
THE YAMUNA SYNDICATE LIMITED



**Reports and Financial Statements for the year ended
31st March, 2018**

ANNUAL REPORT 2017-18**BOARD OF DIRECTORS :**

- 1. Mr. Ranjit Puri**
CHAIRMAN
- 2. Mr. Vinod K. Nagpal**
DIRECTOR
- 3. Mr. D.D. Sharma**
DIRECTOR
- 4. Mr. Aditya Puri**
DIRECTOR
- 5. Mrs. Reva Khanna**
DIRECTOR

AUDITORS :

M/s. Moudgil & Co.
Chartered Accountants
Jagadhri

BANKERS :

- 1. Punjab National Bank**
- 2. State Bank of India**
- 3. HDFC Bank Ltd**

REGISTERED OFFICE :

Yamunanagar, Haryana.

KEY MANAGERIAL PERSONNEL :

- 1. Mr. P. Sunder**
CHIEF EXECUTIVE OFFICER
- 2. Mr. Ashish Kumar**
COMPANY SECRETARY
- 3. Mr. Mukesh Kumar Kamboj**
CHIEF FINANCIAL OFFICER

AUDIT COMMITTEE :

- 1. Mr. Vinod K. Nagpal**
CHAIRMAN
- 2. Mr. D. D. Sharma**
MEMBER
- 3. Mr. Aditya Puri**
MEMBER

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BOARD's REPORT

1.0 The Board hereby presents its Report for the year ended 31st March, 2018.

2.0 FINANCIAL RESULTS AND HIGHLIGHTS:

2.1 The financial results of the Company are given below :

(In INR Lakh)

	Particulars	As at 31.03.2018	As at 31.03.2017
I.	EQUITY AND LIABILITIES:		
	-Equity	5,788.91	4,801.92
	-Non-Current Liabilities	267.05	360.72
	-Current Liabilities	212.23	155.52
	Total	6,268.19	5,318.16
II.	ASSETS:		
	-Property, Plant and Equipment	34.45	33.06
	-Other Non-Current Assets	3,753.96	3,811.21
	-Current Assets	2,479.78	1,473.89
	Total	6,268.19	5,318.16

		For the year ended 31.03.2018	For the year ended 31.03.2017
III.	Revenue from Operations & Other Income	6,684.87	5,583.88
IV.	Total Expenses	5,520.05	4,702.84
V.	Profit before Tax (III-IV)	1,164.82	881.04
VI.	Tax Expenses	(71.37)	(10.32)
VII.	Other Comprehensive Income/ (Expense)	(4.57)	0.33
VIII.	Profit after Tax (V-VI+VII)	1,088.88	871.05
IX.	Dividend including Tax	101.89	50.95
X.	Transfer to General Reserve	-	-
XI.	Balance carried to Profit & Loss Account	986.99	820.10
XII.	Basic/Diluted earning per Share of Rs. 100/- each	356	411

3.0 DIVIDEND:

3.1 Your directors are pleased to recommend a dividend of Rs. 30/- per share.

4.0 STATE OF COMPANY AFFAIRS AND OPERATIONS INCLUDING MANAGEMENT DISCUSSION & ANALYSIS:

4.1 The profit before tax for the year is higher. The break-up is given below:-

(In INR Lakh)

Sl. No.	Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
1	Profit/(Loss) from Business	142.90	56.91
2	Dividend Income	1,021.92	824.13
3	Profit before tax	1,164.82	881.04

- 4.2 During the year, there is substantial growth in trading business of Batteries due to better area coverage. The situation is expected to continue in similar way during the current year also.
- 4.3 In the other Segments, the growth was normal. We expect sales and profits from other segments to remain stable.
- 4.4 The Management is continuously evaluating the viability of all its businesses to maintain and improve its profitability and also looking for new businesses so as to broaden its portfolio of products.
- 4.5 Listing of Shares on the BSE Ltd. (Bombay Stock Exchange):
The Shares of the Company are available for trading with Bombay Stock Exchange effective from March 01, 2018.

