market value)	4,01,11,297	4,00,15,142
*Stores at cost	1,17,508	24,014
	<u>4,02,28,805</u>	<u>4,00,39,156</u>
*Including in Transit	92,563	-

Schedule 'G' - Sundry Debtors (Unsecured) :

Considered good :			
Debts outstanding for more than six months	18,08,937	46,11,472	
Other debts	<u>5,26,94,197</u>	<u>3,04,93,390</u>	3,51,04,862
	<u>5,45,03,134</u>	<u>3,04,93,390</u>	<u>3,51,04,862</u>

Figures in Rupees

Schedule 'H' - Cash and Bank Balances :	31.03.2004	31.03.2003
Cash in hand	9,92,439	1,91,406
Imprest with staff	5,37,942	3,36,191
With Post Office in Saving Accounts (Pass books pledged with District Food and Supplies Controllers)	2,000	2,000
With Scheduled Banks in :		
Current Accounts	19,14,086	30,37,028
Fixed Deposits	-	88,000
Fixed Deposits (Employees' Security Deposits)	5,08,500	5,35,500
	<u>39,54,967</u>	<u>41,90,125</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	88,89,415	57,22,158
Advance Income tax less provisions	-	2,79,369
Pre-paid expenses	2,32,878	3,03,857
Bills for Collection	11,67,627	5,85,627
Security Deposits	20,37,898	13,40,298
Other Loans (Secured)	3,39,819	4,00,264
	<u>1,26,67,637</u>	<u>86,31,573</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/-, previous year Rs. 1,820/-).

Schedule 'J' - Current Liabilities and Provisions :

Current Liabilities :

Sundry Creditors	1,16,70,385	37,39,027
Other Liabilities (including employees security Rs. 5,08,500/-; previous year Rs. 5,35,500/-)	1,13,09,169	95,74,499
Income tax provisions less advance tax	17,096	-
Unclaimed dividend	2,74,644	3,50,605
	<u>2,32,71,294*</u>	<u>1,36,64,131</u>

Provisions for :

Pension	1,41,475	1,18,526
Leave Salary	6,87,724	5,34,121
Proposed Dividend	47,62,080	26,45,600
	<u>2,88,62,573</u>	<u>1,69,62,378</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 :

31.03.2004

31.03.2003

Income :

Sale of Farm produce	-	15,390
	<u>-</u>	<u>15,390</u>

Expenditure :

Opening Stock (Standing Crops)	-	14,880
Lease and revenue on land	-	1,121
General expenses	-	231
Depreciation	-	8
Profit carried to main Profit and Loss Account	-	(850)
	<u>-</u>	<u>15,390</u>

Schedule 'II' - Other Income :

Repair receipts (Gross-tax deducted at source Rs. 7,900/-)	8,22,220	8,82,900
Scrap and waste sale	96,069	1,06,000
Commission earned (Gross-tax deducted at source Rs. 34,971/-; previous year Rs. 50,672/-)	8,15,198	10,45,075
Miscellaneous receipts	29,74,540	27,06,878
Profit on sale of fixed assets	88,102	10,864
Dividend on non-trade investments - Long term	28,39,640	-
Interest on Fixed Deposits and others (Gross-tax deducted at source Rs. 27,129/- ; previous year Rs. 69,233/-)	2,35,631	2,86,936
Realisation/Write Back for Bad Debts Written Off	2,65,910	2,30,000
	<u>81,37,310</u>	<u>52,68,653</u>

Figures in Rupees

Schedule 'III' - Employees' Remuneration :	31.03.2004	31.03.2003
* Salaries, Wages and Bonus	1,15,93,164	1,09,23,169
Contribution to LIC's Group-Gratuity-cum-Life Assurance Fund	1,50,000	1,50,000
Contribution to LIC's Group Superannuation Fund	82,837	79,499
Contribution to Provident Fund, E.S.I., and Administration charges	9,07,006	8,32,459
Staff Welfare expenses	1,85,840	2,43,131
	<u>1,29,18,847</u>	<u>1,22,28,258</u>
* includes provision for leave salary	1,53,603	1,29,008

