

# YARN SYNDICATE LIMITED

CIN: L51109GJ1946PLC153972

Registered Office: & Corporate office: Shop No 128, Supemall-2 GH-0 Circle Infocity, Sector 7,  
Gandhinagar, Gujarat, India, 382007

E-mail: [ysl@yarnsyndicate.in](mailto:ysl@yarnsyndicate.in) Contact No: [+91 70417 66868](tel:+917041766868)

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Date: 6<sup>th</sup> September, 2024

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal St, Kala Ghoda, Fort,  
Mumbai, Maharashtra 400001

Dear Sir / Madam,

**Sub: Submission of Annual Report for the Financial Year 2023-24**

**Ref: Security Id: YARNSYN/ Scrip Code: 514378**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the 78<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 30<sup>th</sup> September, 2024 at 4:00 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Kindly take the same on your record and oblige us.

Thanking You.

**For, Yarn Syndicate Limited**

**Ravi Pandya**  
**Managing Director**  
**DIN: 09509086**

**YARN SYNDICATE LIMITED**  
**78<sup>TH</sup> ANNUAL REPORT**  
**2023-24**

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**Company Information**

<b><u>Board of Directors</u></b>	Mr. Ravi Pandya	Managing Director
	Mr. Chetan Kumar Ojha	Non – Executive Director
	Mr. Nandish Jani	Independent Director
	Ms. Nidhi Bansal	Independent Director
<b><u>Audit Committee</u></b>	Ms. Nidhi Bansal	Chairperson
	Mr. Nandish Jani	Member
	Mr. Ravi Pandya	Member
<b><u>Nomination and Remuneration Committee</u></b>	Ms. Nidhi Bansal	Chairperson
	Mr. Chetan Kumar Ojha	Member
	Mr. Nandish Jani	Member
<b><u>Stakeholders' Relationship Committee</u></b>	Mr. Ravi Pandya	Chairperson
	Mr. Chetan Kumar Ojha	Member
	Ms. Nidhi Bansal	Member
<b><u>Key Managerial Personnel</u></b>	Mr. Ravi Pandya	Managing Director
	Mr. Dharmesh Tripathi	Chief Financial Officer
	Ms. Shwetambery Khurana	Company Secretary
<b><u>Statutory Auditor</u></b>	M/s. S. P. Sarda & Co., Chartered Accountants, Kolkata	
<b><u>Secretarial Auditor</u></b>	M/s. Jay Pandya & Associates, Company Secretaries, Ahmedabad	
<b><u>Share Transfer Agent</u></b>	Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Chennai – 600 002	
<b><u>Registered Office</u></b>	Shop No 128 Supermall-2 GH-0 Circle, Infocity, Gandhinagar – 382 007	
<b><u>Website</u></b>	<a href="http://www.yarnsyndicate.in">www.yarnsyndicate.in</a>	

## **NOTICE OF THE 78<sup>TH</sup> ANNUAL GENERAL MEETING**

**Notice** is hereby given that the 78<sup>th</sup> Annual General Meeting of the Shareholders of **Yarn Syndicate Limited** will be held on Monday, 30<sup>th</sup> September, 2024 at 4:00 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following businesses.

### **ORDINARY BUSINESS:**

1. **To receive, consider and adopt:**
  - a. **The Audited Standalone Financial Statement of the Company for the financial year ended on 31<sup>st</sup> March, 2024 together with and Statement of Profit and Loss together with the notes forming part thereof along with Cash Flow Statement for the financial year ended on that date, and the Reports of the Board of Directors (“The Board”) and the Auditors thereon.**
  - b. **The Audited Consolidated Financial Statement of the Company for the financial year ended on 31<sup>st</sup> March, 2024 and Statement of Profit and Loss Account together with the notes forming part thereof and Cash Flow Statement for the Financial Year ended on that date.**
2. **To appoint Mr. Chetan Kumar Ojha (DIN: 09706197), who retires by rotation and being eligible, offers himself for re-appointment.**

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

**“RESOLVED THAT**, Mr. Chetan Kumar Ojha (DIN: 09706197), who retires by rotation from the Board of Directors pursuant to the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company.”

### **SPECIAL BUSINESS:**

3. **Change of Registered Office of the Company from Gandhinagar in the “State of Gujarat” to Ahmedabad in the “State of Gujarat”**

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

**“RESOLVED THAT**, pursuant to Section 12 and other applicable provisions, if any of the Companies Act, 2013 read with rule 28 of the Companies (Incorporation) Rules, 2014, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, the Registered Office of the Company be shifted from Shop No 128 Supermall-2 GH-0 Circle, Infocity, Gandhinagar, Gujarat, India, 382 007 to 13, S. No - 10, Devraj Estate, Nr. Balaji Petrol Pump, Pirana Road, Piplaj, Ahmedabad – 382 405, Gujarat i.e. outside the local limits of city, town or village but within the same state i.e. within the State of Gujarat.”

**“RESOLVED FURTHER THAT,** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to file necessary forms, documents and writings that may be required on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

**Registered Office:**

Shop No 128 Supermall-2 GH-0 Circle,  
Infocity, Gandhinagar, Gujarat, India,  
382007

**By the Order of the Board of  
Yarn Syndicate Limited**

**Place:** Gandhinagar

**Date:** 6<sup>th</sup> September, 2024

**Sd/-  
Ravi Pandya  
Managing Director  
DIN: 09509086**

### NOTES:

1. The relevant statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ('Act') read with Section 110 of the Act and Rule 22 of the Companies (Management and Administration) Rules, 2014 ('Rules'), each as amended, setting out the material facts relating to the aforesaid Resolutions and the reasons thereof is annexed hereto and forms part of this Notice.
2. The 78<sup>th</sup> Annual General Meeting (AGM) will be held on Monday, 30<sup>th</sup> September, 2024 at 4:00 P.M. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013 read with Ministry of Corporate Affairs' (MCA) General Circular no. 14/2020 dated 8<sup>th</sup> April, 2020, MCA General Circular no. 17/2020 dated 13<sup>th</sup> April, 2020, MCA General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020, MCA General Circular No. 22/2020 dated 15<sup>th</sup> June, 2020, MCA General Circular No. 02/2021 dated 13<sup>th</sup> January, 2021 and Circular No. 02/2022 dated 5<sup>th</sup> May, 2022 and SEBI Circulars dated 12<sup>th</sup> May, 2021 and 15<sup>th</sup> January, 2021, Circular No. 02/2022 dated May 05, 2022 and in compliance with the provisions of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The deemed venue for the 78<sup>th</sup> AGM shall be the Registered Office of the Company.
3. This AGM is being held through VC / OAVM pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.** Members have to attend and participate in the ensuing AGM through VC/OAVM. However, the Body Corporates are entitled to appoint Authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. Members of the Company under the category of 'Institutional Investors' are encouraged to attend and vote at the AGM through VC. Body Corporates whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to Email at [ysl@yarnsyndicate.in](mailto:ysl@yarnsyndicate.in) and / or at [info@accuratesecurities.com](mailto:info@accuratesecurities.com), a certified copy of the Board Resolution / authorization letter authorizing their representative to attend and vote on their behalf at AGM through E-voting.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. 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) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 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 agency. The facility of casting votes by a member using

remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, 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) and Company Website i.e. [www.yarnsyndicate.in](http://www.yarnsyndicate.in) respectively and the AGM Notice is also available on the website of NSDL agency for providing the Remote e-Voting facility i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
10. The Board of Directors has appointed Mr. Gaurav Bachani (Membership No: 61110 ACS, CP No: 22830), Ahmedabad, Practicing Company Secretary, as the Scrutinizer to scrutinize the remote voting and e-voting process in fair and transparent manner.
11. The Scrutinizer will submit his consolidated report to the Chairman, or any other person authorised by him, after completion of scrutiny of the votes cast, and the result of the voting will be announced by the Chairman or any other person authorized by him. The Scrutinizer's decision on the validity of votes cast will be final.
12. The Results declared along with the Scrutinizer's Report shall be communicated to the Stock Exchange, where the equity shares of the Company are listed viz. BSE Limited and be made available on its website viz. [www.bseindia.com](http://www.bseindia.com).
13. **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

In compliance with the MCA Circulars and SEBI Circular No SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will be available on website of the Stock Exchange, i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com), Company Website i.e. [www.yarnsyndicate.in](http://www.yarnsyndicate.in) and on the website of NSDL at <https://www.evoting.nsdl.com/>. **Annual Report will not be sent in physical form.**
14. Members of the Company holding shares, either in physical form or in Dematerialized form, as on 30<sup>th</sup> August, 2024 will receive Annual Report for the financial year 2023-24 through electronic mode only.
15. The Register of Members and Share Transfer Books will remain closed from 23<sup>rd</sup> September, 2024 to 30<sup>th</sup> September, 2024 (both days inclusive) for the purpose of Annual General Meeting (AGM).
16. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, ECS mandate, nomination, power of attorney, change of address, change in name, etc., to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA) at its following address: Cameo Corporate Services Limited, Subramanian Building, 1 Club House Road, Chennai, Tamil Nadu – 600 002. Email id: [cameo@cameoindia.com](mailto:cameo@cameoindia.com).



17. In terms of the provisions of Section 152 of the Act, Mr. Chetan Kumar Ojha (DIN: 09706197), Director of the Company, who retires by rotation at this Annual General Meeting. Nomination and Remuneration Committee and the Board of Directors of the Company re-commend his re-appointment.

Mr. Chetan Kumar Ojha is interested in the Ordinary Resolutions set out at Item No. 2, of the Notice with regard to his re-appointment. The other relatives of Mr. Chetan Kumar Ojha being shareholders of the Company may be deemed to be interested in the resolutions set out at Item No. 2 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item No. 2 of the Notice.

18. 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 the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company/RTA.
19. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation/variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.
20. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred/traded only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialize.
21. Members are requested to quote their Folio No. or DP ID/Client ID, in case shares are in physical/dematerialized form, as the case may be, in all correspondence with the Company/Registrar and Share Transfer Agent.
22. Details of Directors retiring by rotation/seeking appointment/re-appointment at this Meeting are provided in the "Annexure" to the Notice as per Regulation 26(4) and 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India.
23. As the AGM is to be held through VC/OAVM, Members seeking any information with regard to the accounts or any documents, are requested to write to the Company at least 10 days before the date of AGM through email on [yssl@yarnsyndicate.in](mailto:yssl@yarnsyndicate.in) and/or at [info@accuratesecurities.com](mailto:info@accuratesecurities.com). The same will be replied/made available by the Company suitably.
24. The business set out in the Notice of AGM will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
25. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
26. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

27. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
28. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
29. The Company has set 23<sup>rd</sup> September, 2024 as the "Cut-off Date" for taking record of the shareholders of the Company who will be eligible for casting their vote on the resolution to be passed in the ensuing 78<sup>th</sup> Annual General Meeting', for both E- Voting.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Friday, 27<sup>th</sup> September, 2024 at 9:00 A.M. and ends on Sunday, 29<sup>th</sup> September, 2024 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, 23<sup>rd</sup> September, 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, 23<sup>rd</sup> September, 2024.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>“Beneficial Owner”</b> icon under “Login” which is available under <b>“IDeAS”</b> 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 options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting 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.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.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.nsdl.com/">https://www.evoting.nsdl.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 digits demat account number held 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 options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their 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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</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 link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful</li> </ol>

	authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once 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 options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**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. NSDL and CDSL.**

Login type	Helpdesk details
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
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 or 022 – 2305 8542-43

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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. Password details for shareholders other than Individual shareholders 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 email 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 etc.
  - 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, tick 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.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and who’s voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional 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 [csgauravbachani@gmail.com](mailto:csgauravbachani@gmail.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 the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. 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 [ysl@yarnsyndicate.in](mailto:ysl@yarnsyndicate.in).
2. 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 ([ysl@yarnsyndicate.in](mailto:ysl@yarnsyndicate.in)). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [yssl@yarnsyndicate.in](mailto:yssl@yarnsyndicate.in). The same will be replied by the company suitably.

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013**

**Item No. 3:**

The Board of Directors in their meeting held on 6<sup>th</sup> September, 2024 has proposed to shift the registered office of the Company. The Board of Directors feels that opportunities for expansion of Business are more in Surat. Further, the Company can be more conveniently operated from the city of Ahmedabad. Pursuant to Section 12 and other applicable provisions, if any of the Companies Act, 2013 read with rule 28 of the Companies (Incorporation) Rules, 2014, the Shifting of Registered office of the Company outside the local limits of city, town or village but within the same state requires approval of Members of the Company by way of Special Resolution passed at General Meeting.

The Board of Directors has decided to shift the registered office of the Company from Shop No 128 Supermall-2 GH-0 Circle, Infocity, Gandhinagar, Gujarat, India, 382 007 to 13, S. No - 10, Devraj Estate, Nr. Balaji Petrol Pump, Pirana Road, Piplaj, Ahmedabad – 382 405, Gujarat, which is outside the local limits of city, town or village but within the same state. Such a change would enable the Directors to operate the Company more effectively and efficiently and also result in operational convenience.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 3 of the accompanying Notice for the approval of the members.

**Registered Office:**

Shop No 128 Supermall-2 GH-0 Circle,  
Infocity, Gandhinagar, Gujarat, India,  
382007

**By the Order of the Board of  
Yarn Syndicate Limited**

**Place:** Gandhinagar

**Date:** 6<sup>th</sup> September, 2024

**Sd/-  
Ravi Pandya  
Managing Director  
DIN: 09509086**



### ANNEXURE

Relevant details as stipulated under Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India, in respect of directors seeking appointment / reappointment as director under Resolution No. 2 is as under:

<b>Name of the Director</b>	<b>Mr. Chetan Kumar Ojha (DIN: 09706197)</b>
Date of Birth	21/07/1984
Date of first Appointment on the Board	11/09/2023
Qualifications	Mr. Chetan Kumar Ojha has completed B.A. and MBA. Also has completed PG Diploma in Business Administration Program.
Experience/Brief Resume/Nature of expertise in specific functional areas	Mr. Chetan Kumar Ojha has experience of over & above 14 years in the field of Business Development.
Terms and Conditions of Appointment along with remuneration sought to be paid	N.A.
Remuneration last drawn by such person, if any	-
No. of Shares held in the Company as on 31 <sup>st</sup> March, 2024	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company/ Disclosure of relationships between directors inter-se	N.A.
Number of Meetings of the Board attended during the year	16
Directorship / Designated Partner in other Companies / LLPs	Stitched Textiles Limited
Chairman/Member of the Committees of Board of other Companies/ Names of listed entities in which the person also holds the directorship and the membership of the Committees of the board	Member in Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of Stitched Textiles Limited

## DIRECTOR'S REPORT

To,  
The Members,  
**Yarn Syndicate Limited**

Your Directors hereby present the 78<sup>th</sup> Board's Report on the Business and Operations of the Company together with the Audited Financial Statements along with the Auditor's Report for the Financial Year ended on 31<sup>st</sup> March, 2024.

### 1. FINANCIAL RESULTS:

The financial performance of the Company for the Financial Year ended on 31<sup>st</sup> March, 2024 is summarized as below:

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations	247.62	0.00	390.32	0.00
Other Income	3.91	2.94	108.58	2.94
<b>Total Income</b>	<b>251.53</b>	<b>2.94</b>	<b>498.90</b>	<b>2.94</b>
<b>Total Expenses</b>	<b>243.44</b>	<b>19.00</b>	<b>358.66</b>	<b>19.00</b>
<b>Profit / Loss before Exceptional and Extra Ordinary Items and Tax Expenses</b>	<b>8.09</b>	<b>(16.07)</b>	<b>140.25</b>	<b>(16.07)</b>
Less: Exceptional and Extra Ordinary Items	0.00	0.00	0.00	0.00
<b>Profit / Loss before Tax Expenses</b>	<b>8.09</b>	<b>(16.07)</b>	<b>140.25</b>	<b>(16.07)</b>
Less: Current Tax	0.00	0.00	0.00	0.00
Deferred Tax	0.00	0.00	0.00	0.00
<b>Profit / Loss for the Period</b>	<b>8.09</b>	<b>(16.07)</b>	<b>140.25</b>	<b>(16.07)</b>
<b>Earnings Per Share (EPS)</b>				
<b>Basis</b>	<b>0.10</b>	<b>(0.43)</b>	<b>1.70</b>	<b>(0.43)</b>
<b>Diluted</b>	<b>0.20</b>	<b>(0.43)</b>	<b>0.04</b>	<b>(0.43)</b>

### 2. OPERATIONS:

- **Standalone:**

The total revenue from operations for Financial Year 2023-24 is Rs. 251.53 Lakhs as compared to total revenue from operations of Rs. 2.94 Lakhs for previous Financial Year. The Company has incurred Profit before tax for the Financial Year 2023-24 of Rs. 8.09 as compared to Loss before tax of Rs. 16.07 Lakhs for previous Financial Year. The Net Profit after tax for the Financial Year 2023-24 is Rs. 8.09 as compared to Net Loss after tax Rs. 16.07 Lakhs as compared for previous Financial Year. The Directors are continuously looking for the new avenues for future growth of the Company and expect more growth in the future period.

- **Consolidated:**

The total revenue from operations for Financial Year 2023-24 is Rs. 498.90 Lakhs as compared to total revenue from operations of Rs. 2.94 Lakhs for previous Financial Year. The Company has incurred Profit before tax for the Financial Year 2023-24 of Rs. 140.25 Lakhs as compared to Loss before tax of Rs. 16.07 Lakhs for previous Financial Year. The

Net Profit after tax for the Financial Year 2023-24 is Rs. 140.25 Lakhs as compared to Net Loss after tax of Rs. 16.07 Lakhs for previous Financial Year. The Directors are continuously looking for the new avenues for future growth of the Company and expect more growth in the future period.

### **3. CHANGE IN NATURE OF BUSINESS, IF ANY:**

There is no change in the nature of business during the year under review.

### **4. WEBLINK OF ANNUAL RETURN:**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the Company's website at [www.yarnsyndicate.in](http://www.yarnsyndicate.in).

### **5. SHARE CAPITAL:**

#### **A. AUTHORISED SHARE CAPITAL:-**

During the year under review, at the Extra Ordinary General Meeting of the Company held on 5<sup>th</sup> January, 2024, the Authorised Equity Share Capital of the Company is increased from Rs. 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 22,00,00,000/- (Rupees Twenty Two Crores Only) divided into 2,20,00,000 (Two Crores Twenty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only).

#### **B. PAID-UP SHARE CAPITAL:-**

During the year under review, Company has issued 1,80,00,000 shares on Right Issue basis on 27<sup>th</sup> February, 2024. The paid-up Equity share capital of the Company as on 31<sup>st</sup> March, 2024 is Rs. 21,75,00,000/- (Rupees Twenty One Crores Seventy Five Lakhs Only) divided into 2,17,50,000 (Two Crores Seventeen Lakhs Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten Only).

### **6. DIVIDEND:**

In view of losses, your directors do not recommend any dividend for the Financial Year 2023-24 (Previous year - Nil).

### **7. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

Pursuant to Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund ("IEPF"). During the year under review, there was no unpaid or unclaimed dividend in the "Unpaid Dividend Account" lying for a period of seven years from the date of transfer of such unpaid dividend to the said account. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund.

### **8. TRANSFER TO RESERVES:**

The profit of the Company for the Financial Year ending on 31<sup>st</sup> March, 2024 is transferred to profit and loss account of the Company under Reserves and Surplus.

### **9. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF**

## **THE REPORT:**

Company has changed its Registered Address from one state to another state outside the jurisdiction of the existing ROC. Registered Address of the Company is changed from 86/2/4, S N Banerjee Road, 1<sup>st</sup> Floor, Flat No. 2, Na, Kolkata, West Bengal, India, 700014 to Shop No. 128, Supermall-2, GH-0 Circle, Infocity, Gandhi Nagar, Gujarat, 382007, w.e.f. 24<sup>th</sup> May, 2024.

## **10. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation.

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

The Directors of the Company met at regular intervals at least once in a quarter with the gap between two meetings not exceeding 120 days to take a view of the Company's policies and strategies apart from the Board Matters.

During the year under the review, the Board of Directors met 16 (Sixteen) times viz. 12<sup>th</sup> May, 2023, 31<sup>st</sup> May, 2023, 7<sup>th</sup> July, 2023, 31<sup>st</sup> July, 2023, 11<sup>th</sup> August, 2023, 31<sup>st</sup> August, 2023, 9<sup>th</sup> September, 2023, 11<sup>th</sup> September, 2023, 29<sup>th</sup> September, 2023, 4<sup>th</sup> November, 2023, 13<sup>th</sup> December, 2023, 6<sup>th</sup> January, 2024, 23<sup>rd</sup> January, 2024, 25<sup>th</sup> January, 2024, 6<sup>th</sup> February, 2024 and 27<sup>th</sup> February, 2024.

## **12. DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134 (3)(c) and Section 134(5) of the Companies Act, 2013, to the best of their knowledge and belief the Board of Directors hereby submit that:

- a. In the preparation of the Annual Accounts, for the year ended on 31<sup>st</sup> March, 2024 the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departure from the same;
- b. 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 financial year and of the profit of the Company for the financial year ended on 31<sup>st</sup> March, 2024.
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the Annual Accounts on a going concern basis;
- e. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **13. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The provisions of section 135 of the Companies Act, 2013 is not applicable to your Company as the Company does not fall under the criteria limits mentioned in the said section of the Act.

Hence, the Company has not taken voluntary initiative towards any activity mentioned for Corporate Social Responsibility.

## **14. EXPLANATIONS / COMMENTS BY THE BOARD ON EVERY QUALIFICATION,**

## **RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:**

### **i. Auditors' Report:**

The observations of the Statutory Auditor, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

### **ii. Secretarial Auditor's Report:**

The observation of the Secretarial Auditor, as per Secretarial Report i.e. MR-3 and do not call for any further comment.

## **15. PARTICULARS OF LOANS, GUARANTEES, SECURITIES COVERED OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The details of loans, investment, guarantees and securities covered under the provisions of section 186 of the Companies Act, 2013 are provided in the financial statement.

## **16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

All transactions to be entered by the Company with related parties will be in the ordinary -Course of business and on an arm's length basis. However, Hence, Disclosure as required under Section 188 of the Companies Act, 2013 is already mentioned in the Audit Report of the Company

## **17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report as required under Regulation 34 and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report, and provides the Company's current working and future outlook as per **Annexure - 1**.

