

YASH TRADING AND FINANCE LIMITED

(CIN L51900MH1985PLC036794)

30th ANNUAL REPORT

YEAR ENDED 31ST MARCH, 2015

COMPANY INFORMATION

BOARD OF DIRECTORS

Sadiq Patel, Whole Time Director
Bharat Bagri, Director
Jyoti Budhia, Independent Director
Ajay Sharma, Independent Director

KEY MANAGERIAL PERSONNEL

Sadiq Patel, Whole Time Director & Chief Financial Officer
Krisha Mehta, Company Secretary & Compliance Officer

CONTACT

REGISTERED OFFICE - Bagri Niwas, 53/55, N.M. Path, Mumbai – 400 002
CORPORATE OFFICE - 1207/A, P. J. Towers, Dalal Street, Fort, Mumbai – 400001.
Telephone Nos.: 91-22-2272 2448/49/50/ Fax No.: 91-22-22722451
E-mail: yashtradingandfinancelimited@gmail.com
Website: www.yashtradingfinace.com

REGISTRAR AND SHARE TRANSFER AGENTS

Purva Sharegistry (I) Pvt Ltd
9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai – 400011.
Telephone Nos.:91-22-23012518
Fax No.: 91-22-2301 2517
E-mail: busicomp@gmail.com
Website: www.purvashare.com

BANKERS

Bank of India, Stock Exchange Branch, Fort, Mumbai 400 001

STATUTORY AUDITORS

Bhatter & Co., Chartered Accountants
307, Tulsiani Chambers, Nariman Point, Mumbai – 400021

INTERNAL AUDITORS

M/s. R. Jaitlia & Co., Chartered Accountants
408, Manish Chambers, Sonawala Road, Opp. Hotel Karan Palace, Goregoan (E),
Mumbai – 400063

SECRETARIAL AUDITORS

Sonam Jain, Practicing Company Secretary, Mumbai

DIRECTORS' REPORT

To the Members,

Your Company's Directors are pleased to present the 30th Annual Report of the Company, along with Audited Accounts, for the Financial Year ended 31st March, 2015.

Financial Performance

A summary of the Company's financial performance during the financial year:

	(in Rs. lakh)	
Particulars	FY 2014-15	FY 2013-14
Total revenue including other income	0.99	--
Total Expenditure	43.18	2.52
Profit / (Loss) before tax	(42.19)	(2.52)
Tax Expenses	--	--
Profit / (Loss) after tax	(42.19)	(2.52)
EPS		
-Basic	(17.22)	(1.03)
-Diluted	(17.22)	(1.03)

Promoters/ Management of the Company

Mr. Pradeep Kumar Sethy became the promoter of the Company in FY 2011-12 under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

18th July, 2011 - Date of Public Announcement

14th December, 2011 - Opening of Tendering Period

2nd January, 2012 - Completion of Tendering Period

The representatives of Mr. Pradeep Kumar Sethy viz Mr. Sambit Kumar Khuntia, Mr. Manoja Kumar Patnayak and Mr. Shri Krushna Padhi joined the Board of the Company on 07-Jan-2012 and all the representatives of the old management resigned on that date.

However, there was a Governmental Inquiry against the Artha Tatwa Group of our promoter Mr. Pradeep Kumar Sethy leading to inter alia the arrest of Mr. Pradeep Kumar Sethy. Thereafter, the Company was severely mismanaged and there were significant non compliances leading to suspension in the trading of the securities of the Company from BSE Limited vide BSE's notice number 20131205-19 dated 5th December, 2013 due to failure to comply with various provisions of the Listing Agreement.

No steps were taken to resume trading in the shares of the securities by the promoter. Therefore, on 5th August 2014, the minority shareholders of the Company held an Extra Ordinary General Meeting of the Company under Section 100 of the Companies Act 2013 where Mr. Bharat Bagri and Mr. Sadiq Patel were appointed as Directors.

At the 28th and 29th AGMs held on 26th September, 2014 the shareholders did not approve the reappointment of Mr. Sambit Kumar Khuntia (DIN: 02974670), Mr. Manoja Kumar Patnayak (DIN: 02440958) and Mr. Shri Krushna Padhi (DIN: 03262425) and they ceased to be Directors of the Company. Thus, as on date, the Company professionally managed with no representative of the current promoters on the Board. It is understood that the current promoter Mr. Pradeep Kumar Sethy is still under custody/ arrest. Exact details of the matter are not known to the current Board.

The Company has received a formal communication ref. no. F.No.ECIR/04/BBSZO/2014 dated 12th January, 2015 from the Directorate of Enforcement, Foreign Exchange Management Act and Prevention of Money Laundering Act, Bhubaneswar Sub-Zonal Office, contents reproduced as under:

Re: Artha Tatwa Group of Companies – Pradeep Kumar Sethy – reg.

