yarn syndicate limited

ANNUAL REPORT
2014 - 2015

BOOK-POST

If undelivered, please return to :

YARN SYNDICATE LIMITED
86/2/4, S.N. Banerjee Road, 1st Floor, Flat No. : 2
Kolkata - 700 014

YARN SYNDICATE LIMITED

BOARD OF DIRECTORS

SMT. SHEELA PATODIA, Chairperson & Managing Director

SRI RISHIRAJ PATODIA, Joint Managing Director

SRI DEVENDRA JHUNJHUNWALA

SRI KISHORE CHHABRIA

BANKERS

CANARA BANK

Overseas Branch

2/1, Russel Street, Kolkata - 700 071

AUDITORS

LODHA & CO.

Chartered Accountants

14, Government Place East, Kolkata - 700 069

REGISTERED OFFICE

86/2/4, S. N. Banerjee Road, 1st Floor, Flat No. 2

Kolkata - 700 014

NOTICE OF THE 69TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixty-Ninth Annual General Meeting (AGM) of the Members of Yarn Syndicate Limited will be held at the Orchid Hotel & Restaurant, 123/1, G P Road, Barrackpore, Kolkata-700120 on Wednesday, the 30th day of September, 2015 at 11.00 A.M. to transact the following business:

AS ORDINARY BUSINESS :

1. **Adoption of Financial Statements**

   To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2015, including the Audited Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss for the year ended on that date together with the Auditors' and the Directors' Reports thereon.

2. **Appointment of Director**

   To appoint a Director in place of Sri Rishiraj Patodia, Joint Managing Director (holding DIN No.00259104) who retires by rotation and being eligible, offers himself for re-appointment.

3. **Appointment of Auditors**

   To ratify appointment of auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM and to fix their remuneration and to pass the following resolution as Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the reappointment of M/s Lodha & Co., Chartered Accountants (Registration No. 301051E), be and is hereby approved for a year and they shall hold office from the conclusion of this AGM to the conclusion of the next AGM and that the Board of Directors be and is hereby authorized to fix their remuneration as may be recommended by the Audit Committee."

AS SPECIAL BUSINESS:

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

   Adoption of corresponding New Sections of the Companies Act. 2013 in lieu of existing sections of the Companies Act, 1956 in the Articles of Association of the Company:

   "RESOLVED THAT pursuant to the provisions of section 14 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder the corresponding New Sections of the Companies Act. 2013 be replaced with the existing sections of the Companies Act, 1956 in the Articles of Association of the Company.

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution."

5. To appoint Mr Kishorelal Beharilal Chhabria (DIN No 00306069) as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kishorelal Beharilal Chhabria (DIN: 00306069) be and is

hereby appointed as an Independent Non Executive Director and who has submitted a declaration that he meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a period of 5 consecutive years and whose term shall not be subject to retirement by rotation."

6. To appoint Mr. Devendra Jhunjhunwala (DIN No: 00276938) as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr.Devendra Jhunjhunwala (DIN No: 00276938) be and is hereby appointed as an Independent Non Executive Director and who has submitted a declaration that he meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a period of 5 consecutive years and whose term shall not be subject to retirement by rotation."

By order of the Board
For YARN SYNDICATE LIMITED

Registered Office :
86/2/4, S N Banerjee Road,
Kolkata-700014.

BIKASH CHANDRA CHATTERJI
COMPANY SECRETARY

Dated : The 30th day of May, 2015

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. The Register of Members and the Share Transfer Books shall remain closed from 28th September 2015 to 30th September, 2015 (both days inclusive).

3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to Special Business set out in the Notice is annexed.

REQUEST TO THE MEMBERS :

1. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company atleast 7 (seven) days in advance, so as to enable the Company to keep the information ready.
2. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.
3. Members are requested to inform immediately of any change in their address to the Company's Share Transfer Agent.
4. All communications relating to shares are to be addressed to the Company's Share Transfer Agent, 'M/s R & D Infotech Pvt. Ltd., 7A, Beltala Road, 1st Floor, Kolkata-700026.'
5. As the Members are aware, your Company's shares are tradable compulsorily in electronic form and in view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialisation.
6. The Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies vide circular dated April 21, 2011 in terms of which a company would have ensured compliance with the provisions of Section 53 of the Companies Act,1956, or Section 20 of the Companies Act, 2013 if service of documents have been made through electronic mode. In such a case, the company has to obtain email addresses of its members for sending e notices / documents electronically by giving an advance opportunity to the members to register their email addresses and changes therein, if any from time to time with the company. Accordingly, documents such as notices for general meetings, Financial Statements, Annual Reports for the year etc. can be sent in electronic form, to the email addresses of those members as available in the Register of Members of the Company. In case a shareholder desires to receive the documents stated above in either physical form or electronic form, they are to convey their preferences to the company.
7. 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 Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the company.
8. **Voting through electronic means:**

   Process for Members opting for e-voting is as under:

   In compliance with the provisions of Section 108 of the new Act and the relevant Rules framed thereunder, the Members are provided with the facility to exercise their vote at the 69th AGM by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Ltd. (NSDL).

