

**YANTRA NATURAL RESOURCES LIMITED**  
**ANNUAL REPORT**  
**2012-2013**

## CONTENTS

- ❖ Company Information
- ❖ Notice
- ❖ Directors Report
- ❖ Annexure to Directors Report
- ❖ Management Discussion & Analysis Report
- ❖ Corporate Governance Report
- ❖ Certification on Corporate Governance
- ❖ Managing Director's Certification on Financial Statement
- ❖ Auditors' Report
- ❖ Balance Sheet
- ❖ Profit & Loss Account
- ❖ Cash Flow Statement
- ❖ Attendance Slip and Proxy Form

## COMPANY INFORMATION

### BOARD OF DIRECTOR

|                         |   |
|-------------------------|---|
| Mr. Dhires Munver       | : Managing Director   |
| Mr. Sita Ram Mangla     | : Whole-Time-Director   |
| Mr. Rajinder Singla     | : Executive Director  |
| Mr. Girish Aggarwal     | : Executive Director  |
| Mr. Vijay Devlekar      | : Executive Director  |
| Mr. Rajeev Kumar        | : Non- Executive Independent Director                             |
| Mr. Devendra Madesh     | : Non- Executive Independent Director                             |
| Mr. Srikanth Ginjupalli | : Non- Executive Independent Director                             |
| Mr. Pawan Kumar *       | : Non-Executive Independent Director (resigned w.e.f. 1/09/2012)  |
| Mr. Suresh Bansal#      | : Non-Executive Independent Director (resigned w.e.f. 1/09/2012)  |
| Mr. Omprakash Chugh     | : Non-Executive Independent Director (resigned w.e.f. 1/06/2013). |

### BOARD COMMITTEES:

#### 1. Audit Committee

|                        |            |
|------------------------|------------|
| Mr.Rajeev Kumar        | : Chairman |
| Mr.Suresh Bansal       | : Member   |
| Mr.Dhiresh Munver      | : Member   |
| Mr.Srikanth Ginjupalli | : Member   |
| Mr. Rajinder Singla    | : Member   |

#### 2. Investor Grievance Committee

|                        |            |
|------------------------|------------|
| Mr.Devendra Madesh     | : Chairman |
| Mr.Rajeev Kumar        | : Member   |
| Mr. Sita Ram Mangla    | : Member   |
| Mr.Vijay Devlekar      | : Member   |
| Mr.Srikanth Ginjupalli | : Member   |
| Mr. Suresh Bansal      | : Member   |

#### 3. Remuneration Committee

|                        |            |
|------------------------|------------|
| Mr.Srikanth Ginjupalli | : Chairman |
| Mr.Rajeev Kumar        | : Member   |
| Mr.Pawan Kumar         | : Member   |
| Mr.Devendra Madesh     | : Member   |
| Mr.Girish Agarwal      | : Member   |

### COMPLIANCE OFFICER:

Mr. Dhiresh Munver  
House No.1-2-29/45/A4,  
Nandamuri Nagar Lane,  
Nizampet Road, Hydernagar Kukutpally Municipality,  
Hyderabad- 500 072  
Email ID: [yantranrltd@gmail.com](mailto:yantranrltd@gmail.com)

### REGISTERED OFFICE:

House No.1-2-29/45/A4,  
Nandamuri Nagar Lane,  
Nizampet Road, Hydernagar Kukutpally Municipality,  
Hyderabad- 500 072

### AUDITORS:

M/S. Chirag Mehta  
Chartered Accountants,  
Aranath, Jain Temple Road,  
Sarvodaya Nagar, Mulund –West.  
Mumbai – 400 080.