Schedule 'IV' - Other Expenses :

Stores consumed and charges	14,084	32,750
Transport and octroi	10,32,186	9,37,285
Demonstration expenses	55,832	82,291
Maintenance, Installation and service charges	6,19,577	5,83,676
Rent	13,23,413	10,45,456
Rates and taxes	1,56,143	1,73,003
Insurance	5,02,049	4,99,082
Electric Maintenance and charges	3,67,355	4,16,403
Repairs to :		
a) Machinery	40,348	34,465
b) Building	1,99,146	2,98,522
Commission and Brokerage	4,04,297	5,51,609
Rebate & Discount	14,69,174	3,17,216
General Expenses (a)	57,04,829	51,59,360
Incentive to customers	25,460	27,928
Directors' fee	52,000	56,000
Directors' and Managing Director's travelling expenses	10,130	13,870
Managerial Remuneration	39,000	40,000
Interest paid (b)	46,48,348	44,59,682
Bad Debts	42,535	-
	<u>1,67,05,906</u>	<u>1,47,28,598</u>

(a) Includes Auditor's Remuneration :

Audit fee	65,000	60,000
Re-imburement of expenses	3,550	3,975

In other capacity :

Tax audit fee	7,500	7,500
Company Law Matters	35,200	22,200
Other services	5,150	5,050
Re-imburement of expenses	1,920	2,815

(b) Includes interest on fixed deposits Rs. 29,67,514/- (Previous year Rs. 32,14,964/-)

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", 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) Proposed Dividend:

Dividend proposed by the Board of Directors is provided for in the books of account pending approval at the Annual General Meeting.

vii) 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.

viii) 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) Sales tax & income tax matters under Appeal Rs. 6,81,372/- (Previous year Rs. 3,15,418/-).
 b) Surety given in favour of Customs Authorities Rs. 556.86 lacs (Previous year Rs.742.34 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. 45,025/- (Previous year Rs. 46,025/-).

- ii) a) Sundry Creditors shown in Schedule 'J' includes Rs. 1,06,903/- (Previous year Rs.89,859/-) 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:

<u>Name of Party</u>	(Amount in Rs.)	
	<u>31.03.2004</u>	<u>31.03.2003</u>
Bharat Development Industries	33,955	26,700
R.S.K. Industries	60,908	32,584
Grip Tight Devices	12,040	25,580
A-One Enterprises	--	4,995
Total	<u>1,06,903</u>	<u>89,859</u>

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.

iii) The value of Opening Stock as on 01.04.2003 excludes the amount of Value Added Tax of Rs. 11,31,607/- due to applicability of Value Added Tax Act in the state of Haryana w.e.f. 01.04.2003.

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. 72,650/- (Previous year Rs. 32,370/-) as at 31st March, 2004 in respect of:

	(Amount in Rs.)	
	<u>31.03.2004</u>	<u>31.03.2003</u>
<u>Deferred tax consisting of :</u>		
Expenses allowable in tax on cash basis	18,355	24,283
<u>Deferred tax Liability consisting of :</u>		
Book-tax timing difference on account of depreciation	91,005	56,653

6. Segment information for the year ended 31st March, 2004:

(i) Information about Primary Business Segments:

(Amount in Rs.)

<u>Revenue:</u>	31.03.2004			31.03.2003		
	External	Inter Segment	Total	External	Inter Segment	Total
Vehicles	30,75,06,142	-	30,75,06,142	24,01,51,152	-	24,01,51,152
Petrol Pump	10,52,28,245	-	10,52,28,245	12,51,52,202	-	12,51,52,202
Other Businesses	3,01,26,906	-	3,01,26,906	2,15,24,554	-	2,15,24,554
Unallocated	2,95,435	-	2,95,435	-	-	-
Total Revenue	44,31,56,728	-	44,31,56,728	38,68,27,908	-	38,68,27,908

Result:

(Amount in Rs.)

