

## **YARN SYNDICATE LIMITED**

EXPORTERS OF COTTON AND MANMADE FIBRE  
YARNS, TEXTILES & KNITED FABRICS  
CIN NO.: L51109WB1946PLC013842  
REGD. OFFICE : 86/2/4, S N BANERJEE ROAD,  
1<sup>ST</sup> FLOOR, FLAT NO. 2, KOLKATA - 700 014  
TELEPHONE: 033-033-22652163  
WEBSITE : [www.yarnsyndicate.in](http://www.yarnsyndicate.in)  
E-MAIL : [ysl@yarnsyndicate.in](mailto:ysl@yarnsyndicate.in)

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Date : **31 AUG 2021**

The General Manager  
Corporate Relationship Dept.  
**BSE limited**  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P J Towers  
Dalal Street, Fort  
Mumbai - 400 001

### **Re: Intimation of Annual Report Including Notice of Annual General Meeting**

Dear Sirs,


Pursuant to Regulation 34(1) of the Listing Regulations, please find enclosed the **Annual Report for the financial year 2020-21** along with Notice of **75th Annual General Meeting** of the members of the Company will be held on **Tuesday, 28th September, 2021 at 11:00 a.m.** at the registered office address of the Company at **86/2/4, S N Banerjee Road, 1st floor, flat no. 2, Kolkata - 700 014.**

The Annual Report along with notice of AGM are being sent electronically to the members who have registered their email addresses either with the Company or with their depositories.

Members may note that the pdf copy of Annual Report 2020-21 also be available on the Company's website [www.yarnsyndicate.in](http://www.yarnsyndicate.in).

Request to kindly take the same on your records.

Yours truly,  
For YARN SYNDICATE LIMITED

  
**Rishiraj Patodia**  
Managing Director  
DIN: 00259104

yarn syndicate limited



**75TH ANNUAL REPORT**  
**2020 - 2021**

**YARN SYNDICATE LIMITED**  
**(CIN: L51109WB1946PLC 013842)**

**BOARD OF DIRECTORS**

MRS. SHEELA PATODIA, Chairperson

MR RISHIRAJ PATODIA, Managing Director

MR KISHORELAL CHHABRIA, Independent & Non-executive Director

MS NEHA AMIN MERCHANT, Independent & Non-executive Director

MR SOURAV BHATTACHARJEE, Independent & Non-executive Director

**KEY MANAGERIAL PERSONNEL**

MR BIKASH CHANDRA CHATTERJI, Company Secretary

MR BHAGIRATH BISWAS, CFO

**BANKERS**

CANARA BANK,  
Overseas Branch,  
21, Camac Street, Kolkata

**AUDITORS**

S P SARDA & CO.  
Chartered Accountants  
'Siddha Weston', 9, Weston Street,  
Unit No. 320, Kolkata-700013

**REGISTERED OFFICE ADDRESS & CONTACTS**

86/2/4, S. N. Banerjee Road, 1<sup>st</sup> Floor, Flat No.2,  
Kolkata-700014

Phone: 033-2265 2163

Email: [ysl@yarnsyndicate.in](mailto:ysl@yarnsyndicate.in)

Website: [www.yarnsyndicate.in](http://www.yarnsyndicate.in)

**YARN SYNDICATE LIMITED**

**NOTICE OF THE 75<sup>TH</sup> ANNUAL GENERAL MEETING**

**Regd. Office: 86/2/4, S N Banerjee Road, 1<sup>st</sup> Floor, Flat No.2, Kolkata-700014**

CIN NO: L51109WB1946PLC013842; Phone: 033 22652163;

Email id : [ysl@yarnsyndicate.in](mailto:ysl@yarnsyndicate.in)

Website : [www.yarnsyndicate.in](http://www.yarnsyndicate.in)

NOTICE is hereby given that the Seventy Fifth Annual General Meeting (AGM) of the Members of Yarn Syndicate Limited will be held at the registered office of the Company at **86/2/4, S N Banerjee Road, 1<sup>st</sup> Floor, Flat No.2, Kolkata-700014** on Tuesday, 28<sup>th</sup> September, 2021 at 11:00 am to transact the following business:

**ORDINARY BUSINESS:**

Item No 1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021, together with the Report of the Board of Directors and the Auditors thereon.

Item No.2- Re-appointment of Mrs. Sheela Patodia

To appoint a Director in place of Mrs. Sheela Patodia (DIN: 00276269), who retires by rotation in terms of Section 152(6) of the Companies Act,2013 and being eligible, offers herself for re-appointment.

**Special Business:**

Item No.3- Appointment of Ms. Neha Amin Merchant (DIN: 07454674), as a Woman Director, Independent & Non-Executive, of the company for a term of five consecutive years.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) on recommendation of Nomination & Remuneration Committee, MS. Neha Amin Merchant (DIN: 07454674) who was appointed as an Additional Woman Director (Non-Executive & Independent) by the Board of Directors of the Company as per Section 161(1) of the Companies Act, 2013 w.e.f. 1<sup>st</sup> April, 2021 and who holds office only upto the date of this Annual General Meeting (AGM) and who has submitted a declaration that she meets the criteria of Independence as defined in Section 149(6) of the Companies Act,2013 and Regulation 16(b) of SEBI (LODR) Regulations and in respect of whom the Company has received a notice in writing

from a member proposing her candidature for the office of Director, be and is hereby appointed as an Woman Director (Non-Executive & Independent) of the company to hold office for a term of 5 (five) consecutive years w.e.f 1<sup>st</sup> April, 2021 upto 31<sup>st</sup> March, 2026 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors(hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable including powers/authority to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and to take all steps and/or other formalities as may be required to give effect to the above resolution.”

**Item No.4-** Re-appointment of Mr. Rishiraj Patodia (DIN: 00259104), as Managing Director of the company for a term of three years.

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors at their meeting held on 1<sup>st</sup> April 2021 and subject to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or reenactment thereof) read with Schedule V of the Companies Act, 2013 and relevant Articles of Association of the company, approval of the members of the company be and is hereby accorded to the reappointment of Mr Rishiraj Patodia (DIN: 00259104) as Managing Director of the company w.e.f 1<sup>st</sup> April, 2021 for 3 (Three) years, on terms and conditions as given in the Explanatory Statement attached to this Notice .

**RESOLVED FURTHER THAT** the remuneration payable to Mr Rishiraj Patodia shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of Managing Director of the Company has no profits or its profits are inadequate, the Company will pay remuneration as per Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors or its duly constituted committee be and is hereby authorised to alter and vary the terms and conditions of appointment and / or remuneration including annual increments effective from first day of April in respect of each financial year based on the performance appraisal, within the scale provided the same are not exceeding the limits specified under Section 197 and other applicable provisions of the Companies Act,2013 read with Schedule V thereto.”



(Members may please note that Proper Social Distancing Norms will be followed at the venue of AGM and Wearing of Masks is compulsory at the venue of AGM by members. Proper sanitization of venue will be done at all intervals)

By Order of the Board  
For YARN SYNDICATE LIMITED

Bikash Chandra Chatterji  
Company Secretary

Place: Registered Office:  
86/2/4, S N Banerjee Road,  
1<sup>st</sup> Floor, Flat No.2,  
Kolkata-700014

Date: 30<sup>th</sup> day of June, 2021

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. However, a Member holding more than 10% of the total issued share capital of the Company carrying voting rights may appoint a single person as Proxy for another person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. The Proxy-holder shall prove his identity at the time of attending the Meeting. A proxy shall not have right to speak at AGM and shall not be entitled to vote except on poll.

2. Corporate Members/Trusts/Societies etc. intending to send their authorised representatives to attend the meeting are requested to send a duly certified copy of the Board/Managing Committee Resolution together with the specimen signature of the representative authorised under the said Resolution to attend and vote on their behalf at the Meeting.
3. Members holding shares in physical mode are requested to intimate changes in their address alongwith proof of address/bank mandate to the Registrar and Share Transfer Agents (RTA), M/s. R & D Infotech Private Ltd.

Members holding shares in electronic mode are requested to send the intimation for change of address / bank mandate to their respective Depository Participant.

4. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's RTA, enclosing their share certificates to enable the Company to consolidate their holdings into a single folio.
5. Shareholders are also requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory demat mode as per the regulation of SEBI.
6. Pursuant to the provisions of Section 91 of the Companies Act, 2013 & Regulation 42(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Register of Members and Share Transfer Books of the Company will remain closed from **Monday, 27<sup>th</sup> September, 2021 to Tuesday, 28<sup>th</sup> September, 2021 (both days inclusive)** (both days inclusive). A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut off date i.e.,

**Tuesday, 21<sup>st</sup> September, 2021** only shall be entitled to avail the facility of either e-voting or voting at the AGM through ballot paper.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the R&T Agent or to the Registered Office of the Company.
8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
9. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended effective 19th March, 2016 and Listing Regulations with stock exchange, the Resolutions proposed at this AGM will be transacted through electronic voting system from a place other than the venue of the Meeting ("remote e-voting") for which purpose the Company has engaged the services of NSDL. The Board of Directors has appointed Ms. Sweety Kapoor, Practising Company Secretary, (FCS: 6410, COP: 5738), Kolkata as the Scrutinizer for this purpose.
10. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Stock Exchange in respect of the Directors seeking re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declaration for their re-appointment.
11. The facility for ballot will be available at the AGM venue for those Members who do not cast their votes by remote voting prior to the AGM. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again.
12. Electronic copy of the Notice and Annual Report of the 75<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication.
13. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them pursuant to the Companies Act, 2013. The prescribed Form (Form SH 13) can be obtained from the Share Department of the Company. Members desiring to avail this facility, may send their Nomination Form (in duplicate) duly filled in, to the Company or its Share Transfer Agents M/s. R & D Infotech Private Limited 7A, Beltala Road, Kolkata – 700026, by quoting their respective Folio Numbers.



14. Members can now get their e-mail address registered with the Company if they want to receive the notices of the Company, for holding general meetings, postal ballot and any other purpose, through electronic mode in pursuance to 'Green Initiative' taken by the Company.
15. Members may also note that the Notice of the 75<sup>th</sup> Annual General Meeting, the Annual Report for 2021 will also be available on the Company's website: [www.yarnsyndicate.in](http://www.yarnsyndicate.in) website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL- [www.evoting.nsdl.com](http://www.evoting.nsdl.com). For any communication, the shareholders may also send requests to the Company's investor email id: [ysl@yarnsyndicate.in](mailto:ysl@yarnsyndicate.in).
16. In view of the continuing COVID-19 pandemic members may please note that social distancing norms will be maintained at the venue and members are requested to wear masks. Thermal screening will be done at gate and sanitization of the venue will be done before the meeting. Members are requested to adhere to the norms and use of sanitizer as required.
17. Trading in Equity Shares of the Company is under compulsory demat trading. As per revised Regulation 40 of SEBI (LODR) 2015 shares are transferred only in dematerialized mode effective from 1<sup>st</sup> April, 2019 and therefore shareholders are requested to dematerialize their existing shares held in physical form. Only requests for transmission and transposition of securities in physical form will be accepted by the Company or its RTA.
18. **Voting through electronic means**
  1. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Tuesday, 21<sup>st</sup> September, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence at Saturday, 25<sup>th</sup> September, 2021 at 9 A.M. and ends on Monday, 27<sup>th</sup> September, 2021 at 5 P.M.  
**The voting period begins on Saturday, 25<sup>th</sup> September, 2021 at 9 A.M. and ends on Monday, 27<sup>th</sup> September, 2021 at 5 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the Tuesday, 21<sup>st</sup> September, 2021 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter**
  2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized e-Voting's agency.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (I) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL / NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li>   <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li>   <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login method for e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form**

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.

Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. directly to cast your vote electronically.
4. Your User ID details are given below :
  - a) **For Members who hold shares in demat account with NSDL:**  
8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - b) **For Members who hold shares in demat account with CDSL:-**  
16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
  - c) **For Members holding shares in Physical Form:**



EVEN Number followed by Folio Number registered with the Company (For example if Folio Number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).

5. Your password details are given below:
    - a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
    - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'Initial Password' which was communicated to you. Once you retrieve your 'Initial Password', you need to enter the 'Initial Password' and the system will force you to change your Password.
    - c. How to retrieve your 'Initial Password'?
      - i. If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL Account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'Initial Password'.
      - ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
  6. If you are unable to retrieve or have not received the "Initial Password" or have forgotten your Password:
    - a. Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.
- Details on Step 2 is given below:**
- How to cast your vote electronically on NSDL e-Voting system?
1. After successful login at Step 1, you will be able to see the Home page of e-Voting.



Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Yarn Syndicate Limited.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and, click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for Shareholders:**

1. Pursuant to Section 113 of the Act, Institutional/Corporate shareholders/ (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [scrutiniser@rediffmail.com](mailto:scrutiniser@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
19. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:
  - a) In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN Card), AADHAR (self attested scanned copy of Aadhar Card) by email to [yssl@yarnsyndicate.in](mailto:yssl@yarnsyndicate.in) or [info@rdinfotech.net](mailto:info@rdinfotech.net)
  - b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [yssl@yarnsyndicate.in](mailto:yssl@yarnsyndicate.in) or to [info@rdinfotech.net](mailto:info@rdinfotech.net).
  - c) Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

20. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Tuesday, 21<sup>st</sup> September, 2021. Any person who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and is holding shares as on the cut-off date i.e. Tuesday, 21<sup>st</sup> September, 2021 may obtain login ID and password by sending a request at [ysl@yarnsyndicate.in](mailto:ysl@yarnsyndicate.in).
21. Ms. Sweety Kapoor, Practicing Company Secretary, (FCS: 6410, COP: 5738) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
22. The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote evoting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.
23. The Scrutinizer shall after the conclusion of Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company. The scrutinizer shall submit the consolidated scrutinizer's report, not later than 48 hours of conclusion of the Meeting, to the Chairman or any other person authorized by the Board. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company and also be displayed on the Notice board of the Company at its registered office and on the website of NSDL immediately after the results are declared.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.yarnsyndicate.in](http://www.yarnsyndicate.in). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of NSDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM)

**The Route map showing directions to reach the venue of AGM is given at the end of this Notice Annexure to the Notice**  
**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

### **Item No. 3**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 1<sup>st</sup> April, 2021 has appointed MS. NEHA AMIN MERCHANT (DIN: 07454674) as an Additional Woman Director designated as Non-Executive & Independent Director on the Board of Directors of the Company in terms of the provisions of the Companies Act, 2013. In the opinion of the Board, she fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder, and SEBI (LODR) Regulations, 2015 for her appointment as Independent Director of the company and is independent of the management and whose office shall not be liable to retire by rotation. She is not debarred by SEBI, Ministry of Corporate Affairs or any such other Statutory Authority to be appointed as a Director of the company.

As per Section 161 of the Companies Act, 2013 Ms. Neha Amin Merchant can hold office upto the date of the ensuing Annual General Meeting. Consent to act as a Director as well as disclosure for non-disqualification as required under the Companies Act, 2013 have already been received from Ms. Neha Amin Merchant. Ms. Neha Amin Merchant has been on the Board of Directors of our company since April 2021. She is a Bachelors of Science of Business Administration with 13 years of experience in Public Relations/ Marketing, Mobile App, Investment Banking. As on the date of Notice, Ms. Neha Amin Merchant does not hold any equity shares in the company.

Except for the appointee, Ms. Neha Amin Merchant, none other Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested in resolution set out in Item no. 3 of the Notice. The Board recommends the ordinary resolution set out at Item no. 3 to the Notice for approval of Members.

1.	<b>Name</b>	Neha Amin Merchant		
2.	<b>Date of Birth</b>	25/01/1986		
3.	<b>Date of Appointment</b>	01.04.2021		
4.	<b>Qualifications</b>	Bachelors of Science of Business Administration		
5.	<b>Expertise in Specific Functional Area</b>	Public Relations/ Marketing, Mobile App, Investment Banking		
6.	<b>Chairman/Director of other Companies</b>	NA		
7.	<b>No of meetings attended for Board</b>	NA		
8.	<b>Shareholding in the Company</b>	Nil		
9.	<b>Relationship with other directors inter se</b>	N.A.		
10.	<b>Chairman/Member of Committees of the Board of Companies of which she is a Director:</b>	<b><u>Name of Company</u></b>	<b><u>Committee Type</u></b>	<b><u>Membership Status</u></b>
		Yarn Syndicate Ltd.	Audit Committee	Member
		Yarn Syndicate Ltd.	Nomination and remuneration committee	Member
		Yarn Syndicate Ltd.	Stakeholders Relationship Committee	Member

#### Item No. 4

Mr Rishiraj Patodia who was appointed Managing Director by the members to hold office upto 31<sup>st</sup> March, 2021 is being reappointed by the Board of Directors and subject to approval of members by way of a Special resolution pursuant to the provisions of the Companies Act, 2013, Schedules and Rules therewith. Keeping in view that Mr Rishiraj Patodia has rich and varied experience in the industry and has been involved in the operations of the company over a long period of time. It would be in the interest of the company to continue the employment of Mr Rishiraj Patodia as Managing Director. He has been associated with the company for more than a decade and dealt with key operations of the Company .

In terms of Corporate Governance Guidelines of the company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the company at its meeting held on 1<sup>st</sup> April, 2021 approved reappointment of Mr Rishiraj Patodia as Managing Director designated as Executive Director of the company for a further period of 3 (Three) years w.e.f 1<sup>st</sup> April, 2021 subject to the approval of the members at the ensuing Annual General Meeting. Mr Rishiraj Patodia is reappointed on the following terms and conditions as per appointment letter which is available for inspection at the registered office of the company upto the date of AGM

The terms & conditions of appointment inter.alia includes the following:-

1. Mr Patodia re-appointment as a Managing Director of the Company for a further period of 3 (Three) years effective from 01/04/2021 to 31/03/2024.
2. In compliance with provisions of the Companies Act, 2013, his directorship is subject to retirement by rotation.
3. Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of employment as defined in section 164(1) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013.
4. Upon termination or upon resignation for any reason, duly intimated to the Company, he will not be entitled to any compensation for loss of office.
5. Due to COVID-19 pandemic and in the present crisis, he has given his consent to take any remuneration during his tenure of Managing Director .
6. Your role and duties will be those normally required of a Managing Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:
7. In addition to the remuneration described above, the Company will, for the period of your appointment, reimburse him for travel, hotel and other incidental expenses incurred by him in the performance of your role and duties.



Save and except Mr Rishiraj Patodia and Mrs Sheela Patodia, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the resolution.

The Board of Directors, in the interest of the Company, commends the resolution for approval of the members.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements under Section 190 of the Companies Act, 2013

1.	<b>Name</b>	Rishiraj Patodia		
2.	<b>Date of Birth</b>	06.04.1986		
3.	<b>Date of Appointment</b>	15.09.2008		
4.	<b>Qualifications</b>	B.Com		
5.	<b>Expertise in Specific Functional Area</b>	Expertise in Management		
6.	<b>Chairman/Director of other Companies</b>	Directorships: 1.YS Exports Limited		
7.	<b>No of meetings attended for Board</b>	5 (five)		
8.	<b>Shareholding in the Company</b>	215500		
9.	<b>Relationship with other directors inter se</b>	Mrs Sheela Patodia is his mother.		
10.	<b>Chairman/Member of Committees of the Board of Companies of which she is a Director:</b>	<b><u>Name of Company</u></b>	<b><u>Committee Type</u></b>	<b><u>Membership Status</u></b>
		Yarn Syndicate Ltd.	Audit Committee	Member
		Yarn Syndicate Ltd.	Stakeholders Relationship Committee	Member



Details of Director(s) seeking re-appointment at the forthcoming Annual General Meeting of the Company (Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India, are furnished below:-

1.	Name	Sheela Patodia
2.	Date of Birth	13.11.1949
3.	Date of Appointment	01.04.2002
4.	Qualifications	Graduate
5.	Expertise in Specific Functional Area	Expertise in Management
6.	Chairman/Director of other Companies	Directorships: 1.YS Exports Limited
7.	No of meetings attended for Board	5 (five)
8.	Shareholding in the Company	1302802 equity shares
9.	Relationship with other directors inter se	Mr Rishiraj Patodia is her son.

**DISCLOSURES REQUIRED IN ACCORDANCE WITH CLAUSE (B) OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 IN RELATION TO ITEM NO. 3 OF THE NOTICE**

I. General Information

- |    |  |   |  |
|----|--|---|--|
| 1. | Nature of the Industry   | : | Yarn   |
| 2. | Date of commencement of commercial production  | : | 21.06.1946   |
| 3. | In case of new companies expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus | : | Not applicable                                       |
| 4. | Financial Performance based on given indicators  | : | As per Audited Financial Results for the year ended. |

(₹ in Rupee)

Financial Performance	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
Total Revenue from operations (Net)	25000	9365	42502277
Profit/ (Loss) before Interest,	(1888261)	(858460)	32734387
Profit/(Loss) before Depreciation & Tax	(1888261)	(14608467)	32734387
Profit/(Loss) before Tax (PBT)	(1888261)	(14608467)	6539465
Profit/(Loss) after Tax (PAT)	(3463769)	(13449516)	1401260

5. Foreign Investments or Collaborators, if any : Nil
- II. Information about the appointee
1. Background details : Mr. Patodia aged about 34 years holds a Bachelors degree . He has been associated with the Company since long and has expertise in management
2. Past Remuneration : Rs. NIL for F.Y. 2020-2021.
3. Recognition or awards : Nil
4. Job Profile and suitability : Mr. Patodia is the Managing Director in the category of Key Managerial Personnel He has perfect palate for yarn industry which guides in proper valuation. He is having adequate experience in this industry with respect to planning, executing long term business plans, directing, overseeing and managing all aspects of marketing and sales process including forecasting and budgets and as such shall be beneficial to the Company.
5. Remuneration Proposed : Refer to details forming part of Explanatory Statement of Proposed Resolution.
6. Comparative Remuneration profile With merits. : The Nomination and Remuneration Committee respect to industry, size of the industry, had taken into consideration the size and nature size of the Company, profile of the position of business of the Company and the proposed position and person. No comparison as the remuneration is being waived by the appointee.
7. Pecuniary relationship directly or indirectly or relationship with the Director and Key Managerial Personnel of the managerial personnel, if any. Company and their relatives is concerned or interested financially or otherwise. : Except Mrs. Sheela Patodia no pecuniary relationship with any other director of the company
- III. Other Information

1. Reason for loss or inadequate profit : Yarn industry is passing through a difficult phase. Prices of other inputs have gone up substantially without any corresponding increase in sale price due to factors beyond the control of the management.
2. Steps taken or proposed to be taken for : The Company is taking continuous steps for Improvement. Improving the quality which would help in better price realization, rationalization of manpower and undertaking capital management exercise to reduce overall borrowing limits.
3. Expected increase in productivity and : Both productivity and profitability are expected to profits in measurable terms increase by 5 – 10% over the tenure.

**IV. Disclosures**

1. The following disclosures shall be mentioned in the Board of Directors' report under the heading Corporate Governance, if any, attached to the Annual Report:
  - i) All elements of remuneration package such as salary, benefits, bonus, stock options, pension, etc., of all the directors : As mentioned in Explanatory Statement.
  - ii) Details of fixed components and performance linked incentives along with performance criteria : Nil
  - iii) Service Contracts, notice period, Severance fees : The period of appointment as per approval of the AGM Resolution.
  - iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable : Nil

**By Order of the Board  
For YARN SYNDICATE LIMITED**

**Bikash Chandra Chatterji  
Company Secretary**

**Place:** Registered Office:  
86/2/4, S N Banerjee Road,  
1<sup>st</sup> Floor, Flat No.2,  
Kolkata-700014

**Date:** 30<sup>th</sup> June, 2021

## YARN SYNDICATE LIMITED

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

To,  
The Shareholders,  
Yarn Syndicate Limited.

Your Directors submit their 75<sup>th</sup> Annual Report of the company together with the Audited Accounts for the Year ended on 31<sup>st</sup> March, 2021.

**FINANCIAL RESULTS:**

(amount in Rs.)

Particulars	Standalone	
	Year Ended 31.03.2021	Year Ended 31.03.2020
Revenue from operations	NIL	NIL
Other Income	25,000	9,365
<b>Total Income</b>	<b>25,000</b>	<b>9,365</b>
Total Expenses	1,913,261	14,617,832
Profit/ (Loss) before Tax	(1,888,261)	(14,608,467)
Tax Expense	1,575,508	1,158,951
Profit/(Loss) for the year	<b>(3,463,769)</b>	<b>(13,449,516)</b>
Other Comprehensive Income (net of tax)	NIL	NIL
Total Comprehensive Income/ (Loss)	<b>(3,463,769)</b>	<b>(13,449,516)</b>

**DIVIDEND:**

Your Directors do not recommend dividend on Equity Shares for the Financial Year ended 31<sup>st</sup> March, 2021 in view of current year losses and brought forward losses.

**TRANSFER TO RESERVES:** Your Directors do not propose to transfer any amount to the General Reserves during the year under review.

