
THE YAMUNA SYNDICATE LIMITED



**Reports and Financial Statements for the year ended
31st March, 2019**

ANNUAL REPORT 2018-19**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
4. **Mrs. Reva Khanna**
MEMBER

Contents

	Page No.
Board's Report	3-9
Annexures to the Board's Report	10-26
Independent Auditor's Report on Standalone Financial Statements	27-34
Standalone Balance Sheet	35
Standalone Statement of Profit and Loss	36
Standalone Cash Flow Statement	37-38
Standalone Statement of Changes in equity	39
Notes forming part of Standalone Financial Statements	40-71
Independent Auditor's Report on Consolidated Financial Statements	73-78
Consolidated Balance Sheet	79
Consolidated Statement of Profit and Loss	80
Consolidated Cash Flow Statement	81-82
Statement of Changes in Consolidated equity	83
Notes forming part of Consolidated Financial Statements	84-118
Statement containing salient features of the Financial Statements of Associate Company	119

BOARD's REPORT

1.00 The Board hereby presents its Report for the year ended 31st March, 2019.

2.00 FINANCIAL RESULTS AND HIGHLIGHTS:

2.01 The financial results of the Company are given below :

(Rupees in Lakhs)

	Particulars	As at 31.03.2019	As at 31.03.2018
I.	ASSETS:		
	-Fixed Assets	35.45	34.45
	-Other Non-Current Assets	3,755.72	3,753.96
	-Current Assets	2,711.28	2,479.78
	Total	6,502.45	6,268.19
II.	EQUITY AND LIABILITIES:		
	-Shareholders' Funds	6,027.82	5,788.91
	-Non-Current Liabilities	16.20	267.05
	-Current Liabilities	458.43	212.23
	Total	6,502.45	6,268.19

		For the year ended 31.03.2019	For the year ended 31.03.2018
III.	Revenue from Operations & Other Income	6,910.02	6,684.87
IV.	Total Expenses	6,490.44	5,520.05
V.	Profit before Tax (III-IV)	419.58	1,164.82
VI.	Tax Expenses including deferred tax	69.39	71.37
VII.	Profit/(Loss) after Tax (V-VI)	350.19	1093.45
VIII.	Other Comprehensive Income/ (Expense)	(0.11)	(4.57)
IX.	Total Comprehensive Income for the year (VII+VIII)	350.08	1088.88
X.	Dividend including Tax paid during the year	111.17	101.89
XI.	Balance carried to Profit & Loss Account	238.91	986.99
XII.	Basic/Diluted earning per Share of Rs. 100/- each (Figure in Rupees)	114	356

3.00 DIVIDEND:

3.01 Your Directors are pleased to recommend a final dividend of Rs. 40/- per share for the financial year ended 31st March, 2019. The dividend, if approved and declared in the forthcoming Annual General Meeting, will result in a total outflow of Rs. 148.22 Lakhs (including Dividend Distribution Tax).

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

4.01 The break-up of Profit before Tax is given below:-

(Rupees in Lakhs)			
Sl. No.	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
1	Profit before Tax	419.58	1164.82
2	Less : Dividend Income	164.83	1021.92
3	Profit from Business	254.75	142.90

4.02 The overall profits from operations are higher as compared to the previous year.

4.03 The year saw a decline in demand from the auto, tractor, and 2-wheeler sectors. In the battery segment, we had to resort to deep discounting so as to recover overheads, and to liquidate mounting stock inventories. As a result, profits margins came under great pressure, and were not commensurate to the sales.

4.04 We were able to successfully expand our product portfolio in our Himachal Pradesh branch by inclusion of the 'Gulf' brand of 2-wheeler batteries. We plan to expand this business in the coming years. In addition, we also plan to enlarge our area of operation by inclusion of additional districts, for the distribution of both, lube products as well as batteries.

4.05 The Company continues to make efforts for increasing its market share for various traded products. In addition, efforts are also under way for cost and expenditure control.

4.06 In regard to possible threats, we expect growing competition in the product segments of our interest. Prices are unlikely to look up significantly. On the positive side, this situation may provide opportunities for expansion of the geographic area for trading activity, particularly in HP where we already have a presence.

4.07 As part of our continual efforts, the Company will strive to identify new product lines for trading.

4.08 Overall, market outlook is likely to remain uncertain, at least for the foreseeable future. Owing to stagnation in several sectors of the economy, the demand situation will remain a cause for concern.

4.09 In compliance with SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018, details of significant changes in key financial Ratio are given in Annexure-1.

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

5.01 The turnover and profits of the Associate company have been higher during the year owing to the booking of large orders during the last quarter of the preceding financial year, as reported in last year's Board Report.