	31.03.2004	31.03.2003
<u>Segment Result:</u>		
Vehicles	1,48,61,374	1,31,30,998
Petrol Pump	19,14,315	22,49,378
Other Businesses	16,38,840	10,31,916
Unallocated	-	-
Segment Result	1,84,14,529	1,64,12,292
Unallocated expenditure net of unallocated income	(38,10,211)	(52,55,244)
Interest expenses	(46,48,348)	(44,59,682)
Interest income	2,35,631	2,86,036
Dividend income	28,39,640	-
Profit before taxation	1,30,31,241	69,84,302
Provision for taxation:		
Current Tax (including wealth tax)	(36,70,000)	(26,00,000)
Deferred Tax	(40,280)	(38,560)
Profit after taxation	93,20,961	43,45,742
Excess provision for taxation written back	-	1,27,720
Net Profit	93,20,961	44,73,462

Other information:

(Amount in Rs.)

	Year	Vehicles	Petrol Pump	Other Businesses	Unallocated	Total
Segment Assets	2003-04	9,32,31,372	18,22,323	1,06,85,533	5,23,21,278	15,80,60,506
	2002-03	6,81,55,608	15,63,991	1,41,03,274	5,18,05,383	13,56,28,256
Segment Liabilities	2003-04	5,79,75,126	5,51,842	72,59,318	1,13,47,872	7,71,34,158
	2002-03	4,42,15,548	(1,53,825)	55,97,486	89,90,938	5,86,50,147
Capital Expenditure	2003-04	10,42,899	550	23,321	1,25,787	11,92,557
	2002-03	2,40,102	2,460	5,00,095	6,33,159	13,75,816
Depreciation	2003-04	4,99,504	630	1,07,753	2,58,478	8,66,365
	2002-03	3,60,861	7,902	37,445	2,76,881	6,83,089
Non-cash expenses other than Depreciation	2003-04	-	-	-	-	-
	2002-03	-	-	-	-	-

ii) Information about Secondary Business Segments:	(Amount in Rs.)					
	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03
	Revenue by geographical market		Carrying amount of Segment Assets		Additions to Fixed Assets	
India	44,31,56,728	38,68,27,908	15,80,60,506	13,56,28,256	11,92,557	13,75,816
Outside India	-	-	-	-	-	-
Total	44,31,56,728	38,68,27,908	15,80,60,506	13,56,28,256	11,92,557	13,75,816

(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, Fertilizers, 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.)	
	31.03.2004	31.03.2003
Sales	43,80,94,690	38,18,46,190
Other Income excluding Interest (net) and Dividend Income	50,62,038	49,81,718
Total	<u>44,31,56,728</u>	<u>38,68,27,908</u>

(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, Director and their relatives hold 50.99% (Previous year 43.69%) Equity Shares in the Company.
(Transactions have 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) Entities over which Mr. Ranjit Puri, Chairman and Mr. Aditya Puri, Director can exercise significant influence:

- i) ISGEC Covema Limited. #
- ii) ISGEC Exports Limited. #
- iii) Saraswati Sugar Mills Limited. # **
- iv) Himachal Polyolefins Limited. ***

Subsidiaries of The Saraswati Industrial Syndicate Limited.

** Acquired The Saraswati Sugar Mill unit from the holding company viz. The Saraswati Industrial Syndicate Limited effective from 1st October, 2003.

*** Investment in equity shares made by Mr. Ranjit Puri and Mr. Aditya Puri since been disposed off during the financial year.