This office has initiated an investigation against the captioned group under the provisions of Prevention of Money Laundering Act 2002

2. In this connection it appears that Pradeep Kumar Sethy has acquired 49% shares of Yash Trading and Finance Limited Regd office at Bagri Niwas, 53/55 N M Path, Mumbai 400 002 (Corporate Office at 1207/A P J Towers, Dalal Street, Fort, Mumbai 400 001)

3. It is requested that the said Shares should not be transferred, leased or mortgaged without the prior permission of the undersigned

Your faithfully

Sd/-

D.V.S. Kishore, Assistant Director

Operations Overview

During the year under review, there was no business activity carried on by the Company.

Dividend

Your Directors do not recommend any dividend for the period under review.

Transfer to Reserve

The Company has transferred Rs. Nil to Reserves for the financial year ended 31st March, 2015.

Share Capital

Authorized share capital of the Company was increased from Rs. 25 lacs to Rs. 1 Crore on 26th September, 2014. Your Company had announced Rights issue of 4,90,000 Equity shares in the ratio of 2 Equity shares for every 1 held in its Board meeting dated 13th December, 2014. However, your Company decided to withdraw/cancel/abandon the said issue on receipt of the letter dated 12th January, 2015 from Directorate of Enforcement.

Material changes and Commitments

There are no material changes and or commitments affecting the financial position of the Company, between the end of the financial year, i.e. 31st March, 2015 and the date of the report.

Extract of annual return

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure I** in the prescribed in Form MGT-9, which forms integral part of this report.

Number of meetings of the Board

From 5th August 2014 onwards, eight meetings of the Board of Directors were held, dates being 5th August, 2014, 14th August, 2014, 28th August, 2014, 17th October, 2014, 1st December, 2014, 13th December, 2014 and 30th January 2015. No records are available for meetings held before 5th August 2014.

W.e.f. August 5, 2014, the provisions of Companies Act, 2013 and listing agreement have been adhered to while considering the time gap between two meetings.

Directors Responsibility Statement

To the best of knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

- That in the preparations of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- That they have selected such accounting policies and applied them consistently and made judgements 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 loss of the Company for that period;
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That they have prepared the annual accounts on a going concern basis;
- That they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements

Internal control systems and their adequacy:

Pursuant to section 138 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. R. Jaitlia & Co., Chartered Accountants as Internal Auditors on 28th August, 2014 to conduct Internal Audit of records and documents of the Company for the financial year 2014-15. The internal auditors of the Company checks and verifies the internal control and monitors them in accordance with policy adopted by the Company. Even through this non production period the Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

Related Party Transactions

All Related Party Transactions that were entered into during the financial year were on arm's length and were in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. The Audit Committee has granted omnibus approval for Related Party Transactions stated in Annexure II as per the provisions and restrictions contained in the Companies Act, 2013.

Board evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board

processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the Board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

Energy Conservation Measures, Technology Absorption and R & D Efforts and Foreign Exchange Earnings and Outgo

In view of the nature of activities carried on by the Company, the requirements for disclosure in respect of Conservation of Energy, Technology Absorption, in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company. However the Company takes all possible efforts towards energy conservation. The requirement for disclosure with regard to technology absorption does not apply to the Company as the activities in which the Company operates does not require any technology.

During the period under review the Company has earned Foreign Exchange of ‘NIL’ and incurred the Foreign Exchange outgo of ‘NIL’.

Risk Management

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The Policy provides for constitution of a Risk Committee, which will work towards creating a Risk Register, identifying internal and external risks and implementing risk mitigation steps. The Committee will, on a quarterly basis, provide status updates to the Board of Directors of the Company.

Auditors

i. Statutory Auditors

M/s. Bhatner and Co., Chartered Accountants, Mumbai, Auditors of the Company having Firm Registration No. 131092W, retires at the ensuing Annual General Meeting, are eligible for re-appointment. Their appointment is recommended to hold office until the conclusion of the Annual General Meeting of the Company for the financial year 2016-17. The Company has received certificate from the Auditors to the effect that their reappointment, if made, will be in accordance with the provisions prescribed under Section 139 and other applicable provisions, if any, of the Companies Act, 2013.

The observations made in the Auditors report read together with the relevant notes thereon, are self-explanatory and hence do not call for any comments under Section 134 of the Companies Act, 2013.

ii. Internal Auditors

Pursuant to section 138 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. R. Jaitlia & Co., Chartered Accountants as Internal Auditors on 28th August, 2014 to conduct Internal Audit of records and documents of the Company for the financial year 2014-15.

iii. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Ms. Sonam Jain, Practicing Company Secretary, as Secretarial Auditor on 28th May, 2015 to conduct Secretarial Audit of records and documents of the Company for the financial year 2014-15. The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. and there is no secretarial audit qualification for the year under review except non availability of records prior to 5th August, 2014

The Secretarial Audit Report is included as Annexure – III and forms an integral part of this report.

Corporate Governance

Since the Company does not have paid up equity share capital exceeding Rs.10 crore and/or Net Worth exceeding Rs.25 crore, as on the last day of the previous financial year, i.e. 31st March 2014, the Company has availed of exemption with compliance with clause 49 of Listing Agreement as per the option granted vide SEBI Circular No.CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014.

Deposits from public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013, Mr. Bharat Bagri, retire from the Board by rotation, and being eligible, offer himself for re-appointment.