## **18. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has in place adequate internal financial controls with reference to financial statement across the organization. The same is subject to review periodically by the internal audit cell for its effectiveness. During the financial year, such controls were tested and no reportable material weaknesses in the design or operations were observed. The Statutory Auditors of the Company also test the effectiveness of Internal Financial Controls in accordance with the requisite standards prescribed by ICAI. Their expressed opinion forms part of the Independent Auditor's report.

Internal Financial Controls are an integrated part of the risk management process, addressing financial and financial reporting risks. The internal financial controls have been documented, digitized and embedded in the business processes.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

During the year, no reportable material weakness was observed.

## **19. RESERVES & SURPLUS:**

<b>(Amount in Lakhs)</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount</b>

1.	Balance at the beginning of the year	(42.13)
2.	Current Year's Profit / (Loss)	8.09
3.	Issue of Right Issue	2,430.0
4.	Other	(21.17)
	<b>Total</b>	<b>2374.79</b>

## **20. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF THE RISK MANAGEMENT POLICY OF THE COMPANY:**

The Company has framed formal Risk Management framework for risk assessment and risk minimization for Indian operation which is periodically reviewed by the Board of Directors to ensure smooth operations and effective management control. The Audit Committee also reviews the adequacy of the risk management frame work of the Company, the key risks associated with the business and measures and steps in place to minimize the same.

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

The details of conservation of energy, technology absorption etc. as required to be given under section 134(3)(m) of the Companies Act 2013 read with the Companies (Accounts) Rules, 2014, is not given as the Company has not taken any major step to conserve the energy etc.

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

<b>Sr. No.</b>	<b>Foreign exchange earnings and outgo</b>	<b>F.Y. 2023-24</b>	<b>F.Y. 2022-23</b>
1.	Foreign exchange earnings	Nil	Nil
2.	CIF value of imports	Nil	Nil
3.	Expenditure in foreign currency	Nil	Nil
4.	Value of Imported and indigenous Raw Materials, Spare-parts and Components Consumption	Nil	Nil

## **22. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION:**

The Remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice and is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. The Company has made adequate disclosures to the members on the remuneration paid to Directors from time to time. The Company's Policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178 (3) of the Act is available on the website of the Company at [www.yarnsyndicate.in](http://www.yarnsyndicate.in).

## **23. DISCLOSURES RELATING TO HOLDING, SUBSIDIARY, ASSOCIATE COMPANY AND JOINT VENTURES:**

During the year under review, Company has one Subsidiary Company i.e. M/s. Stitched Textiles Limited.

Further M/s. Stitched Textiles Limited has raised funds by way of Right Issue on 8<sup>th</sup> June, 2024, therefore holding of M/s. Yarn Syndicate Limited has reduced from 50.82% to 49.82%. Therefore, due to this reduction M/s. Stitched Textiles Limited is not subsidiary company w.e.f. 8<sup>th</sup> June, 2024.

## **24. SECRETARIAL STANDARDS:**

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI). The Company has devised proper systems to ensure compliance with its provisions and is in compliance with the same.

## **25. REPORTING OF FRAUDS BY THE AUDITORS:**

During the year under review, neither the Statutory nor the Secretarial Auditors has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

## **26. STATE OF COMPANY'S AFFAIRS:**

Management Discussion and Analysis Report for the year under review, as stipulated in Regulation 34(2)(e) of SEBI Listing Regulations is given as a separate part of the Annual Report. It contains a detailed write up and explanation about the performance of the Company.

## **27. STATEMENT ON ANNUAL EVALUATION OF BOARD'S PERFORMANCE:**

The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors, pursuant to the provisions of the Act and SEBI Listing Regulations. The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition, and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board / Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Chairman of the Board had one-on-one meetings with each Independent Director and the Chairman of the Nomination and Remuneration Committee had one-on-one meetings with each Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, the Board as a whole, and the Chairman of the Company was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

The Nomination and Remuneration Committee reviewed the performance of the individual directors and the Board as a whole.

In the Board meeting that followed the meeting of the independent directors and the meeting of Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was discussed.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management, and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and fiduciary duties.

The Board carried out an annual performance evaluation of its own performance and that of its committees and individual directors as per the formal mechanism for such evaluation adopted by the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee.

The performance evaluation of the Chairman, the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The exercise of performance evaluation was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board by way of individual feedback from directors.

The evaluation frameworks were the following key areas:

a) For Non-Executive & Independent Directors:

- Knowledge
- Professional Conduct
- Comply Secretarial Standard issued by ICSI Duties
- Role and functions

b) For Executive Directors:

- Performance as leader
- Evaluating Business Opportunity and analysis of Risk Reward Scenarios
- Key set investment goal
- Professional conduct and integrity
- Sharing of information with Board.
- Adherence applicable government law

The Directors expressed their satisfaction with the evaluation process.

## **28. MANAGING THE RISKS OF FRAUD, CORRUPTION AND UNETHICAL BUSINESS PRACTICES:**

### **A. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has established vigil mechanism and framed whistle blower policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy.



## B. BUSINESS CONDUCT POLICY:

The Company has framed "Business Conduct Policy". Every employee is required to review and sign the policy at the time of joining and an undertaking shall be given for adherence to the policy. The objective of the policy is to conduct the business in an honest, transparent and in an ethical manner. The policy provides for anti-bribery and avoidance of other corruption practices by the employees of the Company.

## 29. PARTICULARS OF EMPLOYEES:

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as none of the Employees of the Company has received remuneration above the limits specified in the Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 during the financial year 2023-24.

## 30. LOAN FROM DIRECTOR / RELATIVE OF DIRECTOR:

During the year under review, the Company has not entered into any materially significant related party transactions which may have potential conflict with the interest of the Company at large. Suitable disclosures as required are provided in AS-18 which is forming the part of the notes to financial statement.

## 31. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Directors and Key Managerial Personnel of the Company are summarized below:

Sr. No.	Name	Designation	DIN
1.	Mr. Rishiraj Patodia <sup>1</sup>	Managing Director	00259104
2.	Ms. Sheela Patodia <sup>1</sup>	Non-Executive Director	00276269
3.	Mr. Ravi Pandya <sup>2</sup>	Non-Executive Director	09509086
4.	Mr. Nandish Jani	Non - Executive and Independent Director	09565657
5.	Ms. Nidhi Bansal <sup>2</sup>	Non - Executive and Independent Director	09693120
6.	Ms. Neha Merchant <sup>3</sup>	Non - Executive and Independent Director	07454674
7.	Mr. Sourav Bhattacharjee <sup>3</sup>	Non - Executive and Independent Director	07833611
8.	Ms. Priya Singh <sup>7</sup>	Company Secretary	DIIPS1746G
9.	Mr. Bikash Chatterji <sup>4</sup>	Company Secretary	ABVPC9048E
10.	Mr. Bhagirath Biswas <sup>4</sup>	Chief Financial Officer	ALLPB0547K
11.	Mr. Namichand Agrawal <sup>5</sup>	Non-Executive Director	01541641
12.	Mr. Chetan Kumar Ojha <sup>6</sup>	Non-Executive Director	09706197
13.	Dharmesh Vimalkumar Tripathi	Chief Financial Officer	ANYPS5113P
14.	Ms. Shwetambery Khurana <sup>8</sup>	Company Secretary	BFXPK9276D

<sup>1</sup> Mr. Rishiraj Patodia as a Managing Director and Ms. Sheela Patodia as a Non-Executive Director had given resignation from their post w.e.f. 6<sup>th</sup> July, 2023.

<sup>2</sup> Ms. Nidhi Bansal had been appointed as an Independent Director and Mr. Ravi Pandya had been appointed as a Non-Executive Director of the Company w.e.f. 12<sup>th</sup> May, 2023.

<sup>3</sup> Ms. Neha Merchant and Mr. Sourav Bhattacharjee had given resignation as Independent Directors w.e.f. 12<sup>th</sup> May, 2023.

<sup>4</sup> Mr. Bikash Chatterji had given resignation from the post of Company Secretary & Compliance officer and Mr. Bhagirath Chatterji had given resignation from the post of Chief Financial Officer w.e.f. 31<sup>st</sup> May, 2023.

<sup>5</sup> Mr. Namichand Agrawal was appointed as a Non-Executive Director w.e.f. 7<sup>th</sup> July, 2023.

<sup>6</sup> Mr. Chetan Kumar Ojha is appointed as Non-Executive Director of the Company w.e.f. 11<sup>th</sup> September, 2023.

7. Ms. Priya Singh was appointed as Company Secretary of the Company w.e.f. 31<sup>st</sup> August, 2024 and has resigned from the post of the Company w.e.f. 1<sup>st</sup> May, 2024.

8. Ms. Shwetambery Khurana was appointed as Company Secretary of the Company w.e.f. 18<sup>th</sup> July, 2024.

Apart from the above changes, there were no other changes in the composition of the Board of Directors of the Company during the Financial Year 2023-24 and till the date of Board's Report.

As per Companies Act, 2013, the Independent Directors are not liable to retire by rotation.

### **32. DECLARATION BY INDEPENDENT DIRECTORS:**

Mr. Nandish Jani and Ms. Nidhi Bansal, Independent Directors of the Company have confirmed to the Board that they meet the criteria of Independence as specified under Section 149 (6) of the Companies Act, 2013 and they qualify to be Independent Director. They have also confirmed that they meet the requirements of Independent Director as mentioned under Regulation 16 (1) (b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The confirmations were noted by the Board.

### **33. CORPORATE GOVERNANCE:**

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance, and a certificate regarding compliance with the conditions of Corporate Governance are appended to the Annual Report as Annexure - 2.

### **34. DEPOSITS:**

As per Section 73 of the Companies Act, 2013, the Company has neither accepted nor renewed any deposits during the financial year. Hence, the Company has not defaulted in repayment of deposits or payment of interest during the financial year.

### **35. FORMAL ANNUAL EVALUATION PROCESS BY BOARD:**

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder, the Board has carried the evaluation of its own performance, performance of Individual Directors, Board Committees, including the Chairman of the Board on the basis of attendance, contribution towards development of the Business and various other criteria as recommended by the Nomination and Remuneration Committee of the Company. The evaluation of the working of the Board, its committees, experience and expertise, performance of specific duties and obligations etc. were carried out. The Directors expressed their satisfaction with the evaluation process and outcome.

In a separate meeting of Independent Directors, the performances of Executive and Non - Executive Directors were evaluated in terms of their contribution towards the growth and development of the Company. The achievements of the targeted goals and the achievements of the expansion plans were too observed and evaluated, the outcome of which was satisfactory for all the Directors of the Company.

### **36. AUDITORS:**

#### **A. Statutory Auditor:**

M/s. S. P. Sarda & Co., Chartered Accountants, Kolkata, West Bengal (Firm Registration No. 323054E), were appointed as the Statutory Auditors of the Company for the period of 5 (Five) consecutive years from the conclusion of 76<sup>th</sup> Annual General Meeting held in the year 2022 till the conclusion of 81<sup>st</sup> Annual General Meeting of the Company to be held in

the year 2027.

The Auditor's report for the Financial Year ended 31<sup>st</sup> March, 2024 has been issued with an unmodified opinion, by the Statutory Auditor.

**B. Secretarial Auditor:**

The Board of Directors pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has appointed Mr. Jay Pandya, Proprietor of M/s. Jay Pandya & Associates, Company Secretaries, as a Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2023-24.

The Secretarial Audit Report for the Financial Year 2023-24 is annexed herewith as **Annexure - 3** in Form MR-3. There are no adverse observations in the Secretarial Audit Report which call for explanation.

**C. Internal Auditor:**

The Board of directors has appointed M/s. Umesh Khese & Co., Chartered Accountants, as the internal auditor of the Company. The Internal Auditor conducts the internal audit of the functions and operations of the Company and reports to the Audit Committee and Board from time to time.

**37. DISCLOSURES:**

**A. Composition of Audit Committee:**

During the year under review, meetings of members of the Audit committee as tabulated below, was held on 12<sup>th</sup> May, 2023, 11<sup>th</sup> August, 2023, 9<sup>th</sup> September, 2023, 29<sup>th</sup> September, 2023, 4<sup>th</sup> November, 2023, 23<sup>rd</sup> January, 2024, 6<sup>th</sup> February, 2024 and 27<sup>th</sup> February, 2024 the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Ms. Nidhi Bansal <sup>1</sup>	Chairperson	7	7
Mr. Sourav Bhattacharjee <sup>2</sup>	Member	1	1
Ms. Neha Merchant <sup>2</sup>	Member	1	1
Mr. Rishiraj Patodia <sup>3</sup>	Member	1	1
Mr. Nandish Jani	Member	8	8
Mr. Ravi Pandya <sup>1</sup>	Member	7	7

<sup>1</sup>. Ms. Nidhi Bansal had been appointed as the Chairperson and Mr. Ravi Pandya as a Member of Audit Committee w.e.f. 12<sup>th</sup> May, 2023.

<sup>2</sup>. Mr. Sourav Bhattacharjee and Ms. Neha Merchant had given resignation from the post of Member of Audit Committee w.e.f. 12<sup>th</sup> May, 2023.

<sup>3</sup>. Mr. Rishiraj Patodia had given resignation from the post of Member of Audit Committee w.e.f. 6<sup>th</sup> July, 2023.

**B. Composition of Nomination and Remuneration Committee:**

During the year under review, meetings of the members of the Nomination and Remuneration committee, as tabulated below, was held on 12<sup>th</sup> May, 2023, 31<sup>st</sup> May, 2023, 7<sup>th</sup> July, 2023, 31<sup>st</sup> July, 2023, 31<sup>st</sup> August, 2023, 9<sup>th</sup> September, 2023, 11<sup>th</sup> September, 2023, 29<sup>th</sup> September, 2023 and 13<sup>th</sup> December, 2023 and the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Ms. Nidhi Bansal <sup>2</sup>	Chairperson	7	7
Mr. Sourav Bhattacharjee <sup>1</sup>	Member	1	1
Ms. Neha Merchant <sup>1</sup>	Member	1	1
Mr. Nandish Jani	Member	9	9
Mr. Namichand Agrawal <sup>3</sup>	Member	7	7
Mr. Chetan Kumar Ojha <sup>4</sup>	Member	2	2

<sup>1</sup> Mr. Sourav Bhattacharjee and Ms. Neha Merchant had given resignation from the post of Member of the Nomination and Remuneration committee w.e.f. 12<sup>th</sup> May, 2023.

<sup>2</sup> Ms. Nidhi Bansal had been appointed as the Chairperson of the Nomination and Remuneration committee w.e.f. 12<sup>th</sup> May, 2023.

<sup>3</sup> Mr. Namichand Agrawal had been appointed as a Member of the Nomination and Remuneration committee w.e.f. 7<sup>th</sup> July, 2023 and has resigned as a member of the Nomination and Remuneration committee w.e.f. 29<sup>th</sup> September, 2023.

<sup>4</sup> Mr. Chetan Kumar Ojha had been appointed as a Member of the Nomination and Remuneration committee w.e.f. 11<sup>th</sup> September, 2023.

### C. Composition of Stakeholders' Relationship Committee:

During the year under review, meetings of members of Stakeholders' Relationship committee as tabulated below, was held on 13<sup>th</sup> December, 2023, 23<sup>rd</sup> January, 2024 and 21<sup>st</sup> February, 2024 and the attendance records of the members of the Committee are as follows:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Mr. Ravi Pandya <sup>2</sup>	Member	3	3
Mr. Sourav Bhattacharjee <sup>1</sup>	Member	NA	NA
Ms. Neha Merchant <sup>1</sup>	Member	NA	NA
Mr. Rishiraj Patodia <sup>3</sup>	Member	NA	NA
Mr. Chetan Kumar Ojha <sup>5</sup>	Chairperson	3	3
Mr. Namichand Agrawal <sup>4</sup>	Member	NA	NA
Ms. Nidhi Bansal <sup>2</sup>	Member	3	3

<sup>1</sup> Mr. Sourav Bhattacharjee and Ms. Neha Merchant had given resignation from the post of Member of the Stakeholders' Relationship Committee w.e.f. 12<sup>th</sup> May, 2023.

<sup>2</sup> Mr. Ravi Pandya as Chairman and Ms. Nidhi Bansal had been appointed as a Member of the Stakeholders' Relationship Committee w.e.f. 31<sup>st</sup> July, 2023 and 11<sup>th</sup> September, 2023.

<sup>3</sup> Mr. Rishiraj Patodia had given resignation from the post of Member of the Stakeholders' Relationship Committee w.e.f. 6<sup>th</sup> July, 2023.

<sup>4</sup> Mr. Namichand Agrawal had been appointed as a Member of the Stakeholders' Relationship Committee w.e.f. 7<sup>th</sup> July, 2023 and has resigned as a member of the Stakeholders' Relationship committee w.e.f. 29<sup>th</sup> September, 2023.

<sup>5</sup> Mr. Chetan Kumar Ojha had been appointed as a Member of the Stakeholders' Relationship Committee w.e.f. 11<sup>th</sup> September, 2023.

### 38. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has always been committed to provide a safe and conducive work environment to its employees. Your Directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as confirmed by the Internal Complaints Committee as constituted by the Company.

### **39. INDUSTRIAL RELATIONS:**

The Directors are pleased to report that the relations between the employees and the management continued to remain cordial during the year under review.

### **40. MAINTENANCE OF COST RECORDS:**

According to information and explanation given to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act in respect of activities carried out by the Company.

### **41. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:**

During the year under review, there were no applications made or proceedings pending in the name of the Company under the Insolvency and Bankruptcy Code 2016.

### **42. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE AVAILING LOAN FROM THE BANKS AND FINANCIAL INSTITUTIONS:**

During the year under review, there has been no one time settlement of Loans taken from Banks and Financial Institutions.

### **43. ACKNOWLEDGEMENTS:**

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from the Bankers, Regulatory Bodies, Stakeholders including Financial Institutions, Suppliers, Customers and other business associates who have extended their valuable sustained support and encouragement during the year under review.

Your Directors take this opportunity to recognize and place on record their gratitude and appreciation for the commitment displayed by all executives, officers and staff at all levels of the Company. We look forward for the continued support of every stakeholder in the future.

#### **Registered Office:**

Shop No 128 Supermall-2 GH-0  
Circle, Infocity, Gandhinagar, Gujarat,  
India, 382007

**By the Order of the Board of  
Yarn Syndicate Limited**

**Place:** Gandhinagar

**Date:** 6<sup>th</sup> September, 2024

**Sd/-  
Chetan Kumar Ojha  
Director  
DIN: 09706197**

**Sd/-  
Ravi Pandya  
Managing Director  
DIN: 09509086**

## ANNEXURE 1

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### **A. Overview of the Global Economy:**

The global yarn industry has been experiencing steady growth over the years. According to industry reports, the global yarn market was valued at around \$11 billion in 2020 and is projected to reach approximately \$14 billion by 2025, growing at a compound annual growth rate (CAGR) of around 4% during the forecast period. Asia-Pacific dominates the global yarn industry, accounting for the largest market share. Countries like China, India, and Bangladesh are major producers and exporters of yarn. The region's dominance can be attributed to its low labor costs, abundant raw material availability, and significant textile manufacturing capacity. Other significant yarn-producing regions include North America, Europe, and South America. The yarn industry faces challenges such as intense competition, price volatility of raw materials, rising labor costs, and stringent regulatory standards related to environmental compliance. Additionally, the COVID-19 pandemic has disrupted global supply chains and had a significant impact on the industry, leading to reduced demand and production slowdowns.

#### **B. Overview of the Indian Economy:**

The domestic trading market for yarn is a significant sector for our company. It involves exporting yarn products manufactured in our facilities to various domestic trading partners. This market plays a crucial role in our revenue generation and overall growth strategy. The domestic market for yarn trading offers several advantages for our business. Firstly, it allows us to leverage our existing manufacturing capabilities and infrastructure, ensuring efficient production and supply chain management. Additionally, the domestic market provides proximity, enabling shorter lead times and reduced transportation costs. Furthermore, by targeting domestic traders, we can tap into the growing demand for high-quality yarn products within our country, which has witnessed a surge in textile manufacturing.

#### **C. Outlook:**

During the reporting period, our export of yarn to the domestic trading market witnessed positive growth. We experienced an increase in sales volume, leading to a rise in revenue from this segment. The steady demand for quality yarn products in the domestic market contributed to our success.

#### **D. Industry structure and development:**

India is the world's second-largest producer of textiles and garments. It is also the fifth-largest exporter of textiles spanning apparel, home and technical products. The textiles and apparel industry contribute 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The sector employs around 40 Million workers. The size of India's textile market stood at US\$ 223 Billion in 2021, growing at a CAGR of 10.23% over 2016. Indian

textile players have undertaken various initiatives to boost textile sales viz. investment to expand production capacity, using technology to optimize the value chain, leveraging strategic partnerships and strengthen sustainable textiles business. Textile industry has been steadily recovering post pandemic amid increased raw material prices and container shortages.

Under Union Budget 2022-23, the total allocation for the textile sector was 12,382 Crore. Moreover, 10,683 Crore Production-linked Incentive scheme is expected to be a major boost for the textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel and MMF fabrics.

## **E. Opportunities and Threats:**

### **Opportunities:**

1. **Quality Products:** Our commitment to producing high-quality yarn has helped us maintain a strong position in the domestic trading market. Customers recognize and value the reliability and consistency of our products, which has resulted in increased demand.
2. **Competitive Pricing:** We have strategically priced our yarn products to remain competitive in the domestic trading market. Our ability to offer reasonable pricing without compromising quality has allowed us to attract a wider customer base and gain market share.
3. **Strong Distribution Network:** Our well-established distribution network enables efficient and timely delivery of our yarn products to trading partners across the domestic market. This has helped us maintain customer satisfaction and strengthen our market presence.
4. **Market Research and Development:** Our continuous market research and development efforts have allowed us to identify emerging trends and customer preferences in the domestic market. By aligning our product offerings with these demands, we have managed to stay ahead of the competition.