(iii) Directors and their relatives:

<u>Directors</u>	<u>Relatives</u>	<u>Relation</u>
Mr. Ranjit Puri, Chairman	Mrs. Nina Puri	Wife
*Mr. Aditya Puri	Mrs. Tanu Priya Puri	Wife
Mr. Manmohan Singh	-	-
Lt. Gen. (Retd.) L.N. Budhraja	Mr. Ramit Budhraja	Son
	Mrs. Raj Budhraja	Wife
Mr. Vinod K. Nagpal	Mrs. Kaushalya Nagpal	Mother
	Mr. Pardeep Nagpal	Brother
Mr. K.K. Vij	Mrs. Ravi Kanta Vij	Wife
Mr. Romesh Malhan	Mrs. Satya Malhan	Mother
	Mr. Arvind Malhan	Son
	Mrs. Sujata Varadarajan	Daughter
Mr. D. D. Sharma	-	-

* Resigned as Managing Director w.e.f. 26.11.2003

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.)	
	31.03.2004	31.03.2003
a. Commission earned	2,00,659	8,04,520
b. Sale of finished goods and service charges	54,67,728	84,34,458
c. Interest Receipt	8,946	18,000
d. Dividend income	28,39,640	-
e. Payment of Staff deputed	5,43,490	5,70,810
f. Payment of guest house charges, telephone, electricity, bank charges and professional fee	1,03,317	1,69,966
g. Lease rent & House tax for land & building	1,85,080	1,01,728
*h. Outstanding payable/(receivable) by the Company (Net)	(1,62,853)	(40,93,869)
i. Surety given in favour of Customs Authorities by the Company	5,56,86,400	7,42,34,500
j. Dividend Receivable	28,39,640	-

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

	(Amount in Rs.)	
	31.03.2004	31.03.2003
a. Commission earned	2,63,600	-
b. Sale of finished goods and service charges	38,59,228	-
c. Interest Receipt	9,000	-
*d. Outstanding payable/(receivable) by the Company (Net)	(38,98,305)	-

(iii) Details relating to party referred to in item (A) (ii) (b-iv) 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	4,780	1,073
*d. Outstanding payable/ (receivable) by the Company	-	(1,820)

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

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

a. Remuneration/Board Meeting Fees	91,000	96,000
b. Interest expenses on deposits taken	3,48,508	3,49,776
c. Outstanding fixed deposits payable	32,50,000	28,60,000

8. Earnings per share:

Profit for the year after taxation (Rs.)	93,20,961	43,45,742
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)	44.04	20.53

9. Managerial Remuneration:

Directors :

Directors' fee	52,000	56,000
Commission	39,000	40,000
Total	<u>91,000</u>	<u>96,000</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	1,30,31,241	69,84,302
Less : Profit on Sale of Fixed assets as per accounts	88,102	10,864
: Realisation/Write back for Bad Debts Written Off	<u>2,65,910</u>	<u>3,54,012</u>
	1,26,77,229	67,43,438
Add : Profit on Sale of Fixed assets as per Section 349	88,102	10,864
: Provision for leave salary	1,53,603	1,29,008
	1,29,18,934	68,83,310
Add : Managerial Remuneration	91,000	96,000
	<u>1,30,09,934</u>	<u>69,79,310</u>
Commission at 1% of the above Net Profit	1,30,099	69,793
Restricted to a maximum of:	39,000	40,000