5.0 REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF ISGEC HEAVY ENGINEERING LIMITED (ASSOCIATE COMPANY):

- 5.1 The financial results for the year are satisfactory in spite of lower turnover and increase in costs as a result of increase in the raw material prices.
- 5.2 The company continued its efforts towards cost control and increase in productively.
- 5.3 The Associate company continues to be the market leader in India in most of its lines of business.
- 5.4 The company was able to book its first orders under the new technologies licensed from its foreign technology partners in recent years.
- 5.5 With the award of very large value orders in the later part of the year, the order book at the close of the year is at a record level. Accordingly, the company expects growth both in turnover as well as profitability in the current year.
- 5.6 In view of good business prospects for the manufactured products and sustained growth outlook, capacity and capability is being added through investments at the Tubing and Piping Shop at Rattangarh as well as Iron Foundry and Presses Shop at Yamunanagar.
- 5.7 Further, as required under Rule 5 of the Companies (Accounts) Rules, 2014, a statement in Form AOC-1 containing salient features of the financial statement of associate company is annexed to the consolidated financial statements.

6.0 CONSOLIDATED FINANCIAL STATEMENTS:

- 6.1 As required under Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statements in respect of the Company and its Associate Company- Isgec Heavy Engineering Limited.

7.0 CHANGES IN DIRECTORS/KEY MANAGERIAL PERSONNEL:**INDEPENDENT DIRECTORS :**

- 7.1 Mr. Vinod Kumar Nagpal (DIN: 00147777) and Mr. D.D. Sharma (DIN: 00269699), were re-appointed during the year as Independent Directors to hold office for another term until the conclusion of Annual General Meeting to be held in the year 2019.
- 7.2 Mrs Reva Khanna (DIN: 00413270) was appointed as Additional Director (Independent) by the Board during the year.
- 7.3 All the Independent Directors have furnished declarations that each of them meets the criteria of Independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL:

- 7.4 Mr. P. Sunder was appointed as Chief Executive Officer of the Company in place of Mr. R.N.Wakhloo, who expired during the year.
- 7.5 Mr. Mukesh Kumar Kamboj was appointed as Chief Financial Officer of the Company during the year.

8.0 POLICY ON DIRECTORS' APPOINTMENT/ REMUNERATION OF DIRECTORS/KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:

- 8.1 The Nomination and Remuneration Committee constituted by the Company has formulated criteria for determining qualifications, positive attributes and independence of the Directors. The Committee has also recommended to the Board a Policy relating to remuneration ensuring:
- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate key managerial personnel of the quality required to run the Company successfully;
 - (ii) relation of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals.

9.0 COMPOSITION OF AUDIT COMMITTEE:

- 9.1 The composition of Audit Committee is as below:-

Sr. No.	Name of the Committee Member	Position
1	Mr. Vinod K. Nagpal (DIN : 00147777)	Chairman
2	Mr. D.D. Sharma (DIN : 00269699)	Member
3	Mr. Aditya Puri (DIN : 00052534)	Member

10.0 VIGIL MECHANISM:

- 10.1 The Company has established a Vigil Mechanism for Directors and Employees in accordance with Sub-section (9) and (10) of Section 177 of the Companies Act, 2013. Details of Vigil Mechanism are given in the Corporate Governance Report. The Vigil Mechanism has been disclosed on the website of the Company.