### SHARE TRANSFER AGENTS:

M/S. Purva Shareregistry (India) Pvt.Ltd  
No.9, Shiv Shakti Industrial Estate  
Ground Floor, J.R.Boricha Marg,  
Opp. Kasturba Hospital, Lower Parel,  
Mumbai – 400 011.  
Email ID: [busicomp@vsnl.com](mailto:busicomp@vsnl.com)

### BANKERS:

ING Vysya Bank Limited  
A-Wing, Ground Floor  
Nariman Point  
Mumbai – 400 021

### YES Bank

Fort,  
Mumbai – 400 001

### LISTED AT:

Bombay Stock Exchange  
Phiroz Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

## NOTICE

NOTICE is hereby given that the Annual General Meeting of Yantra Natural Resources Limited (formerly known as Shri Ganesh Spinners Limited) will be held at Registered Office of the Company situated at House No. 1-2-29/45/A4, Nandamuri Nagar Lane, Nizampet Road, Hydernagar, Kukutpally Municipality, Hyderabad- 500 072, on Saturday 27th September, 2013 at 10.00 a.m., to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Profit & Loss Account of the Company for the financial year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Devendra B Madesh, who retires by rotation, and being eligible offers him for re-appointment.
3. To appoint a Director in place of Mr. Vijay H Devlekar, who retires by rotation, and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Srikanth Ginjupalli, who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and if thought fit to pass with or without modification(s) the following resolution as as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 224(IB) and applicable provisions, if any, of the Companies Act, 1956 Mr. Chirag Mehta, Chartered Accountant be and is hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

By Order of the Board  
For Yantra Natural Resources Limited  
(Formerly known as Shri Ganesh Spinners Limited)

Place: Hyderabad.  
Date: 28<sup>th</sup> August, 2013

Sd/-  
Dhires Munver  
Managing Director



**NOTES:**

1. **A Member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf and such proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. Members are requested to bring their admission slip along with copy of the report and accounts to Annual General Meeting.
4. All Documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturday /Sunday & Public Holidays, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2013 to 27<sup>th</sup> September, 2013(Both Days Inclusive) for the purpose of the Annual General Meeting.
6. Members are requested to notify immediately any change in their addresses to the Registrar and Share Transfer Agent the details of any address so as to enable the Company to address any future communication at their correct address.
7. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting Venue.
8. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days prior to the Annual General Meeting so that the requested information can be made available at the time of the meeting.
9. Members holding shares in physical forms are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease in portfolio management. Member can contact the Company or the Company's Registrar and Transfer Agent, Purva Sharegistry India Private Limited, for assistance in this regard.
10. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
11. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members holding shares in single name are advised, in their own interest to avail of the nomination facility by filling form 2B. Members holding shares in the dematerialized form may contact their depository Participant for recording nomination in form may contact their depository Participant for recording nomination in respect of their shares.
12. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken "Green Initiative in Corporate Governance" and allowed Companies to share documents with its shareholders through an electronic mode.

Members are requested to support this green initiative by registering/ updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository participants and in respect of old shares held in physical form with the Company's Registrar & Share Transfer Agent.

By Order of the Board  
For Yantra Natural Resources Limited  
(Formerly known as Shri Ganesh Spinners Limited)

Place: Hyderabad.  
Date: 28<sup>th</sup> August, 2013

Sd/-  
Dhiresb Munver  
Managing Director

## DIRECTOR'S REPORT

Your Directors are pleased to present their Annual Report on the Business and operations of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

The financial performance of your Company for the year ended March 31, 2013 is summarized below:

(Rupees in Lacs)

| Particulars             | 2012-2013 | 2011-2012 |
|-------------------------|-----------|-----------|
| Sales                   | 11986.11  | 9194.37   |
| Other Income            | 21.18     | 55.56     |
| Total Income            | 12007.29  | 9249.93   |
| Total Expenses          | 12003.83  | 9247.91   |
| Profit/(Loss)Before Tax | 3.46      | 2.02      |
| Tax                     | -         | -         |
| Current Tax             | 1.65      | 6.08      |
| Deferred Tax            | (1.94)    | (1.75)    |
| Net Profit After Tax    | 3.75      | (2.31)    |

The year was extremely challenging for the Company. Although the volumes has increased but high operational cost has adversely impacted the Company's margins and the Company could achieve a profit of Rs. 3.46 lacs (previous years Rs. 2.02 lacs).