**OPERATIONS AND STATE OF COMPANY AFFAIRS**

2020 was an extraordinary year and the world over business, people and organization faced unprecedented challenges. The business environment remained challenging throughout the year. The second wave of COVID-19 started in February 2021 in few states and there was restrictions on free movement of people in many states. The performance of the Company is below expectations due to the prevailing pandemic. The Directors are continually exploring other

lucrative business avenues. Since March 2020, your company has complied and continued to comply with the COVID-19 guidelines and affirmed its readiness towards COVID-19 as set by the Government of India with respect to the national lockdown due to the global Coronavirus Disease pandemic. Operations restarted when the lockdown was lifted later in 2020, however, since May of this year lockdown was again reimposed due to surge in Covid cases. Implementation of IND AS has become applicable to the Company with effect from 1<sup>st</sup> April, 2017 and accordingly the

financial statements for the financial year ended 31<sup>st</sup> March, 2021 have been prepared in compliance with IND as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

#### **SHARE CAPITAL:**

The paid up equity share capital remained unchanged as on 31<sup>st</sup> March, 2021 was Rs. 375 lakhs. During the year under review, the company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

#### **SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES:**

The Company does not have any subsidiaries, joint ventures and associate companies.

#### **CHANGE IN NATURE OF BUSINESS IF ANY**

There was no change in nature of business of the Company during the year.

#### **COMPOSITION OF BOARD OF DIRECTORS**

### **2. BOARD OF DIRECTORS**

#### **COMPOSITION AND CATEGORY**

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors including Woman Director and having requisite knowledge and expertise in business & industry, corporate finance, taxation, legal matters, risk management and marketing.

The Board of Directors comprises of 5 Directors that include one Independent Woman Director whose composition is given below:

- one Promoter, Non Executive Chairperson
- one Promoter, Executive Director
- Three Independent, Non-Executive Directors including one Woman Director

The names and category of the Directors on the Board, the number of Directorships and Committee memberships / Chairmanships held by them in other Companies during the year ended 31<sup>st</sup> March 2021 and as on signing of this report are given below:



**YARN SYNDICATE LIMITED - ANNUAL REPORT 2020-21**

Name of Director	Category of Directorship	Directorship in Other Companies <sup>4</sup>	No. of Board Committees (other than Yarn Syndicate Ltd) in which Chairman / Chairperson/Member		Shareholding as at 31.03.2021
			Chairman/Chairperson <sup>5</sup>	Member @	
Sri Rishiraj Patodia	Promoter Executive Director	1	Nil	Nil	215500
Smt Sheela Patodia	Promoter Non-Executive Director	1	Nil	Nil	1302802
Jignesh Lakhamshi Shah Upto 01.03.2021	Independent Non-Executive	Nil	Nil	Nil	Nil
Sourav Bhattacharjee	Independent Non-Executive	1	Nil	Nil	Nil
Kishore Chhabria	Independent Non-Executive	1	Nil	Nil	N.A.
Neha Amin Merchant	Independent Woman Non-Executive	Nil	Nil	Nil	N.A.

<sup>4</sup>Other Directorships do not include Directorships of private limited companies, Directorship does not include section 8 companies and foreign companies and Alternate Directorships.

<sup>5</sup>Only membership of Audit Committee and Stakeholders Relationship Committee is considered.

@Member includes Chairman/Chairperson

None of the Directors on the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

No Director is related to any other Director on the Board in terms of the definition of Relative given under the Companies Act,2013 except Smt Sheela Patodia & Shri Rishiraj Patodia .Except for this there is no other pecuniary relationship or transactions of the Non-Executive

Directors vis-a-vis the Company and inter-se among themselves.

The Directors of the Company do not serve as Independent Directors in more than seven listed Companies.

### **BOARD PROCEDURE**

The Board meets at least once a quarter to review the quarterly business and the financial performance of the company. The yearly calendar of the meetings is finalized before the beginning of the year and additional meetings are held whenever necessary. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The Board papers, comprising the agenda backed by comprehensive background information are circulated to the Directors in advance and in exceptional cases, the same is tabled at the Board Meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman. The Audit Committee and the Board periodically reviews the status of the compliances with the applicable laws.

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of Listing Regulation to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting to enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting, on the overall performance of the Company.

The Board's function is not limited to matters requiring statutorily the Board's approval. The Board is involved in all the important decisions relating to the company and policy matters, strategic business plans, new avenues of investment and expansion, compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board.

The Minutes of the Board Meetings are circulated to all Directors and are signed at subsequent Meeting. The Minutes of Audit Committee and other Committees of the Board are regularly placed before the Board.

### **MEETINGS OF THE BOARD OF DIRECTORS:**

During the year, 5 (Five) Board Meetings and one Independent Directors' meeting was held. The maximum interval between any two meetings was within the maximum allowed gap pursuant to the Companies Act, 2013 and SEBI Listing Regulations read with the Circulars issued by MCA and SEBI with respect to increase in the gap and extension for holding meetings pursuant to COVID-19 pandemic. The dates on which the Board Meetings were held are as follows:

30.06.2020, 19.08.2020, 10.11.2020, 12.02.2021 and 31.03.2021 respectively.

The attendance of each Director along with meeting dates are as follows;

Board meeting dates	Sheela Patodia	Rishi Raj Patodia	Kishorelal Chhabria	Jignesh Lakhamshi Shah	Sourav Bhattacharjee
30.06.2020	ATTENDED	ATTENDED	ATTENDED	ATTENDED	ATTENDED
19.08.2020	ATTENDED	ATTENDED	ATTENDED	ATTENDED	ATTENDED
10.11.2020	ATTENDED	ATTENDED	ATTENDED	ATTENDED	ATTENDED
12.02.2021	ATTENDED	ATTENDED	ATTENDED	ATTENDED	ATTENDED
31.03.2021	ATTENDED	ATTENDED	ATTENDED	NOT APPLICABLE	ATTENDED

**DIRECTORS :**

As per provisions of Section 152 of the Companies Act, 2013, and Company's Articles of Association Smt. Sheela Patodia, (DIN No. 00276269) Director of the Company retires by rotation and being eligible offers herself for re-appointment. A resolution seeking shareholders approval for her re-appointment forms part of this Notice.

Mr Jignesh Lakhamshi Shah (DIN: 00152673) resigned as Independent and Non-Executive Director of the Company with effect from 01.03.2021 due to other commitments and there is no other reason for his resignation The Board noted its appreciation for the services rendered by Mr Jignesh Lakhamshi Shah during his tenure as Independent and Non-Executive Director of the Company.

Ms. Neha Amin Merchant (DIN: 07454674) was appointed as Additional Woman Director – Non-executive & Independent by the Board of Directors at its meeting held on 1<sup>st</sup> April, 2021 for a term of 5 (five) consecutive years, based on the recommendation of the Nomination and Remuneration Committee subject to approval of the members at the Annual General Meeting of the company. She holds office upto the ensuing AGM . The Company has received a notice from a member proposing the candidature of her for directorship of the Company. A resolution seeking shareholders approval for her re-appointment forms part of this Notice.

The Board of Directors at their meeting held on 30<sup>th</sup> June, 2020 had re-designated Mrs Sheela Patodia (Din: 00276269) as Non-Executive Director of the Company. She will continue to be the Chairperson of the Company.

**KEY MANAGERIAL PERSONNEL**

The Company has the following KMP(s)

1. Sri Rishiraj Patodia is the Managing Director.
2. Sri Bikash Chatterji is the Company Secretary and
3. Sri Bhagirath Biswas is the Chief Financial Officer of the company.

The Board of Directors at its meeting held on 1<sup>st</sup> April, 2021 reappointed Mr Rishiraj Patodia

(DIN: 00259104) as Managing Director for another term of 3 (Three) years liable to retire by rotation on recommendation of Nomination & Remuneration Committee & subject to approval of shareholders in general meeting. A resolution recommending re-appointment of Mr. Rishiraj Patodia for approval of shareholders is annexed to this Notice.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and Regulation 16 (b) of SEBI (LODR) Regulations, 2015. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and also Code of Conduct for Directors and Senior Management Personnel. There has been no change in the circumstances affecting their status as Independent Director of the Company.

With regard to integrity, expertise and experience (including the proficiency) of the Independent Director appointed/re-appointed, the Board of Directors are of the opinion that all the Independent Directors are persons of integrity and possess relevant expertise and experience and their continued association as Directors will be of immense benefit and in the best interest of the Company. With regard to proficiency of the Independent Directors, ascertained from the online proficiency self assessment test conducted by the Institute, as notified under Section 50 of the Act, the Board of Directors have taken on record that they are exempt from appearing in the test or that they will comply with the applicable law before the prescribed time.

The meeting of the Independent Directors during 2020-2021 was in accordance with the requirements of Section 149 and Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulation. All the Independent Directors attended the meeting. The Independent Directors met separately on 12<sup>th</sup> February, 2021, and inter-alia discussed the following:

- Evaluation of performance of Non- Independent Directors and the Board of Directors as a whole.
- Evaluation of performance of the Executive Chairman and Managing Director of the Company, taking into account the views of Executive and Non-Executive Directors.
- Evaluation of the quality, contents and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## **COMMITTEES OF THE BOARD**

### **AUDIT COMMITTEE-**

The Audit Committee comprises of 3 Non-Executive Independent Directors, and one Executive Director. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulation. All the members of the committee are well versed with finance & accounts, legal matters, company law, corporate affairs and general business practices.



The composition of the Committee is as follows:

<b>Name of the Director</b>	<b>Position</b>	<b>Category</b>
Kishorelal Chhabria	Chairperson	Independent, Non-Executive
Jignesh L. Shah upto 01.03.2021	Member	Independent, Non-Executive
Saurav Bhattacharjee	Member	Independent, Non-Executive
Neha Amin Merchant (w.e.f. 30 <sup>th</sup> June, 2021)	Member	Independent, Non-Executive
Rishiraj Patodia	Member	Promoter, Executive

The Company Secretary acts as a Secretary to the Committee.

The Chairperson of the Audit Committee is an Independent Director.

The Committee is empowered, pursuant to its terms of reference, inter-alia to:

- investigate any activity within its terms of reference or referred to it by the Board
- seek information from any employee
- obtain outside legal or other professional advice
- secure attendance of outsiders with relevant expertise, if it considers necessary
- have full access to information contained in the records of the Company

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the subsequent Board Meetings.

#### **BROAD TERMS OF REFERENCE**

The Audit Committee assists the Board in discharging its responsibilities regarding compliance with legal and regulatory requirements, the quality and integrity of the accounting, auditing, reporting practices & financial disclosures of the company and broadly performs the following functions:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board the appointment, remuneration, and terms of appointment of auditors of the company.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:



- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause ( c ) of sub-section 3 of section 134 of the Companies Act, 2013.
  - Changes if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgement by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) Discussion with statutory auditors before the audit commences, about the nature and

- scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - r) To review the function of the Whistle Blower mechanism;
  - s) Approval of appointment of CFO (i.e. the Wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
  - t) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Audit Committee also reviews the following –

- Management discussion and analysis of financial condition and result of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations, if any

## **MEETINGS AND ATTENDANCE**

During the financial year ended 31st March, 2021, four Audit Committee Meetings were held 30<sup>th</sup> June 2020, 19<sup>th</sup> August 2020, 10<sup>th</sup> November 2020 and 12<sup>th</sup> February 2021. The Audit Committee also met prior to the finalization of accounts for the year ended 31st March, 2021. The maximum interval between any two meetings was within the maximum allowed gap pursuant to the Companies Act, 2013 and SEBI Listing Regulations read with the Circulars issued by MCA and SEBI with respect to increase in the gap and extension for holding meetings pursuant to COVID-19 pandemic.

The attendance at the Audit Committee Meetings during the financial year ended 31<sup>st</sup> March, 2021 on date of this report is as follows :

<i>Name of the Director</i>	<b>No. of meetings attended</b>
Jignesh Shah (upto 01.03.2021)	4
Kishorelal Chhabria (Chairman)	4
Sourav Bhattacharjee	4
Rishiraj Patodia	4
Neha Amin Merchant (w.e.f 30 <sup>th</sup> June, 2021)	N.A

The Company Secretary was present at all the above meetings.

**NOMINATION AND REMUNERATION COMMITTEE:**

**COMPOSITION**

The Nomination & Remuneration Committee comprised of three Non-Executive Independent Directors. The composition of the Committee is as on date of this report is as follows :

<b>Name of the Director</b>	<b>Position</b>	<b>Category</b>
Kishorelal Chhabria	Chairman	Independent, Non-Executive
Jignesh L Shah (upto 01.03.2021)	Member	Independent, Non-Executive
Sourav Bhattacharjee	Member	Independent, Non-Executive
Neha Amin Merchant (w.e.f 30 <sup>th</sup> June,2021 )	Member	Independent, Non-Executive

The Composition of Nomination & Remuneration Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulation.

The Company Secretary acts as a Secretary to the Committee.

