THE YAMUNA SYNDICATE LIMITED



Reports and Accounts for the year ended
31st March, 2012

ANNUAL REPORT 2011-12

BOARD OF DIRECTORS :

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

AUDIT COMMITTEE :

1. **Mr. Vinod K. Nagpal**
   CHAIRMAN
2. **Mr. Manmohan Singh**
   MEMBER
3. **Mr. Aditya Puri**
   MEMBER

COMPANY SECRETARY :

Mr. Rajiv Mago

AUDITORS :

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

BANKERS :

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

REGISTERED OFFICE :

Yamunanagar, Haryana.

Contents

			Page No.
Directors' Report			3
Directors' Responsibility Statement under Section 217(2AA) of the Companies Act, 1956			5
Management Discussion & Analysis			5
Report on Corporate Governance			6
Auditors' Certificate regarding compliance of Corporate Governance			12
Report of the Auditors to the Members			13
Balance Sheet			16
Statement of Profit & Loss			17
Cash Flow Statement			18
Corporate Information	Note	1	20
Significant Accounting Policies	Note	2	20
Share Capital	Note	3	22
Reserves and Surplus	Note	4	22
Long-term Borrowings	Note	5	23
Other Long-term Borrowings	Note	6	24
Long-term Provisions	Note	7	24
Short-term Borrowings	Note	8	24
Trade Payables	Note	9	24
Other Current Liabilities	Note	10	25
Short-term Provisions	Note	11	25
Fixed Assets	Note	12	26
Non-current Investment	Note	13	27
Long-term Loan and Advances	Note	14	27
Other Non-current Assets	Note	15	27
Inventories	Note	16	27
Trade Receivables	Note	17	28
Cash and Cash Equivalents	Note	18	28
Short-term Loan and Advances	Note	19	28
Other Current Assets	Note	20	28
Revenue from Operations	Note	21	29
Other Income	Note	22	29
Purchase of Stock-in-Trade	Note	23.a	30
Changes in Inventories of Stock-in-Trade	Note	23.b	30
Employees Benefits	Note	24	30
Finance Costs	Note	25	30
Other Expenses	Note	26	31
Tax Expense	Note	27	31
Additional Information to the financial Statements	Note	28	31
Disclosure under Accounting Standards	Note	29	31

DIRECTORS' REPORT

To Members :

The Directors hereby present their 58th Annual Report together with the audited accounts for the year ended 31st March, 2012 :-

1. FINANCIAL RESULTS :

The financial results of the Company are given below :

(Rupees in lacs)

	Year ended 31.03.2012		Year ended 31.03.2011	
Profit for the year		272.18		187.66
Less : Provision for taxation		(2.47)		42.57
Profit after Tax		274.65		145.09
Less :				
- Dividend including Tax	49.19		49.36	
- Transfer to General Reserve	28.00	77.19	17.00	66.36
Balance Carried to Profit & Loss A/c		197.46		78.73

2. OPERATIONS :

The adverse market conditions resulted in the sales of your Company declining marginally to Rs.9,369 lacs from Rs.9,623 lacs in the previous year. Though the total profit of the Company has increased to Rs.272.18 lacs from Rs.187.67 lacs in the previous year, the profit from trading operations has declined (the increase in profits has been mainly due to higher receipt of dividend from M/s. ISGEC Heavy Engineering Ltd. – Rs.325.41 lacs from Rs.31.57 lacs in the previous year).

The main reason for decline in the trading income is lower sales of Escorts tractors because of the adverse market conditions and stopping of stone crushing activities in Haryana, Himachal Pradesh and Uttar Pradesh.

We expect sales and profits from other business lines, to remain stable.

The Company is continuously evaluating the viability of all its businesses to maintain and improve its profitability.

3. INVESTMENT :

During the year, the Company made further investment of Rs. 8.15 crore in purchase of 94,848 Equity Shares of M/s. ISGEC Heavy Engineering Ltd. *(Formerly The Saraswati Industrial Syndicate Ltd.)*.

4. DIVIDEND :

The Directors are pleased to recommend a dividend of Rs. 20/- per share.

5. DIRECTORS :

Mr. D.D. Sharma and Mr. Aditya Puri, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

6. 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.

7. 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.

8. 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.