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.	70	1 86,89,916	613	17,94,08,405	614	20,31,03,033	69	1,91,28,296
		(86)	(2,33,84,251)	(582)	(16,54,91,938)	(598)	(19,07,29,963)	(70)	(1,86,89,916)
Motorcycles	Nos.	39	13,09,511	24	6,56,528	56	16,74,287	7	2,49,421
		(58)	(19,49,978)	(329)	(1,07,74,322)	(348)	(1,17,65,772)	(39)	(14,21,713)
Fertilizers	Qtls.	183	1,12,841	3486	18,88,322	3462.4	20,43,153	206.6	93,381
		(306.2)	(1,60,338)	(3710)	(17,91,831)	(3833.2)	(19,65,722)	(183)	(1,12,841)
Pesticides	(a)	-	300,408	-	87,29,378	-	94,61,306	-	1,56,414
		(-)	(9,47,504)	(-)	(85,01,750)	(-)	(98,02,089)	(-)	(3,06,416)
Seeds	Qtls.	-	-	2683.71	27,21,255	2683.71	29,47,818	-	-
		(-)	(-)	(837.5)	(9,96,854)	(837.5)	(10,74,801)	(-)	(-)
Motor Spirit/HSD	Ltrs.	44313.9	9,23,570	5393725.9	10,19,07,586	5397995.9	10,44,11,776	40043.9	7,86,833
		(40939.2)	(7,51,409)	(6464630)	(12,18,30,837)	(6461255.3)	(12,42,51,008)	(44313.9)	(10,54,322)
Lubricants	(a)	-	39,88,279	-	8,53,17,558	-	8,59,48,353	-	80,97,632
		(-)	(4,83,233)	(-)	(76,39,373)	(-)	(45,59,507)	(-)	(43,65,577)
Spare parts, Accessories and Agricultural Implements	(a)	-	86,24,230	-	85,07,306	-	1,15,74,598	-	71,68,005
		(-)	(72,46,068)	(-)	(1,42,68,572)	(-)	(1,49,86,877)	(-)	(88,34,261)
Electrical Goods	(a)	-	22,66,746	-	80,43,183	-	84,22,985	-	26,58,797
		(-)	(21,00,877)	(-)	(73,02,468)	(-)	(76,02,492)	(-)	(23,80,102)
Generator Sets	Nos.	-	-	-	-	-	-	-	-
		(1)	(19,805)	(-)	(-)	(1)	(18,304)	(-)	(-)
Tyres & Tubes	Nos.	9	78,794	-	-15,140	2	3,738	7	37,227
		(51)	(3,32,545)	(4)	(39,498)	(46)	(2,56,223)	(9)	(85,097)
Batteries	Nos.	322	5,88,788	3422	58,06,284	3249	61,06,767	495	9,96,515
		(101)	(3,99,082)	(3063)	(63,15,605)	(2842)	(67,64,649)	(322)	(6,69,239)
Bajaj Tempo Vehicles	Nos.	14	20,00,452	4	9,66,738	14	23,96,876	4	7,38,776
		(-)	(-)	(57)	(97,76,758)	(43)	(80,68,783)	(14)	(20,95,658)
TOTAL			* 3,88,83,535		40,39,37,403		43,80,94,690		4,01,11,297
			(3,77,75,090)		(35,47,29,806)		(38,18,46,190)		(4,00,15,142)

(a) Quantity not easily ascertainable

Note : Figures in brackets pertain to previous year

* Excludes Value Added Tax amounting to Rs. 11,31,607/- (Refer Note No. 3(iii)-Schedule 'K').

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

I. REGISTRATION DETAILS

Registration No.	01837	State Code	05
Balance Sheet Date	31.03.2004		

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	15,68,60,505	Total Assets	15,68,60,505
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SOURCES OF FUNDS :

Paid-up Capital	2,11,64,800	Reserves and Surplus	5,97,61,548
Secured Loans	2,20,87,579	Unsecured Loans	2,48,93,000

APPLICATION OF FUNDS :

Net Fixed Assets	34,31,950	Investments	4,20,38,799
* Net Current Assets	8,24,36,178	Misc. Expenditure	NIL
Accumulated Losses	NIL		

* Including net Deferred tax asset

IV. PERFORMANCE OF COMPANY (Amount in Rs.)

Turnover	44,62,32,000	Total Expenditure	43,32,00,759
Profit Before Tax	1,30,31,241	Profit After Tax	93,20,961
Earning per share in Rs.	44.04	Dividend Rate (%)	22.50