### **Threats:**

1. **Market Competition:** The domestic trading market for yarn is highly competitive, with several players vying for market share. We continuously monitor competitor activities and adjust our strategies to maintain a competitive edge.
2. **Raw Material Costs:** Fluctuations in raw material prices can impact our profitability. We actively manage our procurement process and explore alternative suppliers to mitigate the risk of sudden price increases.
3. **Regulatory Changes:** Changes in trade policies, tariffs, or regulations related to the yarn industry can affect our export operations. We closely monitor such developments and adapt our business practices accordingly.
4. **Economic Factors:** Economic conditions, both domestically and internationally, can impact the demand for yarn products. We assess economic trends and adjust our production and pricing strategies to optimize performance.

## **F. Segment-wise or Product-wise performance:**

The Company operates in single Segment i.e. Garments and Apparels.

## **G. Future Outlook:**

Looking ahead, we remain optimistic about the prospects of our export of yarn to the domestic trading market. We will focus on the following strategies to sustain growth and capitalize on emerging opportunities:

- Demand for textiles
- Raw material availability and prices
- Technological advancements
- Sustainability and eco-friendly practices
- Global trade and geopolitical factors
- Online Expansion
- Premiumisation and access to global brands
- Further Growth of Private Brands
- Focus on analytics

## **H. Risks and concerns:**

Management recognizes the following principal risks that may influence decisions made by investors given their significant impact on business conditions as stated in the securities report, and among matters pertaining to accounting status, consolidated companies' financial status and business performance, as well as cash flows. Our risk management system addresses the increasingly complex risks that we face in our day-to-day operations. The risk management system conducts risk analysis of economic and social changes and implements preventive measures that are best suit for the Company.

## **I. Internal control systems and their adequacy:**

The company has implemented proper system for safeguarding the operations/business of the company, through which the assets are verified and frauds, errors are reduced and accounts, information connected to it are maintained such, so as to timely completion of the statements.

The Company has adequate systems of Internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information. The company has internal audit and verification at regular intervals.

The requirement of having internal auditor compulsory by statute in case of listed and other classes of companies as prescribed shall further strengthen the internal control measures of company.



## **H. Discussion on financial performance with respect to operational performance:**

The financial performance of the Company for the Financial Year 2023-24 is described in the Directors' Report of the Company.

## **I. Material developments in Human Resources / Industrial Relations front including number of people employed:**

The cordial employer - employee relationship also continued during the year under the review. The Company has continued to give special attention to human resources.

## **J. Caution Statement:**

Statements made in the Management Discussion and Analysis describing the various parts may be "forward looking statement" within the meaning of applicable securities laws and regulations. The actual results may differ from those expectations depending upon the economic conditions, changes in Govt. Regulations and amendments in tax laws and other internal and external factors.

### **Registered Office:**

Shop No 128 Supermall-2 GH-0 Circle,  
Infocity, Gandhinagar, Gujarat, India,  
382007

**By the Order of the Board of  
Yarn Syndicate Limited**

**Place:** Gandhinagar

**Date:** 6<sup>th</sup> September, 2024

**Sd/-**

**Chetan Kumar Ojha**

**Director**

**DIN: 09706197**

**Sd/-**

**Ravi Pandya**

**Managing Director**

**DIN: 09509086**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For the financial year ended March 31, 2024**

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

**The Members**

**Yarn Syndicate Limited**

**Regd. Office:** Shop No 128 Supermall-2 GH-0 Circle, Infocity, Gandhinagar, (Gandhinagar) Gujarat, India, 382007.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Yarn Syndicate Limited [CIN: L51109GJ1946PLC153972]** (*hereinafter called the Company*). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2024 (*'Audit Period'*) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, (*subject to the observations/qualification mentioned in this report*) in the manner and subject to the reporting made hereinafter:

I 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 2024 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (e) The Securities and Exchange Board of India (Share based Employee benefits and Sweat Equity) Regulations, 2021 *(Not Applicable to the Company during the Audit Period)*;
- (f) The Securities and Exchange Board of India (Issue and Listing of Securitized Debt Instruments and Security Receipts) Regulations, 2008 *(Not Applicable to the Company during the Audit Period)*;
- (g) 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;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 *(Not Applicable to the Company during the Audit Period)*; and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 *(Not Applicable to the Company during the Audit Period)*;
- (j) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 *(Not Applicable to the Company during the Audit Period)*;

(vi) Other laws as applicable during the audit period.

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India; with respect to the Board Meetings and General Meetings.
- (b) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited along with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to filing of certain forms with additional fees.

Following are my further Observations:

1. *The Company's Status is reflected as 'SDD Non-compliant' on the BSE Portal. However, Company has Provided records where it is evident that it is complying with the SDD requirements, further they are in communication with the Exchange to resolve the technical matter.*

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes that took place in the composition of the Board of Directors were in carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast Seven (7) days in advance (and by complying with prescribed procedure where the meetings are called in less than seven days' notice), 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.

- All the decisions at Board Meetings and Committee Meetings are passed with requisite approvals, as recorded in the minutes.

**I 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.

I further report that during the audit period the company has passed special resolution(s) for:

1. Change of Registered Address of the Company
2. Power under Section 186 of the Companies Act, 2013
3. To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of such undertakings.
4. To approve Borrowing Limits under Section 180 (1) (C) of the Companies Act, 2013.
5. Appointment of Ms. Nidhi Bansal (DIN: 09693120) as an Independent Director of the Company
6. Appointment of Mr. Nandish Jani (DIN: 09565657) as an Independent Director of the Company
7. Alteration of Objects clause in Memorandum of Association of the Company
8. Adoption of new set of Articles of Association
9. Adoption of new set of Memorandum of Association

I further report the following material changes occurred in the company during the year under review :

1. The Company has Shifted its registered Office From the State of West Bengal to the State of Gujarat.
2. The Company has done Allotment of 1,80,00,000 (One Crore Eighty Lakhs) Partly Paid-up Equity Shares with paid-up value of Rs. 5.00/- each and face value of Rs. 10.00/- each on a Rights basis to the eligible equity shareholders of the Company.

**FOR, JAY PANDYA & ASSOCIATES,  
COMPANY SECRETARIES**

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**JAY PANDYA**  
PROPREITOR  
ACS No.: 63213  
COP No.: 24319

FRN: S2024GJ963300  
Peer Review Certificate No.: 5532/2024  
UDIN: A063213F001093242

Date: 31<sup>st</sup> August, 2024  
Place: Ahmedabad

**To,  
The Members  
Yarn Syndicate Limited**

I further state that my said report of the even date has to be read along with this letter.

2. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these records based on the audit.
3. I 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 random test basis to ensure that the correct facts are reflected in the secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and have relied upon the statutory Auditor report made available by the company to me, as on the date of signing of this report.
5. Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is limited to the verification of procedures on random test basis.
7. The Secretarial Audit Report is neither an assurance nor a confirmation that the list is exhaustive.
8. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR, JAY PANDYA & ASSOCIATES,  
COMPANY SECRETARIES**

---

**JAY PANDYA (PROPREITOR)**

ACS No.: 63213

COP No.: 24319

FRN: S2024GJ963300

Peer Review Certificate No.: 5532/2024

UDIN: A063213F001093242

Date: 31<sup>st</sup> August, 2024

Place: Ahmedabad

**ANNEXURE 3**

**FORM NO. AOC.1**

**Statement containing salient features of the financial statement of  
Subsidiaries/associate companies/joint ventures**

*(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of  
Companies (Accounts) Rules, 2014)*

**Part "B": Subsidiary**

<b>Name of Subsidiary Company</b>	<b>(Amount in Lakhs)</b>	
	<b>Stitched</b>	<b>Textiles Limited</b>
1. Latest audited Balance Sheet Date		31-03-2024
2. Shares of Associate/Joint Ventures held by the company on the year end Number		6,30,00,000
Amount of investment in Associates Company		19,84,50,000
Extend of Holding %		50.82%
3. Description of how there is significant influence		Subsidiary
4. Reason why the associate/joint venture is not consolidated		Consolidated
5. Networth attributable to Shareholding as per latest audited Balance Sheet		2296.12
6. Profit / Loss for the Year		
a. Considered in Consolidation		140.25
b. Not Considered in Consolidation		(241.46)

**Registered Office:**

Shop No 128 Supermall-2 GH-0 Circle,  
Infocity, Gandhinagar, Gujarat, India,  
382007

**By the Order of the Board of  
Yarn Syndicate Limited**

**Place:** Gandhinagar

**Date:** 6<sup>th</sup> September, 2024

**Sd/-**

**Chetan Kumar Ojha**

**Director**

**DIN: 09706197**

**Sd/-**

**Ravi Pandya**

**Managing Director**

**DIN: 09509086**

**Annexure '4' to Board's Report**

**FORM NO. AOC - 2**

***(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)***

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arms' length basis.

**2. Details of material contracts or arrangements or transactions at Arm's length basis.**

**(Amount in Lakhs)**

<b>Name (s) of the related party</b>	<b>Nature of relationship</b>	<b>Nature of contracts/ arrangements/ transaction</b>	<b>Duration of the contracts/ arrangements/ transaction</b>	<b>Salient terms of the contracts or arrangements or transaction including the value, if any</b>	<b>Date of approval by the Board, if any</b>	<b>Amount paid as advances, if any</b>
Stitched Textiles Limited	Sales	Subsidiary Company	1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024	Rs. 109.85/-	As per note below	As per note below
Stitched Textiles Limited	Purchase	Subsidiary Company	1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024	Rs. 47.64/-	As per note below	As per note below

**Note:** Appropriate approvals have been taken for related party transactions wherever necessary. No amount was paid in advance.

**Registered Office:**

Shop No 128 Supermall-2 GH-0 Circle,  
Infocity, Gandhinagar, Gujarat, India,  
382007

**By the Order of the Board of  
Yarn Syndicate Limited**

**Place:** Gandhinagar

**Date:** 6<sup>th</sup> September, 2024

**Sd/-  
Chetan Kumar Ojha  
Director  
DIN: 09706197**

**Sd/-  
Ravi Pandya  
Managing Director  
DIN: 09509086**



## Annexure '2' to Board's Report

### REPORT ON CORPORATE GOVERNANCE

#### 1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that Corporate Governance is an ethical business process that is committed to value aimed at enhancing an organization's wealth generating capacity. This is ensure by taking ethical business decision and conducting business with firm commitment to values, while meeting stakeholder's expectations. Corporate Governance is globally recognized as a key component for superior long term performance of every corporate entity.

Effective corporate governance practices constitutes the strong foundation on which successful commercial enterprises are built to the last. Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. The Company firmly believes that adherence to business ethics and sincere commitment to corporate governance will help the Company to achieve its vision of being the most respected Company.

We are committed for maximizing stakeholder value by improving good governance, quality and commitment with a spirit of integrity.

Our Corporate Governance framework ensures that we make timely disclosure and share accurate information regarding our financial and performance, as well as leadership and governance of the Company.

The Company's philosophy on investor service and protection envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, the government and lenders. The Company is committed to achieve the highest standards of corporate governance. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders' value, over a sustained period of time. The Company continues to take necessary steps towards achieving this goal.

A report on compliance with corporate governance principles as prescribed under Regulation 17 to 27 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations" or "SEBI (LODR) Regulations, 2015"), as applicable, is given below.

#### 2. BOARD OF DIRECTORS

##### (a) Composition

Name of Directors	Category of Directorship in the Company	No. of other Directorship @	No. of Committee position in other Companies**		No. of Board Meetings attended during 2023-24
			Member	Chairman	
Mr. Ravi Pandya	Promoter-Executive Director	-	-	-	15

Mr. Chetan Kumar Ojha	Non - Executive Director	1	3	-	8
Mr. Nandish Jani	Independent Director	3	3	4	16
Ms. Nidhi Bansal	Independent Director	2	3	-	15

@ Private Companies, foreign companies and companies under Section 8 of the Companies Act, 2013 are excluded.

\*\* for the purpose of reckoning the limit of committees, only chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.

### **(b) Information on Board of Directors**

None of the directors on the board is a Member of more than 10 (ten) committees or Chairman of more than 5 (five) committees across all the companies in which he is a director. None of the Independent Directors serve as an Independent Director in more than seven listed entities provided that any Independent Director who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities. Necessary disclosures regarding their Directorship/ Membership in other companies have been made by all directors.

### **Chart/Matrix setting out the skills/expertise/ competence of the Board of Directors**

The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

#### **i. Knowledge:**

Understand the Company's businesses, policies and culture (including the Mission, Vision and Values) major risks/ threats and potential opportunities and knowledge of the industry in which the Company operates.

#### **ii. Behavioral Skills:**

Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.

#### **iii. Business Leadership:**

Leadership experience including in the areas of Business Strategy, Administration, Decision Making and guiding the Company and its senior management towards its vision and values.

#### **iv. Financial Management skills:**

Experience in financial management of large corporations with understanding of capital allocation & funding and financial reporting processes.

#### v. Sales and Marketing:

Experience in developing strategies to grow sales and market share, build brand awareness and thereby enhance enterprise value.

Name of Director	Knowledge	Behavioral Skills	Business Leadership	Financial Management skills	Sales and Marketing
Mr. Ravi Pandya	Yes	Yes	Yes	Yes	Yes
Mr. Chetan Kumar Ojha	Yes	Yes	Yes	Yes	Yes
Mr. Nandish Jani	Yes	Yes	Yes	Yes	Yes
Ms. Nidhi Bansal	Yes	Yes	Yes	Yes	Yes

#### (c) Declaration by the Board

In terms of Regulation 25(8) of Listing Regulations, each Independent Director has confirmed that he/she meets the criteria of independence in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations and also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence. Based on the declaration received from each Independent Director under Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of Listing Regulations, Board of Directors has confirmed that the Independent Directors fulfill the conditions specified in these sections and regulations and are independent of the management.

#### (d) Resignation of Independent Director

During the year under review, Ms. Neha Merchant and Mr. Sourav Bhattacharjee have resigned from the post of the Independent Director of the Company w.e.f. 12<sup>th</sup> May, 2023.

#### (e) Board Membership Criteria

The Nomination and Remuneration Committee works with the entire Board to determine the appropriate characteristic, skills and experience required for the Board as a whole and for individual members. Board Members are expected to possess the expertise, skills, and experience to manage and guide a high growth.

#### (f) Number of meetings of the Board of Directors held and dates on which held

16 (Sixteen) Board Meetings were held during the year 2023-24. The dates on which the Board meetings were held are: 12<sup>th</sup> May, 2023, 31<sup>st</sup> May, 2023, 7<sup>th</sup> July, 2023, 31<sup>st</sup> July, 2023, 11<sup>th</sup> August, 2023, 31<sup>st</sup> August, 2023, 9<sup>th</sup> September, 2023, 11<sup>th</sup> September, 2023, 29<sup>th</sup> September, 2023, 4<sup>th</sup> November, 2023, 13<sup>th</sup> December, 2023, 6<sup>th</sup> January, 2024, 23<sup>rd</sup> January, 2024, 25<sup>th</sup> January, 2024, 6<sup>th</sup> February, 2024 and 27<sup>th</sup> February, 2024.

The information as required under Regulation 17 (7) of SEBI (LODR) Regulations, 2015 is made available to the Board. The agenda and the papers for consideration at the Board meeting are circulated to the Directors in advance before the meetings. Adequate information is circulated as

part of the Board papers and is also made available at the Board Meetings to enable the Board to take informed decisions. Where it is not practicable to attach supporting/relevant document(s) to the Agenda, the same are tabled at the meeting and specific reference to this is made in the Agenda. As required under Regulation 17 (3) of SEBI (LODR) Regulations, 2015, the Board periodically reviews compliances of various laws applicable to the Company.

Names of the Directors on the Board, their Attendance in the Board Meeting, % of attendance and Attendance in last Annual General Meeting during the year 2023-24 is given below:

No. of Board Meeting held & attended during 2023-24	Name of Director			
	Mr. Ravi Pandya	Mr. Chetan Kumar Ojha	Mr. Nandish Jani	Ms. Nidhi Bansal
12-05-2023	NA	NA	Yes	NA
31-05-2023	Yes	NA	Yes	Yes
07-07-2023	Yes	NA	Yes	Yes
31-07-2023	Yes	NA	Yes	Yes
11-08-2023	Yes	NA	Yes	Yes
31-08-2023	Yes	NA	Yes	Yes
09-09-2023	Yes	NA	Yes	Yes
11-09-2023	Yes	NA	Yes	Yes
29-09-2023	Yes	Yes	Yes	Yes
04-11-2023	Yes	Yes	Yes	Yes
13-12-2023	Yes	Yes	Yes	Yes
06-01-2024	Yes	Yes	Yes	Yes
23-01-2024	Yes	Yes	Yes	Yes
25-01-2024	Yes	Yes	Yes	Yes
06-02-2024	Yes	Yes	Yes	Yes
27-02-2024	Yes	Yes	Yes	Yes
Total attended	15	8	16	15
% of attendance	100	100	100	100
Whether attended Last AGM held on 31-08-2023	Yes	Yes	Yes	Yes

**(h) Disclosure of Relationship between Directors inter se**

No Directors of the Company are inter se related.

**(i) Shareholding of Non-Executive Directors**

Name of Directors	No. of Shares held	% of shareholding
Mr. Chetan Kumar Ojha	0	0.00
Ms. Nidhi Bansal	0	0.00
Mr. Nandish Jani	0	0.00
<b>Total</b>	<b>0</b>	<b>0.00</b>

### **(j) Code of Conduct**

The Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company in compliance with Regulation 17(5) of the SEBI (LODR) Regulations, 2015. A declaration in respect of affirmation on compliance with Code of Conduct, by the Board Members and senior management personnel for the financial year ended on March 31, 2024, duly signed by Managing Director of the Company is attached herewith and forms part of Corporate Governance Report. The Board has also adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Companies Act, 2013.

### **(k) Disclosures regarding appointment/re-appointment of Directors**

Mr. Chetan Kumar Ojha, Director, is retiring at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. An agenda seeking shareholders' approval for his re-appointment forms part of the Notice of the Annual Report.

The brief resume and other information required to be disclosed under Regulation 36(3) of SEBI (LODR) Regulations, 2015 is provided in the Notice of the Annual General Meeting.

### **(l) Familiarization Programme for Independent Director**

The Company undertook various steps to make the Independent Directors have full understanding about the Company. The details of such familiarization programmes have been disclosed on the Company's website.

## **3. AUDIT COMMITTEE**

The Audit Committee serves as the link between the Statutory and internal auditors and the Board of Directors. The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with the view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

### **(a) Terms of reference and Powers**

Terms of reference of the Audit Committee include approving and implementing the audit procedures, reviewing financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines and also include those specified under the Regulation 18 of SEBI (LODR) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

With the introduction of SEBI Notification No. SEBI/ LAD-NRO/GN/2021/22 dated 5<sup>th</sup> May, 2021 amending SEBI (LODR) Regulations, 2015 which will be effective from different dates in phase manner, the role of the Audit Committee has been amended by addition of one new role of Audit Committee i.e. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Committee reviews the information as listed under Regulation 18(3) of SEBI (LODR) Regulations, 2015 read with Schedule II Part C (B) as well as under Section 177 of the Companies Act, 2013 as amended from time to time.



Ms. Neha Merchant	Yes	NA	NA	NA	NA	NA	NA	NA	1	100
Mr. Rishiraj Patodia	Yes	NA	NA	NA	NA	NA	NA	NA	1	100
Mr. Nandish Jani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	100
Mr. Ravi Pandya	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	100

#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### (a) Composition:

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulation, 2015, Nomination and Remuneration Committee has been constituted by the Board of Directors. The present composition of the Nomination and Remuneration Committee is as follow:

Name	Status	No. of the Committee Meetings entitled	No. of the Committee Meetings attended
Ms. Nidhi Bansal <sup>2</sup>	Chairperson	8	8
Mr. Sourav Bhattacharjee <sup>1</sup>	Member	1	1
Ms. Neha Merchant <sup>1</sup>	Member	1	1
Mr. Nandish Jani	Member	9	9
Mr. Namichand Agrawal <sup>3</sup>	Member	6	6
Mr. Chetan Kumar Ojha <sup>4</sup>	Member	2	2

1. Mr. Sourav Bhattacharjee and Ms. Neha Merchant had given resignation from the post of Member of the Nomination and Remuneration committee w.e.f. 12<sup>th</sup> May, 2023.

2. Ms. Nidhi Bansal had been appointed as the Chairperson of the Nomination and Remuneration committee w.e.f. 12<sup>th</sup> May, 2023.

3. Mr. Namichand Agrawal had been appointed as a Member of the Nomination and Remuneration committee w.e.f. 7<sup>th</sup> July, 2023 and has resigned as a member of the Nomination and Remuneration committee w.e.f. 29<sup>th</sup> September, 2023.

4. Mr. Chetan Kumar Ojha had been appointed as a Member of the Nomination and Remuneration committee w.e.f. 11<sup>th</sup> September, 2023.

##### (b) Nomination and Remuneration Committee Meeting:

During the year under review, Nomination and Remuneration Committee (“NRC”) Meeting was held on 12<sup>th</sup> May, 2023, 31<sup>st</sup> May, 2023, 7<sup>th</sup> July, 2023, 31<sup>st</sup> July, 2023, 31<sup>st</sup> August, 2023, 9<sup>th</sup> September, 2023, 11<sup>th</sup> September, 2023, 29<sup>th</sup> September, 2023 and 13<sup>th</sup> December, 2023. The Committee has passed circular resolutions on 12<sup>th</sup> November, 2020 pertaining to amend Criteria of making payment to Non-Executive Directors pursuant to amendment made in Section 149 and 197 read with Schedule V of the Companies Act, 2013 by Ministry of Corporate Affairs.

Names of the members on the Committee, their Attendance in the Stakeholders’ Relationship Committee Meetings, % of attendance during the year 2023-24 is given below:

Name	No. of Committee Meeting									Total attendance	% of attendance
	12-05-2023	31-05-2023	07-07-2023	31-07-2023	31-08-2023	09-09-2023	11-09-2023	29-09-2023	13-12-2023		
Ms. Nidhi Bansal	NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	7	100
Mr. Sourav Bhattacharjee	Yes	NA	NA	NA	NA	NA	NA	NA	NA	1	100
Ms. Neha Merchant	Yes	NA	NA	NA	NA	NA	NA	NA	NA	1	100
Mr. Nandish Jani	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8	100
Mr. Namichand Agrawal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	NA	7	100
Mr. Chetan Kumar Ojha	NA	NA	NA	NA	NA	NA	NA	Yes	Yes	2	100

**(c) Terms of reference and Powers of the committee inter alia, includes the following:**

Terms of Reference and role of the NRC cover the matters specified in SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013 as amended from time to time, which, inter alia, includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- Devising a policy on diversity of board of directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal and carrying out evaluation of performance of every Director.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommending and determining remuneration of the Executive Directors as per the Policy.
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

**(d) Performance evaluation criteria for directors:**

Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provide certain parameters like attendance, effective participation, domain knowledge and so on, which are considered by the Committee and/or Board while evaluating the performance of each Director.