**BROAD TERMS OF REFERENCE**

The Terms of Reference of Nomination & Remuneration Committee inter-alia includes following:

- i. Reviewing the overall compensation policy, service agreements and other employment conditions including Annual increments and Commission of Managing Directors
- ii. Approving the minimum remuneration payable to Whole-time Directors & Managing Directors in accordance with Schedule V of the Companies Act, 2013, in the event of loss or inadequacy of profits
- iii. Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board their appointment, removal & a policy, relating to the remuneration of the Directors, Key Managerial personnel and other employees and evaluating every Director's performance
- iv. Formulating the criteria for evaluation of Independent Directors and the Board
- v. Identifying persons who can be appointed as Directors, Key/Senior Managerial personnel & recommend to the Board their appointment & removal
- vi. Devising a policy for Board diversity
- vii. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable

**MEETINGS AND ATTENDANCE**

During the financial year ended 31st March, 2021, two Nomination and Remuneration Committee Meetings were held on 30<sup>th</sup> June, 2020 and 12<sup>th</sup> February, 2021.

The attendance at the Nomination and Remuneration Committee Meetings during the financial year ended 31st March, 2021 is as under:

<i>Name of the Director</i>	<b>No. of meetings attended</b>
Kishorelal Chhabria	2
Jignesh L Shah (uto 01.03.2021)	2
Sourav Bhattacharjee	2
Neha Amin Merchant (w.e.f 30 <sup>th</sup> June,2021 )	N.A

The Company Secretary was present at all the above meetings.

**NOMINATION & REMUNERATION POLICY**

The Company has formulated a remuneration policy which determines the compensation structure of the Executive/Non Executive Directors. The Company's remuneration policy is in consonance with the existing industry practice and aims at attracting and retaining high calibre talent.

The policy is provided in annexure to the Board's Report and is available on the website of the Company at <https://www.yarnsyndicate.in/Financials.html>

Presently, the Company does not have any stock option plan or performance linked incentives for its Directors.

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee comprises of three Non-Executive Independent Directors and one Executive Director.

The composition of the Committee as on date of this report is as follows:

<b>Name of the Director</b>	<b>Position</b>	<b>Category</b>
Kishorelal Chhabria	Chairman	Independent, Non-Executive
Jignesh L Shah (upto 01.03.2021)	Member	Independent, Non-Executive
Sourav Bhattacharjee	Member	Independent, Non-Executive
Neha Amin Merchant (w.e.f 30 <sup>th</sup> June, 2021)	Member	Independent, Non-Executive
Rishiraj Patodia	Member	Promoter, Executive

The Company Secretary acts as a Secretary to the Committee.

### **BROAD TERMS OF REFERENCE**

The terms of reference of the Stakeholders Relationship Committee inter alia includes following:

- i. transfer/transmission/transposition of shares;
- ii. consolidation/splitting of folios;
- iii. issue of share certificates for lost, sub-divided, consolidated, rematerialised, defaced, etc;
- iv. review of shares dematerialised and all other related matters;
- v. investors' grievances and redressal mechanism and recommend measures to improve the level of investor services.
- vi. over seeing performance of the Company's Registrars and Share Transfer Agents.
- vii. carrying out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The Committee has delegated its functions to its Registrar & Share Transfer Agents, M/s. R & D Infotech Private Limited to redress shareholders grievances and provide a periodical report to the said committee at every meeting about the grievances received, solved and pending in addition to their existing functions as follows: -

- i. to approve share transfers;
- ii. to issue duplicate shares against lost or mutilated share certificates;
- iii. to issue shares against consolidation and sub-division;
- iv. to send a summary of complaints redressed on fortnightly basis;
- v. to send periodical report on transfers & transmission processed, duplicate share certificates issued.

Share transfer formalities are done within the stipulated time period by the Registrars, M/s. R & D Infotech Pvt. Ltd. The Compliance Officer is authorised to give effect to share transfers as approved by the Registrars & Share Transfer Agents.

The Share Department of the company and the Registrar and Share Transfer Agents, attend to all grievances of the shareholders and investors received directly or through SEBI including SEBI Complaints Redress System (SCORES), Stock Exchanges, Department of Company Affairs, Registrar of Companies etc.

The Minutes of the Stakeholders Relationship Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and e-mail addresses to facilitate prompt action.



**MEETING AND ATTENDANCE**

During the financial year ended 31st March, 2021, four Stakeholders Relationship Committee Meetings were held on **Meeting dates:** 30.06.2020, 19.08.2020, 10.11.2020 and 12.02.2021

The attendance of the Stakeholders Relationship Committee meetings during the financial year ended 31st March, 2021 is as under:

Name of the Director	No. of meetings attended
Kishore Chhabria	4
Jignesh L Shah (upto 01.03.2021)	4
Sourav Bhattacharjee	4
Rishiraj Patodia	4
Neha Amin Merchant (w.e.f 30 June,2021 )	N.A.

**DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS**

The total number of complaints received during the year ended 31st March, 2021 were NIL . There were no complaints outstanding as on 31st March, 2021.

The number of share transfers and requests for dematerialization pending as on 31st March, 2021 were Nil.

Name, Designation & Address of the Compliance Officer:

Mr. Bikash Chatterjee is the Company Secretary

Shareholders'/ Investors' complaints and other correspondence are attended to within the stipulated time period except where constrained by disputes or legal impediments.

**Remuneration Policy**

The Board has on recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors and their remuneration. The Nomination and Remuneration Committee identifies and ascertain the integrity, qualification, expertise, skills and knowledge and experience of the person for appointment as Director and Key Managerial Personnel. The appointment of Director as recommended by the Nomination and Remuneration Committee requires approval by the Board.

The policy relating to Nomination and Remuneration Policy duly approved by the Board of Directors of the Company has been placed on the Company website and the weblink is <https://www.yarnsyndicate.in/Investor-Relations.html>

**FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:** A Familiarization programme about roles, rights and responsibilities of Independent Directors in the Company, nature of industry in which the company operates, business model of the company etc. is in existence in the company.

**BOARD EVALUATION** Pursuant to the provisions of the Companies Act, 2013 the Board has

carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the committees of the Board. The Directors expressed their satisfaction with the evaluation process.

Pursuant to the applicable provisions of the Companies Act, 2013 and the Listing Regulations of the Board, in consultation with its Nomination and Remuneration Committee, has formulated a framework containing, inter alia the criteria for performance evaluation of the entire Board of the company, its committees and individual Directors, including independent Directors. The Nomination and Remuneration Committee has also carried out evaluation of every Directors' performance.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On basis of performance evaluation done by the Board it has been determined whether to extend or continue their term of appointment whenever the respective term expires. The Directors expressed their satisfaction with the evaluation process.

#### **FINANCE:**

Cash and cash equivalent as at 31<sup>st</sup> March 2021 was Rs. 5.19 Lakhs (previous year: Rs. 5.23 Lakhs). The company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

The Company has appointed Internal Auditors, Mr Pawan Kumar Sarma, Chartered Accountant of M/s G P Jaju & Co. pursuant to the provisions of Section 138 of the Companies Act, 2013.

#### **PERFORMANCE REVIEW:**

During the financial year under review, the company's export performance in yarn has not picked up mainly due to the lack of enquiries from customers. The company did not make any sales in the domestic and export markets during the year due to extremely difficult market conditions starting from March, 2020 and continuing for almost the entire financial year of 2020-21 with the COVID-19 global pandemic. The export market remains highly competitive and margins are thin and not lucrative at present. For the financial year under review, the company has not traded in any products either in domestic and overseas markets. The company has continued to explore newer markets for yarn and other products both in India and abroad and at the same time maintaining its excellent business relations with its existing customers in order to get some orders in the domestic and export business. The revenue from operations was Nil for both current year and previous years. The company hopes that the overall market conditions will improve once the COVID-19 pandemic is over.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

Since the company does not fall within the purview of provisions as mentioned in Section 135 of the Companies Act, 2013, so the provisions of Section 135 are not applicable to the Company.

#### **OCCUPATIONAL HEALTH AND SAFETY:**

The company believes in the safe and healthy working conditions and has provided safety equipments in the offices.

### **PARTICULARS OF EMPLOYEES:**

Your Company did not employ any person whose particulars are required to be attached to this Report under Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014.

**Formal annual evaluation by the Board of its own performance and that of its committees and individual directors.**

Complied with the provisions of the Companies Act, 2013 and the Listing Regulations.

**Statement of particulars of employees pursuant to Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year is not applicable as no Directors paid any amount.
- (ii) Ratio of remuneration of Managing Director to the median remuneration of the employees: N.A
- (iii) The percentage increase (decrease) in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; N.A
- (iv) The percentage increase in the median remuneration of employees in the financial year:  
In view of the Company's performance, no increase in the median remuneration paid to employees.
- (v) The number of permanent employees on the rolls of Company  
3 permanent employees were on the rolls of the Company at the close of the financial year.
- (vi) Average percentile increase already made in the salaries of employees other than the Managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: In view of the Company's performance, no increases were given to its employees.
- (vii) Affirmation that the remuneration is as per the remuneration policy of the Company.  
The Company follows its remuneration policy in fixing the remuneration

### **PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS:**

There were no loans, guarantees and investments made under section 186 of the Companies Act during the year under review.

### **PUBLIC DEPOSITS:**

The company has not accepted any deposit from the public under Chapter V of the Companies Act, 2013 or the corresponding provisions of Section 58A of the Companies Act, 1956 and there is no amount outstanding as on the Balance Sheet date.

**BOARD EVALUATION:** Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing

Obligations and Disclosure Requirement) Regulations, 2015, the Board has carried out annual performance evaluation on its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committee. The evaluation of all the Directors and the Board as a whole was conducted and the Board approved the evaluation results as collated by the concerned Committee.

**NOMINATION AND REMUNERATION POLICY:** The Company has a policy for selection and appointment of Directors, Senior Management and their remuneration. For maintaining the independence of the Board and separate its functions, the Company's policy is to have an appropriate combination of Executive and Independent Directors.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

During the year under review, all contracts/arrangements/transactions entered by the company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and hence do not fall under the ambit of Section 188(1) of the Act. There was no material Related Party Transactions entered into by the company with promoters, directors, KMP or other designated persons during FY 2020-21. Your Directors draw attention of the members to Note No. 27 to the Financial Statement which sets out related party disclosures. In view of the above, the disclosure under the Act in Form AOC-2 is not applicable for FY 2020-21.

**INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 & Section 134 of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2021, the applicable accounting standards had been followed along with 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2021 on a 'going concern' basis.



- (v) And that we, had laid down internal financial controls to be followed by the company and that such internal financial controls were adequate and operating effectively.
- (vi) That we had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **CORPORATE GOVERNANCE:**

The Company is having a paid up equity share capital not exceeding 10 crore and net worth not exceeding Rs. 25 crore and hence as per SEBI (LODR) Regulations 2015 Corporate Governance Requirements provided under Regulations 17 to 27 and clauses (b) to(i) of sub-regulation (2) of Regulation 46 and Para C,D and E of Schedule V of the Listing Regulations are not applicable to your Company.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis is attached as part of Directors Report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information required to be given under Rule 8 (3) of the Companies (Accounts) Rules, 2014 is provided below:

**(A) Conservation of energy-** Your Company constantly and continuously applies all effort for optimum utilization of the resources.

- (I) the steps taken or impact on conservation of energy : Power shut down on idle monitors, shutting off all the lights when not in use
- (ii) the steps taken by the company for utilizing alternate sources of energy : Nil
- (iii) the capital investment on energy conservation equipments; Nil

**(B) Technology absorption-**

- (i) the efforts made towards technology absorption – Latest technology is being used
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution – Reduction in specific energy consumption
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Nil
  - (a) the details of technology imported;
  - (b) the year of import;
  - (c) Whether the technology been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) Expenditure incurred on Research and Development. . Nil



## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

There were no foreign exchange earnings or outgo during the year under review.

## **ANNUAL RETURN**

A copy of Annual Return is available at the website of the Company and the web link is <https://www.yarnsyndicate.in/Financials.html>

**WHISTLE BLOWER/VIGIL MECHANISM:** The company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement.

**COST RECORDS AND COST AUDIT:** Pursuant to Section 148 of the Companies Act, 2013, the Central Government has prescribed maintenance and audit of cost records vide the Companies (Cost Records and Audit) Rules, 2014 to such class of companies as mentioned in the Table appended to Rule 3 of the said Rules. These rules are not applicable to the Company.

**SECRETARIAL AUDIT:** Secretarial Audit Report dated issued by M/s. Ekta Goswami & Associates, Practicing Company Secretary is attached as an Annexed to this Report. There are no observations made by the Secretarial Auditor.

## **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:**

The Company has no amount lying under unpaid dividend or unpaid interest account or such other amount as mentioned under Section 125 of the Companies Act 2013 and hence no amount is required to be transferred to the Investor Education and Protection Fund.

**DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION AND REDRESSAL) ACT, 2013:** Your Company has zero tolerance towards sexual harassment at workplace. It has in place a policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

The Company has not received any complaint of sexual harassment during the financial year 2020-21, and there are no complaints pending as on 31.3.2021

## **RISK MANAGEMENT**

The Company has a Risk Management Policy to deal with perceived risks in its business by identifying and evaluating business risks and opportunities.

## **GOING CONCERN STATUS**

There were no significant or material orders passed by regulators /courts/tribunals impacting or influencing the Company going concern status and/or its future operations.