11.0 EXPLANATION OR COMMENTS ON QUALIFICATION ETC., BY AUDITORS AND COMPANY SECRETARY IN PRACTICE:

- 11.1 There is no qualification, reservation or adverse remark or disclaimer made by the Auditors in the Auditors' Report or by the Company Secretary in Practice in Secretarial Audit Report needing explanation or comments by the Board.
- 11.2 The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

12.0 ANNUAL EVALUATION BY THE BOARD :

- 12.1 On the recommendation of the Nomination and Remuneration Committee, the Board has finalized a policy specifying manner for effective evaluation of performance of the entire Board, Committees, Independent Directors and Individual Directors. Such Policy has been disclosed on the website of the Company.
- 12.2 The method of evaluation, as per the Evaluation Process, is to be done by internal assessment through a detailed questionnaire to be completed by individual directors.
- 12.3 In accordance with the Companies Act and the Listing Requirements, the evaluation is done once in a year, after close of the year and before the Annual General Meeting.

13.0 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

- 13.1 Six Board Meetings were held during the year ended 31st March, 2018.

14.0 DISCLOSURE REGARDING REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013:

- 14.1 Disclosures regarding remuneration as required under Section 197(12) of the Companies Act, 2013 are annexed as Annexure- 1.

15.0 PARTICULARS OF DISCLOSURES UNDER SECTION 134(3) (m) OF THE COMPANIES ACT, 2013:

- 15.1 The particulars, as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption, are not required to be furnished since the Company is engaged in trading activity only.
- 15.2 There are no foreign exchange earnings and outgo.

16.0 EXTRACT OF THE ANNUAL RETURN AS PROVIDED UNDER SECTION 92(2) OF THE COMPANIES ACT, 2013:

- 16.1 An extract of the Annual Return of the Company in prescribed form MGT-9 is annexed herewith, as Annexure-II.

17.0 DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134(3) (c) & 134(5) OF THE COMPANIES ACT, 2013:

17.1 Pursuant to the requirement of Section 134(3) (c) & 134(5) of the Companies Act, 2013 ('the Act') and based on the representations received from the operating management, your Directors hereby confirm that:-

- a) In the preparation of the Annual Accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed and there are no material departures;
- b) The Directors have selected such accounting policies with the concurrence of Statutory Auditors, and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit of the Company for the financial year;
- c) The Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the Annual Accounts on a going concern basis;
- e) The Directors have laid down internal financial controls to be followed by the Company, and these financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

18.0 DETAILS OF SIGNIFICANT & MATERIAL ORDERS:

18.1 There is no significant and material order passed by the regulators, courts or tribunals impacting the going concern status and company's operations in future.

19.0 RISK MANAGEMENT POLICY:

19.1 The Board has developed and implemented a Risk Management Policy for the Company, including for identifying elements of risk, which, in the opinion of the Board, may threaten the existence of the Company. In terms of the Policy, the operating management, before accepting any order, reviews its conditions, including payment terms, and all steps are taken to mitigate risks.

19.2 The Company also takes adequate insurance to protect its assets.

20.0 PARTICULARS OF LOANS/GUARANTEES/INVESTMENTS:

20.1 Particulars of Investment made, Loans given and/or Guarantee/Security provided under Section 186 of the Companies Act, 2013 as on 31st March, 2018, are as under :-

Sr. No.	Particulars	Face Value per share	No. of Shares	Value in Rupees
1	Investment in Equity Shares : Isgec Heavy Engineering Ltd.	10	3296526	32965260
2	Loan/Guarantee/Security	NIL	NIL	NIL

20.2 The Company did not make any investment during the year, including investment in shares of Associate Company – Isgec Heavy Engineering Limited, which is same as at the commencement of financial year.

21.0 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

- 21.1 The Company has formulated a Policy on Materiality of Related Party transactions and also on dealing with Related Party transactions as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy on Related Party transactions has been disclosed on the website of the Company.
- 21.2 The particulars of contracts or arrangements with related parties, referred to in Section 188(1) of the Companies Act, 2013, are given in the prescribed Form AOC-2, annexed as Annexure-III.

22.0 REPORT ON CORPORATE GOVERNANCE:

- 22.1 Report on Corporate Governance for the year under review, as stipulated under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is annexed as Annexure-IV.

