

51st ANNUAL REPORT 2004 - 2005

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THE YAMUNA SYNDICATE LIMITED

THE YAMUNA SYNDICATE LIMITED

Regd. Office : YAMUNA NAGAR - 135 001 (HARYANA)

BOARD OF DIRECTORS :

1. **Mr. Ranjit Puri**
CHAIRMAN
2. **Mr. K.K. Vij**
DIRECTOR
3. **Mr. Manmohan Singh**
DIRECTOR
4. **Mr. Vinod K. Nagpal**
DIRECTOR
5. **Mr. Romesh Malhan**
DIRECTOR
6. **Mr. D.D. Sharma**
DIRECTOR
7. **Mr. Aditya Puri**
DIRECTOR

COMPANY SECRETARY :

Mr. Ashish Kumar

AUDITORS :

M/s. K.C. Malhotra & Co.
Chartered Accountants
New Delhi.

BANKERS :

1. **Punjab National Bank**
2. **State Bank of Patiala**



DIRECTORS' REPORT

To Members :

The Directors hereby present their 51st Annual Report together with the audited accounts for the year ended 31st March, 2005 :-

1. FINANCIAL RESULTS :

The Financial results are as under:

(Amount in Rs.)

Net Profit for the year		1,68,48,010
Less : Provision for taxation :		
- Current Tax	36,00,000	
- Deferred Tax	<u>30,060</u>	<u>36,30,060</u>
Net Profit after Tax		1,32,17,950
Less :		
- Proposed Dividend @ 25%	52,91,200	
- Dividend Tax	7,03,697*	
- Transfer to General Reserve	<u>13,21,000</u>	<u>73,15,897</u>
Balance carried forward to Profit & Loss A/c.		<u>59,02,053</u>

*Includes Rs. 12,203/- being education cess on tax on dividend distributed for the preceding year.

2. DIVIDEND :

The Directors are pleased to recommend a dividend @ 25%.

3. OPERATIONS :

The sales & profit before tax of your Company during the year have been higher at Rs. 5,048 lacs and Rs. 168.48 lacs respectively as compared to Rs. 4,381 lacs & Rs. 130.31 lacs respectively during the previous year.

In tractor business, we have been able to improve our market share. We have also been allocated additional territory of Distt. Bulandshahr (U.P.).

Other businesses, on the whole, have done well during the year.

4. DIRECTORS :

Mr. K.K. Vij and Mr. Romesh Malhan, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

5. AUDITORS :

M/s. K.C. Malhotra & Company, Chartered Accountants, New Delhi, Auditors of the Company, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

6. PARTICULARS OF DISCLOSURES UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:

The particulars relating to conservation of energy and technology absorption are not applicable since the Company is mainly engaged in trading activity.

There is no foreign exchange earnings and outgo.

7. PARTICULARS OF EMPLOYEES :

The Company has not paid any remuneration attracting the provision of Companies (Particulars of Employees) Rules, 1975 read with Section 217 (2A) of the Companies Act, 1956 and hence no information is required to be appended in this regard.

8. FIXED DEPOSITS :

As on 31.03.2005, 5 (Five) Fixed Deposit Receipts amounting to Rs. 1,01,000/- matured and remained unclaimed during the year under report.

9. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956 :

The Directors state :

- i) that in the preparation of the annual accounts for the year ended March 31, 2005, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period ;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- iv) that the Directors had prepared the annual accounts on a going concern basis.

10. ACKNOWLEDGEMENTS :

The Directors place on record their appreciation for the hard work and services rendered by the staff and workmen during the year under report.

By Order of the Board

sd/-
(RANJIT PURI)
CHAIRMAN

Dated : 30.06.2005
Place : NOIDA (U.P)



REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of The Yamuna Syndicate Limited, Yamuna Nagar as at 31st March, 2005 and also the Profit and Loss Account for the year ended on that date annexed thereto in which are incorporated the accounts of the branches not visited by us but checked by us, and the cash flow statement for the year ended on that date, which have been signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) order, 2004 (together the 'order') issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we report a statement on the matters specified in paragraphs '4' and '5' of the order.

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) The Management has certified that it has conducted a physical verification of the fixed assets at reasonable intervals, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies have been noticed on such verification.
- c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. a) The inventory excluding stores in transit have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of Inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of Inventory. The discrepancies noticed on physical verification of inventory as compared to the book records, which in our opinion, were not material and have been properly dealt within the books of account.
3. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the order are not applicable to the company for the current year.
- b) (i) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the companies Act, 1956 except taken from two parties aggregating to Rs. 75,07,000/- in the nature of Fixed Deposits.
- (ii) In our opinion and according to the information and explanations given to us, the rate of interest, terms and conditions of such loans, i.e., Fixed Deposits are not prima facie, prejudicial to the interest of the Company.



- (iii) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
 - (iv) There is no overdue amount of loans taken from parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination of the books of account and according to the information and explanations given to us, we have not come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
 5. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
 6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the company in respect of the aforesaid deposits.
 7. In our opinion, the Company has an Internal Audit System commensurate with its size and nature of its business.
 8. Maintenance of cost records has not been prescribed to the Company by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
 - 9.a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2005 for a period of more than six months from the date they became payable.
 - b) Accordingly to the records of the Company, there are no dues of Sales Tax, Wealth Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Cess which have not been deposited on account of any dispute.
 10. The Company has no accumulated losses as at 31st March, 2005 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
 11. According to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to a financial Institution, bank, or debenture holders during the year.
 12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
 13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.



THE YAMUNA SYNDICATE LIMITED

14. The company is not a dealer or trader in shares, securities, debentures and other investments.
15. The Company has not given any guarantee for loans taken by others from bank or financial Institutions during the year.
16. The Company has not obtained any term loans that were not applied for the purpose for which these were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. Based on our examination of record and the information provided to us by management we report that the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Further to our comments referred to above, we report that we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from examination of those books. The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account. In our opinion, the Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956. On the basis of written representations received from the directors as on 31st March, 2005, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2005 from being appointed as a director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005; "
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For K.C. MALHOTRA & CO.
Chartered Accountants

Place: New Delhi
Dated: 30.06.2004

sd/-
Partner
Membership No. 13624