## **COMPLIANCE OF SECRETARIAL STANDARDS**

The Company has generally complied with requirements of Secretarial Standards -SS-1 and SS-2 issued by the Institute of Company Secretaries of India during the year.

## **AUDITORS**

Pursuant to the amendment of Section 139 of the Companies Act, 2013 effective from May 7, 2018 the requirement related to ratification of appointment of Statutory Auditors by the members of the Company at every AGM was omitted. In view of the above the shareholders had resolved at the

72<sup>nd</sup> Annual General Meeting held on 28<sup>th</sup> September, 2018 to delete the requirement of seeking ratification of appointment of the M/s S P Sarda & Co., Statutory Auditors at every AGM. The auditors have not reported any fraud during the year.

#### **AUDITORS' OBSERVATIONS**

The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant are self explanatory.

#### **Details of Application made or any proceedings pending under the Insolvency and Bankruptcy Code 2016 (IBC) during the year along with the status at the end of the year**

The Company has not made or received any application under the IBC during the Financial Year

#### **Details of difference between amount of valuation done at time of one time settlement and valuation done while taking loan from Banks/FI (s) along with reasons**

The Company has not made any one time settlement with the Bank

#### **ACKNOWLEDGEMENTS:**

The Board is grateful to Canara Bank for their continued co-operation and timely assistance as and when required. The Board is grateful to the Reserve Bank of India, State Bank of India, HDFC Bank, Dr.U.N.Brahmachari Street Branch, The Cotton Textiles Export Promotion Council, Textile Committee, Export Credit Guarantee Corporation of India Ltd, Collector of Central Excise, Director General of Foreign Trade, New Delhi, Joint Director General of Foreign Trade, Kolkata, Registrar of Companies, the Federation of Indian Export Organizations, The Commercial Tax Office, Kolkata and other institutions for their kind co-operation in day to day activities of the Company. Your Directors are thankful to all the executives and staff members of the Company for their wholehearted co-operation.

Registered Office :

86/2/4, S N Banerjee Road

Kolkata-700014

Dated : The 30<sup>th</sup> day of June 2021.

**For and on behalf of the Company**

**SHEELA PATODIA**

**Chairperson**

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

*{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}*

To

The Members,

**Yarn Syndicate Limited**

86/2/4, S.N. Banerjee Road, 1<sup>st</sup> Floor, Flat No. 2

Kolkata – 700 014

West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by *Yarn Syndicate Limited* having its Registered Office at 86/2/4, S.N. Banerjee Road, 1<sup>st</sup> Floor, Flat No. 2, Kolkata – 700 014 West Bengal (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on Our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2021 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015; (Not applicable to the Company during the audit period)
  - d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; (Not applicable to the company during the audit period)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the audit period)
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) The laws specifically applicable to the industry to which the Company belongs as identified by the management are
1. Textile (Development and Regulation) Order, 2001

Wherever required, We have obtained the Management Representation about the compliance of laws, rules, and regulation and happening of events. The compliance of provisions of Corporate and other applicable laws, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on text laws.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- ii. Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015;

We further confirm that compliance of applicable financial laws including Direct & Indirect Laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- A. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes, in the

composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- B. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- C. None of the Directors in any meeting dissented on any resolution and hence there were no instances of recording any dissenting member's view in the Minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

We further report that during the audit period there were no instances of:

- Public/Rights/Preferential Issue of Shares/ Debentures/Sweat Equity, etc.
- Redemption/ Buy Back of Securities
- Major decisions taken by the members in pursuance of section 180 of the Companies Act, 2013
- Merger/Amalgamation/ reconstruction, etc.

**Date:** 30/06/2021

**Place:** Kolkata

**For EKTA GOSWAMI & ASSOCIATES**

**EKTA GOSWAMI**

**Practising Company Secretary**

**ACS: 40657, COP: 16778**

**UDIN: A040657C000547086**

**Note:** This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.



**The Members,**

**Yarn Syndicate Limited**

86/2/4, S.N. Banerjee Road, 1<sup>st</sup> Floor, Flat No. 2

Kolkata – 700 014

West Bengal

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, We followed provide a reasonable basis for Our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. A Substantial portion of the audit programme was completed prior to the outbreak of the pandemic COVID-19. However, owing to the lockdown measure imposed in the country and the cascading impact thereof, for certain verifications and cross checks, we have relied on management representations and assurances, wherever required, for forming our opinion and eventual reporting.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Date:** 30/06/2021

**Place:** Kolkata

**For** EKTAGOSWAMI & ASSOCIATES

**EKTAGOSWAMI**

**Practising Company Secretary**

**ACS: 40657, COP: 16778**

**YARN SYNDICATE LIMITED**

**Regd. Office: 86/2/4, S N Banerjee Road, 1<sup>st</sup> Floor, Flat No.2, Kolkata-700014.**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**A) INDUSTRY STRUCTURE AND DEVELOPMENTS**

During the last few years, the Company had diversified its business portfolio from export of yarn to trading in the domestic market in various kinds of fabrics which has been its business in the last few years. The export of yarn continues to be the company's principal focus of business but due to very competitive export market conditions, the company has not done any export business for several years but is always on the look-out for lucrative export deals. During the year under review the Company has not made any sales in the domestic and foreign markets. The fourth quarter of the year saw the outbreak of the COVID-19 pandemic which adversely affected the global economy and greatly affected the company's financial performance.

Even though the company has not ventured into the export market, we are constantly searching for customers in lucrative export markets for yarn and at the same time on the lookout for the export of other products whose exports will benefit us in the long run and also doing business in the domestic market.

**B) OPPORTUNITIES AND THREATS**

With India having a strong yarn and textile industry, the global yarn market will always continue to be an opportunity for Indian exporters like your company with decades of experience in the yarn export business. Similarly the domestic market in various kinds of fabrics and non-wovens is an opportunity as the market is a stable and growing one.

The biggest threat is the COVID-19 pandemic. The world is challenging Covid-19 Pandemic, which has not left any part of the world to face it. One side lives are being lost as a result of Pandemic, the other largest consequence is that the world is facing big downfall in the economy too.

**C) SEGMENT-WISE PERFORMANCE**

The Company operates only in one business segment viz. exporting yarn and fabric and other activities are incidental thereto. The geographical segments of the company mainly comprises of the exports to various countries.

**D) RISKS AND CONCERNS**

The biggest risk and concern for the Indian yarn exporters and merchant traders is the fall in the global economy due to the current pandemic. The advent of COVID-19 caused a disruption to the Company plan for the year. The Company had to quickly reprioritize its

efforts to ensure that the safety and well being of its employees were maintained during periods of the extended lockdowns.

This economic crisis has attacked various businesses in and around the world. All sort of Travel, Hospitality, Hotels, Restaurants, Bar, Package food, retail, e-commerce, automobile etc. have suffered financially due to the crisis brought on by the pandemic. One of the severely affected industry is Textile Manufacturing which is the second largest employment creating industry after agriculture.

#### **E) OUTLOOK**

**The financial year 2020-2021 was the most challenging time for almost every industry. As the world enters the second year in its fight with COVID-19, Government is trying to maintain a delicate equilibrium between protecting their citizens from COVID and not having adverse impact on economic growth.**

The textiles industry in India was estimated at more than US\$ 100 billion in January 2020. It is the second-largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly.

The outlook for the yarn market is not good at present due to the COVID pandemic. However the textile industry in India is resilient and will be back on its feet once the pandemic ends.

#### **F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a proper internal control system, which provides adequate safeguards and effective monitoring of the transactions and ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition.

Moreover, an audit committee of the Board of Directors regularly review the audit plans, adequacy of internal control as well as compliance of accounting standards. The company has also appointed an Internal Auditor and Chief Financial Officer to report on and oversee the Internal Control Systems.

#### **G) FINANCIAL AND OPERATIONAL PERFORMANCE**

Please refer to 'Performance Review' in the Board of Directors' Report.

#### **H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

We firmly believe that safe and healthy working conditions in the offices are as necessary and important as production, productivity and quality. Our policy requires conduct of activities in such a way as to take foremost account of health and safety of all concerned, besides conservation of natural resources and protection of the environment.

Your organization appreciates the constructive support of Banks, Institutions, Suppliers, Export Promotion Organisations, executives, employees, creditors, service providers and the confidence shown by them in the company. Employer-Employee relations in all the offices of the company were cordial throughout the year under review.

The total numbers of people employed by the Company are 6 (Six).

**D) CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "Forward looking statements". Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include, among others, economic conditions affecting demand/supply, the exchange rate of the Rupee vis-à-vis the U. S. Dollar and price conditions in the domestic and overseas markets, also effect of political situations, change in the Government regulations on Export, tax laws and other statutes and incidental factors over which the company does not have any control.

For and on behalf of the Board

Registered Office:

86/2/4, S N Banerjee Road,

Kolkata - 700014

Dated: The 30<sup>th</sup> day of June, 2021

SHEELA PATODIA

Chairperson

**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**

We, Rishiraj Patodia, Managing Director and Bhagirath Biswas, Chief Financial Officer of the Company, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements including cash flow statement for the financial year ended 31<sup>st</sup> March, 2021 and to the best of our knowledge and belief :
  - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
  - I. significant changes in the internal control over financial reporting during the year;
  - II. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 30/06/2021

Place: Kolkata

**Rishiraj Patodia**  
Managing Director  
DIN: 00259104

**Bhagirath Biswas**  
Chief Financial Officer



## **AUDITOR'S REPORT**

### **TO THE MEMBERS OF YARN SYNDICATE LIMITED**

#### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of Yarn Syndicate Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Emphasis of Matter**

Management believes that it has taken into account all the factors that can have any possible impact arising from COVID 19 pandemic on the preparation of the financial statements and results including the ability of the Company to continue as going concern. However, it is not possible to reliably estimate the future financial implications arising from the pandemic situation on the Company's operations as normalcy is yet to return to business operations. Further, the impact assessment is a continuing process and evolving, given the uncertainties associated with nature and duration of the current situation. The Company will continue to closely monitor any material changes in macro-economic conditions and take appropriate measures as may be required.

Our opinion is not modified in respect of this matter.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters are addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sn No.	Key Audit Matters	Auditor's Response
1.	Going Concern assumption	As per our observation of the Financial Statements of the Company it is seen that the Company has accumulated losses and its net worth has become negative as on the Balance Sheet date. These conditions, along with other matters, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis as the management is exploring new business opportunities to sustain the Company and is of the view that the promoters have agreed to infuse funds as and when required in the foreseeable future.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to

liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has no pending litigations as on the Balance Sheet date.
  - ii. The Company has no material foreseeable losses on any long-term contracts including derivative contracts.
  - iii. No amount was required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For SPSarda & Co,**

*Chartered Accountants*

Firm's registration No. 323054E

Ankit Agarwal

Partner

Membership No. 305132

UDIN : 21305132AAAACN3122

Date : 30<sup>th</sup> day of June, 2021

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Yarn Syndicate Limited of even date)

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) Of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **YARN SYNDICATE LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SPSarda & Co,**

*Chartered Accountants*

Firm's registration No. 323054E

Ankit Agarwal

Partner

Membership No. 305132

UDIN ;21305132AAAACN3122

Date : 30<sup>th</sup> day of June, 2021

Place : Kolkata

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Yarn Syndicate Limited of even date)

- i) (a) The Company is maintaining proper records of fixed assets showing full particulars including quantitative details and situation of fixed assets.  
(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification during the year by the management.  
(c) According to the information and explanations given to us and the verifications made by us, the title deeds for all immovable property are held in the name of the company
- ii) The Company does not hold any inventory. Accordingly, the matters specified in terms of clause 3 (ii) of the Order is not applicable to the company.
- iii) The Company has not granted any loans, secured or unsecured, from companies, firms, and limited liability partnerships or other parties listed in the register maintained under Section 189 of the Companies Act 2013. Accordingly, clause (iii) is not applicable to the company.
- iv) According to the information and explanations given to us and records examined by us, the company has not given loan, Investment or guarantee under section 185 and 186 of the Companies Act 2013 during the year. Accordingly, clause 3 (iv) of the Order is not applicable to the company.
- v) The Company has not accepted any deposits during the year from the public within the meaning of the provisions of Section 73 to 76 of the Companies Act, 2013 and rules made there under. Hence, the clause (v) of the order is not applicable.
- vi) The clause relating to the maintenance of cost records U/s 148 of the Companies Act, 2013 and as such, para 3(vi) of the Order is not applicable to the Company.
- vii) a) According to the information and explanation given to us and the records of the company examined by us, in our opinion, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods & Services Tax, Cess and other material statutory Dues, as applicable, with the appropriate authorities. However, according to the information and explanations given to us, there is no undisputed amounts payable in respect of these which were in arrears as on 31.03.2021 for the period of more than 6 months from the date they become payable.  
b) According to the information and explanation given to us and the records of the company examined by us, in our opinion, there were no disputed dues in respect of Income Tax, Sales Tax, Service tax, Customs Duty, Excise Duty and Value Added Tax.
- viii) The Company does not have any borrowing from any financial institutions or bank nor have they issued any debentures as at the Balance Sheet date. Accordingly the provision of Clause 3 (viii) of the Order is not applicable.