### FUTURE OUTLOOK:

Your Company is currently focusing its resources in the business segments of textiles and investments on account of negative political government policies which has vitiated the mining sector. The High Court & Government restrictions & lack of clear policies in mining sector, Company has stopped its mining activities till the business environment is favorable.

The Company is also trying to venture into profitable activities during the year, so as to have maximized return of its capital.



DIVIDEND:

The Board of Directors does not recommend any Dividend for the year under review

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary Company within the meaning of section 4 of the Companies Act, 1956. Thus the Company is not required to furnish a statement pursuant to the provisions of Section 212 of the Companies Act, 1956.

ACCEPTANCE OF FIXED DEPOSITIS:

The Company has not accepted any Fixed Deposits from general public within the purview of Section 58A, of the Companies Act, 1956, during the year under review.

CHANGE IN THE CAPITAL STRUCTURE OF THE COMPANY:

There has been changes in the Capital Structure of the Company during the year under review. The Authorized Share Capital has increased from Rs. 75,00,00,000/- divided into 75,00,00,000 equity shares of Re. 1/- each to Rs. 650,00,00,000/- divided into 650,00,00,000 Equity Shares of Re. 1/- each. Further the Paid-Up Share Capital of the Company has increased from Rs. 54,93,25,500 divided into 54,93,25,500 equity shares of Rs. 1/- each to Rs. 192,26,39,250/- divided into 192,26,39,250 Equity Shares of Re. 1/- each. The Company has issued 137,33,13,750 equity shares of Rs. 1/- each as bonus shares in the ratio of 5:2. The Company has also allotted 125,00,00,000 convertible equity warrants of Rs. 3/- each to Non-Promoters on preferential basis and Re. 0.75/- per warrants was received as allotment money amounting to Rs. 93,75,00,000/-.

OTHER CORPORATE INFORMATION:

The warrants holders of 1327500 have failed to exercise their right to convert warrants into equity by making the balance payment; hence the Company has forfeited these warrants and transferred the same to Capital Reserve. At the end of the year, Company has 125,00,00,000 warrants to be converted into equity shares by the warrants holder by making the balance payment.

AUDITORS:

The Statutory Auditors, Chirag Mehta, had been appointed to hold office until the conclusion of the ensuing Annual General Meeting; however he is also eligible for re-appointment and his willingness for re-appointment have been intimated to the Company well in advance. Further he has also confirmed that he is not disqualified for re-appointment within the meaning of Section 226 of the Companies Act, 1956 and his appointment, if made would be within the limits specified in Section 224(1B) of the said Act.

Thus you are requested to re-appoint him for the ensuing year till the conclusion of the next Annual General Meeting of the Company.



AUDITORS REPORT:

The observations and comments furnished by the Auditors in their report read together with the notes to Accounts are self-explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the requirement of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company confirms:

- i. In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2013 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have 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 and loss of the Company for the year ended 31<sup>st</sup> March, 2013
- iii. That the Directors have taken sufficient and proper 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 material fraud and other irregularities. And
- iv. That the Directors have prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE:

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate Chapter on Corporate Governance practices followed by the Company together with a Certificate from the Auditor confirming compliance forms a part of this Report.

MANAGING DIRECTOR'S CERTIFICATE:

A Certificate from the Managing Director in respect of the Financial Statements forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTIONS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information relating to the conservation of energy, technology absorption foreign exchange earnings and outgo under provisions of 217(1)(e) of the Companies Act, 1956 is not applicable to the Company, considering the nature of its business activities. Further the Company has not earned nor spends foreign exchange during the year under review.

PARTICULARS OF EMPLOYEES:

None of the employees of the Company is in receipt of remuneration prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975. Thus furnishing of particulars under the Companies (Particulars of Employees) Rules 1975 does not arise.