In terms of Section 149 of the Act, the Members at their meeting held on 26th September, 2014 appointed the following as Independent Directors of the Company for a term of five (5) years:

Ms. Jyoti Budhia – DIN: 00332044

Mr. Ajay Sharma – DIN: 06960753

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act.

In terms of Section 203 of the Act, the following were designated as Key Managerial Personnel of your Company by the Board:

Mr. Sadiq Patel, Whole Time Director and CFO

Mr. Krisha Mehta, Company Secretary

Mr. Sambit Kumar Khuntia, Mr. Manoj Kumar Patnayak and Mr. Shri Krushna Padhi have ceased to be Directors from the 28th and 29th AGMs held on 26th September 2014

Ms. Krisha Mehta was appointed as Company Secretary w.e.f. 1st December, 2014.

Composition of Audit Committee

Audit Committee of your Company as constitute pursuant to Section 177 of the Companies Act, 2013 composes of the following members:

Name	Designation
Ms. Jyoti Budhia	Chairperson
Mr. Ajay Sharma	Member
Mr. Bharat Bagri	Member

Vigil mechanism

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Pursuant to Section 177(9) of the Act, a vigil mechanism was established for Directors and Employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. The Vigil Mechanism provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company

Particulars of Employees and Remuneration

There is no employee in the Company drawing monthly remuneration of Rs. 5, 00, 000/- per month or Rs. 60, 00, 000/- per annum. Hence, the Company is not required to disclose any information as per Rule 5(2) of the Companies (Appointment and Remuneration) Rules, 2014

Remuneration details pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

i. Ratio of remuneration of each Director to the median employee's remuneration

The information required under Section 197 (12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year are as follows:

Sr. No.	Name of Director	Designation	Remuneration per annum (Rs.)	Median Remuneration per annum (Rs.)	Ratio (Remuneration of Director to Median Remuneration)
1.	Mr. Sadiq Patel	Whole Time Director	Nil	Nil	N.A.
2.	Mr. Bharat Bagri	Director	Nil	Nil	N.A.

Mr. Sadiq Patel and Mr. Bharat Bagri have foregone their remuneration for the financial year 2014-15 due to the weak financial condition of the Company

- ii. Percentage increase in the median remuneration of employees in the financial year 2014-15 is Nil
- iii. The Company has no permanent employees on the rolls of the Company other than the Key Managerial Personnel as on 31st March 2015
- iv. **Relationship between average increase in remuneration and Company performance:**
There was no increase in remuneration of any employee during the year under consideration.
- v. **Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:**
Remuneration of KMP is in line with the performance of the Company.

- vi. Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company:

Particulars	As on 31 st March, 2014	As on 31 st March, 2015	% variation
Price *	191.65	191.65	--
No of shares listed	2, 45, 000	2, 45, 000	--
Market capitalization (Rs. In lacs)	Rs. 469.54 lakh	Rs. 469.54 lakh	--
EPS	Nil (due to losses)	Nil (due to losses)	--
Price Earnings Ratio	N/A (due to nil/ negative EPS)	N/A (due to nil/ negative EPS)	N/A

* The share of the Company are listed at the BSE Limited. The trading in the shares were suspended w.e.f. 30-Dec-2013 vide BSE Notice No. 20131205-19 dated 05 Dec 2013. The last closing price before the suspension was Rs. 191.65 (last traded date being 11-Oct-13) and the same is taken as reference for the above.

- vii. The key parameters for the variable component of remuneration availed, if any, by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Policy for remuneration of Directors, KMPs and other employees. As during the year, Directors did not draw any remuneration, this point is not applicable.
- viii. There are no employees of the Company who received remuneration in excess of the highest paid Director during the financial year 2014-15
- ix. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company.
- x. There is no employee covered under the provisions of section 197(14) of the Act.

Remuneration Policy for the Directors, Key Managerial Personnel and other employees

In terms of the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Board has on the recommendation of the NRC framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said policy is stated in **Annexure IV** of this report

Stock Exchange

The Company is currently listed at the BSE Limited under scrip code 512345. Your Company has paid Annual listing fee for the financial year 2014-15 to the abovementioned exchange. The trading in the shares of the Company is currently suspended at BSE Limited.

Remuneration Policy for the Directors, Key Managerial Personnel and other employees

In terms of the provisions of Section 178(3) of the Act, the Nomination and Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. The Board has on the recommendation of the NRC framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said policy is stated in Annexure IV of this report.

Significant and Material orders passed by the regulators or Courts

Your Company had come up with Rights issue of its 490, 000 Equity shares of Rs. 10/- each in the ratio of 2:1 post in-principal approval letter dated 8th December, 2014 for BSE Limited. However, your Company decided to withdraw/ cancel/ abandon the said issue on account of letter dated 12th January 2015 received from Directorate of Enforcement.

Corporate Social Responsibility Initiatives

The criteria prescribed for the applicability of Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is not applicable to your Company.

Acknowledgement

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year.

For and on behalf of the Board of Directors

Yash Trading and Finance Limited

Sd/-

Sadiq Patel, Whole time Director, DIN 06911684

Bharat Bagri, Director, DIN 01379855

Place: Mumbai

Date: 13th August, 2015