The performance evaluation of the Independent Directors was carried out by the entire Board as well as Nomination and Remuneration Committee.

**(e) Salient features of policy on remuneration of directors, key managerial personnel & senior employees:**

The Company has formulated the remuneration policy for its directors, key managerial personnel and Senior Employees keeping in view the following objectives:

» To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

» To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

» To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

**(1) Criteria for Selection of Directors:**

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.

b. In case of appointment of Independent Directors, the Nomination and Remuneration Committee ("NRC") satisfies itself with regard to the independence nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

c. NRC ensures that the candidate identified for Appointment / Re- Appointment as an Independent Director is not disqualified for Appointment / Re-Appointment under Section 164 of the Companies Act, 2013.

d. NRC considers the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:

1. Qualification, expertise and experience of the Directors in their respective fields;
2. Personal, Professional or business standing;
3. Diversity of the Board.

e. Board of Directors take into consideration the performance evaluation of the Directors and their engagement level.

**(2) Criteria for Selection of KMP/Senior Management:**

a. NRC ensures that the candidate possesses the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.

b. NRC considers the practice and encourage professionalism and transparent working environment.

c. NRC considers to build teams and carry the team members along for achieving the goals/ objectives and corporate mission.

### (3) Remuneration:

#### A. Remuneration to Executive Directors and KMP:

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

ii) The Board, on the recommendation of the NRC, shall also review and approve the remuneration payable to the KMP of the Company.

iii) The remuneration structure to the Executive Directors and KMP shall include the following components:

- Basic Pay
- Perquisites and Allowances
- Stock Options
- Commission (Applicable in case of Executive Directors)
- Retiral benefits

#### B. Remuneration to Non-Executive Directors:

i) The Board, on the recommendation of the NRC, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

ii) Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive and Independent Directors shall also be entitled to remuneration by way of commission in addition to the sitting fees.

#### C. Remuneration to Senior Employees:

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organisation. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

## 5. REMUNERATION OF DIRECTORS

### **(a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity:**

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Non-Executive Directors that may have potential conflict with the interests of the Company at large.

## **(b) Disclosures with respect to remuneration:**

All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.

### **Executive & Managing Directors**

The Nomination and Remuneration Committee of the Directors is authorized to decide the remuneration of the Managing Director, subject to the approval of Members, if required. The remuneration structure of the Company comprises salary/remuneration, perquisites & Allowances etc. The nature of employment of all Executive and Managing Directors is contractual as per the Company's policy.

The Company has one Managing Director on its Board, who is eligible to draw remuneration as per the Board and Shareholder's approval. However, the Managerial Person viz. Mr. Ravi Pandya, Managing Director has decided not to draw any remuneration from the Company and accordingly no remuneration including any allowances and/or performance linked Bonus/Commission was paid to the Managerial Persons during financial year 2023-2024.

### **Terms of Appointment of Directors**

As required under Regulation 36(3) of SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment/reappointment are given in Notice of the 19<sup>th</sup> Annual General Meeting.

### **I. Non-Executive & Independent Directors**

#### **Commission & Sitting fees to Non-executive Directors**

The details of payment of commission and sitting fees paid to Non-Executive & Independent Directors for the FY 2023-24 are as under:

(Amount in Lakhs)			
<b>Sr. No.</b>	<b>Name of Director</b>	<b>Commission</b>	<b>Sitting Fees</b>
1	Mr. Chetan Kumar Ojha	Nil	0.00
2	Mr. Nandish Jani	Nil	0.00
3	Ms. Nidhi Bansal	Nil	0.00

The Company also reimburses out of pocket expenses incurred by the Directors, if any, for attending Board & Committee meetings.

### **III. Non-Executive Director**

#### **Mr. Chetan Kumar Ojha**

Terms of remuneration of Mr. Chetan Kumar Ojha as approved by the Shareholders are as under:

**Remuneration paid to Mr. Chetan Kumar Ojha during the year 2023-24: Nil**

**Note:** As per Regulation 17(6)(ca) of the SEBI (LODR) Regulations, 2015, the approval of the members of the Company by way of special resolution, giving details of remuneration, is required every year for payment of annual remuneration to single non-executive Director exceeding 50%

(fifty percent) of the total annual remuneration payable to all non-executive Directors of the Company.

### **(C) Stock Option**

The Company has not granted any stock options to its Directors.

The Criteria of making payment to Non-Executive Directors is placed on the website of the Company.

## **6. STAKEHOLDERS RELATIONSHIP COMMITTEE**

### **(a) Composition**

The Company has constituted Stakeholders Relationship Committee. The constitution, composition and functioning of the Stakeholders Relationship Committee also meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015. The Committee specifically looks into issues relating to various aspects of shareholders, *inter alia*, share related matters and redressal of grievances of Security holders. The Committee comprises 3 [three] members and committee functions under the Chairmanship of the Committee. The present composition of the Stakeholders Relationship Committee is as follow:

<b>Name</b>	<b>Status</b>	<b>No. of the Committee Meetings entitled</b>	<b>No. of the Committee Meetings attended</b>
Mr. Ravi Pandya <sup>2</sup>	Member	3	3
Mr. Sourav Bhattacharjee <sup>1</sup>	Member	NA	NA
Ms. Neha Merchant <sup>1</sup>	Member	NA	NA
Mr. Rishiraj Patodia <sup>3</sup>	Member	NA	NA
Mr. Chetan Kumar Ojha <sup>5</sup>	Chairperson	3	3
Mr. Namichand Agrawal <sup>4</sup>	Member	NA	NA
Ms. Nidhi Bansal <sup>2</sup>	Member	3	3

1. Mr. Sourav Bhattacharjee and Ms. Neha Merchant had given resignation from the post of Member of the Stakeholders' Relationship Committee w.e.f. 12<sup>th</sup> May, 2023.

2. Mr. Ravi Pandya as Chairman and Ms. Nidhi Bansal had been appointed as a Member of the Stakeholders' Relationship Committee w.e.f. 31<sup>st</sup> July, 2023 and 11<sup>th</sup> September, 2023.

3. Mr. Rishiraj Patodia had given resignation from the post of Member of the Stakeholders' Relationship Committee w.e.f. 6<sup>th</sup> July, 2023.

4. Mr. Namichand Agrawal had been appointed as a Member of the Stakeholders' Relationship Committee w.e.f. 7<sup>th</sup> July, 2023 and has resigned as a member of the Stakeholders' Relationship committee w.e.f. 29<sup>th</sup> September, 2023.

5. Mr. Chetan Kumar Ojha had been appointed as a Member of the Stakeholders' Relationship Committee w.e.f. 11<sup>th</sup> September, 2023.

### **(b) Stakeholders' Relationship Committee Meetings:**

3 [Three] meetings were held during the year 2023-24. The dates on which the Stakeholders' Relationship Committee Meetings were held are: 13<sup>th</sup> December, 2023, 23<sup>rd</sup> January, 2024 and 21<sup>st</sup> February, 2024.

Names of the members on the Committee, their Attendance in the Stakeholders' Relationship Committee Meetings, % of attendance during the year 2023-24 is given below:

Name	No. of Committee Meeting			Total attendance	% of attendance
	13-12-2023	23-01-2024	21-02-2024		
Mr. Ravi Pandya	Yes	Yes	Yes	3	100
Mr. Sourav Bhattacharjee	NA	NA	NA	NA	NA
Ms. Neha Merchant	NA	NA	NA	NA	NA
Mr. Rishiraj Patodia	NA	NA	NA	NA	NA
Mr. Chetan Kumar Ojha	Yes	Yes	Yes	3	100
Mr. Namichand Agrawal	NA	NA	NA	NA	NA
Ms. Nidhi Bansal	Yes	Yes	Yes	3	100

### **(c) Terms of reference, Role and Powers**

The Company has adopted terms of reference and role of Stakeholders Relationship Committee as per Section 178 the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015.

#### **Role of Stakeholders Relationship Committee:**

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

### **(d) Other Information**

- To expedite the process of share transfer, transmission, split, consolidation, rematerialization and dematerialization etc. of securities of the Company, the Board of Directors has delegated the powers of approving the same to the Company's RTA namely Bigshare Services Private Limited, Ahmedabad, under the supervision and control of the Company Secretary/ Compliance Officer of the Company, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the said Committee.

• **Name, Designation and address of the Company Secretary & Compliance Officer**

Ms. Shwetambery Khurana, Company Secretary & Compliance Officer

Yarn Syndicate Limited  
Shop No 128 Supermall-2 GH-0 Circle,  
Infocity, Gandhinagar, Sector 7,  
Gandhinagar, Gujarat, India, 382007

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

The Company has designated the email id ([yssl@yarnsyndicate.in](mailto:yssl@yarnsyndicate.in)) for grievances redressal and registering complaints by investor.

**Quarter-wise Summary of Investors Complaints received and resolved during the Financial Year 20223-24.**

**Quarter-wise Summary of Investors' Complaints received and resolved**

Quarter Period		Opening	Received	Resolved	Pending
From	To				
01-04-2023	30-06-2023	Nil	Nil	Nil	Nil
01-07-2023	30-09-2023	Nil	Nil	Nil	Nil
01-10-2023	31-12-2023	Nil	2	2	Nil
01-01-2024	31-03-2024	Nil	1	1	Nil

**(e) Non-receipt/Unclaimed dividends**

The Company has not declared dividend for any financial year till date and also there are Nil unclaimed dividend as on date.

**(f) Amount Transferred to IEPF Account**

As per the provision of Section 124(5) and Section 125 of the Companies Act, 2013, the Company is required to transfer the unclaimed Dividends, remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government.

**7. INFORMATION ABOUT GENERAL MEETINGS:**

**(a) Annual General Meeting**

Details of Venue, Date and Time of the Last Three Annual General Meetings are as follows:

Year	Venue	Date	Time
2020-21	86/2/4, S N Banerjee Road, 1 <sup>st</sup> Floor, Flat No. 2, Kolkata – 700 014	28-09-2021	11:00 A.M.
2021-22	86/2/4, S N Banerjee Road, 1 <sup>st</sup> Floor, Flat No. 2, Kolkata – 700 014	30-09-2022	11:00 A.M.

2022-23	Through Video Conferencing (VC) / Other Audio Video Means (OAVM)	31-08-2023	4:30 P.M.
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### **(b) Special Resolution (without postal ballot) passed at the Last Three AGM**

The Company has passed following special resolution at Annual General Meeting for 2020-21 on 28<sup>th</sup> September, 2021:

1. Re-appointment of Mr. Rishiraj Patodia (DIN: 00259104), as Managing Director of the Company for a term of three years.

The Company has passed following special resolutions at Annual General Meeting for 2022-23 on 31<sup>st</sup> August, 2023:

1. Appointment of Mr. Nandish Jani (DIN: 09565657) as an Independent Director of the Company.
2. Appointment of Ms. Nidhi Bansal (DIN: 09693120) as an Independent Director of the Company.
3. To approve Borrowing Limits under Section 180 (1) (C) of the Companies Act, 2013.
4. To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of such undertakings.
5. Power under Section 186 of the Companies Act, 2013,
6. Change of Registered Address of the Company.

### **(c) Postal Ballot Resolutions**

The Company did not pass any special resolution through Postal Ballot during the last year.

## **8. MEANS OF COMMUNICATION**

### **(a) Financial Results**

The Company regularly intimates quarterly unaudited as well as yearly audited financial results to the stock exchanges and Company website, immediately after the same are taken on record by the Board.

### **(b) Newspapers wherein results normally published**

Results are normally published in Indian Express (English edition) and in Financial Express (Gujarati edition). These are not sent individually to the shareholders.

### **(c) Website, News Releases, Presentation etc.**

The Company's results, annual reports and official news releases are displayed on the Company's website. The said Company's website also containing basic information about the Company includes information about the Company's business, financial information, shareholding pattern, compliance with corporate governance, Company's director, registrar & transfer agent, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc.

The Company had meetings with and made presentations to the institutional investors and analysts during the year and the presentation made to analysts and investors are uploaded on the website of the Company.

### **BSE Listing Center**

BSE Limited has also launched a web based system for corporates to make their periodic submission of compliances online. Your company is also filing the Shareholding Pattern, Financial Result, Corporate Governance Report and all the intimation/ disclosures through the BSE Listing Center.

### **Processing of investor complaints in SEBI Complaints Redress System (SCORES)**

SEBI has commenced processing of investor complaints in a centralized web based complaints redress system "SCORES". By this facility investors can file their complaints on line and also view online movement of their complaints. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

### **Price Sensitive Information**

All price sensitive information and announcements are communicated immediately after the Board decisions to the Stock Exchanges, where the Company's shares are listed, for dissemination to the Shareholders. The said information are also uploaded on the Company's website.

## **9. OTHER DISCLOSURES:**

### **(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large**

There were no materially significant related party transactions that may have potential conflict with the interests of the Company.

### **(b) Details of non-compliance by the Company, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

Your Company has complied with all the requirements of regulatory authorities. No penalty/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market.

### **(c) Vigil Mechanism/ Whistleblower Policy**

The Company has adopted the Whistleblower Policy and has established the necessary vigil mechanism for stakeholders, including individual employees and their representative bodies and directors to report concerns about illegal or unethical practices, unethical behavior, actual or suspect fraud or violation of Code of Conduct. It also provides adequate safeguard against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee. No person has been denied access to the Chairman of Audit Committee. The said policy is uploaded on the Company's website.



#### **(d) Material Subsidiary**

The Company does not have any Associate or Subsidiary Company.

The Company has policy for determining "Associate Company" which is uploaded on the website of the Company.

#### **(e) Basis of Related Party Transaction**

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large in the financial year 2023-24. Related party transaction during the year have been disclosed vide note no. 29 of notes on financial statement as per requirement of Ind AS 24 on related party disclosure issued by ICAI.

These transactions are not likely to conflict with the interest of the Company at large. All significant transaction with related parties is placed before audit committee periodically.

The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on arm's length basis and are intended to further the interests of the Company.

#### **(f) Details of compliance with the mandatory requirements and extent of compliance with non-mandatory requirements**

##### **• Compliance with the Corporate Governance Code**

As per Notification no. SEBI/LAD-NRO/GN/2018/21 dated May 31 2018 regulations 17 18 19 20 and 21 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 related to Board of Directors Audit Committee Nomination and Remuneration Committee and Stakeholders Relationship Committee respectively shall not be applicable during the insolvency resolution process period in respect of a listed entity which is undergoing CIRP under the Code provided that the role and responsibilities of the Board of Directors as specified under regulation 17 shall be fulfilled by the interim resolution professional or resolution professional in accordance with sections 17 and 23 of the Insolvency and Bankruptcy Code.

##### **• Extent of compliance with the non-mandatory requirements and Discretionary Requirements specified in Part E of Schedule II**

o **Shareholder's Rights:** Quarterly and Yearly financial results including summary of significant events are presently not being sent to the shareholders of the Company. However, quarterly financial results are published in the leading newspapers and are also available on the website of the Company.

o **Modified Opinion(s) in Audit Report:** There is no qualification on Auditor's report on standalone and consolidated financial statement to the shareholder of the Company.

**o Reporting of Internal Auditor:** The Board has appointed Internal Auditor of the Company. The Internal Auditor of the Company is regularly invited to the Audit Committee meeting and regularly attends the meeting. The Internal Auditors give quarterly presentation on their audit observation to the Audit Committee.

The Company has obtained a Certificate from Mr. Jay Pandya, Proprietor of M/s. Jay Pandya & Associates, Company Secretaries, Ahmedabad on compliance of conditions of Corporate Governance requirement as required under Schedule V (E) read with Regulation 34 (3) of SEBI (LODR) Regulations, 2015 and has attached the said certificate with the Boards' Report.

#### **(g) Disclosure of accounting treatment in preparation of Financial Statements**

Your Company has followed all relevant Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) while preparing financial statement.

#### **(h) MDAR**

Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.

#### **(i) CEO/CFO Certificate**

In compliance of the Regulation 17(8) of SEBI (LODR) Regulations, 2015, the Managing Director and Chief Financial Officer of the Company give annual Certification on financial reporting and internal Control to the Board. As per the requirement of Regulation 33(2)(a) of SEBI (LODR) Regulations, 2015 the Managing Director and Chief Financial Officer also gives quarterly Certification on financial results while placing the financial results before the Board.

#### **(j) Risk Management Policy**

The Company has framed formal Risk Management framework for risk assessment and risk minimization for Indian operation which is periodically reviewed by the Board of Directors to ensure smooth operations and effective management control. The Audit Committee also reviews the adequacy of the risk management frame work of the Company, the key risks associated with the business and measures and steps in place to minimize the same.

#### **(k) Dividend Distribution Policy**

As per amendment made in Regulation 43A of SEBI (LODR) Regulations, 2015 vide SEBI Notification No. SEBI/LAD-NRO/GN/2021/22 dated 5<sup>th</sup> May, 2021, top 1000 companies based on market capitalization (calculated as on March 31 of every financial year) are required to formulate Dividend Distribution Policy. The Board has approved the Dividend Distribution Policy in line with said Regulation which is uploaded on the website of the Company.

#### **(l) Other Policies**

The Company has also formulated policy for Preservation & Archival of documents and a policy for determining materiality of event and information for disclosures as per Listing Regulation, 2015. Policy on Criteria of making payment to Non-Executive Directors.

The Board approved policy on Criteria of making payment to Non-Executive Directors as per Companies Act, 2013 and made amended from time to time.

Further, MCA vide its circulars dated 18<sup>th</sup> March, 2021 notifies amendment in Section 149(9) and Section 197 including Schedule V of the Companies Act, 2013 which allow the Independent Director to take remuneration in case of Company has no profit or inadequate profit subject to the provisions of Schedule V. Hence, the Company has revised Criteria of making payment to Non-Executive Directors to that extent.

The said policies are available on the website of the Company.

#### **(m) Conflict of Interest**

The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

#### **(n) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

#### **(o) Confirmation and Certification**

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions he/she occupies in other Companies, and changes if any regarding their Directorships. The Company has obtained a certificate from Mr. Jay Pandya, Proprietor of M/s. Jay Pandya & Associates, Company Secretaries, Ahmedabad, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this report.

#### **(p) Payment to Statutory Auditors**

During 2023-24, total fees for all services paid by the Company and the subsidiaries, on a consolidated basis, to the Statutory Auditors i.e. M/s. S P Sarda & Co., Chartered Accountants, Kolkata, as under:

- M/s. S P Sarda & Co. – Rs. 1,50,000/-

#### **(q) Sexual Harassment of Women at Workplace**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 (“Sexual Harassment Act”). Internal Complaints Committee (ICC) has been constituted for the Company’s various sites and workplace in compliance with the provisions of Sexual Harassment Act to redress complaints received regarding sexual harassment. There were no incidences of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment Act.

#### **(r) SEBI (Prohibition of Insider Trading) Regulations, 2015**

The Company has approved/adopted Code of Conduct for Insider Trading, as per SEBI (Prohibition of Insider Trading) Regulations, 2015 [“SEBI (PIT) Regulations”]

**(s) Availed services of NSDL to update e-mail ids of shareholders to send notice of 78<sup>th</sup> Annual General Meeting in compliance with the concern circulars issued by MCA and SEBI**

In view of the unprecedented outbreak of COVID-19 pandemic, MCA and SEBI vide their Circulars allowed Companies to hold Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of members at a common venue. Further, the said circulars have also permit to send Annual Report to Shareholders through email only and dispensed with the printing and dispatch of physical copy of annual reports to shareholders.

Accordingly, Notice of AGM along with the Annual Report for FY 2023-24 was being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. In this regard, as a part of Good Corporate Governance, the Company had availed services of Depository viz. National Securities Depository Limited (“NSDL”) to update the e-mail IDs of the shareholders to send Notice of AGM along with the Annual Report for FY 2023-24. By the said services, shareholders can update their email ID directly without approaching their DP, where they maintain their demat account.

**(t)** During the year, the Board has accepted all the recommendations made by various committees including Audit Committee. There have been no instances during the year where recommendations of the any Committee were not accepted by the Board.

**10. GENERAL SHAREHOLDERS' INFORMATION:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1	Registered Office	Shop No 128 Supermall-2 GH-0 Circle, Infocity, Gandhinagar, Sector 7, Gandhinagar, Gujarat, India, 382007
2	Annual General Meeting	30 <sup>th</sup> September, 2024 at 4:00 P.M. Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) pursuant to MCA / SEBI Circulars.
3	Financial Year	1 <sup>st</sup> April, 2024 to 31 <sup>st</sup> March, 2025
4	Financial Results	
	1 <sup>st</sup> Quarter	45 days from end of Quarter 30 <sup>th</sup> June, 2024
	Half Year ended	45 days from end of Quarter 30 <sup>th</sup> September, 2024
	Nine Months ended	45 days from end of Quarter 31 <sup>st</sup> December, 2024
	Year ended	60 days from end of Financial Year i.e. 31 <sup>st</sup> March, 2025
5	Book Closure Dates	23 <sup>rd</sup> September, 2024 to 30 <sup>th</sup> September, 2024 (both days inclusive)
6	Dividend Payment Date	Not Applicable
7	Listing of Shares on Stock Exchanges	<b>BSE Limited</b> The Company has paid the annual listing fees for the financial year 2023-24 to the Stock Exchange viz. BSE Limited, where the equity shares of the Company are listed.

8	Stock Exchange Code	Script Code: 514378 and Symbol: YARNSYN
9	Registrar and Share Transfer Agents for both Physical and Demat Segment of Equity Shares of the Company	Cameo Corporate Services Ltd Subramanian Building No. 1, Club House Road, Chennai, Tamil Nadu, 600002

### 11. Stock Price Data:

As Company is under Corporate Insolvency Resolution Process, trading of the security of the Company is suspended and therefore monthly high and low prices of the Company's equity shares at National Stock Exchange of India Limited during the financial year 2023-24 at NSE is not available.