   The instructions for remote e-voting are as under:

A. **In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/ Depositories):-**

i. Open the e-mail and also open PDF file namely "YSL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.

ii. Open the internet browser and type the following URL: https://www.evoting.nsdl.com.

iii. Click on Shareholder – Login.

iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.

v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.

vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.

vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.

viii. Select "EVEN" (E-Voting Event Number) of YARN SYNDICATE Limited which is 102929. Now you are ready for e-voting as Cast Vote page opens.

ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

x. Upon confirmation, the message "Vote cast successfully" will be displayed.

xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.

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., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sweetykapoor53@rediffmail.com with a copy marked to evoting@nsdl.co.in.

xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) – Shareholders and e-voting user manual – Shareholders, available at downloads section of www.evoting.nsdl.com.

B. **In case a Member receives physical copy of Notice of AGM (for Members whose email addresses are not registered with the Company / Depositories):-**

i. Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.

ii. Please follow all steps from Sl. No. (i) to Sl. No. (xii) Above, to cast vote.

C. **Other Instructions:-**

i. The e-voting period commences on Sunday, 27th September, 2015 (9. a.m. IST) and ends on Tuesday, 29th September, 2015 (5 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 21st August, 2015 (cut-off date) may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 21st August, 2015 and as per the Register of Members of the Company.

iii. Mrs. Sweety Kapoor, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

iv. The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.

v. Members who do not have access to remote e-voting facility may send duly completed

Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, at R&D Infotech Pvt. Ltd. 1st Floor, 7A, Beltala Road, Kolkata – 700 026 in the enclosed postage pre-paid self-addressed envelope, not later than 29th September, 2015 (5.p.m. IST). Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted. The duly completed Ballot Form should reach the Scrutinizer not later than Saturday, 26th September, 2015 (5.30 p.m. IST). Ballot Form received after this date will be treated as invalid. A Member can opt for only one mode of voting i.e., either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.yarnsyndicate.in and on the website of NSDL www.evoting.nsdl.com within three days of the passing of the resolutions at the 69th AGM of the Company on Wednesday, 30th September, 2015 and communicated to the BSE Limited, where the shares of the Company are listed.

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING REAPPOINTMENT
(in pursuance of Clause 49 of the Listing Agreement)

(1)

1.	Name	: Shri Kishorelal Beharilal Chhabria
2.	Date of Birth	: 21.02.1943
3.	Date of Appointment	: 27.05.2011
4.	Qualifications	: B.Sc., Engg. (Mech.)
5.	Expertise in Specific functional area	: Engineer & pioneer of manufacture of Non-foam Polyurethanes.
6.	Chairman/Director of other DirectorshipsCompanies	1. VCM Polyurethanes P Limited 2. YS Exports Limited
7.	Shareholding of the Non-Executive Director	: Nil
8.	Relationship between Directors Inter-se	: None

9. Chairman/Member of Committees of the Board of Companies of which he is a Director:

Name of Company	Committee Type	Membership Status
Yarn Syndicate Ltd.	Audit Committee	Chairman
Yarn Syndicate Ltd.	Remuneration Committee	Chairman
Yarn Syndicate Ltd.	Share Transfer & Grievance Committee	Chairman

(2)

1.	Name	: Shri Devendra Jhunjhunwala
2.	Date of Birth	: 27.09.1952
3.	Date of Appointment	: 01.04.2002
4.	Qualifications	: B.Com
5.	Expertise in Specific functional area	: Business

6.	Chairman/Director of other Companies:	Directorships: 1. Swastic Heights Private Limited 2. Swastic Habitat Private Limited 3. Narayani Fabricators & Engineers Private Limited
7.	Shareholding of the Non-Executive Director	802 equity shares
8.	Relationship between Directors None Inter-se	None