5.02 The order booking, during the year under report, was higher and the Associate company witnessed an increased market share in both segments i.e. EPC Projects and Products Segments.

5.03 The Associate company continued its efforts towards cost control and increase in productivity.

5.04 The Associate company has diversified its Product Segment by entering into the business of Construction of Factories for Railways, Material Handling Systems and Air Pollution Control Projects. The diversification was successful and the Associate company could book large value orders for these projects.

5.05 During the current year, higher investment is expected in infrastructure, which will boost demand in the Cement, Steel, Fertilizer and Power sectors. The Associate company is, therefore, expected to have a higher turnover and profit in the current year.

5.06 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.

6.00 CONSOLIDATED FINANCIAL STATEMENTS:

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

7.00 INDEPENDENT DIRECTORS :

7.01 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.

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

8.01 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 the remuneration for Directors and Senior Management. While formulating the policy, the Committee will ensure that:

- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to directors, 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.

9.00 COMPOSITION OF AUDIT COMMITTEE:

9.01 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
4	Mrs. Reva Khanna (DIN: 00413270)	Member

10.00 VIGIL MECHANISM:

10.01 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.

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

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

12.00 ANNUAL EVALUATION BY THE BOARD:

- 12.01 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.
- 12.02 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.
- 12.03 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.

13.00 NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

- 13.01 Four Board Meetings were held during the year ended 31st March, 2019.

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

- 14.01 Disclosures regarding remuneration as required under Section 197(12) of the Companies Act, 2013 are annexed as Annexure- 2.

15.00 CORPORATE SOCIAL RESPONSIBILITY:

- 15.01 Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, the Company is not required to spend on activities under Corporate Social Responsibility. Therefore the Company has not constituted Corporate Social Responsibility Committee of the Board of Directors.

16.00 MAINTENANCE OF COST RECORDS:

- 16.01 Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the provision of maintenance of cost records is not applicable to the Company.

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

17.01 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.

17.02 There are no foreign exchange earnings and outgo.

18.00 ANNUAL RETURN:

18.01 The extract of Annual Return as on 31st March, 2019 is available on the website of the Company www.yamunasyndicate.com

19.00 DIRECTORS' RESPONSIBILITY STATEMENT:

19.01 Your Directors hereby confirm that:

- (a) In the preparation of the Annual Accounts for the financial year ended 31st March, 2019, 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 the 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 operating effectively.

20.00 DETAILS OF SIGNIFICANT & MATERIAL ORDERS:

20.01 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.

21.00 RISK MANAGEMENT POLICY:

21.01 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.

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

22.00 PARTICULARS OF LOANS/GUARANTEES/INVESTMENTS:

22.01 Particulars of Investment made, Loans given and/or Guarantee/Security provided under Section 186 of the Companies Act, 2013 as at 31st March, 2019, 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.	Re 1	32965260	32965260
2	Loan/Guarantee/Security	Nil	Nil	Nil

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

23.00 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

23.01 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.

23.02 All contracts, arrangements and transactions entered by the Company during the financial year with related parties were in its ordinary course of business and were on arm's length basis. For particulars of such Related Party Transactions, Members may refer to Note 24 of the Standalone Financial Statements, as given pursuant to Indian Accounting Standard.

24.00 PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE:

24.01 The Company has in place a Policy of Prevention on Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has received no complaint during the year in this regard.

25.00 REPORT ON CORPORATE GOVERNANCE:

25.01 Report on Corporate Governance for the year under review, as stipulated under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is annexed as Annexure- 3.

26.00 SECRETARIAL AUDIT REPORT:

26.01 The Board of Directors of the Company has appointed M/s. R.K. Bhalla & Associates, Company Secretaries, to conduct the Secretarial Audit.

26.02 Pursuant to Section 204 of the Companies Act, 2013, a Secretarial Audit Report given by M/s. Bhalla & Associates, Companies Secretaries, is annexed as Annexure-4.

27.00 SECRETARIAL STANDARDS:

27.01 The Company complies with all applicable Secretarial Standards.

28.00 INTERNAL FINANCIAL CONTROLS:

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

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

29.01 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.

30.00 PERSONNEL:

30.01 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.

31.00 INDUSTRIAL RELATIONS:

31.01 Industrial relations remained peaceful.

32.00 ACKNOWLEDGEMENTS:

32.01 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.

33.00 With these remarks, we present the Accounts for the year ended 31st March, 2019.

By Order of the Board

Dated : 30.05.2019
Place : Noida (U.P.)

(Vinod K. Nagpal)
Director
DIN : 00147777

(Aditya Puri)
Director
DIN : 00052534

Encl. Annexure 1 to Annexure 4.