### 12. Distribution of Shareholding as on 31<sup>st</sup> March, 2024:

No. of Equity Shares Held	No. of Share Holders	% of Share Holders	No. of Equity Shares Held	% of total Holding
1-5000	36222	90.02	26407106	14.37
5001-10000	1877	4.67	14239995	7.75
10001--∞	2137	5.31	143105119	77.88
<b>Total</b>	<b>40236</b>	<b>100</b>	<b>183752220</b>	<b>100</b>

### 13. Dematerialization of Shares & Liquidity

The Company's shares are in compulsory demat segment and as on 31<sup>st</sup> March, 2024, 2,15,38,259 equity shares of the Company, forming 99.03% of the Company's paid-up equity share capital, is in dematerialized form. Company's shares are easily traded on the stock exchange i.e. BSE Limited Main Board.

### 14. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

The Company has no outstanding GDRs/ADRs/ Warrants/Options or any convertible Instruments as on 31<sup>st</sup> March, 2024.

### 15. Share Transfer System

All the shares related work is being undertaken by our RTA, Bigshare Services Private Limited, Ahmedabad. To expedite the process of share transfer, transmission, split, consolidation, rematerialisation and dematerialisation etc. of securities of the Company, the Board of Directors has delegated the power of approving the same to the Company's RTA under the supervision and control of the Company Secretary, who is placing a summary statement of transfer/transmission, etc. of securities of the Company at the meetings of the Stakeholders Relationship Committee.

In terms of Regulation 40 of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider

converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Shares lodged for transfer at the RTA address in physical form are normally processed and approved within 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Normally, all the requests for dematerialization of shares are processed and the confirmation is given to the Depository within 15 days. The investors/ shareholders grievances are also taken-up by our RTA.

The Company has obtained and filed with the Stock Exchange(s), the yearly certificates from a Company Secretary in practice for due compliance with the share transfer formalities as required under Clause 40(9) of SEBI (LODR) Regulations, 2015 read with SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59, dated April 13, 2020.

#### **16. Reconciliation of Share Capital Audit Report**

The Reconciliation of Share Capital Audit Report of the Company prepared in terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued/ paid-up capital of the Company were placed before the Stakeholders Relationship Committee every quarter and also submitted to the Stock Exchange(s) every quarter.

## **CERTIFICATE ON CORPORATE GOVERNANCE**

**To  
The Members of  
Yarn Syndicate Limited**

We have examined the compliance of conditions of Corporate Governance by Yarn Syndicate Limited (the Company), for the financial year ended on 31<sup>st</sup> March, 2024 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance as stipulated in Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR, JAY PANDYA & ASSOCIATES,  
COMPANY SECRETARIES**

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**JAY PANDYA**  
PROPREITOR  
ACS No.: 63213  
COP No.: 24319  
FRN: S2024GJ963300  
Peer Review Certificate No.: 5532/2024  
UDIN: A063213F001093286

Date: 31<sup>st</sup> August, 2024  
Place: Ahmedabad

**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT**

**Schedule V (D) of Regulation 34(3) of SEBI (LODR) Regulations, 2015**

This is to certify that the Company has laid down the rules for Code of Conduct for the members of the Board and senior management, as per the Regulation 17 of SEBI (LODR) Regulations, 2015.

I hereby further certify that the Company has received affirmation on compliance with rules of Code of Conduct, from the Board Members and senior management personnel for the financial year ended on March 31, 2024, as per the requirement of Regulation 26(3) of SEBI (LODR) Regulations, 2015.

**Registered Office:**

Shop No 128 Supermall-2 GH-0 Circle,  
Infocity, Gandhinagar, Gujarat, India,  
382007

**By the Order of the Board of  
Yarn Syndicate Limited**

**Place:** Gandhinagar

**Date:** 6<sup>th</sup> September, 2024

**Sd/-**

**Chetan Kumar Ojha**

**Director**

**DIN: 09706197**

**Sd/-**

**Ravi Pandya**

**Managing Director**

**DIN: 09509086**



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015)**

**To,  
The Members of  
Yarn Syndicate Limited**

Shop No 128 Supermall-2 GH-0 Circle, Infocity, Gandhinagar, (Gandhinagar) Gujarat, India, 382007

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Yarn Syndicate Limited having CIN: L51109GJ1946PLC153972 and having registered office at Shop No 128 Supermall-2 GH-0 Circle, Infocity, Gandhinagar, (Gandhinagar) Gujarat, India, 382007 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of Appointment in the Company</b>
1	NANDISH SHAILESHBHAI JANI	09565657	13/02/2023
2	CHETAN KUMAR OJHA	09706197	11/09/2023
3	RAVI NIRANJAN PANDYA	09509086	12/05/2023
4	NIDHI BANSAL	09693120	12/05/2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

**FOR, JAY PANDYA & ASSOCIATES,  
COMPANY SECRETARIES**

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**JAY PANDYA**  
PROPREITOR  
ACS No.: 63213  
COP No.: 24319  
FRN: S2024GJ963300  
Peer Review Certificate No.: 5532/2024  
UDIN: A063213F001093275  
Date: 31<sup>st</sup> August, 2024  
Place: Ahmedabad

## **DECLARATION**

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct of Board of Directors and Senior Management for the year ended on 31<sup>st</sup> March, 2024.

**Registered Office:**

Shop No 128 Supermall-2 GH-0 Circle,  
Infocity, Gandhinagar, Gujarat, India,  
382007

**By the Order of the Board of  
Yarn Syndicate Limited**

**Place:** Gandhinagar

**Date:** 6<sup>th</sup> September, 2024

**Sd/-**

**Chetan Kumar Ojha**

**Director**

**DIN: 09706197**

**Sd/-**

**Ravi Pandya**

**Managing Director**

**DIN: 09509086**

**INDEPENDENT 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, 2024, 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, 2021, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Profit 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.

**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.

Sl. No.	Key Audit Matters	Auditor’s Response
1.	Acquisition of shares in Stitched Textiles Limited (Subsidiary)	As per our observation of the Financial Statements of the Company it is seen that the Company has purchased a controlling stake in Stitched Textiles Limited via the Bank Payment route. We have verified the valuation of shares,

		actual payment of consideration to the subsidiary, as well as the relevant statutory compliances with respect to the said acquisition. This matter has been classified as a key audit matter since it is of such value which exceeds the materiality benchmark as well as the performance materiality benchmark of our audit risk materiality assessment.
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### **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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - i. 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.
  - ii. 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, except for the matters stated in the paragraph viii (e) below, on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014
  - iii. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - iv. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - v. On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - vi. 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 B".
  - vii. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The

## **S. P. Sarda & Co.**

*Chartered Accountants*

Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- viii. 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, in our opinion and to the best of our information and according to the explanations given to us.
- a. The Company does not have any pending litigations which would impact its financial position.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d.
- The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
  - The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - Based on our examination which included test checks and information given to us, the Company has used accounting software's for maintaining its books of account, which did not have a feature of recording audit trail (edit log) facility throughout the year for all relevant transactions recorded in the respective software's, hence we are unable to comment on audit trail feature of the said software.
- e. As stated in Notes to the standalone financial statements
- No Dividend was proposed in the previous year.
  - No interim dividend declared and paid by the Company during the year

## **S. P. Sarda & Co.**

*Chartered Accountants*

- The Board of Directors of the Company have not proposed any dividend for the year.
- ix. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph above on reporting under section 143(3)(b) of the Act and paragraph on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

For **S P Sarda & Co,**

*Chartered Accountants*

Firm's registration No. 323054E

Ankit Agarwal

Partner

Membership No. 305132

UDIN: 24305132BKCQOF2029

Date: 30/05/2024

Place: Kolkata



**ANNEXURE "B" 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, 2024 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 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, 2024, 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 **S P Sarda & Co,**

*Chartered Accountants*

Firm's registration No. 323054E

Ankit Agarwal

Partner

Membership No. 305132

UDIN: 24305132BKCQOF2029

Date: 30.05.2024

Place: Kolkata

## **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 of yarn and fabrics.

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

The Standalone Financial Information of the Company comprises of the Standalone Statements of Assets and Liabilities as at March 31, 2024 and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Restated Standalone Statement of Changes in Equity and the Restated Standalone Statement of Cash flows the year ended March 31, 2024, the Basis for Preparation and Significant Accounting Policies and the Statement of Notes to the Standalone Financial Information (hereinafter collectively referred to as 'Standalone Financial Information').

### **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 IND AS.

## **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 and Intangible Assets**

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 has been written off in the 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.

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

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

To the best of our information and according to the explanations provided to us by the company and the books of account and records examined by us in the normal course of business, we state that:

- i.** In respect of the Company's Property, Plant and Equipment and Intangible Asset:
  - a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.  
  
B) The Company does not have any intangible asset. Accordingly, reporting under clause 3 (i) (a) (B) of the Order is not applicable.
  - b) The Company has a program of physical verification to cover all the items of Property, Plant and Equipments a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were identified on such physical verification.
  - c) According to the information and explanations given to us, and on the basis of our examination of the records provided to us, we report that, the title deeds, comprising all the immovable properties which are freehold, are held in the name of the Company as at the balance sheet date. In respect of leasehold land that have been taken on lease and recognized as Right of Use asset in Property, Plant and Equipment in the financial statements, the lease agreements are in the name of the Company.
  - d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.
  - e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under, as at 31st March, 2022.
- ii.**
  - a) The inventory has been physically verified by the management during the year ended 31<sup>ST</sup> March, 2024. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
  - b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point during the year. Accordingly, reporting under clause 3 (ii) (b) of the Order is not applicable.
- iii.** Details of Investments, any guarantee, security, advances or loans given
  - a) According to information and explanation given to us, the company has granted loan to various Parties and done investment in subsidiary.  
  
A) The Company has not granted any loans or advances and guarantees or security to associates;  
  
B) During the year the Company has granted Rs. 1.02 lacs as Loans and Advances to  
**Siddha Weston, 9, Weston Street, Unit No. 320, Kolkata-700013 | Phone No. 033 40064746**  
**Email: spsarda1995@yahoo.com**

parties other than Associate Company and Outstanding of Balance of which is Rs. 1.02 lacs.

b) The terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

c) In respect of loans and advances in the nature of loans, schedule of repayment of principal and payment of interest has not been stipulated.

d) As the repayment terms has not been stipulated all the Loans are repayable on demand hence there is no instances of overdue.

e) No loans are fallen due during the year.

f) The Company has granted Loans as mentioned in point 3 (a) [B]. 100% loans are repayable on demand and without specifying any terms or period of repayment.

(Amount Rs. In Lakhs)

Sr. No.	Particulars	Amount of Loan or Advance in nature of Loan granted during the period	Outstanding Balance as on 31 <sup>st</sup> March, 2024
1)	Loan Granted to Promoters	0	0
2)	Loan Granted to Related Parties excluding Promoters	0	0

iv. In our opinion and according to information and explanation given to us, the company has granted loans and made investments which is in compliance with the provision of section 185 and 186 of the Companies Act, 2013.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or deemed to be deposits during the year and therefore, the provisions of the clause 3(v) of the Order is not applicable to the Company.

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 31.03.2024 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 are no statutory dues referred in sub-clause (a) which have not been deposited on account of any dispute.

## **S. P. Sarda & Co.**

*Chartered Accountants*

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. 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.
- x. The Company has 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.
- xi. 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.
- 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. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors during the year and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) (a), (b) and (c) of the Order are not applicable.  
b) In our opinion and according to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year but there was a cash loss of Rs. 16.07 lacs in the immediate preceding financial year.
- xviii. There has been no resignation of Statutory Auditors of the Company during the year.
- xix. On the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting  
**Siddha Weston, 9, Weston Street, Unit No. 320, Kolkata-700013 | Phone No. 033 40064746**  
**Email: spsarda1995@yahoo.com**

## **S. P. Sarda & Co.**

*Chartered Accountants*

its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet will get discharged by the company as and when they fall due.

- xx.** The Company is not required to spend amount in pursuance of the Corporate Social Responsibility as stipulated under Section 135 of the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.
- xxi.** No qualifications have been raised by auditor of group companies.

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

Ankit Agarwal  
Partner  
Membership No. 305132  
UDIN: 24305132BKCQNN2635  
Date: 30.05.2024  
Place: Kolkata

**Yarn Syndicate Limited**  
**Standalone Balance Sheet as on 31st March 2024**

	Notes	Rs in Lakhs	
		As at 31st March 2024	As at 31st March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property plant and equipment And Intangible Assets	3	6.21	6.21
b) Financial assets			
i) Investments	4	1,984.50	-
<b>Total non-current assets</b>		<b>1,990.71</b>	<b>6.21</b>
<b>Current assets</b>			
a) Inventories	5	29.33	-
b) Financial assets			
i) Trade receivables	6	253.86	-
ii) Cash and cash equivalents	7	113.68	8.63
iii) Loans and advances	8	1.02	-
iv) Other Financial Asset	9	50.90	1.20
c) Current Tax Assets (Net)	10	0.15	-
d) Other current assets	11	307.18	2.02
<b>Total current assets</b>		<b>756.11</b>	<b>11.85</b>
<b>Total assets</b>		<b>2,746.82</b>	<b>18.05</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	12	1,275.00	375.00
b) Other equity	13	1,099.80	417.13
<b>Total equity</b>		<b>2,374.80</b>	<b>42.13</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Provisions	14	-	8.73
<b>Total non-current liabilities</b>		<b>-</b>	<b>8.73</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Short term borrowings	15	257.44	43.23
ii) Trade payables	16	111.01	2.68
b) Provisions	17	1.50	-
c) Other current liabilities	18	2.07	5.54
<b>Total current liabilities</b>		<b>372.02</b>	<b>51.45</b>
<b>Total liabilities</b>		<b>372.02</b>	<b>60.18</b>
<b>Total equity and liabilities</b>		<b>2,746.82</b>	<b>18.05</b>
Significant Accounting Policies and Notes on Accounts	<b>1 &amp; 2 3-28</b>	0.00	0.28

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 : 30.05.2024  
UDIN: 24305132BKCQNN2984

*for and on Behalf of the Board of Directors*

Ravi Pandya  
(Managing Director)  
DIN: 09509086

Chetan Ojha  
(Director)  
DIN: 09706197

Dharmesh Tripathi  
(Chief Financial Officer)

Place : Ahmedabad

**Yarn Syndicate Limited**  
**Standalone Statement of Profit and Loss for the Period ended 31st March 2024**

	Particulars	Notes	Rs in Lakhs	
			For the year Ended 31st March 2024	For the year Ended 31st March 2023
<b>I</b>	Revenue from operations	19	247.62	-
<b>II</b>	Other income	20	3.91	2.94
<b>III</b>	<b>Total Income (I+II)</b>		<b>251.53</b>	<b>2.94</b>
<b>IV</b>	<b>Expenses</b>			
	Purchases of Stock-in-Trade	21	247.91	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	22	(29.33)	-
	Employee benefits expense	23	2.45	5.84
	Finance costs	24	0.02	-
	Depreciation expense	25	-	-
	Other expenses	26	22.39	13.17
	<b>Total expenses (IV)</b>		<b>243.44</b>	<b>19.00</b>
<b>V</b>	<b>Profit before tax (III -IV)</b>		<b>8.09</b>	<b>16.07</b>
<b>VI</b>	<b>Tax expense</b>			
	Excess Income tax earlier year		-	-
	Deferred tax		-	-
	<b>Total tax expense (VI)</b>		<b>-</b>	<b>-</b>
<b>VII</b>	<b>Profit for the period (V-VI)</b>		<b>8.09</b>	<b>16.07</b>
<b>VIII</b>	<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>
<b>IX</b>	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>8.09</b>	<b>16.07</b>
	<b>Earnings per equity share of (₹ 10 each)</b>			
	<b>(1) Basic (in Rs)</b>		<b>0.10</b>	<b>(0.43)</b>
	<b>(2) Diluted (In Rs)</b>	28	<b>0.20</b>	<b>(0.43)</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

*for and on Behalf of the Board of Directors*

Ankit Agarwal  
(Partner)  
Membership No : 305132

Ravi Pandya  
(Managing Director)  
DIN: 09509086

Place : Kolkata  
Date : 30.05.2024  
UDIN: 24305132BKCQNN2984

Chetan Ojha  
(Director)  
DIN: 09706197

Dharmesh Tripathi  
(Chief Financial Officer)

Place : Ahmedabad

**Yarn Syndicate Limited**  
**Standalone Statement of Cash Flows for the year ended 31st March 2024**

Particulars	Rs in Lakhs	
	As on Year ended 31.03.2024	As on Year ended 31.03.2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit for the year	8.08	(16.07)
Adjustment to reconcile net profit to net cash provided by Operational Activities		-
Depreciation	-	-
Interest expense	-	-
Interest income	-	-
Gain on Mutual Fund	-	-
Provision / Bad Debts/ Sundry Bal. W/ back	-	-
Prior Period Income	-	-
Bad Debts W/off	-	-
Profit on disposal of property plant and equipment	-	(2.94)
	<b>8.08</b>	<b>(19.00)</b>
<b>Changes in Assets &amp; Liabilities:</b>		-
Trade Receivables	- 253.86	-
Inventories	- 29.32	-
Short term loans and advances	- 1.02	-
Other Current Assets	- 354.86	29.62
Trade payables	108.33	(0.16)
Other Current Liabilities	- 10.70	1.27
		-
<b>CASH GENERATED FROM OPERATIONS</b>	<b>533.34</b>	<b>11.73</b>
Direct Taxes Paid:	0.15	-
<b>NET CASH GENERATED BY OPERATIONS (A)</b>	<b>533.49</b>	<b>11.73</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		-
Proceeds from disposal of property, plant and equipments	-	4.00
Loan & Inter coporate Deposits:	-	-
Investments	- 1,984.50	-
Gain on Mutual Fund	-	-
Interest income	-	-
<b>NET CASH GENERATED / (USED) IN INVESTING ACTIVITIES (B)</b>	<b>1,984.50</b>	<b>4.00</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		-
Long Term Borrowings repaid	-	-
Short Term Borrowings:	214.21	(11.77)
Increase in capital	2,408.83	-
Interest expense	-	-
Interest income	-	-
<b>NET CASH GENERATED / (USED) IN FINANCING ACTIVITIES (C)</b>	<b>2,623.04</b>	<b>(11.77)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>105.05</b>	<b>3.97</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8.63	4.66
<b>CASH AND CASH EQUIVALENT AS PER NOTE 5</b>	<b>113.68</b>	<b>8.63</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

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

Ravi Pandya  
(Managing Director)  
DIN: 09509086

Date : 30.05.2024  
Place: Kolkata  
UDIN: 24305132BKCQNN2984

Chetan Ojha  
(Director)  
DIN: 09706197

Dharmesh Tripathi  
(Chief Financial Officer)

Place : Ahmedabad



**Yarn Syndicate Limited**  
Rs in Lakhs

Particulars	Other Equity										Total Equity attributable to Equity holders
	Equity Share Capital	Reserves and Surplus					Items of OCI				
		Capital Reserve	Securities Premium Account	Fixed Assets Revaluation Reserve	General Reserve	Retained earnings	Debt Instruments through OCI	Equity instruments through OCI	Effective portion of Cash Flow hedges	FVTOCI reserve	
<b>As at 1 April 2023</b>	<b>375.00</b>	-	<b>437.50</b>	-	-	<b>(854.63)</b>	-	-	-	-	<b>(42.13)</b>
Profit for the year	-	-	-	-	-	8.09	-	-	-	-	8.09
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>375.00</b>	-	<b>437.50</b>	-	-	<b>(846.54)</b>	-	-	-	-	<b>(34.04)</b>
Dividends	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-
i. Issue of right shares	900.00	-	1,530.00	-	-	-	-	-	-	-	2,430.00
ii. Others	-	-	(21.17)	-	-	-	-	-	-	-	(21.17)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March 2024</b>	<b>1,275.00</b>	-	<b>1,946.33</b>	-	-	<b>(846.54)</b>	-	-	-	-	<b>2,374.80</b>

**Yarn Syndicate Limited**  
**Notes to the financial statements for the Year Ended 31st March 2024**  
**Rs in Lakhs**

**3: Property plant and equipment And Intangible Assets**

Carrying amounts of:	As at March 2024	As at 31st March 2023
Freehold Land	5.58	5.58
Building	0.62	0.62
Computer	0.01	0.01
Vehicles	-	-
<b>Total</b>	<b>6.21</b>	<b>6.21</b>

1) The title deed of Immovable Property is held in the name of the Company.

2) No depreciation has been provided for on depreciable fixed assets, i.e. computer and vehicles as the same are being carried at salvage value of 5%.