9. Chairman/Member of Committees of the Board of Companies of which he is a Director:

Name of Company	Committee Type	Membership Status
Yarn Syndicate Ltd.	Audit Committee	Member
Yarn Syndicate Ltd.	Remuneration Committee	Member
Yarn Syndicate Ltd.	Share Transfer & Grievance Committee	Member

(3)

1.	Name	: Shri Rishi Raj Patodia
2.	Date of Birth	: 06.04.1986
3.	Date of Appointment	: 01.04.2011
4.	Qualifications	: B.Com
5.	Expertise in Specific functional area	: Business
6.	Chairman/Director of other Directorships Companies	: YS Exports Limited
7.	Shareholding of the Executive Director	: 215500 shares
8.	Relationship between Directors None Inter-se	: None

9. Chairman/Member of Committees of the Board of Companies of which he is a Director:

Name of Company	Committee Type	Membership Status
Yarn Syndicate Ltd.	Audit Committee	Member
Yarn Syndicate Ltd.	Remuneration Committee	Member

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM No. 4 :

The existing Articles of Association (AOA) is based on the provisions contained in the Companies Act, 1956 and contains references to specific Sections of the Companies Act, 1956. In view of the implementation of the Companies Act, 2013 and the Rules and Regulations framed thereunder, it is proposed to regularize the Articles of Association of the Company by replacing the Sections under the Companies Act, 1956 with the Sections in the Companies Act, 2013. This will help in the smooth transitioning and management of the Company.

A copy of the draft AOA would be available for inspection by the members at the Registered Office of the Company on all working days between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting and a copy thereof will also be available at the meeting venue for inspection by the members.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval.

None of the Directors and Key Managerial Personnel or their relatives is in anyway concerned or interested, financially or otherwise, in the resolution.

ITEM No. 5 :

Mr Kishorelal Beharilal Chhabria, is appointed as the Non Executive Independent Director.

According to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 regarding the appointment and tenure of the independent Directors, which came into effect 1st April, 2014, the Independent Directors shall be appointed for not more than two terms of Five (5) years each and that they shall not be liable to retire by rotation. Further the term as aforesaid shall be effective prospectively. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013.

Mr Kishorelal Beharilal Chhabria, aged 71 years is a person of integrity posses the relevant expertise to function as Independent Director in the opinion of the Board.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr Kishorelal Beharilal Chhabria, being eligible, offer himself for appointment and it is proposed to appoint him as Non Executive Independent Director of the Company for the term as mentioned in the resolution.

Mr Kishorelal Beharilal Chhabria has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In opinion of the Board, Mr Kishorelal Beharilal Chhabria, Director, fulfill the conditions specified in the Companies Act, 2013 and Rules made thereafter for his appointment as Independent Director of the Company and that he is independent of the Management and it will be in the interest of the Company. He is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and he has given his consent to act as Director. Notice has been received from a member signifying his intention to propose appointment of Mr Kishorelal Beharilal Chhabria along with a deposit of Rs. 1,00,000 (Rupees One lakhs Only) .

Further letter of appointment shall be issued to him once his appointment is confirmed at the forthcoming Annual General Meeting. Mr Kishorelal Beharilal Chhabria does not hold any shares in the company.

None of the Directors or Key Managerial Personnel or any of their relatives except the concerned Independent Director, Mr Kishorelal Beharilal Chhabria is interested directly or indirectly in the respective resolution set out in Item No. 5.

The Board of Directors recommends passing of the Ordinary Resolution set out in Item No. 5 of the Notice.

ITEM No. 6:

Mr. Devendra Jhunjhunwala , is appointed as the Non Executive Independent Director.

According to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 regarding the appointment and tenure of the independent Directors, which came into effect 1st April, 2014, the Independent Directors shall be appointed for not more than two terms of Five (5) years each and that they shall not be liable to retire by rotation. Further the term as aforesaid shall be effective prospectively. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent

with the Companies Act, 2013.

Mr. Devendra Jhunjhunwala , aged 62 years is a person of integrity posses the relevant expertise to function as Independent Director in the opinion of the Board.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Devendra Jhunjhunwala ,being eligible, offer himself for appointment and it is proposed to appoint him as Non Executive Independent Director of the Company for the term as mentioned in the resolution.

Mr. Devendra Jhunjhunwala has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In opinion of the Board, Mr. Devendra Jhunjhunwala, Director fulfill the conditions specified in the Companies Act, 2013 and Rules made thereafter for his appointment as Independent Director of the Company and that he is independent of the Management and it will be in the interest of the Company. He is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and he has given his consent to act as Director. Notice has been received from a member signifying his intention to propose appointment of Mr. Devendra Jhunjhunwala along with a deposit of Rs. 1,00,000 (Rupees One lakhs Only) .