9. FIXED DEPOSITS :

The amount of deposit with the Company, as at the close of the year, was well within the limits prescribed under the provisions of the Companies Act, 1956. 12 (Twelve) depositors of the Company had, as on 31st March, 2012, not claimed their deposits on or from the due dates for repayment. The amount involved was Rs. 2.66 lacs.

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

The Statement is annexed hereto.

11. MANAGEMENT DISCUSSION & ANALYSIS REPORT UNDER CLAUSE 49 OF THE LISTING AGREEMENT :

Management Discussion & Analysis Report is annexed hereto.

12. CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT :

Report on Corporate Governance is annexed hereto.

13. ACKNOWLEDGEMENTS :

Your Directors take this opportunity to thank the Banks, Government Authorities, Regulatory Authorities, Stock Exchange and the Shareholders for their continued co-operation and support to the Company.

With these remarks, we present the Accounts for the year ended 31st March, 2012.

By Order of the Board

	sd/-	sd/-
	(D.D. Sharma)	**(Aditya Puri)**
	Director	Director

Dated : 29.05.2012
Place : Noida (U.P.)

ANNEXURE TO DIRECTORS' REPORT

Directors' Responsibility Statement under Section 217 (2AA) of the Companies Act, 1956

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 ('the Act') and based on the representations received from the operating management, your Directors hereby confirm that :-

1. in the preparation of the Annual Accounts for the year ended 31st March, 2012, the applicable accounting standards have been followed and there are no material departures,
2. they 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,
3. they 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, 1956. 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,
4. they have prepared the Annual Accounts on going concern basis.

Management Discussion & Analysis

1. Management Discussion and Analysis, as required under Clause 49 of the Listing Agreement, giving further Analysis, Review, Outlook and Threats is given below :-

   a) Sale of tractors this year will continue to be impacted because of the continuing weakness in the economy and also because of the closure of stone crushers in Haryana, Himachal Pradesh and Uttar Pradesh affecting sales to this sector.

   b) We expect sales and profits from other business lines, to remain stable.

2. CAUTIONARY STATEMENT:

   The statement may be "forward looking statement" within the meaning of applicable Securities Laws and Regulations. Actual results could differ materially from those expressed or implied depending upon economic conditions, government policies, regulations, environmental laws, tax regimes and other factors.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange)

1. A brief statement on Company's philosophy on code of governance:

Clause 49 of the Listing Agreement with Stock Exchange set the benchmark compliance rules for a listed company and the baseline for governance standards. The Company adheres to the prescribed corporate practices as per Clause 49. It also follows transparency in business dealings, timely disclosures, effective internal and external communications.

2. Board of Directors:

i. Composition and size of the Board:

The present strength of the Board is Five Directors. The Board comprises of two Non-Executive Promoter Directors (one of them is Chairman) and three Non-Executive Independent Directors.

ii. Attendance of each Director at the Board Meetings and at the last Annual General Meeting, and

iii. Number of other Boards or Board Committees in which he is a Member or Chairman:

Name of the Director	No. of Board Meetings attended	Whether attended the last Annual General Meeting	Directorships in other companies as disclosed			
			Public	Private	Committee Member Ship	Committee Chairman ship
Non-Executive Chairman & Promoter						
Mr. Ranjit Puri	2	No	4	-	2	-
Non-Executive Director & Promoter						
Mr. Aditya Puri	4	No	8	-	2	1
Non-Executive Independent Directors						
Mr. Manmohan Singh	2	No	-	-	-	-
Mr. Vinod Kumar Nagpal	4	No	1	2	1	1
Mr. D.D. Sharma	3	No	-	1	-	-

iv. Number of Board Meetings held, dates on which held :

During the year, four Board Meetings were held as under :-

26th May, 2011
12th August, 2011
14th November, 2011
14th February, 2012

3. Audit Committee :

i. Brief description of terms of reference:

The Audit Committee was constituted in accordance with the code of Corporate Governance and the terms of reference of the Audit Committee are as per the guidelines set out in Clause 49 of the listing agreement with the Delhi Stock Exchange where the shares of the Company are listed, which briefly are :-

- To discuss with Auditors (a) Internal Control System and suggest modification, and (b) scope of audit including observations of audit;
- To review Quarterly, Half Yearly and Annual Financial Statement;
- To ensure compliance of Internal Controls;
- To discuss with Internal Auditors (a) Periodical Reports (b) Scope of internal audit.

ii. Composition, Name of Members and Chairman :

S. No.	Name of the Committee Member	Position	No. of Meeting attended
1.	Mr. Vinod K. Nagpal	Chairman	4
2.	Mr. Manmohan Singh	Member	4
3.	Mr. Aditya Puri	Member	4

Mr. Ashish Kumar, Company Secretary, was the Secretary of the Audit Committee during the year.

iii. Meeting and attendance during the year:

During the year, four meetings of the Audit Committee were held on 26th May, 2011, 12th August, 2011, 14th November, 2011 and 14th February, 2012. Details of attendance by each Member is given in the above table.