**3: Property, Plant and Equipment And Intangible Assets**

Cost	Freehold Land	Buildings	Computer	Vehicles	Total
Balance at 1 April 2022	5.58	0.62	2.60	112.34	121.14
Additions / Adjustment	-	-	-	-	-
Disposals	-	-	-	112.34	-
Balance at 31 March 2023	5.58	0.62	2.60	-	121.14
Additions / Adjustment	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 31st March 2024</b>	<b>5.58</b>	<b>0.62</b>	<b>2.60</b>	<b>-</b>	<b>121.14</b>

Accumulated depreciation and impairment	Freehold Land	Buildings	Computer	Vehicles	Total
Balance at 1 April 2022	-	-	2.59	111.28	113.87
Depreciation expense	-	-	-	-	-
Eliminated on disposal of assets	-	-	-	111.28	-
Balance at 31 March 2023	-	-	2.59	-	113.87
Depreciation expense for the year	-	-	-	-	-
Eliminated on disposal of assets	-	-	-	-	-
Others	-	-	-	-	-
<b>Balance at 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>2.59</b>	<b>-</b>	<b>113.87</b>

Carrying amount	Freehold Land	Buildings	Computer	Vehicles	Total
Balance at 1 April 2022	5.58	0.62	0.01	1.06	7.27
Additions	-	-	-	-	-
Disposals	-	-	-	1.06	1.06
Depreciation expense	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-
Balance at 31 March 2023	5.58	0.62	0.01	-	6.21
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation expense	-	-	-	-	-
<b>Balance at 31 March 2024</b>	<b>5.58</b>	<b>0.62</b>	<b>0.01</b>	<b>0.00</b>	<b>6.21</b>

**Yarn Syndicate Limited**  
**Notes to the financial statements for the Year Ended 31st March 2024**  
**Rs in Lakhs**

4: Investments	As on 31st March 2024	As on 31st March 2023
<b>Unquoted investments</b>		
Investment in related parties (Subsidiary) 6,30,00,000 equity shares of Stitched Textiles limited @ Rs. 3.15 each **	1,984.50	-
<b>Total</b>	<b>1,984.50</b>	<b>-</b>

**\*\* The Entity has acquired a controlling stake in Stitched Textiles limited by way of purchase of Equity shares. The entity has also prepared relevant consolidated financial statements in accordance with Section 129 of the Companies Act, 2013 (as amended), Ind AS 103 " Business Combinations " as well as Ind AS 110 " Consolidated Financial Statements ".**

5: Inventories	As on 31st March 2024	As on 31st March 2023
Stock in trade	29.33	-
<b>Total</b>	<b>29.33</b>	<b>-</b>

6: Trade receivables	As on 31st March 2024	As on 31st March 2023
<b>Unsecured</b>		
Considered good	253.86	-
Considered Doubtful	145.01	145.01
Credit Impaired	-	-
	<b>398.87</b>	<b>145.01</b>
<i>Less: Doubtful Receivables</i>	<i>145.01</i>	<i>145.01</i>
<b>Total</b>	<b>253.86</b>	<b>-</b>

**Trade Receivables ageing schedule:**

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 Months- 1 Year	1- 2 Years	2- 3 Years	More Than 3 Years	
(i) Undisputed Trade receivables – considered good	209.80	44.06	-	-	-	253.86
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	145.01	145.01
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>209.80</b>	<b>44.06</b>	<b>-</b>	<b>-</b>	<b>145.01</b>	<b>398.87</b>

**Footnotes:**

- i) No trade or other receivables 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 90 days to 120 days.

7: Cash and cash equivalents	As on 31st March 2024	As on 31st March 2023
a. Balances with banks in current accounts	109.78	4.77
b. Cash on hand	3.90	3.86
Total cash and cash equivalents as per Balance Sheet	<b>113.68</b>	<b>8.63</b>
<b>Total cash and cash equivalents as per Statement of Cash Flows</b>	<b>113.68</b>	<b>8.63</b>

**Non cash transactions**

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

8: Loans and advances	As on 31st March 2024	As on 31st March 2023
a. Other loans and advances (Unsecured)	1.02	-
	<b>1.02</b>	<b>-</b>

9: Other Financial Assets	As on 31st March 2024	As on 31st March 2023
<b>Current</b>		
Security Deposits	50.90	1.20
<b>Total</b>	<b>50.90</b>	<b>1.20</b>

10: Current Tax Assets (Net)	As on 31st March 2024	As on 31st March 2023
TDS Receivable	0.15	-
<b>Total</b>	<b>0.15</b>	<b>-</b>

**Yarn Syndicate Limited**  
**Notes to the financial statements for the Year Ended 31st March 2024**  
**Rs in Lakhs**

11: Other Current assets	As on 31st March 2024	As on 31st March 2023
(Unsecured Considered good unless otherwise stated)		
Advance to vendors	307.18	1.36
Balance with Government Authorities (GST Input)	-	0.66
<b>Total</b>	<b>307.18</b>	<b>2.02</b>

The Loans and Advances are not granted to promoters, directors, KMPs and the related parties either severally or jointly with any other person.

12: Equity Share capital	As on 31st March 2024	As on 31st March 2023
Equity share capital		
<b>Authorised share capital :</b>		
2,20,00,000 Equity Shares of Rs 10/- each with voting rights (50,00,000 shares for F.Y. 2022-23)	2,200.00	500.00
	<b>2,200.00</b>	<b>500.00</b>
<b>Issued, subscribed and fully paid up equity capital:</b>		
<b>Issued shares</b>		
37,50,000 Equity Shares of Rs 10/- each with voting rights	375.00	375.00
<b>Issued, subscribed and Partly paid up equity capital:</b>		
1,80,00,000 Equity Shares of Rs 10/- each, Rs. 5/- paid up with voting rights <sup>***</sup>	900.00	-
	<b>1,275.00</b>	<b>375.00</b>
As on Year End	<b>1,275.00</b>	<b>375.00</b>
Less: Reclassified to financial liabilities (at amortised cost)	-	-
	<b>1,275.00</b>	<b>375.00</b>

**Footnotes:**

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

Equity shares	Number of shares	Number of shares
Balance at 1 April 2023	37,50,000	37,50,000
Add : Rights issue <sup>***</sup>	1,80,00,000	-
<b>Balance at 31 March 2024</b>	<b>2,17,50,000</b>	<b>37,50,000</b>

<sup>\*\*\*</sup>

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("the Regulations"), Rights Issue Committee of Directors of the Company in their meeting held on Tuesday, 27th February, 2024 at the Corporate Office of the Company situated at Shop No 128 Supemall-2 GH-0 Circle, Infocity, Gandhinagar – 382007, Gujarat, which commenced at 1:00 P.M. and concluded at 1:45 P.M. inter-alia had considered and approved Allotment of 1,80,00,000 (One Crore Eighty Lakhs) Partly Paid-up Equity Shares with paid-up value of Rs. 5.00/- each and face value of Rs. 10.00/- each on a Rights basis to the eligible equity shareholders of the Company at a price of Rs. 27.00/- (Rupees Twenty Seven Only) per equity share (including a share premium of Rs. 17.00/- per equity share) in the ratio of 24:5 i.e. 24 (Twenty Four) Rights Equity shares for every 5 (Five) fully paidup Equity shares held by the eligible equity shareholders as on the Record date i.e. Wednesday, 24th January, 2024.

Out of issue price of Rs. 27.00/- per rights equity share, Rs. 13.50/- per rights equity share including a share premium of Rs. 8.50/- per rights equity share had been paid on application and the balance amount shall be payable on 1st and Final call at such time as may be determined by the Board in consultation with the Rights Issue Committee.

The said allotment is pursuant to the Letter of Offer dated 25th January, 2024 and the Basis of Allotment as approved by BSE Limited ("BSE"), the Designated Stock Exchange for this issue.

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

Equity shares	As on 31st March 2024	As on 31st March 2023
<b>Mrs Sheela Patodia</b>		
Number Of Shares	-	5,13,546
% HELD	0.00%	13.69%
<b>Total</b>	<b>-</b>	<b>5,13,546</b>
<b>Mr Ravi Niranjn Pandya</b>		
Number Of Shares	14,63,646	8,00,000
% HELD	6.73%	21.33%
<b>Total</b>	<b>14,63,646</b>	<b>8,00,000</b>
<b>Mr Devendr Singh</b>		
Number Of Shares	2,12,406	3,34,850
% HELD	0.98%	8.93%
<b>Total</b>	<b>2,12,406</b>	<b>3,34,850</b>
<b>Mr Jaimin Kailash Gupta</b>		
Number Of Shares	1,02,686	3,02,686
% HELD	0.47%	8.07%
<b>Total</b>	<b>1,02,686</b>	<b>3,02,686</b>
<b>BISHAL PAWAN MORE</b>		
Number Of Shares	28,77,723	-
% HELD	13.23%	0.00%
<b>Total</b>	<b>28,77,723</b>	<b>-</b>
<b>SANJAY KARANRAJ SAKARIA</b>		
Number Of Shares	19,10,000	-
% HELD	8.78%	0.00%
<b>Total</b>	<b>19,10,000</b>	<b>-</b>

**Yarn Syndicate Limited**

**Notes to the financial statements for the Year Ended 31st March 2024**

Rs in Lakhs

<b>VISMAY AMITKUMAR SHAH</b>		
Number Of Shares	13,17,575	-
% HELD	6.06%	0.00%
<b>Total</b>	<b>13,17,575</b>	<b>-</b>
<b>Mr Devi Singh</b>		
Number Of Shares	2,69,503	2,15,500
% HELD	1.24%	5.75%
<b>Total</b>	<b>2,69,503</b>	<b>2,15,500</b>

9.1 As per records of the Company as at 31 March 2024 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 proportion to their shareholding.

B) **Shareholding of Promoters as below:**

Shares held by promoters at the end of the year				% Change during the year
Sl No.	Promoter's name	No. of Shares	% of total shares	
1	Mrs Sheela Patodia	-	0.00	-13.69%
2	Mr Rishiraj Patodia	-	0.00	0%
3	Y S Exports Limited	-	0.00	0.00%
4	Anuj Patodia	-	0.00	-0.06%
5	Indu Chandrakishore	-	0.00	-0.02%
6	Jayanti Dalmia	-	0.00	0%
7	Manoj Kumar Patodia	-	0.00	0%
8	Nandita Patodia	-	0.00	0%
9	Ravi Niranjana Pandya	14,63,646	1.15	-20.18%

**Note:** The shareholding of the company has been transferred to another promoter group due to sale of majority shares of the company following the SEBI guidelines.

13: Other Equity	As on 31st March 2024	As on 31st March 2023
<b>Reserves and Surplus</b>		
a. Securities Premium	1,946.33	437.50
b. Retained Earnings	(846.54)	(854.63)
<b>Total</b>	<b>1,099.80</b>	<b>(417.13)</b>

14: Provisions	As on 31st March 2024	As on 31st March 2023
<b>Non Current</b>		
Employee benefits (See note below)		
Gratuity	-	8.73
<b>Total</b>	<b>-</b>	<b>8.73</b>

15. Short term borrowings	As on 31st March 2024	As on 31st March 2023
<b>Unsecured -at amortised cost</b>		
Loans from Related Parties	238.91	24.70
Loans from Body Corporate and others	18.53	18.53
<b>Total</b>	<b>257.44</b>	<b>43.23</b>

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

**Yarn Syndicate Limited**  
**Notes to the financial statements for the Year Ended 31st March 2024**  
**Rs in Lakhs**

<b>16 : Trade and other payables</b>	<b>As on 31st March 2024</b>	<b>As on 31st March 2023</b>
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	111.01	2.68
<b>Total</b>	<b>111.01</b>	<b>2.68</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.

Particulars	Outstanding for following periods from due date of payment(2023-24)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	111.01				111.01
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

Particulars	Outstanding for following periods from due date of payment(2022-23)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	1.67			1.01	2.68
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

<b>17 : Short Term Provisions</b>	<b>As on 31st March 2024</b>	<b>As on 31st March 2023</b>
Provision for audit fees	1.50	-
<b>Total</b>	<b>1.50</b>	<b>-</b>

<b>18: Other current liabilities</b>	<b>As on 31st March 2024</b>	<b>As on 31st March 2023</b>
Others	2.07	5.54
<b>Total</b>	<b>2.07</b>	<b>5.54</b>

<b>19: Revenue From Operations</b>	<b>For the period Ended 31.03.2024</b>	<b>For the period Ended 31.03.2023</b>
Sale of Trading Goods	247.62	-
<b>Total</b>	<b>247.62</b>	<b>-</b>

<b>20: Other Income</b>	<b>For the period Ended 31.03.2024</b>	<b>For the period Ended 31.03.2023</b>
<b>a) Other Non- Operating Income</b>		
Balances Written off	3.89	-
Discount Received	0.02	-
<b>b) Other Gains</b>		
Profit on Disposal of Property, Plant and Equipment	-	2.94
<b>Total</b>	<b>3.91</b>	<b>2.94</b>

<b>21: Purchases of Stock-in-Trade</b>	<b>For the period Ended 31.03.2024</b>	<b>For the period Ended 31.03.2023</b>
Purchase of Trading Goods	247.91	-
<b>Total</b>	<b>247.91</b>	<b>-</b>

**Yarn Syndicate Limited**

**Notes to the financial statements for the Year Ended 31st March 2024**

Rs in Lakhs

	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>22: Changes in inventories of finished goods, Stock-in-Trade and work-in-progress</b>		
Opening Stock	-	-
Less : Closing Stock	29.33	-
<b>Total</b>	<b>(29.33)</b>	<b>-</b>

	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>23: Employee benefits expense</b>		
Salaries, Wages and Bonus	2.45	5.23
Contribution to Provident and Other Funds	-	0.61
<b>Total</b>	<b>2.45</b>	<b>5.84</b>

	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>24: Finance Costs</b>		
Bank Charges	0.02	-
<b>Total</b>	<b>0.02</b>	<b>-</b>

	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>25: Depreciation and Ammortisation Expense</b>		
Depreciation (refer note 3)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

No depreciation has been provided for on depreciable fixed assets, i.e. computer and vehicles as the same are being carried at salvage value of 5%.

	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>26: Other expenses</b>		
Rates and taxes	-	-
Electricity Charges	0.02	0.09
Rent	4.08	3.38
Legal and professional fees	10.32	2.73
Repairs and maintenance of others	-	0.40
Telephone Expenses	0.01	0.22
Charity & Donations	-	0.04
Travelling and Conveyance Expenses	-	0.41
<b>Audit fee</b>	<b>-</b>	<b>-</b>
For Statutory Audit	1.50	0.60
For Other Matters	1.21	0.50
Listing fees/Annual Fees	3.27	3.39
Printing & Stationery and Courier Expenses	0.78	0.18
Filing Fees	-	0.39
Advertisement	0.24	0.34
Interest, penalty, late fees expenses	0.02	-
Prior Period Expenses	0.66	-
Others	0.28	0.50
<b>Total</b>	<b>22.39</b>	<b>13.17</b>

**Yarn Syndicate Limited**

**Notes to the financial statements for the Year Ended 31st March 2024**

**Rs in Lakhs**

**27. Ratio Analysis:**

Ratios	Numerator	As on 31st March 2024	As on 31st March 2023	% Variance	Reason for variance
Current Ratio	Current Assets/Current Liabilities	2.03	0.23	782.67%	As the operations have resumed, there is regular inflows, outflows, movements and profitability resulting in variation
Debt Equity Ratio	Total Debt/Shareholder's Equity	0.11	-1.03	-110.56%	
Debt Service Coverage Ratio	Earnings available for debt services/(Interest+Installments)	0.00	0.00	0.00%	
Return on Equity Ratio	(Net Profit after taxes-Preference Dividend(if any))/Shareholder's Equity	0.34%	38.14%	-99.11%	
Inventory Turnover Ratio	Cost of Goods Sold/Average Inventory	8.45	0.00	NA	
Trade Receivables Turnover Ratio	Net Credit Sales/Average Trade Receivables	0.98	0.00	NA	
Trade Payables Turnover Ratio	Net Credit purchases/Average Trade Payables	2.23	0.00	NA	
Net Capital Turnover Ratio	Net Sales/Net Assets	0.64	0.00	NA	
Net Profit Ratio	Net Profit/Sales*100	3.27	0.00	NA	
Return on Capital Employed	EBIT (1-tax rate) / Capital employed*100	0.34%	38%	-99.11%	
Return on Investment	Net Profit after tax/ Investments*100	0.00	0.00	0.00%	

**28: Earnings per share**

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
Basic earnings per share (in `)	0.10	(0.43)
Diluted earnings per share (in `)	0.20	(0.43)

**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 period Ended 31.03.2024	For the period Ended 31.03.2023
Profit after tax	8.09	16.07
Dividend including dividend distribution tax on CCPS	-	-
Profit for the year used in the calculation of basic earnings per share	8.09	16.07
Profit for the year used in the calculation of diluted earnings per share	8.09	16.07

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
Weighted average number of equity shares for basic earnings per share (in lakhs)	82.50	37.50
Weighted average number of equity shares for diluted earnings per share (in lakhs)	41.19	37.50

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

The Company does not have any Contingent Liabilities

NIL

NIL

& Contingent Assets and Commitments at the Balance Sheet date



**Yarn Syndicate Limited**

**Notes to the financial statements for the Year Ended 31st March 2024**

Rs in Lakhs

**30. Employee Benefits**

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

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
Employer's Contribution to Provident Fund:	-	0.50

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.

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>a) Change in the Present Value of the defined benefit Obligation during the year:</b>		
1. Present Value of the Obligation at the beginning:		12.10
2. Interest Cost:		0.86
3. Current Service Cost:		0.65
4. Benefit Paid:	-	0.78
5. Actuarial (Gain)/ Loss on the Obligation:	-	0.15
<b>Present Value of defined Benefit Obligation at the end of the year:</b>		<b>12.68</b>

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>b) Change in the Fair Value of Plan Assets during the Year:</b>		
1. Fair Value of Plan Assets at the beginning:		5.24
2. Expected Return on Plan Assets:		0.36
3. Employer's Contribution:		0.34
4. Benefit Paid:	-	0.78
5. Actuarial Gain/(Loss) on the Plan Assets:	-	0.35
<b>Fair Value of Plan Assets as at the end of the year:</b>		<b>4.80</b>

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>c) Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets</b>		
1. Present Value of Defined Benefit Obligation:		12.68
2. Fair Value of Plan Assets:		4.80
<b>Net Asset/(Liability) recognised in the Balance Sheet:</b>		<b>7.88</b>

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>d) Expenses recognised in the statement of Profit &amp; loss:</b>		
1. Current Service Cost:		0.65
2. Interest Cost:		0.86
3. Expected Return on Plan Assets:	-	0.36
4. Net Actuarial (Gain)/Loss recognised in the Period:		0.20
<b>Expenses recognised in the statement of Profit &amp; loss:</b>		<b>1.35</b>

**Yarn Syndicate Limited**  
**Notes to the financial statements for the Year Ended 31st March 2024**  
**Rs in Lakhs**

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>e) Actuarial Assumptions:</b>		
1. Discount Rate:		7.40%
2. Salary Growth Rate:		6.00%
3. Expected rate of return on Plan Assets:		7.40%

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>f) Maturity Profile of the defined benefit obligation :</b>		
1. Amount due within One year (Current Liability):		10.41
2. Amount due over One Year (Non Current Liability):		2.27
<b>Total Expected payments:</b>		<b>12.68</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

**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.

**31: 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 trading of 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.

### 32 : 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 2024		As at 31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Financial assets carried at amortised cost				
(a) Cash and bank balances	113.68	113.68	8.63	8.63
(b) Investments	1984.50	1984.50		
(c) Trade Receivables	253.86	253.86		
(d) Loans & advances	1.02	1.02		
(e) Other financial assets	50.90	50.90	1.20	1.20
<b>Financial Liabilities</b>				
Financial liabilities at amortised cost				
(a) Borrowings	257.44	257.44	43.23	43.23

#### Note:

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

### 33: 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 10 and 12 offset by cash and bank balances) and total equity of the Company.

The Company uses net debt 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 separate financial statements.

#### Net debt-to-equity ratio as of 31st March 2024

	31st March 2024	31st March 2023
Short Term Borrowings	257.44	43.23
Gross Debt : (A)	257.44	43.23
Less: Cash & Bank Balance	113.68	8.63
Net Debt: (B)	143.76	34.60
Total Equity	2374.80	-42.13
Net Debt to Equity Ratio	6.05%	-82.14%

#### ii) Categories of financial instruments

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
(a) Cash and bank balances	113.68	8.63
(b) Investments	1984.50	-
(c) Trade Receivables	253.86	
(d) Loans & advances	1.02	
(e) Other financial assets	50.90	1.20
<b>Measured at FVTOCI</b>		
(a) Investment in equity instruments designated upon initial recognition	-	-
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
(a) Borrowings	257.44	43.23
<b>Measured at FVTPL</b>		
Other financial liabilities	-	-

### 34: Financial risk management objectives and policies

#### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of 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 analyse the risks faced by the Company, to set appropriate risk limits and control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and 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 customers based on the performance and accordingly credit limit ceiling of each 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 109, 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.

**35: Leases**

The Company assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

As on April 1, 2023 the Company does not have any existing lease which are required to be recognized as right-of-use (ROU) Asset and a corresponding Lease liability.

**36. Details of Related Party Transactions**

Name of related Party	Relationship
M SUMLATHA	Relative of KMP
NAMICHAND AGARWAL	KMP
RAVI PANDYA	KMP
SHEELA PATODIA	KMP
STITCHED TEXTILES LIMITED	SUBSIDIARY
PRIYA SINGH	COMPANY SECRETARY

Amt. in lacs							
Name of related Party	REMUNERATION	LOAN TAKEN	INVESTMENT DONE	SALES	PURCHASE	CLOSING BALANCE	NATURE
M SUMLATHA		200				200	UNSECURED LOAN
NAMICHAND AGARWAL		1				1	UNSECURED LOAN
RAVI PANDYA		2.95				2.95	UNSECURED LOAN
SHEELA PATODIA		12.25				23.6	UNSECURED LOAN
STITCHED TEXTILES LIMITED			1984.5	109.85	47.64	146.91	DEBTORS
PRIYA SINGH	2.45					0.35	CREDITORS FOR EXPENSE

37: 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".

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 : 30.05.2024  
UDIN: 24305132BKQCQNN2984

**for and on Behalf of the Board of Directors**

Ravi Pandya  
(Managing Director)  
DIN: 09509086

Chetan Ojha  
(Director)  
DIN: 09706197

Place : Ahmedabad

Dharmesh Tripathi  
(Chief Financial Officer)

## **S. P. Sarda & Co.**

*Chartered Accountants*

### **Independent Auditor's Report**

#### **To the Members of YARN SYNDICATE LIMITED**

#### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying Consolidated Financial Statements of **Yarn Syndicate Limited** ("the Holding Company") and its subsidiary, (collectively hereinafter referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss, summary of significant accounting policies and other explanatory information. (Hereinafter referred to as "the consolidated financial statements").

#### **Opinion**

2. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2024 and their consolidated Profit for the year ended on that date.

#### **Basis for Opinion**

3. We conducted our audit of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements.

#### **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters are addressed in the context of our audit of the consolidated 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.

Sl. No.	Key Audit Matters	Auditor's Response
1.	Acquisition of shares in Stitched Textiles Limited (Subsidiary)	As per our observation of the Financial Statements of the Company it is seen that the Company has purchased a controlling stake in Stitched Textiles Limited via the Bank Payment route. We have verified the valuation of shares, actual payment of consideration to the subsidiary, as well as the relevant statutory compliances with respect to the said acquisition. This matter has been classified as a key audit matter since it is of such value which exceeds the materiality benchmark as well as the performance materiality benchmark of our audit risk materiality assessment.