23.0 SECRETARIAL AUDIT REPORT:

- 23.1 The Board of Directors of the Company has appointed M/s. R.K. Bhalla & Associates, Company Secretaries, to conduct the Secretarial Audit.
- 23.2 Pursuant to Section 204 of the Companies Act, 2013, a Secretarial Audit Report given by Mr. R.K. Bhalla & Associates, Companies Secretaries, is annexed as Annexure-V.

24.0 INTERNAL FINANCIAL CONTROLS:

- 24.1 The Company has adequate internal financial controls with reference to financial statements and these are working effectively.

25.0 MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER THE CLOSE OF THE YEAR:

- 25.1 There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

26.0 PERSONNEL:

- 26.1 The Board wishes to express its appreciation to all the employees of the Company for their contribution to the operations of the Company during the year.

27.0 INDUSTRIAL RELATIONS:

- 27.1 Industrial relations remained peaceful.

28.0 ACKNOWLEDGEMENTS:

- 28.1 Your Directors take this opportunity to thank the Banks, Government Authorities, Regulatory Authorities, and the Shareholders for their continued co-operation and support to the Company.
- 29.0 With these remarks, we present the Accounts for the year ended 31st March, 2018.

By Order of the Board

Dated : 30.05.2018
Place : Noida (U.P.)

(D.D. Sharma)
Director
DIN : 00269699

(Aditya Puri)
Director
DIN : 00052534

Encl. Annexure I to V.

Annexure-I

A) Particulars of Top 10 employees in terms of remuneration drawn as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on 31st March 2018

Sl. No.	Name of Employee	Age	Qualification	Experience in year	Date of commencement of Employment	Designation	Remuneration Paid during the year (Amount in Rs.)	Last Employment held	No. of Shares held in the Company and % to total share capital
1.	Mr. P. Sunder	63	BE (Mech.) & PGD (International Marketing)	42	14.02.2018	Chief Executive officer	1,50,000	M/s. Isgec Heavy Engineering Ltd.	0
2.	Mr. Ashish Kumar	42	B.Com., FCS	16	08.05.2014	Company Secretary	4,93,429	M/s. Isgec Hitachi Zosen Ltd.	0
3.	Mr. Mukesh Kamboj	35	B.Com.	12	01.01.2006	Chief Financial Officer	2,09,318	-	0
4.	Mr. Hans Raj	42	12th	11	01.07.2008	Accountant	1,99,895	-	0
5.	Mr. Raj Kumar	48	B.A.	9	01.06.2009	Sales Representative	1,93,658	-	0
6.	Mr. M.P. Sharma	61	B.A.	39	01.06.1979	Sales Manager	1,93,500	-	0
7.	Mr. Amit Goel	29	12th	5	01.12.2013	Sales Supervisor	1,80,693	-	0
8.	Mr. Subhash Chand	49	M.A.	23	01.06.1995	Asstt. Store Officer	1,74,527	-	0
9.	Mrs. Karuna Bhola	36	B.A.	11	01.04.2007	Asstt. Accountant	1,73,388	-	0
10.	Mr. Bhuwan Chandra	45	12th	25	01.10.1993	Senior Store Keeper	1,69,813	-	0

Notes :

- Nature of Employment :** All appointment are contractual and terminatable by notice on either side.
- Other Terms and conditions :** As per Company Rules.
- All the employees have adequate experience to discharge the responsibilities assigned to them.
- None of the employees mentioned above is the relative of any director of the Company.
- Remuneration includes, salary, Company's contribution to provident fund, leave travel concession/allowance, leave encashment, Bonus, house rent allowance, medical expenses reimbursement/allowance but excluding gratuity paid or provided. Where it is not possible to ascertain the actual expenditure incurred by the Company in providing perquisites the monetary value of such perquisites has been calculated in accordance with the Income Tax Act, 1961 and the Rules made thereunder.