- ix) The Company have not raised money by way of IPO/Further public offer/Debt Instruments. As per the information the Company has not availed any fresh term loan during the year. Accordingly, the provision of Clause 3 (ix) of the Order is not applicable.
- x) On the basis of our examination and according to information and explanation given to us, no material fraud by company or any fraud on the company by its officer/employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Sec 197 read to the Schedule V to the Act.
- xii) According to the information and explanation given to us and the records of the company examined by us, the company is not Nidhi Company. Accordingly, the provision of Clause 3 (xii) of the Order is not applicable.
- xiii) According to the information and explanation given to us and the records of the company examined by us, all transactions with the related parties are in compliance with the Section 188 and 177 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by applicable accounting standard.
- xiv) The Company has not made any preferential allotment / private placement of shares or fully or partly convertible debenture during the year under review. Hence the clause the provision of Clause 3 (xiv) of the Order is not applicable.
- xv) According to the information and explanation given to us and the records of the company examined by us, the company has not entered into any non cash transactions with directors or persons connected with him. Hence the clause the provision of Clause 3 (xv) of the Order is not applicable.
- xvi) According to the information and explanation given to us and the records of the company examined by us, the company is not required to register under section 45 IA of the Reserve Bank of India Act, 1934.

**For S P Sarda & Co,**  
*Chartered Accountants*  
Firm's registration No. 323054E

Ankit Agarwal  
Partner  
Membership No. 305132  
UDIN ;21305132AAAACN3122  
Date : 30<sup>th</sup> day of June, 2021  
Place : Kolkata

**Yarn Syndicate Limited  
Balance Sheet as on 31st March 2021**

All amounts are in Rs.

	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property plant and equipment	3	727,140	727,140
b) Deferred tax assets (net)	4	-	1,575,508
<b>Total non-current assets</b>		<b>727,140</b>	<b>2,302,648</b>
<b>Current assets</b>			
a) Financial assets			
i) Trade receivables	5	-	-
ii) Cash and cash equivalents	6	518,809	522,565
iii) Other financial assets	7	120,000	120,000
d) Other current assets	8	2,212,344	3,012,679
<b>Total current assets</b>		<b>2,851,153</b>	<b>3,655,244</b>
<b>Total assets</b>		<b>3,578,293</b>	<b>5,957,892</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	9	37,500,000	37,500,000
b) Other equity		(44,139,294)	(40,675,526)
<b>Total equity</b>		<b>(6,639,294)</b>	<b>(3,175,526)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Provisions	10	873,348	772,335
<b>Total non-current liabilities</b>		<b>873,348</b>	<b>772,335</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Short term borrowings	11	8,636,486	7,788,486
ii) Trade payables	12	245,394	284,647
b) Provisions	13	-	-
c) Other current liabilities	14	462,358	287,949
<b>Total current liabilities</b>		<b>9,344,239</b>	<b>8,361,083</b>
<b>Total liabilities</b>		<b>10,217,587</b>	<b>9,133,418</b>
<b>Total equity and liabilities</b>		<b>3,578,293</b>	<b>5,957,892</b>

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached.

for **S. P Sarda & Co.**

Chartered Accountants

ICAI Firm's Registration No. : 323054E

Ankit Agarwal

(Partner)

Membership No : 305132

for and on Behalf of the Board of Directors

Rishiraj Patodia  
(Managing Director)

DIN:00259104

K.Chhabria  
(Director)

DIN:00306069

Sheela Patodia  
(Director)

DIN:00276269

B Biswas  
(Chief Financial Officer)

Place : Kolkata

Date : 30.06.2021

UDIN: 21305132AAAACN3122

B. C. Chatterji  
(Company Secretary)

**YARN SYNDICATE LIMITED - ANNUAL REPORT 2020-21**

**Yarn Syndicate Limited  
Statement of Profit and Loss for the year ended 31st March 2021**

All amounts are in Rs.

		Notes	Year Ended As at 31 March 2021	Year Ended As at 31 March 2020
I	Revenue from operations	15	-	-
II	Other income	16	25,000	9,365
III	<b>Total Income (I+II)</b>		<b>25,000</b>	<b>9,365</b>
IV	<b>Expenses</b>			
	Purchases of Stock-in-Trade	17	-	-
	Employee benefits expense	18	677,444	699,778
	Finance costs	19	416	2,057
	Depreciation expense	20	-	165,990
	Other expenses	21	1,235,401	13,750,007
	<b>Total expenses (IV)</b>		<b>1,913,261</b>	<b>14,617,832</b>
V	<b>Profit before tax (III -IV)</b>		<b>(1,888,261)</b>	<b>(14,608,467)</b>
VI	<b>Tax expense</b>			
	Excess Income tax earlier year		-	1,411,013
	Deferred tax	4	1,575,508	252,062
	<b>Total tax expense (VI)</b>		<b>1,575,508</b>	<b>1,158,951</b>
VII	<b>Profit for the period (V-VI)</b>		<b>(3,463,769)</b>	<b>(13,449,516)</b>
VIII	<b>Other comprehensive income</b>			
	<i>A) Items that will not be reclassified to profit or loss</i>			
	- Remeasurement of the employee defined benefit plans (net of tax)		-	-
	- Equity instruments through other comprehensive income (net of tax)		-	-
	<i>B) Items that may be reclassified to profit or loss</i>			
	- Effective portion of gains/(loss) on cash flow hedges		-	-
	<b>Total other comprehensive income (net of taxes)</b>		<b>-</b>	<b>-</b>
IX	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>(3,463,769)</b>	<b>(13,449,516)</b>
	<b>Earnings per equity share of ( 10 each)</b>			
	(1) Basic (in Rs)	23	(0.92)	(3.59)
	(2) Diluted (in Rs)	23	(0.92)	(3.59)

The accompanying notes form an integral part of the financial statements.  
As per our report of even date attached.

for **S. P Sarda & Co.**  
Chartered Accountants  
ICAI Firm's Registration No. : 323054E

Ankit Agarwal  
(Partner)  
Membership No : 305132

Place : Kolkata  
Date : 30.06.2021  
UDIN: 21305132AAAAACN3122

for and on Behalf of the Board of Directors

Rishraj Patodia  
(Managing Director)  
DIN:00259104

K.Chhabria  
(Director)  
DIN:00306069

Sheela Patodia  
(Director)  
DIN:00276269

B Biswas  
(Chief Financial Officer)

B. C. Chatterji  
(Company Secretary)

**YARN SYNDICATE LIMITED - ANNUAL REPORT 2020-21**

**Yarn Syndicate Limited**  
**Statement of Cash Flows for the year ended 31st March 2021**  
 All amounts are in Rs.

Particulars	As on Year ended 31.03.2021	As on Year ended 31.03.2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit for the year	(1,888,261)	(14,608,467)
Adjustment to reconcile net profit to net cash provided by Operational Activities		
Depreciation	-	165,990
Interest expense	416	2,057
Interest income	-	(9,365)
Gain on Mutual Fund	-	-
Provision / Bad Debts/ Sundry Bal. W/ back	-	4,933,025
Bad Debts W/off	-	7,330,139
	<b>(1,887,845)</b>	<b>(2,186,621)</b>
<b>Changes in Assets &amp; Liabilities:</b>		
Trade Receivables:	-	-
Other Current Assets:	800,335	905,397
Trade payables:	(39,253)	113,517
Long Term Provisions	101,013	81,717
Other Current Liabilities	174,409	89,116
	<b>(851,341)</b>	<b>(996,874)</b>
<b>CASH GENERATED FROM OPERATIONS</b>		
Direct Taxes Paid:	-	(554,515)
<b>NET CASH GENERATED BY OPERATIONS (A)</b>	<b>(851,341)</b>	<b>(442,359)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Investments	-	-
Gain on Mutual Fund	-	-
Interest income	-	9,365
<b>NET CASH GENERATED / (USED) IN INVESTING ACTIVITIES (B)</b>	<b>-</b>	<b>9,365</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Long Term Borrowings repaid	-	-
Short Term Borrowings:	848,000	245,870
Interest expense	(416)	(2,057)
<b>NET CASH GENERATED / (USED) IN FINANCING ACTIVITIES (C)</b>	<b>847,584</b>	<b>243,813</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>(3,757)</b>	<b>(189,181)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>522,566</b>	<b>711,747</b>
<b>CASH AND CASH EQUIVALENT AS PER NOTE 12.1</b>	<b>518,809</b>	<b>522,566</b>

Note:- The above cash flow statement has been prepared in under the indirect method as set out in the Indian Accounting Standard-7 on Cash Flow Statements prescribed under Cos. Act 2013.

This is the Cash flow statement referred to in our report of even date attached.

for **S. P Sarda & Co.**

Chartered Accountants

ICAI Firm's Registration No. : 323054E

for and on Behalf of the Board of Directors

Ankit Agarwal  
(Partner)  
Membership No : 305132  
UDIN: 21305132AAAACN3122

Rishiraj Patodia  
(Managing Director)  
DIN:00259104

K.Chhabria  
(Director)  
DIN:00306069

Place : Kolkata  
Date : 30.06.2021

Sheela Patodia  
(Director)  
DIN:00276269

B Biswas  
(Chief Financial Officer)

B. C. Chatterji  
(Company Secretary)



## **Notes to Financial statements**

### **1. Company overview**

Yarn Syndicate Limited (the 'Company') is a public limited company domiciled in India and has its registered office at 86/2/4 S. N Banerjee Road, 1st Floor, Flat No. 2, Kolkata 700014. Its equity shares are listed on BSE stock exchange in India. The Company is engaged in trading and export of yarn.

### **2A. Basis of preparation of financial statements**

#### **Basis of preparation and Compliance with Ind AS**

For all periods upto and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind AS") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind AS for the year ended 31st March, 2021.

#### **Basis of measurement**

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

#### **Fair value measurement**

A number of company's accounting policies and disclosures require the measurement of fair values for both financial and non financial assets and liabilities.

The company has established policies and procedures with respect to the measurement of fair values. The chief financial officer and the persons entrusted have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and assessments that these valuations meet the requirements of INDAS.

### **2B. Significant accounting policies**

The Company has applied the following accounting policies to all periods presented in the Ind AS financial statements.

#### **a. Current versus non-current classification:**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current only.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

#### **b. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty. Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to Company on its own account, revenue includes excise duty. Ind As 115, "Revenue from Contracts with customers" has been considered wherever applicable.

The specific recognition criteria described below must also be met before revenue is recognized:

##### **Sale of goods**

Revenue from the sale of goods is recognized when all significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Export benefits are accounted on recognition of export sales.

##### **Interest income**

Interest income is included in other income in the statement of profit and loss. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate when there is a reasonable certainty as to realization.

**c. Property, plant and equipment**

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

**Depreciation:**

Depreciation is provided on WDV basis for property, plant and equipment so as to expense the depreciable amount as per schedule II of the companies act 2013.

Depreciation on additions to assets during the year valuing upto Rs. 5,000/- are fully depreciated in the year of acquisition.

When an asset is scraped or otherwise disposed off, the cost and related depreciation are removed from the books of accounts and resultant profit or loss, if any, is reflected in the statement of Profit & Loss.

**d. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost.

**e. Foreign currencies**

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined. All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in other comprehensive income.

**f. Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related.

**g. Taxes**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

**Deferred tax:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The carrying amount of deferred tax assets as on the last date of preceding financial year have been written off in current financial year due to uncertainty of its utilization because of current underlying business circumstances.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**h. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**I. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.



**j. Inventories**

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

> Stock-in-trade: These are valued at lower of cost or net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Obsolete inventories are identified and written down to net realizable value. Slow moving and defective inventories are identified and provided to net realizable value.

**k. Impairment**

Fixed assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized wherever the carrying amount of the asset either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flow from the use of assets is discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and the loss no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective asset, which in case of CGU are allocated to assets on a prorated basis.

**l. Investments**

Long term investments are stated at cost less provision for diminution in value other than temporary, If any. Current investments are valued at lower of cost and fair value determined on an individual investment basis.

**m. Employee Benefits:**

Defined benefit plan: The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income. Re-measurement recognized in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.



Defined contribution plan: Payments to defined contribution plans are recognized as an expense when employees have rendered service entitling them to the contributions.

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, for which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are made to the Government Provident Fund monthly.

Short-term employee benefits: A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered. Liabilities recognized in respect of short-term employee benefits are measured at the un discounted amount of the benefits expected to be paid in exchange for the related service.