### **Management's Responsibility for the Consolidated Financial Statements**

5. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. Read with Rule 7 of the companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

6. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Financial Statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or

## **S. P. Sarda & Co.**

### *Chartered Accountants*

error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

8. We believe that the audit evidence obtained by us and the audit evidence obtained by other Auditors in terms of their reports referred to in sub-paragraph (a) of the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Other Matter**

9. We did not audit the financial statements and other financial information, in respect of one subsidiary, whose financial statements include total assets of Rs. 12984.76 Lakh as at 31st March 2024, total revenues of Rs. 4976.78 Lakh and net cash outflows of Rs. 354.98 Lakh for the year ended on that date, in respect of one subsidiary, as considered in the consolidated financial statements, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us by the Management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of such other auditors. Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

10. As required by section 143(3) of the Act, 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 purpose of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion proper books of account as required by law relating to preparation of the consolidated financial statements have been kept by the Group so far as appears from our examination of those books and reports of the other auditors, except for the matters stated in the paragraph g (iv) below, on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014
  - c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this and the reports of the other auditor's Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014;

## **S. P. Sarda & Co.**

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- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2024, and taken on record by the Board of Directors and the report of the statutory auditors of the subsidiary company, none of the directors is disqualified as on March 31, 2024, 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 consolidated financial reporting of the Company and that of the Subsidiary in the Group to which the provisions of Section 143(3) of the Act apply and the operating effectiveness of such controls, refer to our separate Report in "Annexure A " attached herewith.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules 2014, in our opinion and according to the information and explanations given to us and based on the report of the auditors of the Subsidiary.
  - i. The group does not have any pending litigations which would impact its consolidated financial position.
  - ii. The Holding and the subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Holding as well as its subsidiary company.
  - iv. Based on our examination which included test checks and that performed by respective auditors of the subsidiary and information given to us, the Company and its subsidiarys has used accounting softwares for maintaining its books of account, which did not have a feature of recording audit trail (edit log) facility throughout the year for all relevant transactions recorded in the respective softwares, hence we are unable to comment on audit trail feature of the said software.
- h) There have been no qualifications or adverse remarks by the auditors in the Companies (Auditor's Report) Order (CARO) report of the company and subsidiarys included in the consolidated financial statements.

**For S. P. Sarda & Co.**

Chartered Accountants

**Firm's registration No. 323054E**

Ankit Agarwal

(Partner)

Membership No. 305132

Place: Kolkata

Date: 30/05/2024

UDIN: 24305132BKCQNN2635



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### **Annexure "A" attached to the Independent Auditor's Report on Consolidated Financial Statements For the year ended on 31.03.2024**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting of **Yarn Syndicate Limited** ("the Holding Company ") and its Subsidiary company referred to as Group as at 31st March, 2024 in conjunction with our audit of the consolidated financial statements of the company for the year ended on that date.

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

The respective Board of Directors of the entities contained the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Company's / Group internal financial controls system over financial reporting.

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

## **S. P. Sarda & Co.**

### *Chartered Accountants*

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 consolidated 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:

- a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated 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
- c) 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.

### **Inherent 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, 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, 2024, 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.

### **Other Matters**

We did not audit the financial statements of the subsidiary. Our aforesaid report under Section 143(9) of the Act on adequacy and operating effectiveness of internal financial controls over financial reporting in so far as it relates to the subsidiary is based solely on the report of auditors of the Subsidiary. Our opinion is not qualified in respect of this matter.

**For S. P. Sarda & Co.**

Chartered Accountants

**Firm's registration No. 323054E**

ANKIT AGARWAL

(Partner)

Membership No. 305132

Place: Kolkata

Date: 30/05/2024

UDIN: 24305132BKCQNN2635

**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")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of Yarn Syndicate Limited ("the Holding Company") and its subsidiary which is company incorporated in India, as of that date.

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

The Respective Board of Directors of the Holding Company and its subsidiary, which is company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the these companies 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 ("ICAI"). 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 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 Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Financial Statements over financial reporting 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 ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, 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 with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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 consolidated 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 Holding Company's internal financial controls system with reference to Consolidated Financial Statements.

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

A company's internal financial control with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements 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, the Holding Company and its subsidiary, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by these Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Ankit Agarwal  
Partner  
Membership No. 305132  
UDIN: 24305132BKCQNN2635  
Date: 30.05.2024  
Place: Kolkata

## **1. Company overview**

Yarn Syndicate Limited (the 'Company') is a public limited company domiciled in India. Its equity shares are listed on BSE stock exchange in India. The Company is engaged in trading of yarn and fabrics.

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

The consolidated Financial Information of the Company comprises of the consolidated Statements of Assets and Liabilities as at March 31, 2024 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash flows the year ended March 31, 2024, the Basis for Preparation and Significant Accounting Policies and the Statement of Notes to the consolidated Financial Information (hereinafter collectively referred to as 'consolidated Financial Information').

#### **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 IND AS.

### **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 and Intangible Assets**

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 scrapped 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 has been written off in the 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.

**q. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control exists when the Parent Company, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Consolidation of a subsidiary begins when the Parent Company, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Company, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired are included in the consolidated Statement of Profit and Loss from the date the Parent Company, directly or indirectly, gains control until the date when the Parent Company, directly or indirectly, ceases to control the subsidiary. The consolidated financial statements of the Group combine financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries are harmonised to ensure the consistency with the policies adopted by the Parent Company.

**43. Information about subsidiary**

Name of Subsidiary	Percentage of Ownership		Country of Incorporation
	31.03.2024	31.03.2023	
Stitched Textiles Limited	50.82%	-	India

(i) Additional information, as required under schedule III to the companies act, 2013, of entities consolidated as subsidiaries

Particulars	Net Assets (total assets minus total liabilities)	Share in profit or loss
-------------	---	-------------------------

	<b>As % of consolidated net assets</b>	<b>Amount (in lacs)</b>	<b>As % of consolidated profit</b>	<b>Amount (in lacs)</b>
<b>PARENT</b>				
Yarn Syndicate Limited	97.25%	2374.80	10.75%	8.09
<b>SUBSIDIARY</b>				
Stitched Textiles Limited	2.75%	67.16	89.25%	67.16
Total as at March 31, 2024	100.00%	2441.96	100.00%	75.25

**Yarn Syndicate Limited**  
**Consolidated Balance Sheet as on 31st March 2024**

	Notes	Rs in Lakhs	Rs in Lakhs
		As at 31st March 2024	As at 31st March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property plant and equipment And Intangible Assets	3	455.82	6.21
b) Goodwill		884.73	-
c) Financial assets			
i) Investments	4	143.05	-
ii) Loans	5	1,813.84	-
iii) Other Financial Assets	6	29.45	-
c) Advance tax assets (net)		-	-
b) Deferred tax assets (net)		-	-
c) Other non-current assets	7	71.50	-
<b>Total non-current assets</b>		<b>3,398.39</b>	<b>6.21</b>
<b>Current assets</b>			
a) Inventories	8	5,033.85	-
b) Financial assets			
i) Trade receivables	9	2,175.54	-
ii) Cash and cash equivalents	10	270.17	8.63
iii) Loans and advances	11	2,402.02	-
iv) Other Financial Asset	12	50.90	1.20
c) Current Tax Assets (Net)	13	6.67	-
d) Other current assets	14	1,147.35	2.02
<b>Total current assets</b>		<b>11,086.49</b>	<b>11.85</b>
<b>Total assets</b>		<b>14,484.88</b>	<b>18.05</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	15	1,275.00	375.00
b) Other equity	16	1,166.96	417.13
c) Non-controlling Interests		1,129.18	-
<b>Total equity</b>		<b>3,571.14</b>	<b>42.13</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Other Financial Liabilities	17	811.75	-
b) Provisions	18	-	8.73
<b>Total non-current liabilities</b>		<b>811.75</b>	<b>8.73</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Short term borrowings	19	1,934.03	43.23
ii) Trade payables	20	6,044.69	2.68
b) Provisions	21	26.85	-
c) Other current liabilities	22	2,096.42	5.54
<b>Total current liabilities</b>		<b>10,101.99</b>	<b>51.45</b>
<b>Total liabilities</b>		<b>10,913.74</b>	<b>60.18</b>
<b>Total equity and liabilities</b>		<b>14,484.88</b>	<b>18.05</b>

Significant Accounting Policies and Notes on Accounts

**1 & 2**  
**3-42**

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

*for and on Behalf of the Board of Directors*

Yarn Syndicate Limited

Ankit Agarwal  
(Partner)  
Membership No : 305132

Ravi Pandya  
(Managing Director)  
DIN: 09509086

Chetan Ojha  
(Director)  
DIN: 09706197

Place : Kolkata  
Date : 30.05.2024  
UDIN: 24305132BKQNN2635

Dharmesh Tripathi  
(Chief Financial Officer)

Place : Ahmedabad

**Yarn Syndicate Limited**  
**Consolidated Statement of Profit and Loss for the Period ended 31st March 2024**

	Particulars	Notes	Rs in Lakhs	
			For the year Ended 31st March 2024	For the year Ended 31st March 2023
<b>I</b>	Revenue from operations	23	390.32	-
<b>II</b>	Other income	24	108.58	2.94
<b>III</b>	<b>Total Income (I+II)</b>		<b>498.90</b>	<b>2.94</b>
<b>IV</b>	<b>Expenses</b>			
	Purchases of Stock-in-Trade	25	552.90	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	26	(608.70)	-
	Employee benefits expense	27	31.71	5.84
	Finance costs	28	44.00	-
	Depreciation expense	29	2.52	-
	Other expenses	30	336.22	13.17
	<b>Total expenses (IV)</b>		<b>358.65</b>	<b>19.00</b>
<b>V</b>	<b>Profit before tax (III -IV)</b>		<b>140.25</b>	<b>(16.07)</b>
<b>VI</b>	<b>Tax expense</b>			
	Excess Income tax earlier year		-	-
	Deferred tax		-	-
	<b>Total tax expense (VI)</b>		<b>-</b>	<b>-</b>
<b>VII</b>	<b>Profit for the period (V-VI)</b>		<b>140.25</b>	<b>(16.07)</b>
<b>VIII</b>	<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>
<b>IX</b>	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>140.25</b>	<b>(16.07)</b>
	<b>Net profit attributable to :</b>			
	a) Owner of the company		75.25	-
	b) Non controlling interests		64.99	-
	<b>Earnings per equity share of (₹ 10 each)</b>			
	<b>(1) Basic (in Rs)</b>	32	<b>1.70</b>	<b>(0.43)</b>
	<b>(2) Diluted (In Rs)</b>		<b>0.04</b>	<b>(0.43)</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

*for and on Behalf of the Board of Directors*  
Yarn Syndicate Limited

Ankit Agarwal  
(Partner)  
Membership No : 305132

Ravi Pandya  
(Managing Director)  
DIN: 09509086

Chetan Ojha  
(Director)  
DIN: 09706197

Place : Kolkata  
Date : 30.05.2024  
UDIN: 24305132BKCQNN2635

Dharmesh Tripathi  
(Chief Financial Officer)

Place : Ahmedabad

**Yarn Syndicate Limited**  
**Consolidated Statement of Cash Flows for the year ended 31st March 2024**

Particulars	Rs in Lakhs	Rs in Lakhs
	As on Year ended 31.03.2024	As on Year ended 31.03.2023
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax as per Statement of Profit and Loss	140.25	(16.07)
<b>Adjusted for:</b>		
Depreciation	2.52	-
Other income	- 108.58	(2.94)
Profit on disposal of property plant and equipment	-	-
<b>Operating Profit before working capital changes</b>	<b>31.67</b>	<b>(19.01)</b>
<b>Adjusted for:</b>		
(Increase)/ Decrease in Trade Receivables	- 2,175.54	-
(Increase)/ Decrease in Inventories	- 5,033.85	-
(Increase)/ Decrease in Loans	- 2,402.02	-
Increase/ (Decrease) in Other Current Assets	- 1,195.03	29.62
Increase/ (Decrease) in Other Current Liabilities	2,109.00	1.27
Increase/ (Decrease) in Trade Payable	6,042.01	(0.15)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>- 2,623.75</b>	<b>11.73</b>
Income Tax (Net of Payment)	- 4.17	-
<b>NET CASH GENERATED BY OPERATIONS (A)</b>	<b>- 2,627.92</b>	<b>11.73</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, Plant & Equipment	- 452.13	4.00
Other income	108.58	-
Goodwill on consolidation	- 884.73	-
Sales of Fixed Assets	-	-
Non Current loans and other non current assets	- 1,914.79	-
Increase in Investments	- 143.05	-
<b>NET CASH GENERATED / (USED) IN INVESTING ACTIVITIES (B)</b>	<b>- 3,286.12</b>	<b>4.00</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Borrowings (Net)	1,890.80	(11.77)
Non current financial liabilities	811.75	-
Increase in capital	3,473.03	-
	-	-
<b>NET CASH GENERATED / (USED) IN FINANCING ACTIVITIES (C)</b>	<b>6,175.58</b>	<b>(11.77)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENT (A+B+C)</b>	<b>261.54</b>	<b>3.97</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	8.63	4.66
<b>CASH AND CASH EQUIVALENT AS PER NOTE 10</b>	<b>270.17</b>	<b>8.63</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

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

Ankit Agarwal

(Partner)

Membership No : 305132

Date : 30.05.2024

Place: Kolkata

UDIN: 24305132BKCCQNN2635

for and on Behalf of the Board of Directors

#VALUE!

Ravi Pandya

(Managing Director)

DIN: 09509086

Chetan Ojha

(Director)

DIN: 09706197

Dharmesh Tripathi

(Chief Financial Officer)

Place : Ahmedabad

**Yarn Syndicate Limited**  
Rs in Lakhs

Particulars	Equity							Non Controlling Interest	Total
	Equity Share Capital	Other Equity					Retained earnings		
		Capital Reserve	Securities Premium Account	Fixed Assets Revaluation Reserve	General Reserve				
<b>As at 1 April 2023</b>	<b>375.00</b>	-	<b>437.50</b>	-	-	<b>(838.56)</b>	-	<b>(26.06)</b>	
Profit for the year	-	-	-	-	-	(16.07)	-	<b>(16.07)</b>	
Other comprehensive income	-	-	-	-	-	-	-	-	
<b>Total comprehensive income</b>	<b>375.00</b>	-	<b>437.50</b>	-	-	<b>(854.63)</b>	-	<b>(42.13)</b>	
Profit for the year	-	-	-	-	-	75.25	-	75.25	
Dividends	-	-	-	-	-	-	-	-	
Transfer to retained earnings	-	-	-	-	-	-	-	-	
Any other change (to be specified)	-	-	-	-	-	-	-	-	
i. Issue of right shares	900.00	-	1,530.00	-	-	-	-	2,430.00	
ii. Others	-	-	(21.17)	-	-	-	-	(21.17)	
Non-Controlling Interest arising on account of business combination	-	-	-	-	-	-	1,064.19	1,064.19	
Acquisition of non-controlling interests	-	-	-	-	-	-	64.99	64.99	
<b>As at 31st March 2024</b>	<b>1,275.00</b>	-	<b>1,946.33</b>	-	-	<b>(779.38)</b>	<b>1,129.18</b>	<b>3,571.14</b>	



**Yarn Syndicate Limited**  
Notes to the financial statements for the Year Ended 31st March 2024

Rs in Lakhs

**Note : 3 Property plant & equipment & Intangible Assets**

Sr. No	Particulars	Gross Block				Depreciaton Block			Net Block		
		As at 01.04.2023	Addition during the year	Deduction during the year	As at 31.03.2024	As at 01.04.2023	For the period ended	Deduction	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
	<b>Property plant &amp; equipment</b>										
	Freehold Land	5.58			5.58	0.00	0.00	0.00	5.58	5.58	
	Building	218.45	-		218.45	6.54	7.06	13.60	204.85	211.29	
	Plant and Machinery	13.50	0.19		13.69322	2.52	0.75	3.27	10.43	10.97	
	Electrical Installation	32.49	6.96	0.04	39.41134	3.63	3.23	6.86	32.55	28.86	
	Furnitures and Fixtures	161.94	27.25	2.25	186.93546	17.96	15.90	33.86	153.08	143.97	
	Office Equipments	9.83	5.62	0.20	15.24622	1.93	1.97	3.90	11.35	7.90	
	Computer	12.80	6.73	0.15	19.383084	4.19	2.04	6.23	13.16	8.60	
	<b>Intangible Assets</b>										
	Software	32.74	3.97		36.71342	6.06	5.80	11.86	24.86	26.69	
	<b>Adjustment for Consolidation of Subsidiary Company</b>	478.53	50.73	2.64	526.62	40.24	34.22	74.46	452.16		
	<b>TOTAL</b>	<b>487.33</b>	<b>50.73</b>	<b>2.64</b>	<b>535.41</b>	<b>42.83</b>	<b>36.74</b>	<b>0.00</b>	<b>79.57</b>	<b>455.82</b>	<b>443.86</b>

Sr. No	Particulars	Gross Block				Depreciaton Block			Net Block	
		As at 01.04.2022	Addition during the year	Deduction during the year	As at 31.03.2023	As at 01.04.2022	For the period ended	Deduction	As at 31.03.2023	As at 31.03.2023
	<b>Property plant &amp; equipment</b>									
	Freehold Land	5.58			5.58	-		-	5.58	5.58
	Building	0.62			0.62	-		-	0.62	0.62
	Computer	2.60			2.60	2.59		2.59	0.01	0.01
	Vehicle	112.34			112.34	111.28	1.06	112.34	-	1.06
	<b>TOTAL</b>	<b>121.14</b>			<b>121.14</b>	<b>113.87</b>		<b>114.93</b>	<b>6.21</b>	<b>7.27</b>

**Yarn Syndicate Limited**  
**Notes to the financial statements for the Year Ended 31st March 2024**  
**Rs in Lakhs**

4: Investments	As on 31st March 2024	As on 31st March 2023
<b>QUOTED INVESTMENTS</b>		
Investment in Equity Instruments ( all fully paid)		
Reliance Industries LTD	10.22	-
344 (31 March, 2023: Nil) shares of face value of ₹ 10 each.		
<b>UN-QUOTED INVESTMENTS</b>		
Investment in Chanakya opportunity fund	132.83	-
919362.697 (31 March, 2023: Nil) units of face value of ₹ 10 each.		
<b>Total</b>	<b>143.05</b>	<b>-</b>

5: Loans	As on 31st March 2024	As on 31st March 2023
Advances recoverable in cash or in kind for value to be received		
Others	1,813.84	-
<b>Total</b>	<b>1,813.84</b>	<b>-</b>

6: Other Financial Asset	As on 31st March 2024	As on 31st March 2023
Security Deposits	29.45	-
<b>Total</b>	<b>29.45</b>	<b>-</b>

7: Other Non-Current Asset	As on 31st March 2024	As on 31st March 2023
Advance for Investment	71.50	-
<b>Total</b>	<b>71.50</b>	<b>-</b>

8: Inventories	As on 31st March 2024	As on 31st March 2023
Stock in trade (Note: Stock is valued at Cost or NRV which ever is lower as per Ind AS 2)	5,033.85	-
<b>Total</b>	<b>5,033.85</b>	<b>-</b>

9: Trade receivables	As on 31st March 2024	As on 31st March 2023
<b>a) Unsecured, Considered Good :</b>		
<b>(i) Undisputed Trade Receivables Considered Good</b>		
Less than 6 months	2,131.48	-
6 months to 1 year	44.06	-
1-2 years		
2-3 years		
More than 3 years		
<b>(ii) Undisputed Trade Receivables Considered Doubtful</b>	145.01	145.01
<b>(iii) Disputed Trade Receivables Considered Good</b>		
<b>(iv) Disputed Trade Receivables Considered Doubtful</b>		
	<b>2,320.55</b>	<b>145.01</b>
<i>Less: Doubtful Receivables</i>	<i>145.01</i>	<i>145.01</i>
<b>Total</b>	<b>2,175.54</b>	<b>-</b>

**Trade Receivables ageing schedule:**

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 6 Months	6 Months- 1 Year	1- 2 Years	2- 3 Years	More Than 3 Years	
(i) Undisputed Trade receivables – considered good	2,131.48	44.06	-	-	-	2,175.54
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	145.01	145.01
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>2,131.48</b>	<b>44.06</b>	<b>-</b>	<b>-</b>	<b>145.01</b>	<b>2,320.55</b>

**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 90 days to 120 days.

**Yarn Syndicate Limited**  
**Notes to the financial statements for the Year Ended 31st March 2024**  
**Rs in Lakhs**

<b>10: Cash and cash equivalents</b>	<b>As on 31st March 2024</b>	<b>As on 31st March 2023</b>
a. Balances with banks in current accounts	263.50	4.77
b. Cash on hand	6.67	3.86
<b>Total cash and cash equivalents as per Balance Sheet</b>	<b>270.17</b>	<b>8.63</b>
Bank overdrafts and cash credit facility (secured)		
<b>Total cash and cash equivalents as per Statement of Cash Flows</b>	<b>270.17</b>	<b>8.63</b>

<b>11: Loans and advances</b>	<b>As on 31st March 2024</b>	<b>As on 31st March 2023</b>
a. Advance to employees	-	-
b. Other loans and advances (Unsecured)	2,402.02	-
	<b>2,402.02</b>	<b>-</b>

<b>12: Other Financial Assets</b>	<b>As on 31st March 2024</b>	<b>As on 31st March 2023</b>
<b>Current</b>		
Security Deposits	50.90	1.20
<b>Total</b>	<b>50.90</b>	<b>1.20</b>

<b>13: Current Tax Assets (Net)</b>	<b>As on 31st March 2024</b>	<b>As on 31st March 2023</b>
TDS Receivable	6.67	-
<b>Total</b>	<b>6.67</b>	<b>-</b>

<b>14: Other Current assets</b>	<b>As on 31st March 2024</b>	<b>As on 31st March 2023</b>
(Unsecured Considered good unless otherwise stated)		
Advance to vendors	1,004.88	1.36
Other Advances Recoverable	-	-
Less: Provision for Doubtful Advances	-	-
Balance with revenue authorities	142.47	0.66
<b>Total</b>	<b>1,147.35</b>	<b>2.02</b>

The Loans and Advances are not granted to promoters, directors, KMPs and the related parties either severally or jointly with any other person.

