

The Board of Directors  
Yarn Syndicate Limited  
86/2/4 S.N. Banerjee Road  
Kolkata - 700014

### Limited Review Report

1. We have reviewed the accompanying statement of "Unaudited Financial Results" of Yarn Syndicate Limited ("the Company") for the quarter and six months ended 30th September 2016 ("the Statement"). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors and the same has been initialed by us for the purpose of identification. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, we report that nothing has come to our attention that causes us to believe that the accompanying statements of Unaudited Financial Results prepared in accordance with applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

### Emphasis of Matter

Attention is invited to Note no. 4 given in the accompanying result stating that the Company has accumulated losses and its net worth has become negative as on 31<sup>st</sup> March 2016. Further, the Company has incurred a net loss upto the period ended 30<sup>th</sup> September 2016 also and, the Company's current liabilities exceeded its current assets as on 30<sup>th</sup> September 2016. These conditions, along with other matters, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note No. 4 of the accompanying financial results.

Our conclusion is not modified in respect of this matter.

For Lodha & Co.  
Chartered Accountants  
Firm ICAI Registration No. 301051E



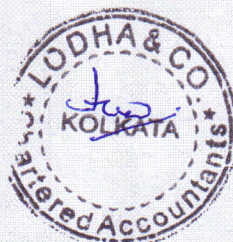
H K Verma  
Partner  
Membership No.: 055104

Place: Kolkata  
Date: 14<sup>th</sup> November, 2016



YARN SYNDICATE LIMITED  
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 Website: www.yarnsyndicate.in; E-Mail: yarncal@vsnl.com  
 CIN NO.: L51109WB1946PLC013842  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016.**

PART I		(Rs. in Lakhs)					
SL. NO.	DESCRIPTIONS	Quarter ended	Quarter ended	Quarter ended	Half Year Ended	Half Year Ended	For the Year ended
		30/09/2016	30/06/2016	30/09/2015	30/09/2016	30/09/2015	31/03/2016
		(Unaudited)			(Unaudited)		(Audited)
1.	<b>Income from Operations:</b>						
	(a) Net Sales/Income from operations (Net)	4.90	5.08	1.78	9.98	2.00	3.16
	(b) Other operating income	-	-	-	-	-	-
	<b>Total income from operations (Net) (1)</b>	<b>4.90</b>	<b>5.08</b>	<b>1.78</b>	<b>9.98</b>	<b>2.00</b>	<b>3.16</b>
2.	<b>Expenditure</b>						
	(a) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(49.11)	0.01	-	(49.10)	-	(0.24)
	(b) Employee Benefit Expense	5.35	5.33	10.46	10.68	22.54	34.92
	(c) Purchase of Stock in Trade	53.53	4.73	1.23	58.26	1.40	2.49
	(d) Depreciation & amortisation expense	1.92	1.93	5.32	3.85	10.65	21.09
	(e) Other expenditure	2.30	14.31	15.68	16.61	28.73	52.45
	<b>Total Expenditure (2)</b>	<b>13.99</b>	<b>26.31</b>	<b>32.69</b>	<b>40.30</b>	<b>63.32</b>	<b>110.71</b>
3.	<b>Profit/(Loss) from Operations before Other Income, Finance costs and Exceptional Items (1-2)</b>	<b>(9.09)</b>	<b>(21.23)</b>	<b>(30.91)</b>	<b>(30.32)</b>	<b>(61.32)</b>	<b>(107.55)</b>
4.	Other Income	1.09	1.09	1.74	2.18	3.33	5.89
5.	<b>Profit/(Loss) from ordinary activities before Finance costs &amp; Exceptional Items (3+4)</b>	<b>(8.00)</b>	<b>(20.14)</b>	<b>(29.17)</b>	<b>(28.14)</b>	<b>(57.99)</b>	<b>(101.66)</b>
6.	Finance costs	1.72	2.15	2.48	3.87	4.57	10.74
7.	<b>Profit/(Loss) from ordinary activities after Finance costs but before Exceptional Items (5-6)</b>	<b>(9.72)</b>	<b>(22.29)</b>	<b>(31.65)</b>	<b>(32.01)</b>	<b>(62.56)</b>	<b>(112.40)</b>
8.	Exceptional Items	-	-	-	-	-	273.50
9.	<b>Profit/(Loss) from ordinary activities before Tax (7-8)</b>	<b>(9.72)</b>	<b>(22.29)</b>	<b>(31.65)</b>	<b>(32.01)</b>	<b>(62.56)</b>	<b>(385.90)</b>
10.	<b>Tax Expenses</b>						
	Deferred Tax Charge/(Credit)	0.41	(0.27)	0.05	0.14	(0.51)	(84.91)
11.	<b>Net Profit/(Loss) from ordinary activities after tax (9-10)</b>	<b>(10.13)</b>	<b>(22.02)</b>	<b>(31.70)</b>	<b>(32.15)</b>	<b>(62.05)</b>	<b>(300.99)</b>
12.	Extraordinary Items-(net of tax expense)	-	-	-	-	-	-
13.	<b>Net Profit/(Loss) for the Period (11-12)</b>	<b>(10.13)</b>	<b>(22.02)</b>	<b>(31.70)</b>	<b>(32.15)</b>	<b>(62.05)</b>	<b>(300.99)</b>
14.	Paid-up Equity Share Capital (Face value of Rs.10/- each)	375.00	375.00	375.00	375.00	375.00	375.00
15.	Reserves Excluding Revaluation Reserves as per Balance sheet of previous accounting year	-	-	-	-	-	(505.91)
16.	<b>Earnings Per Share</b>						
	(i) basic and diluted EPS before extraordinary items for the period, for the year to date and for the previous year (not to be annualised)	(0.27)	(0.59)	(0.85)	(0.86)	(1.65)	(8.03)
	(ii) basic and diluted EPS after extraordinary items for the period, for the year to date and for the previous year (not to be annualised)	(0.27)	(0.59)	(0.85)	(0.86)	(1.65)	(8.03)



## STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lakhs)

	DESCRIPTIONS	As at 30.09.2016 Unaudited	As at 31.03.2016 Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	Shareholders Funds		
	a) Share Capital	375.00	375.00
	b) Reserves & Surplus	(538.05)	(505.91)
	c) Money received against share warrants	-	-
	Sub-total- shareholders funds	<u>(163.05)</u>	<u>(130.91)</u>
2	Share application money pending allotment		
3	Non-current liabilities		
	a) Long term borrowings	216.01	188.47
	b) Long term provisions	8.94	7.75
	Sub-total- Non-current liabilities	<u>224.95</u>	<u>196.22</u>
4	Current liabilities		
	a) Short Term Borrowings	55.07	55.00
	b) Trade payables	51.01	0.20
	c) Other current liabilities	157.98	169.65
	d) Short term provisions	8.13	8.13
	Sub-total-Current liabilities	<u>272.19</u>	<u>232.98</u>
	<b>TOTAL-EQUITY &amp; LIABILITIES</b>	<u><b>334.09</b></u>	<u><b>298.29</b></u>
<b>B</b>	<b>ASSETS</b>		
1	Non-Current assets		
	a) Fixed assets	57.81	70.86
	b) Deferred tax assets (net)	104.45	104.59
	c) Long term loans & advances	50.85	50.85
	d) Other non-current assets	-	-
	Sub-total non-current assets	<u>213.11</u>	<u>226.30</u>
2	Current assets		
	a) Inventories	49.34	0.24
	b) Trade receivables	1.42	0.05
	c) Cash & Bank Balances	2.63	2.42
	d) Short term loans & advances	44.48	44.07
	e) Other current assets	23.11	25.21
	Sub-total-Current assets	<u>120.98</u>	<u>71.99</u>
	<b>TOTAL-ASSETS</b>	<u><b>334.09</b></u>	<u><b>298.29</b></u>

## Notes :

- The above results after review by the Audit Committee has been approved by the Board at its meeting held on 14th November, 2016.
- Exceptional Items for the year ended 31st March 2016 amounting to RS. 273.50 Lacs represents provisions made for doubtful recoveries against certain Trade Receivables, Advances and Deposits.
- The company operates only in one business segment viz. exporting yarn and fabric and other activities are incidental thereto.
- (i) Due to substantial losses incurred in earlier years and current quarter, the networth of the company has been eroded and thereby has become negative as at the Balance Sheet date. In view of the above and the unfavourable sales orders received from the customers, steps are being taken by the management to get the favourable orders from the customers. In the meantime other alternative business propositions and combinations etc. are being done.  
Taking the above into consideration, the management of the company believes that the company has the ability to continue its operations as a going concern in the foreseeable future and promoters of the company have agreed to infuse the funds as and when required and accordingly the financial statements for the quarter ended 30th September 2016 have been prepared on the basis that the Company is a going concern.
- Previous year's / Quarter figures have been regrouped / rearranged wherever considered necessary.

Place : Mumbai  
Date : 14th November 2016



FOR AND ON BEHALF OF THE BOARD  
Rishiraj Patodia  
Joint Managing Director