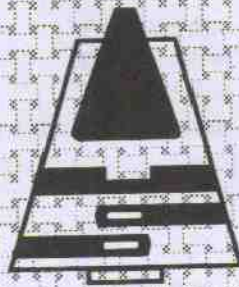


yarn syndicate limited



ANNUAL REPORT
2014 • 2015

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, Bellala 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.
 - xii. 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 sweetlykapoor53@rediffmail.com with a copy marked to evoting@nsdl.co.in. 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. Sweetly 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 Behanilal 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 Directorships/Companies : 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)

6. Chairman/Director of other Directorships:

1. Swastic Heights Private Limited
2. Swastic Habitat Private Limited
3. Manayani 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 Non-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.

(7)

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 possesses 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 Jhunjunwala , 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 Jhunjunwala , aged 62 years is a person of integrity possesses 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 Jhunjunwala ,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 Jhunjunwala 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 Jhunjunwala, 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 Jhunjunwala 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 Jhunjunwala 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 Jhunjunwala 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.

BIKASH CHANDRA CHATTERJI
COMPANY SECRETARY

Dated : The 30th day of May, 2015