**Yarn Syndicate Limited**

**Notes to the financial statements for the Year Ended 31st March 2024**  
Rs in Lakhs

15: Equity Share capital	As on 31st March 2024	As on 31st March 2023
Equity share capital		
<b>Authorised share capital :</b>		
2,20,00,000 Equity Shares of Rs 10/- each with voting rights (50,00,000 shares for F.Y. 2022-'23)	2,200.00	500.00
	<b>2,200.00</b>	<b>500.00</b>
<b>Issued, subscribed and fully paid up equity capital:</b>		
<b>Issued shares</b>		
37,50,000 Equity Shares of Rs 10/- each with voting rights	375.00	375.00
<b>Issued, subscribed and Partly paid up equity capital:</b>		
1,80,00,000 Equity Shares of Rs 10/- each, Rs. 5/- paid up with voting rights ***	900.00	-
	<b>1,275.00</b>	<b>375.00</b>
As on Year End	<b>1,275.00</b>	<b>375.00</b>
Less: Reclassified to financial liabilities (at amortised cost)		
	<b>1,275.00</b>	<b>375.00</b>

**Footnotes:**

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

Equity shares	Number of shares	Number of shares
Balance at 1 April 2023	37,50,000	37,50,000
Add : Rights issue	1,80,00,000	-
<b>Balance at 31 March 2024</b>	<b>2,17,50,000</b>	<b>37,50,000</b>

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("the Regulations"), Rights Issue Committee of Directors of the Company in their meeting held on Tuesday, 27th February, 2024 at the Corporate Office of the Company situated at Shop No 128 Supertall-2 GH-0 Circle, Infocity, Gandhinagar - 382007, Gujarat, which commenced at 1:00 P.M. and concluded at 1:45 P.M. inter-alia had considered and approved Allotment of 1,80,00,000 (One Crore Eighty Lakhs) Partly Paid-up Equity Shares with paid-up value of Rs. 5.00/- each and face value of Rs. 10.00/- each on a Rights basis to the eligible equity shareholders of the Company at a price of Rs. 27.00/- (Rupees Twenty Seven Only) per equity share (including a share premium of Rs. 17.00/- per equity share) in the ratio of 24:5 i.e. 24 (Twenty Four) Rights Equity shares for every 5 (Five) fully paidup Equity shares held by the eligible equity shareholders as on the Record date i.e. Wednesday, 24th January, 2024.

Out of issue price of Rs. 27.00/- per rights equity share, Rs. 13.50/- per rights equity share including a share premium of Rs. 8.50/- per rights equity share had been paid on application and the balance amount shall be payable on 1st and Final call at such time as may be determined by the Board in consultation with the Rights Issue Committee.

The said allotment is pursuant to the Letter of Offer dated 25th January, 2024 and the Basis of Allotment as approved by BSE Limited ("BSE"), the Designated Stock Exchange for this issue.

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

Equity shares	As on 31st March 2024	As on 31st March 2023
<b>Mrs Sheela Patodia</b>		
Number Of Shares	-	5,13,546
% HELD	0.00%	13.69%
<b>Total</b>	<b>-</b>	<b>5,13,546</b>
<b>Mr Ravi Niranjn Pandya</b>		
Number Of Shares	14,63,646	8,00,000
% HELD	6.73%	21.33%
<b>Total</b>	<b>14,63,646</b>	<b>8,00,000</b>
<b>Mr Devendr Singh</b>		
Number Of Shares	2,12,406	3,34,850
% HELD	0.98%	8.93%
<b>Total</b>	<b>2,12,406</b>	<b>3,34,850</b>
<b>Mr Jaimin Kailash Gupta</b>		
Number Of Shares	1,02,686	3,02,686
% HELD	0.47%	8.07%
<b>Total</b>	<b>1,02,686</b>	<b>3,02,686</b>
<b>BISHAL PAWAN MORE</b>		
Number Of Shares	28,77,723	-
% HELD	13.23%	0.00%
<b>Total</b>	<b>28,77,723</b>	<b>-</b>
<b>SANJAY KARANRAJ SAKARIA</b>		
Number Of Shares	19,10,000	-
% HELD	8.78%	0.00%
<b>Total</b>	<b>19,10,000</b>	<b>-</b>
<b>VISMAY AMITKUMAR SHAH</b>		
Number Of Shares	13,17,575	-
% HELD	6.06%	0.00%
<b>Total</b>	<b>13,17,575</b>	<b>-</b>
<b>Mr Devi Singh</b>		
Number Of Shares	2,69,503	2,15,500
% HELD	1.24%	5.75%
<b>Total</b>	<b>2,69,503</b>	<b>2,15,500</b>

9.1 As per records of the Company as at 31 March 2024 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 proportion to their shareholding.

**B) Shareholding of Promoters as below:**

Shares held by promoters at the end of the year				
Sl No.	Promoter's name	No. of Shares	% of total shares	% Change during the year
1	Mrs Sheela Patodia	-	0.00	-13.69%
2	Mr Rishiraj Patodia	-	0.00	0%
3	Y S Exports Limited	-	0.00	0.00%
4	Anuj Patodia	-	0.00	-0.06%
5	Indu Chandrakishore	-	0.00	-0.02%
6	Jayant Dalima	-	0.00	0%
7	Mangal Kumar Patodia	-	0.00	0%
8	Nandita Patodia	-	0.00	0%
9	Ravi Niranjn Pandya	14,63,646	1.15	-20.18%

**Note:** The shareholding of the company has been transferred to another promoter group due to sale of majority shares of the company following the SEBI guidelines.

**Yarn Syndicate Limited**  
**Notes to the financial statements for the Year Ended 31st March 2024**  
**Rs in Lakhs**

	As on 31st March 2024	As on 31st March 2023
<b>16: Other Equity</b>		
<b>Reserves and Surplus</b>		
a. Securities Premium	1,946.33	437.50
b. Retained Earnings	(779.38)	(838.56)
<b>Total</b>	<b>1,166.96</b>	<b>(401.06)</b>

	As on 31st March 2024	As on 31st March 2023
<b>17: Other Financial Liabilities</b>		
Refundable Deposit	811.75	8.73
<b>Total</b>	<b>811.75</b>	<b>8.73</b>

	As on 31st March 2024	As on 31st March 2023
<b>18: Provisions</b>		
<b>Non Current</b>		
<b>Employee benefits (See note below)</b>		
Gratuity	-	8.73
<b>Total</b>	<b>-</b>	<b>8.73</b>

	As on 31st March 2024	As on 31st March 2023
<b>19. Short term borrowings</b>		
<b>Unsecured -at amortised cost</b>		
Loans from Related Parties	238.91	24.70
Loans from Body Corporate and others	1,695.12	18.53
<b>Total</b>	<b>1,934.03</b>	<b>43.23</b>

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

	As on 31st March 2024	As on 31st March 2023
<b>20 : Trade and other payables</b>		
Unsecured, repayable on Demand:		
Trade Payable/ Sundry Creditors		
Due to Micro and Small Enterprises		
Outstanding for: less than 1 year		
1-2 years		
2-3 years		
More than 3 years		
Other than due to Micro and Small Enterprises		
Outstanding for: less than 1 year	2,375.80	1.67
1-2 years	3,668.89	
2-3 years		
More than 3 years	-	1.01
Disputed dues- MSME		
Disputed dues- Others		
<b>Total</b>	<b>6,044.69</b>	<b>2.68</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.

**Trade Payable Ageing as at March 31, 2024**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	2,375.80	3,668.89			6,044.69
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					
<b>Total</b>	<b>2,375.80</b>	<b>3,668.89</b>			<b>6,044.69</b>

**Trade Payable Ageing as at March 31, 2024**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others	1.67	-		1.01	2.68
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					
<b>Total</b>	<b>1.67</b>	<b>-</b>		<b>1.01</b>	<b>2.68</b>

	As on 31st March 2024	As on 31st March 2023
<b>21 : Short Term Provisions</b>		
Provision for audit fees	1.50	-
Provision for expenses	25.35	-
<b>Total</b>	<b>26.85</b>	<b>-</b>

	As on 31st March 2024	As on 31st March 2023
<b>22: Other current liabilities</b>		
Others	2.07	5.54
Statutory Liabilities	64.08	-
Advance from customers	2,030.27	-
<b>Total</b>	<b>2,096.42</b>	<b>5.54</b>

Yarn Syndicate Limited  
Notes to the financial statements for the Year Ended 31st March 2024  
Rs in Lakhs

	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>23: Revenue From Operations</b>		
Sale of Products	390.32	-
<b>Total</b>	<b>390.32</b>	<b>-</b>
<b>24: Other Income</b>		
Balances Written off	8.56	-
Discount Received	0.02	-
Marketing Income	100.00	-
Profit on Disposal of Property, Plant and Equipment	-	2.94
<b>Total</b>	<b>108.58</b>	<b>2.94</b>
<b>25: Purchases of Stock-in-Trade</b>		
Purchase of Products	552.91	-
<b>Total</b>	<b>552.91</b>	<b>-</b>
<b>26: Changes in inventories of finished goods, Stock-in -Trade and work-in-progress</b>		
Opening Stock	4,425.14	-
Less : Closing Stock	5,033.85	-
<b>Total</b>	<b>(608.70)</b>	<b>-</b>
<b>27: Employee benefits expense</b>		
Salaries, Wages and Bonus	31.71	5.23
Contribution to Provident and Other Funds	-	0.61
<b>Total</b>	<b>31.71</b>	<b>5.84</b>
<b>28: Finance Costs</b>		
Finance Cost	43.98	-
Bank Charges	0.02	-
<b>Total</b>	<b>44.00</b>	<b>-</b>
<b>29: Depreciation and Ammortisation Expense</b>		
Depreciation (refer note 3)	2.52	-
<b>Total</b>	<b>2.52</b>	<b>-</b>
<b>30: Other expenses</b>		
Alteration Charges	0.04	-
Business Promotion	112.97	-
Consumption of packing materials	1.07	-
Event Expense	21.00	-
Freight & Forwarding	2.81	-
Fuel & water expense	0.28	-
Insurance Expense	0.93	-
Internet communication and software expenses	0.18	-
Office Expense	0.71	-
Sales Commission	85.13	-
Electricity Charges	0.55	0.09
Rent Rates and taxes	12.27	3.38
Legal and professional fees	84.57	2.73
Repairs and maintenance	0.51	0.40
Telephone Expenses	0.01	0.22
Charity & Donations	-	0.04
Travelling and Conveyance Expenses	6.17	0.41
<b>Audit fee</b>		
For Statutory Audit	1.50	0.60
For Other Matters	-	0.50
Listing fees/Annual Fees	3.27	3.39
Printing & Stationery and Courier Expenses	1.05	0.18
Filing Fees	-	0.39
Advertisement	0.24	0.34
Interest, penalty, late fees expenses	0.02	-
Prior Period Expenses	0.66	-
Others	0.28	0.50
<b>Total</b>	<b>336.22</b>	<b>13.17</b>

**Yarn Syndicate Limited**

**Notes to the financial statements for the Year Ended 31st March 2024**

**Rs in Lakhs**

**31. Ratio Analysis:**

Ratios	Numerator	As on 31st March 2024	As on 31st March 2023	% Variance	Note
Current Ratio	Current Assets/Current Liabilities	1.10	0.23	376.61%	A-1
Debt Equity Ratio	Total Debt/Shareholder's Equity	0.54	-1.03	-152.77%	A-2
Debt Service Coverage Ratio	Earnings available for debt services/(Interest+Installments)	0.05	0.00	NA	-
Return on Equity Ratio	(Net Profit after taxes-Preference Dividend(if any))/Shareholder's Equity	3.93%	38.14%	-89.70%	A-3
Inventory Turnover Ratio	Cost of Goods Sold/Average Inventory	-1.78	0.00	NA	-
Trade Receivables Turnover Ratio	Net Credit Sales/Average Trade Receivables	0.36	0.00	NA	-
Trade Payables Turnover Ratio	Net Credit purchases/Average Trade Payables	0.18	0.00	NA	-
Net Capital Turnover Ratio	Net Sales/Net Assets	0.40	0.00	NA	-
Net Profit Ratio	Net Profit/Sales*100	35.93%	0.00	NA	-
Return on Capital Employed	EBIT (1-tax rate) / Capital employed*100	1.75%	38%	-95.42%	A-3
Return on Investment	Net income from investments/ Investments*100	0.00%	0.00	0.00%	-

**Note : A Reasons for Variations:**

- Current Ratio : The variation in ratio as compared to the previous year is primarily because the current liabilities have reduced at a higher rate as compared to the current assets.
- Debt Equity Ratio : The variation in ratio as compared to the previous year is primarily because of 2 reasons :- (a) The company has earned a consolidated profit.  
(b) The company has further increased it's shareholders funds by raising further equity.
- Return on Equity Ratio, Return on Capital employed : The adverse variance is primarily due to the fact that the company has raised fresh equity during the year which has lead to widening the capital base of the company.

**32: Earnings per share**

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
Basic earnings per share (in `)	1.70	(0.43)
Diluted earnings per share (in `)	0.40	(0.43)

**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 period Ended 31.03.2024	For the period Ended 31.03.2023
Profit after tax	140.25	16.07
Dividend including dividend distribution tax on CCPS	-	-
Profit for the year used in the calculation of basic earnings per share	140.25	16.07
Profit for the year used in the calculation of diluted earnings per share	140.25	16.07

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
Weighted average number of equity shares for basic earnings per share (in lakhs)	82.50	37.50
Weighted average number of equity shares for diluted earnings per share (in lakhs)	41.19	37.50

**33. 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

**Yarn Syndicate Limited**  
**Notes to the financial statements for the Year Ended 31st March 2024**  
**Rs in Lakhs**

**34. Employee Benefits**

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

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
Employer's Contribution to Provident Fund:	-	0.50

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.

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>a) Change in the Present Value of the defined benefit Obligation during the year:</b>		
1. Present Value of the Obligation at the beginning:		12.10
2. Interest Cost:		0.86
3. Current Service Cost:		0.65
4. Benefit Paid:	-	0.78
5. Actuarial (Gain)/ Loss on the Obligation:	-	0.15
<b>Present Value of defined Benefit Obligation at the end of the year:</b>		<b>12.68</b>

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>b) Change in the Fair Value of Plan Assets during the Year:</b>		
1. Fair Value of Plan Assets at the beginning:		5.24
2. Expected Return on Plan Assets:		0.36
3. Employer's Contribution:		0.34
4. Benefit Paid:	-	0.78
5. Actuarial Gain/(Loss) on the Plan Assets:	-	0.35
<b>Fair Value of Plan Assets as at the end of the year:</b>		<b>4.80</b>

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>c) Reconciliation of Present value of Defined Benefit Obligation and the Fair Value of Assets</b>		
1. Present Value of Defined Benefit Obligation:		12.68
2. Fair Value of Plan Assets:		4.80
<b>Net Asset/(Liability) recognised in the Balance Sheet:</b>		<b>7.88</b>

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>d) Expenses recognised in the statement of Profit &amp; loss:</b>		
1. Current Service Cost:		0.65
2. Interest Cost:		0.86
3. Expected Return on Plan Assets:	-	0.36
4. Net Actuarial (Gain)/Loss recognised in the Period:		0.20
<b>Expenses recognised in the statement of Profit &amp; loss:</b>		<b>1.35</b>

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>e) Actuarial Assumptions:</b>		
1. Discount Rate:		7.40%
2. Salary Growth Rate:		6.00%
3. Expected rate of return on Plan Assets:		7.40%

Particulars	For the period Ended 31.03.2024	For the period Ended 31.03.2023
<b>f) Maturity Profile of the defined benefit obligation :</b>		
1. Amount due within One year (Current Liability):		10.41
2. Amount due over One Year (Non Current Liability):		2.27
<b>Total Expected payments:</b>		<b>12.68</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

**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.

**35: 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 trading of 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.



**36 : 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 2024		As at 31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Financial assets carried at amortised cost				
(a) Cash and bank balances	270.17	270.17	8.63	8.63
(b) Trade Receivables	2175.54	2175.54	-	-
(c) Loans & advances	4215.86	4215.86	-	-
(d) Other financial assets	80.35	80.35	1.20	1.20
Financial assets carried at FVTPL				
(a) Investment in equity instruments	143.05	143.05	-	-
<b>Financial Liabilities</b>				
Financial liabilities at amortised cost				
(a) Refundable deposit	811.75	811.75	-	-
(b) Trade Payables	6044.69	6044.69	-	-
(c) Borrowings	1934.03	1934.03	43.23	43.23

**Note:**

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

**37: 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 10 and 12 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 separate financial statements.

**Net debt-to-equity ratio as of 31st March 2024**

	31st March 2024	31st March 2023
Short Term Borrowings	1934.03	43.23
Gross Debt : (A)	1934.03	43.23
Less: Cash & Bank Balance	270.17	8.63
Net Debt: (B)	1663.86	34.60
Total Equity	3571.14	42.13
Net Debt to Equity Ratio	46.59%	82.14%

**(ii) Categories of financial instruments**

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
<b>Financial assets</b>		
Measured at amortised cost		
(a) Cash and bank balances	270.17	8.63
(b) Trade Receivables	2175.54	-
(c) Loans & advances	4215.86	-
(d) Other financial assets	80.35	1.20
Measured at FVTOCI		
(a) Investment in equity instruments	143.05	-
<b>Financial liabilities</b>		
Measured at amortised cost		
(a) Borrowings	1934.03	43.23
(b) Trade payables	6044.69	-
Measured at FVTPL		
Other financial liabilities	-	-

**38: Financial risk management objectives and policies**  
**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of 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 analyse the risks faced by the Company to set appropriate risk limits and control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and 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 customers based on the performance and accordingly credit limit ceiling of each category is defined. The Company's exposure and categorization 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 109, 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.

**39: Leases**

The Company assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

As on April 1, 2023 the Company does not have any existing lease which are required to be recognized as right-of-use (ROU) Asset and a corresponding Lease liability.

**40. Details of Related Party Transactions**

Name of related Party	Relationship
Rishig Exports	Joint Managing Director
I S Exports	Enterprise where KMP holds Significant influence
K. S. parthasarathy	Relative
M Sumathi	Relative of KMP
NAMCHAND AGARWAL	KMP
Ravi Pandya	KMP
SHEELA PATILDIA	KMP
Prithi Singh	COMPANY SECRETARY
Chetan Kumar Ojha	Director
Jasmin Kalash Gupta	Managing Director
Rushabh Anilbhar Shah	Independent Director
Prasanna Jayaram Patil	Independent Director
Shivani Pathak	Company Secretary
Dharmesh Tripathi	Chief Financial Officer
Bharti Gupta	Relative of Director
Krecha Gupta	Relative of Director
Brand Cluster LLP	Director & Partner
Vastex Corpb - Partnership Firm	Director & Partner
Vivu Retail Pvt Ltd	Associate Company
Gupta KK & Associates	Proprietor Krecha Gupta
Steetrade Share Services Pvt Ltd	A company in which relative of director is director and having substantial interest
Stephead Advisors Pvt Ltd	A company in which relative of director is director and having substantial interest
Urra Happy Life Creation Pvt Ltd	A company in which director is director
Disipens Creative Studio Pvt Ltd	A company in which director is having substantial interest

Particulars	As on 31st March 2024	As on 31st March 2023
<b>Reimbursement paid:</b>		
Praya Singh	2.45	
Jasmin Kalash Gupta	1.00	
Dharmesh Tripathi	8.24	
Shivani Pathak	2.10	
Prasanna Jayaram Patil	0.18	
Rushabh Anilbhar Shah	0.60	
Chetan Ojha	9.00	
<b>Purchase of Goods</b>		
Vivu retail Pvt Ltd	2.10	
<b>Sale of Investment in Associate company</b>		
Vivu retail Pvt Ltd	0.34	
<b>Advances Given</b>		
Sheela Patildia		21.44
Rishig Exports		3.84
I S Exports		4.76
Krecha Gupta	130.00	
Bharti Gupta	210.00	
Jasmin Kalash Gupta	93.90	
Vastex Corpb - Partnership Firm	2.68	
Steetrade Share Services Pvt Ltd	769.33	
Stephead Advisors Pvt Ltd	613.02	
Urra Happy Life Creation Pvt Ltd	70.01	
Disipens Creative Studio Pvt Ltd	7.51	
<b>Advances Received</b>		
Sheela Patildia		11.75
Rishig Exports		7.23
I S Exports		4.32
M Sumathi	200.00	
Namchand Agarwal	1.00	
Ravi Pandya	2.95	
Sheela Patildia	12.25	
Jasmin Kalash Gupta	58.34	
Chetan Ojha	0.72	
Dharmesh Tripathi	1.27	
Stephead Advisors Pvt Ltd	613.02	
<b>Reimbursement of Expenses</b>		
Jasmin Kalash Gupta	1.12	
<b>Outstanding Balances</b>		
<b>Outstanding Trade Receivables</b>		
Brand Cluster LLP	86.20	
Vivu Retail Private Limited	44.98	
Gupta KK & Associates (Prop. Krecha Gupta)	1.50	
Praya Singh	0.35	
<b>Outstanding Business Advance</b>		
Krecha Gupta	246.04	
Bharti Gupta	384.00	
<b>Outstanding Loan (Liability)</b>		
K. S. parthasarathy		8.84
Sheela Patildia		11.35
Rishig Exports		4.34
I S Exports		0.18
M Sumathi	200.00	
Namchand Agarwal	1.00	
Ravi Pandya	2.95	
Sheela Patildia	21.60	
<b>Outstanding Loan (Assets)</b>		
Chetan Ojha	4.04	
Jasmin Kalash Gupta	314.09	
Dharmesh Tripathi	0.43	
Vastex Corpb - Partnership Firm	6.07	
Gupta KK & Associates (Prop. Krecha Gupta)	5.00	
Steetrade Share Services Pvt Ltd	769.44	
Urra Happy Life Creation Pvt Ltd	70.01	
Disipens Creative Studio Pvt Ltd	7.21	

41: 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".

42: On 9th March, 2024, the company has acquired 50.82% shares of Sticheed Textiles Ltd a non listed company based in Ahmedabad, specialising in the textile sector and in the same line of business. Figures relating to profit & loss statement relating to that period ending till 31.03.2024 has been considered in the financial statements.

As per 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

Ravi Pandya  
 (Managing Director)  
 DIN: 0959086

Place : Kolkata  
 Date : 30.06.2024

Chetan Ojha  
 (Director)  
 DIN: 09706197  
 Dharmesh Tripathi  
 (Chief Financial Officer)  
 Place : Ahmedabad