**n. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessment of time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

**o. Cash and cash equivalent:**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

**p. Earnings per Share:**

The basic Earnings per Share ("EPS") are computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**YARN SYNDICATE LIMITED - ANNUAL REPORT 2020-21**

Yarn Syndicate Limited  
Notes to the financial statements for the period ended 31.03.2021  
All amounts are in Rs unless otherwise stated

**3: Property plant and equipment**

Carrying amounts of:	As at 31st March 2021	As at 31st March 2021
Freehold Land	558,302	558,302
Building	61,698	61,698
Office Equipments	-	-
Computer	738	738
Furniture & Fittings	-	-
Vehicles	106,402	106,402
<b>Total</b>	<b>727,140</b>	<b>727,140</b>

**3: Property, Plant and Equipment**

Cost	Freehold Land	Buildings*	Computer	Vehicles	Total
Balance at 1 April 2019	558,302	61,698	259,979	11,234,231	12,114,210
Additions / Adjustment	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31 March 2020	558,302	61,698	259,979	11,234,231	12,114,210
Additions / Adjustment	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>558,302</b>	<b>61,698</b>	<b>259,979</b>	<b>11,234,231</b>	<b>12,114,210</b>

Accumulated depreciation and impairment	Freehold Land	Buildings	Computer	Vehicles	Total
Balance at 1 April 2019	-	-	259,241	10,961,839	11,221,080
Depreciation expense	-	-	-	165,990	165,990
Eliminated on disposal of assets	-	-	-	-	-
Balance at 31 March 2020	-	-	259,241	11,127,829	11,387,070
Depreciation expense	-	-	-	-	-
Others	-	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>259,241</b>	<b>11,127,829</b>	<b>11,387,070</b>

Carrying amount	Freehold Land	Buildings	Computer	Vehicles	Total
Balance at 1 April 2019	558,302	61,698	738	272,392	893,130
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation expense	-	-	-	165,990	165,990
Balance at 31 March 2020	558,302	61,698	738	106,402	727,140
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation expense	-	-	-	-	-
<b>Balance at 31 March 2021</b>	<b>558,302</b>	<b>61,698</b>	<b>738</b>	<b>106,402</b>	<b>727,140</b>

**YARN SYNDICATE LIMITED - ANNUAL REPORT 2020-21**

Yarn Syndicate Limited

Notes to the financial statements for the year ended 31 March 2021

**4: Deferred Tax balances**

The following is the analysis of deferred tax assets presented in the Balance Sheet:

Deferred tax assets  
Deferred tax liabilities  
**Total**

**Footnotes:**

No deferred tax asset has been created on Provision for doubtful debts.

\*Till previous year ended March 31, 2019, the company was recognising deferred asset (DTA), in view of prudence and uncertainty of future taxable income no deferred tax assets has been created in current financial year.

For the Year ended 31st March 2021	For the Year ended 31st March 2020
1,575,508	1,575,508
-	-
<b>1,575,508</b>	<b>1,575,508</b>

**5: Trade receivables**

Unsecured  
Considered good  
Considered Doubtful  
Credit Impaired

Less: Doubtful Receivables

**Total**

**Footnotes:**

- i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- ii) The credit period ranges within 30 days to 90 days.

For the Year ended 31st March 2021	For the Year ended 31st March 2020
-	-
14,501,118	14,501,118
<b>14,501,118</b>	<b>14,501,118</b>
14,501,118	14,501,118
-	-

**6 Cash and cash equivalents**

a. Balances with banks in current accounts

b. Cash on hand

**Total cash and cash equivalents as per Balance Sheet**

Bank overdrafts and cash credit facility (secured)

**Total cash and cash equivalents as per Statement of Cash Flows**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
138,228	82,580
380,581	439,985
<b>518,809</b>	<b>522,565</b>
-	-
<b>518,809</b>	<b>522,565</b>

**Non cash transactions**

During the current year, the Company has not entered into any non cash transaction.

**7 Other Financial Assets**

Current

Security Deposits

**Total**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
120,000	120,000
<b>120,000</b>	<b>120,000</b>

## YARN SYNDICATE LIMITED - ANNUAL REPORT 2020-21

Yarn Syndicate Limited

Notes to the financial statements for the year ended 31 March 2021

### 8: Other Current assets

(Unsecured Considered good unless otherwise stated)

Advance to vendors

Other Advances Recoverable

Less: Provision for Doubtful Advances

Total

	For the Year ended 31st March 2021	For the Year ended 31st March 2020
	2,212,344	3,012,679
	5,208,757	5,208,757
	(5,208,757)	(5,208,757)
<b>Total</b>	<b>2,212,344</b>	<b>3,012,679</b>

### 9: Equity Share capital

Equity share capital

Authorised share capital :

5,000,000 Equity Shares of Rs 10/- each with voting rights

Issued, subscribed and fully paid up equity capital:

Issued shares

3,750,000 (31st March 2021: 3,750,000; 01st April 2020: 3,750,000) Equity Shares of Rs 10/- each with voting rights

As on 31.03.2021

Less: Reclassified to financial liabilities (at amortised cost)

	For the Year ended 31st March 2021	For the Year ended 31st March 2020
	37,500,000	37,500,000
	37,500,000	37,500,000
	50,000,000	50,000,000
	50,000,000	50,000,000
	37,500,000	37,500,000
	37,500,000	37,500,000
	-	-
	37,500,000	37,500,000

Footnotes:

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Equity shares

Balance at 1 April 2020

Movements

Balance at 31 March 2021

	Number of shares	Number of shares
	3,750,000	3,750,000
	-	-
	3,750,000	3,750,000

b) Details of shares held by each shareholder holding more than 5% shares in the Company:

Equity shares

Mrs Sheela Patodia

As at 31 March 2020

As at 31 March 2021

Mr Rishiraj Patodia

As at 31 March 2020

As at 31 March 2021

Y S Exports Limited

As at 31 March 2020

As at 31 March 2021

	Number of equity shares	Number of equity shares
	1,302,802	1,302,802
	1,302,802	1,302,802
	215,500	215,500
	215,500	215,500
	994,950	994,950
	994,950	994,950

9.1 As per records of the Company as at 31 March 2021 no calls remain unpaid by the directors and officers of the Company.

9.2 Rights preference and restrictions attached to the class of shares.

#### A) Equity Shares

Each equity shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in



**YARN SYNDICATE LIMITED - ANNUAL REPORT 2020-21**

Yarn Syndicate Limited

Notes to the financial statements for the year ended 31 March 2021

**10: Provisions**

**Non Current**

Employee benefits (See note below)

Gratuity

**Total**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
873,348	772,335
-	-
<b>873,348</b>	<b>772,335</b>

**11. Short term borrowings**

Unsecured -at amortised cost

Loans from Related Parties

Loans from Body Corporate and others

**Total**

Footnotes: The above loans are interest free loans & are repayable on demand.

For the Year ended 31st March 2021	For the Year ended 31st March 2020
5,836,914	4,988,914
2,799,572	2,799,572
<b>8,636,486.40</b>	<b>7,788,486.40</b>

**12 : Trade and other payables**

(i) Total outstanding dues of micro enterprises and small enterprises

(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises

Other payables

**Total**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
245,394.19	284,647.34
<b>245,394.19</b>	<b>284,647.34</b>

Footnotes:

(i) The average credit period on purchases of goods and services are within 90 days. The trade and other payables are non interest bearing.

(ii) There are no micro, small and medium enterprises identified to whom payment is due.

**13. Short Term Provisions**

Provision for Income Tax

**Total**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
-	-
<b>-</b>	<b>-</b>

**14: Other current liabilities**

Others

**Total**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
462,358	287,949
<b>462,358</b>	<b>287,949</b>

**15: Revenue from operations**

Sale of Trading Goods

Other operating income

**Total**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
-	-
-	-
<b>-</b>	<b>-</b>

**17: Other income**

**a) Interest Income**

Interest Income

Interest income on income tax refunds

**b) Other non-operating income**

Gain on Mutual Fund

Refund of sales tax

Misc. Receipts

Provision no Longer required written back

Facility Charges

**Total**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
-	-
-	9,365
25,000	-
-	-
-	-
<b>25,000</b>	<b>9,365</b>

**YARN SYNDICATE LIMITED - ANNUAL REPORT 2020-21**

Yarn Syndicate Limited

Notes to the financial statements for the year ended 31 March 2021

**18. Purchase of Stock-in-Trade**

Purchase of stock of Trading Goods

**Total**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
-	-
-	-

**19: Employee benefits expense**

Salaries, wages and bonus

Contribution to provident and other funds (refer note 25)

**Total**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
522,980	557,473
154,464	142,305
<b>677,444</b>	<b>699,778</b>

**20: Finance costs**

Interest on TDS

Other on P Tax

Interest on IT

Interest on Sales Tax

**Total**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
399	2,057
17	-
-	-
-	-
<b>416</b>	<b>2,057</b>

**21: Depreciation and Ammortisation expense**

Depreciation (refer note 3)

**Total**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
-	165,990
-	<b>165,990</b>

**22: Other expenses**

Rates and taxes

Electricity Charges

Rent

Legal and professional fees

Repairs and maintenance of others

Telephone Exp

Charity & Donations

Travelling and conveyance expenses

Bad debts written off

Audit fee

    For Statutory Audit

    For Other Matters

Provision for Doubtful debts (Net)

Listing fees/Annual Fees

Printing & Stationery

Filing Fees

Advertisement

Others

**Total**

For the Year ended 31st March 2021	For the Year ended 31st March 2020
10,800	7,400
3,720	15,690
296,000	391,294
373,499	284,945
16,730	6,350
8,758	8,105
-	7,000
25,185	14,606
-	7,330,139
-	152,750
60,000	-
38,940	-
-	4,933,025
345,562	354,000
-	23,962
3,000	34,000
31,984	47,505
31,222	139,236
<b>1,235,401</b>	<b>13,750,007</b>

**YARN SYNDICATE LIMITED - ANNUAL REPORT 2020-21**

Yarn Syndicate Limited

Notes to the financial statements for the year ended 31 March 2021

**23: Earnings per share**

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Basic earnings per share (in `)	(0.92)	(3.59)
Diluted earnings per share (in `)	(0.92)	(3.59)

**Basic /diluted earnings per share**

The earnings and weighted average number of equity share used in the calculations of basic/diluted earnings per share are as follows:

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Profit after tax	(3,463,769)	(13,449,516)
Dividend including dividend distribution tax on CCPS	-	-
Profit for the year used in the calculation of basic earnings per share	(3,463,769)	(13,449,516)
Profit for the year used in the calculation of diluted earnings per share	(3,463,769)	(13,449,516)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Weighted average number of equity shares for basic earnings per share	3,750,000	3,750,000
Weighted average number of equity shares for diluted earnings per share	3,750,000	3,750,000

**24. Contingent Liabilities & Contingent Assets and Commitments**

The Company does not have any Contingent Liabilities & Contingent Assets and Commitments at the Balance Sheet date

NIL

NIL

**25 Employee Benefits**

A) Contributions to Defined Contribution plan recognised as expenses for the year are as under:

Employer's Contribution to Provident Fund:

For the Year ended 31st March 2021	For the Year ended 31st March 2020
43,837	50,100

B) The disclosure as per the Indian Accounting Standard 19 (Ind AS 19) "Employee Benefits" are given below:

**I. Gratuity Plan**

The Company has defined benefit plan comprising of gratuity. The present value of obligation is determined on the basis of Actuarial valuation using the Projected Unit Credit (PUC) actuarial method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

	For the Year ended 31st March 2021	For the Year ended 31st March 2020
a) Change in the Present Value of the defined benefit Obligation during the year:		
1. Present Value of the Obligation at the beginning:	1,294,352	1,213,487
2. Interest Cost:	90,605	93,438
3. Current Service Cost:	65,388	65,193
4. Benefit Paid:	(69,007)	(40,000)
5. Actuarial (Gain)/ Loss on the Obligation:	(18,662)	(37,766)
Present Value of defined Benefit Obligation at the end of the year:	1,362,676	1,294,352
b) Change in the Fair Value of Plan Assets during the Year:		
1. Fair Value of Plan Assets at the beginning:	522,017	522,869
2. Expected Return on Plan Assets:	35,347	40,184
3. Employer's Contribution:	34,898	38,004
4. Benefit Paid:	(69,007)	(40,000)
5. Actuarial Gain/(Loss) on the Plan Assets:	(33,927)	(39,040)
Fair Value of Plan Assets as at the end of the year:	489,328	522,017

## YARN SYNDICATE LIMITED - ANNUAL REPORT 2020-21

### Yarn Syndicate Limited

Notes to the financial statements for the year ended 31 March 2021

	For the Year ended 31st March 2021	For the Year ended 31st March 2020
<b>c) Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets</b>		
1. Present Value of Defined Benefit Obligation:	1,362,676	1,294,352
2. Fair Value of Plan Assets:	489,328	522,017
<b>Net Asset/(Liability) recognised in the Balance Sheet:</b>	<b>(873,348)</b>	<b>(772,335)</b>
<b>d) Expenses recognised in the statement of Profit &amp; loss:</b>		
1. Current Service Cost:	65,388	65,193
2. Interest Cost:	90,605	93,438
3. Expected Return on Plan Assets:	(35,347)	(40,184)
4. Net Actuarial (Gain)/Loss recognised in the Period:	15,265	1,274
<b>Expenses recognised in the statement of Profit &amp; loss:</b>	<b>135,911</b>	<b>119,721</b>
<b>e) Actuarial Assumptions:</b>		
1. Discount Rate:	6.90%	7.00%
2. Salary Growth Rate:	6.00%	6.00%
3. Expected rate of return on Plan Assets:	6.90%	7.00%
<b>f) Maturity Profile of the defined benefit obligation :</b>		
1. Amount due within One year (Current Liability):	1,119,441	1,070,986
2. Amount due over One Year (Non Current Liability):	243,235	223,366
<b>Total Expected payments:</b>	<b>1,362,676</b>	<b>1,294,352</b>

### g) Risk Analysis:

Company is exposed to a number of risk in the defined benefit plans. Most significant risk pertaining to defined benefit plans and management's estimation of the impact of these risk's are as follows:

#### i) Interest Risk

A decrease in the interest risk on Plan Assets will increase the plan Liability.