4. Remuneration Committee :

The Board has not constituted a Remuneration Committee as it is not mandatory. The same will be constituted as and when the need will arise.

5. Shareholders/Investors Grievance Committee :

i. Composition, Name of Members and Chairman :

S. No.	Name of the Committee Member	Position
1.	Mr. Vinod K. Nagpal	Chairman
2.	Mr. Manmohan Singh	Member
3.	Mr. Aditya Puri	Member

ii. Name and designation of Compliance Officer:

Mr. Ashish Kumar, Company Secretary was the Compliance Officer, during the year.

iii. Number of Shareholders' Complaints received :

Nil

iv. Number of Complaints not solved to the satisfaction of Shareholders :

Nil

v. Number of pending Complaints :

Nil

6. General Body Meetings :

i. Location and time of last three Annual General Meetings (AGM) held:

Date	Location	Time
19th September, 2009	Office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamuna Nagar-135001 (Haryana)	12.00 Noon
27th September, 2010		12.00 Noon
30th July, 2011		12.00 Noon

ii. Whether any Special Resolution passed in the previous three AGM:

Yes, Special Resolution regarding Acquisition of further securities under section 372A of the Companies Act, 1956 was passed in the AGM held on 19th September, 2009 & AGM held on 30th July, 2011 and Special Resolution for alteration of Articles of Association under section 31 of the Companies Act, 1956 was passed in the AGM held on 27th September, 2010.

iii. Whether any Special Resolution passed last year through postal ballot-details of voting pattern:

No.

iv. Person who conducted the postal ballot exercise:

Not applicable.

v. Whether any Special Resolution is proposed to be conducted through postal ballot:

No.

vi. Procedure for Postal Ballot:

Not applicable.

7. Disclosures :

i. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large :

Nil.

ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Delhi Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years :

None.

iii. Code of Conduct for Directors and Senior Executives :

The Company has laid down a Code of Conduct for all Board Members and Senior Executives of the Company. The Code of Conduct is available on the Company's website **www.yamunasyndicate.com** Mr. R.N. Wakhloo, Chief Executive has given a declaration that all the Directors and concerned Executives have affirmed compliance with the Code of Conduct.

iv. CEO/CFO certification :

A certificate, duly singed by the Chief Executive, Manager (Accounts) & Company Secretary relating to financial statements, internal controls and internal control system for financial reporting as per the format provided in Clause 49(V) of the Listing Agreement, was placed before the Board, who took the same on record.

v. Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause :

Complied with all mandatory requirements as detailed above. Company has not adopted non-mandatory requirements.

8. Means of Communication :

i. Quarterly results :

Yes, Published in Newspapers.

ii. Newspapers wherein results normally published :

(a) Financial Express (English)
(b) Jansatta (Hindi).

iii. Any website, where displayed :

On Company's website : www.yamunasyndicate.com

iv. Whether it also displays official news release :

There was no official news release.

v. The presentations made to institutional investors or the analysts :

No presentation was made to institutional investors or the analysts.

9. Shareholding of Non-executive Independent Directors :

S. No.	Name of the Director	Number of Shares held
1.	Mr. Vinod K. Nagpal	116
2.	Mr. Manmohan Singh	50
3.	Mr. D.D. Sharma	50

10. General Shareholder information :

i. Annual General Meeting date, time and venue :

Annual General Meeting will be held on 09th August, 2012 at 12:00 Noon at the Office premises of Saraswati Sugar Mills Limited, Radaur Road, Yamuna Nagar-135001 (Haryana).

ii. Financial Year :

1st April to 31st March.

iii. Dates of Book Closure:

03rd August, 2012 to 09th August, 2012 (both days inclusive).

iv. Dividend Payment date :

By 25th August, 2012.

v. Listing on Stock Exchange :

Listed on Delhi Stock Exchange (DSE).

vi. Scrip Code :

Delhi Stock Exchange has allotted Scrip Code as 25002.