Further letter of appointment shall be issued to him once his appointment is confirmed at the forthcoming Annual General Meeting. Mr. Devendra Jhunjhunwala hold 802 shares in the company.

None of the Directors or Key Managerial Personnel or any of their relatives except the concerned Independent Director, Mr. Devendra Jhunjhunwala is interested directly or indirectly in the respective resolution set out in Item No. 6.

The Board of Directors recommends passing of the ordinary resolution set out in Item No. 6 of the Notice.

By order of the Board
For YARN SYNDICATE LIMITED

Registered Office :
86/2/4, S N Banerjee Road,
Kolkata-700014.

Dated : The 30th day of May, 2015

BIKASH CHANDRA CHATTERJI
COMPANY SECRETARY

CIN NO. L51109WB1946PLC013842
YARN SYNDICATE LIMITED

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

To
The Members of
YARN SYNDICATE LIMITED
Your Directors have pleasure in submitting their 69th Annual Report of the company together with the Audited Accounts for the Year ended on 31st March, 2015.

FINANCIAL RESULTS :

	2014-2015		2013-2014	
	Rs. in Thousand		Rs. in Thousand	
Sale of Products		93		31912
Profit/(Loss) before Interest & Depreciation		(14142)		(9476)
Less: Interest	770		898	
Depreciation	2647	3417	3179	4077
		(17559)		(13553)
Add: Exceptional item-profit on sale of one Of the office premises of the company		--		16889
Profit/Loss before Tax		(17559)		3336
Less: Deferred Tax Charge/(Credit)		(420)		(275)
Profit/(Loss) after Tax		(17139)		3611
Add: Balance brought from last year		(47080)		(50692)
Balance carried forward to next year		(64219)		(47080)

DIVIDEND

Viewed from the curtailed revenue and consequent losses, in order to continue conserving the presently existing resources for operational requirements, your Directors do not recommend any dividend for the year under review and are confident of receiving your whole hearted support for this proposal.

SHARE CAPITAL:

The paid up equity share capital as on 31st March, 2015 was Rs. 375 lahks. During the year under review, the company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

FINANCE:

Cash and cash equivalent as at 31st March 2015 was Rs. 18,30,034. The company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

PERFORMANCE REVIEW:

During the financial year under review, the company's export performance in yarn has not picked up mainly due to the unfavorable orders/enquiries from customers, even though a few trading activities

have been undertaken during the year. The export market remains highly competitive and margins are thin. The company is also marketing different kind of bags used in Hotel industry. The company has also ventured into the marker for designer jewelry.

The company has continued to explore newer markets for yarn and other products and at the same time maintaining its excellent business relations with its existing customers in order to remain competitive in the export business. The sale of products was Rs. 0.93 lakhs during the year 2014-15 as compared to Rs. 319.12 lakhs during the previous year. The company hopes that the overall market conditions will be more favorable this year.

CORPORATE SOCIAL RESPONSIBILITY:

Since the company does not fall within the purview of provisions as mentioned in Section 135 of the Companies Act, 2013 the details of constitution of Committee and initiatives taken by the company are not mentioned.

OCCUPATIONAL HEALTH AND SAFETY:

The company believes in the safe and healthy working conditions and has provided safety equipments in the offices.

PARTICULARS OF EMPLOYEES:

Your Company did not employ any person whose particulars are required to be attached to this Report under Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES & INVESTMENTS:

Details of loans and guarantees given and investments made if any under Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

PUBLIC DEPOSITS:

The company has not accepted any deposit from the public under Chapter V of the Companies Act, 2013 or the corresponding provisions of Section 58A of the Companies Act, 1956 and there is no amount outstanding as on the Balance Sheet date.

DIRECTORS :

Shri Rishiraj Patodia, Joint Managing Director of the Company (holding DIN No.00259104) retires by rotation and is eligible for re-appointment.

To appoint Mr Kishorelal Beharilal Chhabria (DIN No 00306069) as an Independent Director of the Company.

To appoint Mr. Devendra Jhunjhunwala (DIN No: 00276938) as an Independent Director of the Company.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

BOARD EVALUATION:

Pursuant to provision of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance , the directors individually as well as the evaluation of the working of its Audit, Appointment and Remuneration Committee.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

All contracts/arrangements/transactions entered by the company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

Your Directors draw attention of the members to Note No. 26.5 to the Financial Statement which sets out related party disclosures.

INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 134(5) (2AA) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

(i) that in the preparation of the Annual Accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed;

(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 the year under review;

(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 accounts for the financial year ended 31st March, 2015 on a 'going concern' basis.

CORPORATE GOVERNANCE :

A Report on Corporate Governance and Management Discussion and Analysis as required under Clause 49 of the Listing Agreement is attached.

ANNUAL RETURN:

The extracts of the Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is furnished in Annexure A and is attached to the Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 issued under Section 217(1)(e) of the Companies Act, 1956, your Directors have to state that the particulars in respect of Energy Conservation and Technology Absorption are not applicable to your Company. As regards the Foreign Exchange earning and outgo, your Directors have to state that the relevant figures are given in Note 31 annexed to the Audited Accounts.

The Company's activity of export is in the line of cotton yarn, other types of yarn and textiles. Your Directors plan to continue their initiatives in order to further increase the export turnover and are exploring possibilities for the export of other types of products as well.

AUDITORS' OBSERVATIONS:

In respect of the reference to the Notes on Accounts in the Auditors Report, your Directors have to state that the same are self-explanatory and do not need further clarification.

SECRETARIAL AUDITOR:

Pursuant to provision of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Ms. Sweety Kapoor, Practising Company Secretary to conduct the Secretarial audit for the Financial Year 2014-15. The Secretarial Audit Report for the Financial Year 2014-15 is annexed herewith as "Annexure B".

The Management response to the same are as follows:-

The Board has noted the Secretarial Auditor's observation and it is of the following opinion:

1) With regard to observations of non-filing of some forms were mainly due to ambiguity and uncertainty of the applicability of the same for the relevant period. However, the Company would ensure in future that all the provisions are complied with the fullest extent.

2) The Board does not take amendments to Memorandum and Articles of Association of the Company as pre-requisite to the day to day business affairs of the Company. Nonetheless in defense to the Auditor's observation, the Board proposes to reset the Company's Articles of Association in line with that of the Act by proposing a Special Resolution in the attached Notice. However, no alteration in the Company's Memorandum of Association are contemplated for the moment as are prescribed alterations under the Act does not impact on present size of the Company's affairs.

3) The Company has taken the required resolutions in the Notice of Annual Report 2014-2015 in compliance of the said provisions of Section 149 and Section 152 of the Companies Act, 2013.

4) Due to financial constraints the Company had not paid the Listing fees to BSE Ltd . All efforts are being made in this regard to pay the same.

5) The Company has dispatched the Annual Report to all shareholders so as to reach them before sufficient time and no grievance was received by any shareholders in this regard. The Company is sending reminders to all shareholders for updation of e-Mail id(s) so that both paper and cost savings are there .

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, comprising senior executives of the Company. Protected disclosure can be made by a whistle blower through an e-mail to the Chairman of the Audit Committee.

AUDITORS:

M/s. Lodha & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENTS:

The Board is grateful to Canara Bank for their continued co-operation and timely assistance as and when required. The Board is grateful to the Reserve Bank of India, State Bank of India, Park Circus Branch and Taltala Branch, HDFC Bank, Dr.U.N.Brahmachari Street Branch, The Cotton Textiles Export Promotion Council, Textile Committee, Export Credit Guarantee Corporation of India Ltd, Collector of Central Excise, Director General of Foreign Trade, New Delhi, Joint Director General of Foreign Trade, Kolkata, Registrar of Companies, the Federation of Indian Export Organizations, The Commercial Tax Office, Kolkata and other institutions for their kind co-operation in day to day activities of the Company. Your Directors are thankful to all the executives and staff members of the Company for their wholehearted co-operation.

By order of the Board
For YARN SYNDICATE LIMITED

Registered Office :
86/2/4, S N Banerjee Road,
Kolkata - 700 014

Dated : The 30th day of May 2015.

SHEELA PATODIA
CHAIRPERSON & MANAGING DIRECTOR

Annexure - A

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration)Rules, 2014]

Name of the Company : YARN SYNDICATE LIMITED
Category / Sub-Category of the Company : MERCHANT EXPORTER
Address of the Registered office and contact details : 86/2/4, S. N. BANERJEE ROAD, KOLKATA - 700014.
Whether listed company Yes / No : YES
Name, Address and Contact details of Registrar and Transfer Agent, if any : R. & D. INFOTECH PVT. LTD., 7A BELTALA ROAD, 1st FLOOR, KOLKATA - 700 026

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

Sl. No.	Description of main products / service	Name and NIC Code of the product / service	% to total turnover of the company
1.	JEWELLERY		90%
2.			
3.			