#### ii) Longevity Risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the Mortality of plan participants both during and at the end of the Employment. An increase in the life expectancy of the plan participants will increase plan liability.

#### iii) Salary Growth Risk:

The Present value of the defined benefit plan liability is calculated by reference to the future salaries of Plan participants. An increase in the salary of the plan participants will increase the plan liability.

#### iv) Investment Risk:

The Present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on Government Bonds.

### 26: Segment Reporting

An Operating Segment is component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company is engaged in the business of exporting yarn and fabric and any other activities incidental thereto. Board of Directors are Chief Operating Decision Maker (CODM) of the Company. Further, there are no export sales and hence there is no reportable secondary segment. Accordingly, these financial statements are not reflective of the information required under Ind AS 108.



Yarn Syndicate Limited

Particulars	3. Other Equity											Total Equity attributable to Equity holders
	Equity Share Capital	Reserves and Surplus				Items of OCI			Total Equity attributable to Equity holders			
		Capital Reserve	Securities Premium	Fixed Assets Revaluation	General Reserve	Retained earnings	Debt Instruments	Equity Instruments		Effective portion of	FVTOCI reserve	
As at 1 April 2020	37,500,000	43,750,000	-	-	-	(84,425,525)	-	-	-	-	-	(3,175,525)
Profit for the Period	-	-	-	-	-	(3,463,769)	-	-	-	-	-	(3,463,769)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>37,500,000</b>	<b>43,750,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,639,294)</b>
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	37,500,000	43,750,000	-	-	-	(87,889,294)	-	-	-	-	-	(6,639,294)

## YARN SYNDICATE LIMITED - ANNUAL REPORT 2020-21

### 27 : Related Party Disclosure

#### i) Related Party

a) Key Management Personnel :

Smt. Sheela Patodia - Chairperson & Managing Director

b) Relative of Key Management Personnel :

Sri Rishiraj Patodia - Joint Managing Director  
NIL

c) Enterprise where Key Management Personnel & their relatives exercise significant influence

Y. S Exports Limited

#### ii) Details of transactions made with Related Parties during the year :

Nature of Transaction	Smt. Sheela Patodia		Sri Rishi Raj Patodia		Y S Exports Ltd	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Remuneration Paid						
Loan Taken	713,000	1130000	656,000	678000	-	
Loan Repaid	-	562000	521,000	425500	-	54630
Loan Given	-	0				
Loan Recovered	-	0				
Outstanding						
Loan Taken	2,933,702	2220702	2,903,213	2768213	62,600	62600
Loan Given	-	0			-	0

ii) The above related party information have been disclosed to the extent such parties have been identified by the management on the basis of information available. This has been relied upon by the Auditors.

28. Due to substantial losses incurred during the year and in earlier years, the net worth of the company has been eroded as at the Balance Sheet date. In view of the above and the unfavourable sales orders received from the customers, steps have been taken by the management to get the favourable orders from the customers. Taking the above into consideration, the management of the company believes that the company has the ability to continue its operations as a going concern in the foreseeable future and promoters of the company have agreed to infuse the funds as and when required and accordingly the financial statements for the year ended 31st March 2020 have been prepared on the basis that the Company is a going concern.

29. Management believes that it has taken into account all the factors that can have any possible impact arising from COVID-19 pandemic on the preparation of the financial statements and results including the ability of the Company to continue as a going concern. However, it is not possible to reliably estimate the future financial implications arising from the pandemic situation on the Company's operations as normalcy is yet to return business operations. Further, the impact assessment is a continuing process and evolving given the uncertainties associated with nature and duration of the current situation. The Company will continue to closely monitor any material changes in macro-economic conditions and take appropriate measures as may be required.

# YARN SYNDICATE LIMITED - ANNUAL REPORT 2020-21

## 30 Fair Value measurement

Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Financial assets carried at amortised cost				
(i) Cash and bank balances	518,809	518,809	522,505	522,565
<b>Financial liabilities</b>				
Financial liabilities at amortised cost				
(ii) Borrowings	8,636,488	8,636,488	7,788,488	7,788,488

Note:

The carrying values of financial assets and liabilities represent their approximate fair values.

## 31 Financial instruments

### (i) Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note 30 and 11) offset by cash and bank balances and total equity of the Company.

The Company uses net debt to equity ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the respective financial statements.

### Net debt to equity ratio as at 31st March 2021

Particulars	As at 31st March 21	As at 31st March 20
Short Term Borrowings	8,636,488	7,788,488
Current Debt (i)	8,636,488	7,788,488
Less: Cash & Bank balance	(518,809)	(522,505)
Net Debt (ii)	8,117,679	7,265,983
Total Equity	(5,688,194)	(5,175,515)
Net Debt to Equity Ratio	-142.97%	-142.32%

## 32 Categories of financial instruments

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Financial assets</b>		
Measured at amortised cost:		
(i) Cash and bank balances	518,809	522,565
Measured at FVTDD		
(ii) Investment in equity instruments designated upon initial recognition	-	-
<b>Financial liabilities</b>		
Measured at amortised cost		
(i) Borrowings	7,788,488	7,788,488
Measured at FVTPL		
(ii) Financial liabilities	-	-

## 32 Financial risk management objectives and policies

### Risk management framework

The Company's Board of Directors has overall responsibility for establishing and overseeing the Company's risk management framework. The Board of Directors has established the Risk Management Committee (RMC) which is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and assess the risks that could affect the Company's performance and to limit, control, and monitor the risk exposure to the Company's activities.

The Company's activities expose it to market risk, liquidity risk and credit risk which are measured, monitored and managed to abide by the principles of risk management.

### (i) Credit Risk

Credit risk arises when a customer defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of categorising the customer based on the performance and assigning credit limit, calling of such category is defined. The Company's exposure and categorisation of its customers are continuously monitored. Credit exposure is controlled by customer credit limits which are reviewed and approved.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 398, which permits the use of the lifetime expected loss provision for all trade receivables. There is no change in estimation techniques or significant assumptions during the reporting period.

### (ii) Liquidity Risk

#### Liquidity risk management

The Board of Directors has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### (iii) Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company has no interest bearing liabilities as on the balance sheet date.

### Derivative Financial Instruments

The Company holds no derivative financial instrument as on the reporting date. Hence the company is not exposed to the said risk.

33 : The figures for the previous year have been regrouped/reclassified to correspond with the current year's classification/disclosures that include changes consequent to the issuance of "Guidance Note on Division II - Ind AS Schedule III to the companies Act 2013".

for **S. P Sarda & Co.**

Chartered Accountants

ICAI Firm's Registration No. : 323054E

for and on Behalf of the Board of Directors

Ankit Agarwal

(Partner)

Membership No : 305132

UDIN: 21305132AAAACN3122

Rishiraj Patodia  
(Managing Director)  
DIN:00259104

Sheela Patodia  
(Director)  
DIN:00276269

K.Chhabria  
(Director)  
DIN:00306069

B Biswas  
(Chief Financial Officer)

Place : Kolkata

Date : 30.06.2021

B. C. Chatterji  
(Company Secretary)

Yarn Syndicate Limited

Annexure "A" of Fixed Assets for the year ended 31st March 2021

Particulars	Rate of Depreciation	Opening WDV 01.04.2020	Addition		Deduction	Total	Depreciation for the Year	Closing WDV 31.03.2021
			used for more than 6 months	used for less than 6 months				
Computer	40.00%	194.40	0.00	0.00	0.00	194.40	77.76	116.64
Furniture & Fixtures	10.00%	364,859.00	0.00	0.00	0.00	364,859.00	36,486.00	328,373.00
Office Equipment	15.00%	465,091.00	0.00	0.00	0.00	465,091.00	69,764.00	395,327.00
Vehicles	15.00%	5,567,449.00	0.00	0.00	0.00	5,567,449.00	835,117.00	4,732,332.00
<b>Total</b>		<b>6,397,593.40</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6,397,593.40</b>	<b>941,444.76</b>	<b>5,456,148.64</b>



**YARN SYNDICATE LIMITED**

**Regd. Office: 86/2/4, S N Banerjee Road, 1<sup>st</sup> Floor, Flat No.2, Kolkata-700014**  
 CIN NO: L51109WB1946PLC013842; Phone: 033 22652163; Email id: ysl@yarnsyndicate.in  
 Website: www.yarnsyndicate.in

**Form No. MGT-11  
 PROXY FORM**

*(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)*

Name of the Member(s): .....

Registered address: .....

E-mail ID: .....

Folio No. / DP ID and Client ID: .....

I/We, being the Member(s) of ..... Shares of the above named Company, hereby appoint:

1. Name: .....  
 E-Mail ID: .....  
 Address: .....  
 Signature: .....or failing him/her

2. Name: .....  
 E-Mail ID: .....  
 Address: .....  
 Signature: .....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the **75<sup>th</sup> Annual General Meeting**, to be held on **Tuesday, 23/09/2021 at 11.00 A.M** at the registered office address of the Company at **86/2/4, S N Banerjee Road, 1st Floor, Flat No.2, Kolkata-700014** and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

I/We wish my above proxy(ies) to vote in the manner as indicated in the box below:

Resolution No.	Description	For*	Against*	Abstain*
<b>Ordinary Business</b>	<b>Ordinary Resolution</b>			
1.	Adoption of Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2021, together with the Report of the Board of Directors and the Auditors thereon			
2.	Appointment of Director in place of Mrs. Sheela Patodia (DIN:00276269) who retires by rotation & being eligible offer herself for re-appointment			
<b>Special Business</b>				
3.	<b>Ordinary Resolution</b> Appointment of Ms Neha Amin Merchant (DIN: 07454674) as a Woman Director (Independent & Non Executive) of the Company for a term of five consecutive years			
4.	<b>Special Resolution</b> Re-appointment of Mr. Rishiraj Patodia (DIN: 00259104), as Managing Director of the Company for a term of three years			

Signed this ..... day of .....2021

Affix  
Revenue  
Stamp

.....  
Signature of first proxy holder

.....  
Signature of second proxy holder

.....  
Signature of third proxy holder

\* Please put a (√) in the appropriate column against the resolution as indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Notes:

1. This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
  2. A proxy need not be a Member of the Company.
  3. In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
  4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
  5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
  6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
-

**YARN SYNDICATE LIMITED**

**Regd. Office: 86/2/4, S N Banerjee Road, 1<sup>st</sup> Floor, Flat No.2, Kolkata-700014**  
 CIN NO: L51109WB1946PLC013842; Phone: 033 22652163; Email id: ysl@yarnsyndicate.in  
 Website: www.yarnsyndicate.in

**ATTENDANCE SLIP**

<b>Folio No./DP ID/ Client ID No.</b>	
<b>No. of Shares Held</b>	

I/ We record my /our presence at the 75th Annual General Meeting at the registered office address of the Company at 86/2/4, S N Banerjee Road, 1st Floor, Flat No.2, Kolkata-700014 held on Tuesday, 28/09/2021 at 11.00 A.M

NAME OF THE SHAREHOLDER(S) (in Block Letters)	
SIGNATURE OF THE SHAREHOLDER(S)	
NAME OF THE PROXY (in Block Letters)	
SIGNATURE OF THE PROXY	

<b>ELECTRONIC SEQUENCE (EVSN)</b>	<b>VOTING NUMBER</b>	<b>USER ID</b>	<b>PASSWORD</b>
		AS PER INSTRUCTION SHEET	AS PER INSTRUCTION SHEET

**NOTE:** You are requested to sign and handover this slip at the entrance of the meeting venue.

**ROUTE MAP FOR THE VENUE OF ANNUAL GENERAL MEETING OF YARN SYNDICATE LIMITED**