DIRECTORS

During the year Mr. Pawan Kumar and Mr. Suresh Bansal have resigned as Directors of the Company w.e.f. 1<sup>st</sup> September, 2012. Mr. Omprakash Chugh was appointed as Additional Director of the Company w.e.f. 15<sup>th</sup> February, 2013, however he tendered his resignation as Director of the Company w.e.f. 1<sup>st</sup> June, 2013 and the Board has accepted his resignation.

The Board places on records its deep appreciation and respect for the valuable advice and guidance received from Mr. Pawan Kumar, Mr. Suresh Bansal and Mr. Omprakash Chugh during their tenure as Directors of the Company.

ACKNOWLEDGEMENT:

Yours Directors take this opportunity to thank the Financial Institutions, Banks, Business Associates, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company and look forward to their continued support in future.

We very warmly thank all of our employees for their contribution to your Company's performance. We applaud them for their superior levels of competence, dedication and commitment to your Company.

By Order of the Board  
For Yantra Natural Resources Limited  
(Formerly known as Shri Ganesh Spinners Limited)

Place: Hyderabad.  
Date: 28<sup>th</sup> August, 2013

Sd/-  
Dhires Munver  
Managing Director

## MANAGEMENT DISCUSSIONS AND ANALYSIS REPORTS

### CAUTIONARY STATEMENT:

Statements in this report on "Management Discussion and Analysis" describing the Company's objectives, outlook, projections, estimates, expectations, predictions, belief and management perceptions may be forward looking statements within the meaning of application securities laws and regulations.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to Company's operations include, among others, economic conditions in the market in which the Company operates, changes in the Government Regulations, Tax Laws and other statutes and incidental factors.

The Company assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

### COMPANY'S POSITION:

#### ❖ **Mining and Infrastructure:**

Yantra aspires to be a conglomerate with interests in one of the fastest growing sector of the economy and in line with this the Company attempted to diversify its operations in Mining, Infrastructure and investments.

However, as the mining sector has witnessed lot of negative political government policies which has vitiated the whole segment, the Company has adopted a wait and watches strategy where it would evaluate all possibilities and then initiate any further development. Similarly, the Infrastructure Sector is also witnessing significant slowdown with order book drying up and nose diving margins. Thus the management has refrained from making any major commitments in these sectors and has decided to adopt a wait and watch strategy till the turnaround of the industry before initiating any steps in this direction. In the mean while the Company deems it appropriate to focus on the core business segments of textiles and investment and is further banking on it to see through this tough phase of the economic cycle.

Further the Management is convinced about the potential opportunities in these sectors and is minutely observing any developments in the sectors and also constantly scouting for any opportunities which fit in the Company's business model. As and when it sees a ray of hope for better and newer business prospects, it would commence its operations in these sectors.



**❖ Textiles:****Industry Structure and Developments:**

Indian textile Industry is one of the leading textile industries in the world. Though was predominantly unorganized industry even a few years back, but the scenario started changing after the economic liberalization of Indian Economy in 1991. The opening up of economy gave the much needed thrust to the Indian Textile Industry, which has now successfully become one of the largest in the world. Indian textile Industry largely depends on the textile manufacturing and export. It also plays a major role in the economy of the country.

India earns about 27% of its total foreign exchange through textile exports. Indian textile industry is also the largest in the country in terms of employment generation. It not only generates jobs in its own industry but also opens up scope for other ancillary sectors.

**Opportunities and Threat****Opportunities**

With the fresh infusion of funds in the company during the year under review, the company has been able to regain the confidence of the investors and looks forward for viable business opportunities in the field of Textile.

**Threat**

The Company may face risk in respect of slow down into the Textile market as well as of high competition.

**Business operations:**

The Company is engaged in the business of Textile industry. During the year under review, the industry faced various challenges due to global and economic slowdown and increasing rates of interest rates. But looking at the huge potential in India for Textile, the company is hopeful of reenter into this sector. The growth in the sector is very good and Management expects better results in forth coming year.