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

Item Code No. (ITC Code)	Product Description
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/- K.K. Vij Director	sd/- Aditya Puri Director
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In terms of our report attached
For **K.C.Malhotra & Co.**
Chartered Accountants

New Delhi
Dated : 29.06.2004

sd/-
Ramesh Malhotra
Partner

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

Figures in Rupees

	31.03.2004	31.03.2003
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	1,30,31,241	69,84,302
Adjustments for :		
Depreciation	8,66,365	6,83,089
(Profit)/Loss on sale of Fixed Assets - Net	(88,102)	(10,864)
Interest Income	(2,35,631)	(2,86,936)
Interest Expenses	46,48,348	44,59,682
Provision for Leave Salary & Pension	1,76,552	1,52,750
Operating Profit Before Working Capital Changes	1,83,98,773	1,19,82,023
Adjustments for :		
(Increase)/Decrease in Inventories	(1,89,649)	(21,72,486)
(Increase)/Decrease in Debtors	(1,93,98,272)	82,12,651
(Increase)/Decrease in Loans & Advances	(43,15,433)	(19,18,187)
Increase/(Decrease) in Creditors	93,94,854	(23,57,648)
Cash Generated From Operations	38,90,273	1,37,46,353
Interest Paid	(46,48,348)	(44,59,682)
Direct Taxes Paid/Refund received	(33,73,535)	(30,38,671)
Net Cash Flow From Operating Activities	(41,31,610)	62,48,000
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(11,92,557)	(13,75,816)
Sale of Fixed Assets	25,78,358	15,287
Interest Received	2,22,217	2,87,800
Dividend Received	-	-
Net Cash used in Investing Activities	16,08,018	(10,72,729)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Borrowings - From Banks	43,40,463	(45,72,910)
- Others	10,09,000	10,48,000
Dividend Paid	(30,60,529)	(26,85,704)
Others - Capital Redemption (Pref. Shares)	(500)	-
Net Cash Used in Financing Activities	22,88,434	(62,10,614)
NET INCREASE/(DECREASE)IN CASH & CASH EQUIVALENTS (2,35,158)		(10,35,343)

Figures in Rupees

	31.03.2004	31.03.2003
Cash and Cash equivalents as at 1st April, 2003 (Opening Balance)	<u>41,90,125</u>	<u>52,25,468</u>
Cash and Cash equivalents as at 31st March, 2004 (Closing Balance)	<u>39,54,967</u>	<u>41,90,125</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/- K.K. Vij Director	sd/- Aditya Puri Director
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PLACE : NOIDA (U.P.)

DATED : 29.06.2004

- 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, 2004 reported upon by us on 29.06.2004. 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 : 29.06.2004

THE YAMUNA SYNDICATE LIMITED
Regd. Office : Yamuna Nagar – 135 001.

NOTICE

Notice is hereby given that the 50th Annual General Meeting of the Members of The Yamuna Syndicate Limited will be held on Saturday, the 31st July, 2004 at 12:00 Noon at the Registered Office of the Company at Yamuna Nagar (Haryana), to transact the following business: -

A) ORDINARY BUSINESS :

1. To receive, consider and adopt the Accounts of the Company and the Reports of the Directors and Auditors for the year ended 31st March, 2004.
2. To declare dividend on Equity Shares for the year ended 31st March, 2004.
3. To appoint a Director in place of Mr. Manmohan Singh who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vinod K. Nagpal who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Ranjit Puri who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

B) SPECIAL BUSINESS :

To Consider and if thought fit, to pass with or without modifications, the following resolution :

7. As Special Resolution :

"RESOLVED AS SPECIAL RESOLUTION that the Directors, other than the whole-time Directors, shall be collectively paid commission at the rate of 1% of the net profits of the Company computed in the manner referred to in sub-section (1) of Section 198 of the Companies Act, 1956, which shall be shared by each such Director equally;

Provided that if any such Director has held that office for a shorter period in any relevant year, he shall be paid share proportionately for that period;