III. PARTICULARS OF HOLDINGS, SUBSIDIARY AND ASSOCIATE COMPANIES -

Yarn Syndicate Limited has no Subsidiary or Associate Company and is not a Holding Company.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Changing during the year
	Demat	Physical	Total	% of Total	Demat	Physsical	Total	% of totals shares	
A Promoters									
1) Indian									
g) Individual/ HUF	357379	1174950	1532329	40.86	357379	1174950	1532329	40.86	–
h) Central Govt(s)									
j) Bodies Corp.	15000	979950	994950	26.53	15000	979950	1532329	26.53	–
k) Banks / FI									
l) Any others....									
Sub-total (A)(1):-	372379	2154900	2527279	67.39	372379	2154900	2527279	67.39	–
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any other...									
Sub-total (A)(2):-	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	–
Total Shareholding of Promoter (a)= (A)(1)+(A)(2)	372379	2154900	2527279	67.39	372379	2154900	2527279	67.39	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	20700	500	21200	0.57	20700	500	21200	0.57	–
b) Banks / FI	–	1300	1300	0.04	–	1300	1300	0.04	–
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	–	2500	2500	0.07	–	2500	2500	0.07	–
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	20700	4300	25000	0.67	20700	4300	25000	0.67	–

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Changing during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of totals shares	
2) Non-Institutions									
a) Bodies Corp.	41438	2300	43738	1.17	44290	2300	46590	1.24	–
i) Indian									
ii) Overseas									
b) Individuals									
i) Individuals shareholders holding nominal share capital upto Rs. 1 lakh	384059	231641	615700	16.42	399599	230541	630140	16.81	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	538283	–	538283	14.35	520991	–	520991	13.89	–
c) Others (specify)									
Sub-total (B) (2) :-	963780	233941	1197721	31.94	964880	232841	1197721	31.94	–
Total Public Shareholding (B) - (B)(1)+(B)(2)	984480	238241	1222721	32.61	985580	237141	1222721	32.61	–
C. Share held by GDRs & ADRs									
Grand Total (A+B+C)	1356859	2393141	3750000	100.00	1357960	2392041	3750000	100.00	–

ii) ***Shareholding of Promoters***

Sl. No.	Share holder's	Share holding at the beginning of the year			Share holding at the end of the year			
		No. of shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1.	Sheela Patodia	1302802	34.74	NIL	1302802	34.74	NIL	–
2.	Rishiraj Patodia	215500	5.75	NIL	215500	5.75	NIL	–
Total	YS Exports Ltd.		26.53	NIL	994950	26.53	NIL	–

iii) ***Change In Promoters' Shareholding (please specify, if there is no change)***

There is no change in Promoters Shareholding during the year.

iv) ***Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :***

For Each of the Top 10 Shareholders		Shareholding at the beginning of the year, i.e. 01.04.2014		Shareholding at the end of the year, i.e. 31.03.2015	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
		1			
MAMTA SANCHETI		43788	1.17	43788	1.17
Date	Reason				
30-Jun-14		7719	0.21		
			Closing Balance:	51507	1.37
		2			
RAJENDRA NEMICHAND BACHHAWAT		0	0.00	40809	1.09
Date	Reason				
31-Mar-15		40809			
			Closing Balance:	40809	1.09
		3			
RAJESHKUMAR RAJNIKANT SHAH		45425	1.21	45425	1.21
Date	Reason				
30-Sep-14		3444	0.09	41981	1.12
31-Mar-15		7650	0.20		
				34331	0.92
			Closing Balance:	34331	0.92
		4			
NILESHKUMAR MULJIBHAI KOTHARI		10952	0.29	10952	0.29
Date	Reason				
30-Jun-14		22551	0.60		
		Closing Balance:		33503	0.89
		5			
KAMAL KUMAR GOYAL		22963	0.61	22963	0.61
Date	Reason				
			Closing Balance:	22963	0.61
			NO CHANGE DURING THE PERIOD		
		6			
CANARA ROBECO MUTUAL FUND A/C GAD		20700	0.55	20700	0.55
Date	Reason				
30/06/2014		20700	0.55		
		Closing Balance:		20700	0.55
			NO CHANGE DURING THE PERIOD		
		7			
SHAILENDRA KUMAR GWALIORY		19950	0.53	19950	0.53
Date	Reason				
			Closing Balance:	19950	0.53
			NO CHANGE DURING THE PERIOD		