

# 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  
21, 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 68<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixty-Eighth Annual General Meeting of the Members of the Company will be held at the Orchid Hotel & Restaurant, 123/1, G P Road, Barrackpore, Kolkata - 700120 on Friday, the 26th day of September, 2014 at 10.00 A.M. to transact the following business:

### AS ORDINARY BUSINESS :

- To consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit & Loss Account for the year ended on that date together with the Auditors' and the Directors' Reports thereon.
- To appoint a Director in place of Sri Deventra Kumar Jhunjhunwala (holding DIN No.: 00276938), who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Lodha & Co., Chartered Accountants (ICAI Registration No.: 301051E) as Statutory Auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS:

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

"RESOLVED THAT, in supersession of the Ordinary Resolution adopted under section 293(1)(d) of the Companies Act, 1956 in the Extraordinary General Meeting held on 19th March 1991, and pursuant to Section 180(1) (c) and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of paid-up share capital and Free Reserves of the company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 50 crores (Rupees Fifty Crores) over and above the aggregate of paid up share capital and Free Reserves of the company."

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

By order of the Board  
For YARN SYNDICATE LIMITED

Dated : The 30th day of May, 2014

BIKASH CHANDRA CHATTERJI  
COMPANY SECRETARY

### NOTES :

- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. Proxies in order to be valid must be received by the Company not less than 48 hours before the commencement of the Meeting.
- The Register of Members and the Share Transfer Books shall remain closed from 24th September 2014 to 26th September, 2014 (both days inclusive).
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.

### REQUEST TO THE MEMBERS :

- 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.
- 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.
- Members are requested to inform immediately of any change in their address to the Company's Share Transfer Agent.
- All communications relating to shares are to be addressed to the Company's Share Transfer Agent, 'M/s R & D Infotech Pvt. Ltd., 7A, Baitala Road, 1st Floor, Kolkata-700026'.
- 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.
- 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 Act, 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.
- 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.
- 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 68th AGM by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Ltd. (NSDL).

The instructions for e-voting are as under:

- In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/ Depositories):-
  - Open the e-mail and also open PDF file namely "SL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
  - Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
  - 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 for 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 101119. 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 Scrutinier through e-mail to sweetykapoor33@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. (ii) to Sl. No. (xiii) Above, to cast vote.
- C. Other Instructions:-
  - i. The e-voting period commences on Saturday, 20th September, 2014 (9.30 a.m. IST) and ends on Monday, 22nd September, 2014 (5.30 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 22nd August, 2014, 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 22nd August, 2014 and as per the Register of Members of the Company.
  - iii. Ms. Sweety Kapoor, Practising Company Secretary has been appointed as the Scrutinier who do not have access to the e-voting process (including the Ballot Form received from the Members) in a fair and transparent manner.
  - iv. The Scrutinier 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 Scrutinier'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 e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinier appointed by the Board of Directors of the Company, at R&D Infotech Pvt. Ltd. 1st Floor, 7A, Beliala Road, Kolkata – 700 026 in the enclosed postage pre-paid self-addressed envelope, not later than Monday, 22nd September, 2014 (5.30 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 Scrutinier not later than Monday, 22nd September, 2014 (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 Scrutinier's Report shall be placed on the Company's website www.yarnsyndicate.in and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the 68th AGM of the Company on Friday, 26th September, 2014 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. Name	: Shri Devendra K. 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.

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

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 4**

The members of the Company, at their Extra-ordinary General Meeting held on 19th March, 1991 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 50 Crores (Rupees fifty crores).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 4 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs. 50 Crores (Rupees Fifty crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

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

Dated : The 30th day of May, 2014.

By order of the Board  
For YARN SYNDICATE LIMITED

BIKASH CHANDRA CHATTERJI  
COMPANY SECRETARY

## REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS

Your Directors have pleasure in submitting their 68th Annual Report of the Company together with the Audited Accounts for the Year ended on 31st March, 2014.

### FINANCIAL RESULTS :

	2013-2014	2012-2013
	Rs. in Thousand	Rs. in Thousand
Export Sales	10947	16716
Domestic Sales	20380	16716
Profit/(Loss) before Interest & Depreciation	31327	16716
Less: Interest	(9476)	(8468)
Depreciation	898	1716
	3179	4172
	(13553)	(14356)
Add: Exceptional item-profit on sale of one Of the office premises of the company	16889	—
Profit/(Loss) before Tax	3336	(14356)
Less: Deferred Tax Charge/(Credit)	(275)	(5)
Profit/(Loss) after Tax	3611	(14351)
Add: Balance brought from last year	(50692)	(36342)
Balance carried forward to next year	(47080)	(50692)

### DIVIDEND :

Your Directors do not recommend dividend on Equity Shares for the Financial Year ended 31st March, 2014.

### PERFORMANCE REVIEW :

During the financial year under review, the Company's export performance has suffered mainly due to the extremely competitive market conditions in the export market and rigid price of cotton yarn in India. The company is also marketing other products like bags used in Hotel industry. We are also exploring the market for designer jewellery.

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 export sales have decreased to Rs. 109.47 lakhs during the year 2013-14 as compared to Rs. 167.16 lakhs during the previous year. The company also had domestic sales of Rs. 203.80 lakhs for the year 2013-14. The company hopes that the overall market conditions will be favorable this year.

### 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.

### DIRECTORS :

Shri Devendra Kumar Jhunjhunwala, Director of the Company retires by rotation and is eligible for re-appointment. During the year, Shri Sita Ram Saraf resigned as a Director and Committees Member of the company. The company thanks him and appreciates the long and useful service rendered by him during his long tenure as an independent director and Chairman-member of three committees.

### DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to