Provided further that if in any relevant financial year, the amount of such commission exceeds Rs. 5,000/- per annum for each such Director, then each such Director shall be paid Rs. 5,000/- per annum instead of the amount determined on the basis of 1% of the net profits;

Provided further that if the amount available as Directors' remuneration in accordance with the provisions of Section 198 of the Companies Act, 1956, is smaller than any of the amounts mentioned heretofore, then such Directors shall be entitled to that lesser amount to be shared on the above stipulated basis;

This resolution shall remain in force for a period of five years commencing from the financial year beginning on 1st April, 2004."

BY ORDER OF THE BOARD

sd/-

(Ashish Kumar)

Company Secretary

Place : Yamuna Nagar

Dated : 01.07.2004

NOTES:

- i) Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, is annexed.
- ii) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. **THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The Proxy in terms of enclosed form duly executed must be received at the Registered Office of the Company at least 48 hours before the time fixed for the meeting.
- iii) Copies of the relevant Directors' Report, Auditors' Report, Profit & Loss Account and Balance Sheet of the Company are enclosed.
- iv) The Register of Members and Share Transfer Books of the Company will remain closed from 26th July, 2004 to 31st July, 2004 (both days inclusive).
- v) Dividend on Equity Shares for the year ended 31st March, 2004 as recommended by the Directors, if declared at the meeting, will be paid to those Members whose name appear on the Register of Members on 26th July, 2004.
- vi) Members are requested to intimate the Company at its Registered Office change, if any, in their address, for mailing purposes.

Contd..2..

- vii) Members are requested to send their Preference Shares Certificates for redemption, if not sent earlier.
- viii) Those members who have not yet got their Rs. 50/- denomination Equity Share Certificates exchanged with the new ones of Rs. 100/- denomination may send the same for exchange.
- ix) Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, may submit in the Registered Office the prescribed Form 2B. Blank forms will be supplied on request.
- x) The unpaid/unclaimed dividends in respect of the financial years 1995-96 (Final) & 1996-97 (Interim) have been transferred to the 'Investor Education & Protection Fund' of the Central Government during the financial year 2003-04 in terms of the provisions of the Companies Act, 1956. Necessary details of the amounts so transferred are being informed alongwith this notice and amounts presently lying unpaid/unclaimed with the Company for the subsequent years have already been informed, to the concerned Members of the Company.

Annexure to Notice dated 01.07.2004

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 :-

Resolution No. 7 :

Shareholders in Annual General Meeting held on 29th July, 2000, approved payment of remuneration not exceeding Rs. 5,000/- p.a. to each of the Directors. The approval is valid upto 11th November, 2004.

The proposed resolution seeks renewal of shareholders' approval for a further period of five years upto 31st March, 2009. There is no change in the terms of approval.

All the Directors are interested in the resolution to the extent of remuneration sought to be paid.

Place : Yamuna Nagar
Dated : 01.07.2004

sd/-
(Ashish Kumar)
Company Secretary

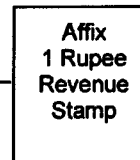
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THE YAMUNA SYNDICATE LIMITED
Regd. Office : Yamuna Nagar – 135 001 (Haryana)

PROXY FORM

I/We _____ of _____ in the district of _____ being a Member/Members of the above named Company, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our Proxy to attend and vote for me/us on my/our behalf at the 50th Annual General Meeting of the Company to be held on Saturday, the 31st July, 2004 and at any adjournment thereof.

Signed this _____ day of July, 2004.

Signature _____



Note : THE PROXY NEED NOT BE A MEMBER OF THE COMPANY

The Proxy Form duly executed should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

PRINTED MATTER

(Under Certificate of Posting)

If undelivered please return to :-

THE YAMUNA SYNDICATE LIMITED

SAHARANPUR ROAD,

YAMUNA NAGAR - 135 001 (HARYANA)