The company has been now focusing on the Textile projects in and around the city of Mumbai. During the year, the company witnessed inflow of funds for business expansion plans of the company. Further based on this, the company has once again started its operations and the company looks forward at the future with hope and zest which will enhance shareholders value of the Company.

**Out Look**

With the introduction of GST should see a level playing field between your company and other companies who are tax-exempt. The Company is exploring various options to improve margins of the Company, by having tight control on expenses & exploring various business activities

**Internal control System**

The company has an effective internal control environment which ensures that operation are managed efficiently and effectively, assets are safeguarded, regulatory are complied with and transactions are recorded after appropriate authorization. Every quarter, the significant audit findings, the corrective steps recommended and their implementation status are presented to Audit Committee.



The Company has adequate internal control procedures commensurate with its size or operations and the nature of the business. These controls ensure efficient use and protection of Company's financial and non-financial resources. Regular internal audit and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them time to time.

#### **Human relations**

Human resources have always been most valuable assets for the Company. During the year the company has once again gained the confidence of its Human Resource as well and company constantly seeks to attract and retain the best available talent. Human resources management incorporates a process driven approach that invest regularly in the extensive training programs.

#### **Risk Management**

Risk management is an important element of planning for business. The Company is exposed to risks from market fluctuations, interest rates, commodity prices, business risk, compliance risks and people risks.

## **CORPORATE GOVERNANCE REPORT**

The report on Corporate Governance pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges forms part of the Board of Directors. The Company has complied with the applicable requirements of Code of Corporate Governance as prescribed in the Listing Agreement and in this regard the following details are provided for the information of stakeholders and public at large.

### **COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Your Company's philosophy of Corporate Governance is to achieve business excellence and dedicate itself to increasing long-term shareholders value, keeping in view the needs and interests of all its stakeholders. The Company's Governance process and practice has ventured to achieve a transparency and professionalism in action as well as the implementation of policies and procedure to ensure ethical standards as well as responsible management.

### **BOARD OF DIRECTORS**

#### **❖ Composition of Board**

The Board of Directors of the Company is composed of committed persons with considerable experience in various fields. The Board is properly constituted as per Clause 49 of the Listing Agreement of the Stock Exchanges.

As on the date of this report, the Board Strength consists of in all 8 directors. Out of them, 3 are non- executive Independent directors and 5 are executive directors.

Further none of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Also necessary disclosures regarding Committee positions in other public Companies have been made to the Company by the Directors at regular intervals.

#### **❖ Meetings of the Board of Director**

During the Financial Year 2012-13, Nine Board Meetings were held on the following dates:

1. 14<sup>th</sup> May, 2012.
2. 13<sup>th</sup> August, 2012.
3. 1<sup>st</sup> September, 2012.
4. 12<sup>th</sup> November, 2012.
5. 11<sup>th</sup> December 2012.
6. 18<sup>th</sup> December, 2012.
7. 17<sup>th</sup> January, 2013.
8. 29<sup>th</sup> January, 2013.
9. 12<sup>th</sup> February, 2013.

❖ **Details of the Board of Directors and External Directorships**

Particulars of the Board's Composition, Directors' Attendance at Board Meetings and at the previous Annual General Meeting, number of other Directorships and Board-Committee memberships held as on 31 March 2013, are given below:

| Sr. No. | Name of the Director, Designation and Category | Attendance of Board Meetings | Attendance at previous AGM | No. of other Directorships (*) | Number of other Board Committee positions (@) |           |
|---------|--|------------------------------|----------------------------|--------------------------------|---|-----------|
|         |  |                              |                            |                                | As Chairman                                   | As Member |
| 1       | Dhires Munver                                  | 9                            | Yes                        | 1                              | None  | 2         |
| 2       | Sita Ram Mangla                                | 9                            | Yes                        | None                           | None  | None      |
| 3       | Rajinder Singla                                | 9                            | Yes                        | None                           | None  | None      |
| 4       | Girish Aggarwal                                | 8                            | Yes                        | None                           | None  | None      |
| 5       | Vijay Devlekar                                 | 9                            | Yes                        | None                           | None  | None      |
| 6       | Rajeev Kumar                                   | 8                            | Yes                        | None                           | None  | None      |
| 7       | Devendra Madesh                                | 9                            | Yes                        | None                           | None  | None      |
| 8       | Srikanth Ginjupalli                            | 9                            | Yes                        | None                           | None  | None      |

**Notes**

(\*) includes directorships held in public limited Companies only.

Directorships held in Private Companies, Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956 are excluded.

(@) includes only positions held in Audit Committee and Shareholders'/ Investor Grievance Committee of the Board of Directors

❖ **Directors retiring by Rotation**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Devendra B. Madesh, Mr. Vijay H Devlekar & Mr. Srikanth Ginjupalli retires by rotation and being eligible offers himself for reappointment.

Appropriate resolutions for reappointment of aforesaid directors are being moved at the ensuing Annual General Meeting.

**Details of re-appointment Directors:**

|  |                                    |
|--|------------------------------------|
| Name of Director   | Mr. Devendra Madesh                |
| Designation  | Non-Executive Independent Director |
| Names of public Limited Companies in which Director is holding Directorships | NIL                                |
| Experience   | Finance & Operations Management    |
| Qualifications   | B.Com                              |



|  |                    |
|--|--------------------|
| Name of Director   | Mr. Vijay Devlekar |
| Designation  | Executive Director |
| Names of public Limited Companies in which Director is holding Directorships | NIL                |
| Experience   | Administration     |
| Qualifications   | B.A                |

|  |                                    |
|--|------------------------------------|
| Name of Director   | Mr. Srikanth Ginjupalli            |
| Designation  | Non-Executive Independent Director |
| Names of public Limited Companies in which Director is holding Directorships | NIL                                |
| Experience   | Information Technology             |
| Qualifications   | Bsc                                |

#### COMMITTEES OF THE BOARD

The Board has constituted following Committees of Directors:

- ❖ Audit Committee,
- ❖ Remuneration Committee, and
- ❖ Shareholder's/Investors Grievance Committee,

#### ❖ Audit Committee

##### Terms of Reference:

The role and terms of reference of Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors. All the Members of Audit Committee are qualified and having insight to interpret and understand financial statements. The brief terms of reference of the Audit Committee is outlined as under:

1. To select and establish accounting policies.
2. To recommend the Appointment and Removal of External Auditors/fixation of their fees.
3. To review the adequacy of the Internal Control System.
4. To review financial statements before submission to the Board of Directors.
5. To review the adequacy of the Internal Audit function & reports, reporting structure coverage and frequency of internal audit.
6. To review the findings of any internal investigations by the internal auditors and report the matter to the Board of Directors.
7. To review the Company's financial and risk management policies.
8. To review Statutory Auditors Report on the financial statements.



Meetings of the Committee:

The Committee met Five times during the financial year 2012-13 on i.e. 13<sup>th</sup> May, 2012, 12<sup>th</sup> August 2012, 30 August 2012, 11<sup>th</sup> November, 2012, & 11<sup>th</sup> February, 2013.

Constitution of the Committee:

The Constitution of the Audit Committee is in conformity with Clause 49 (II) (A) (ii) of the Listing Agreement. The Chairman of the Audit Committee is an Independent Director and is financially literate and has accounting related financial management expertise.

The Composition of the Committee, together with the details of the attendance of each member as at 31<sup>st</sup> March, 2013 is given below:

| Sr. No. | Name of the Director | Designation | Meetings attended | Category                            |
|---------|----------------------|-------------|-------------------|-------------------------------------|
| 1.      | Rajeev Kumar         | Chairman    | 5                 | Non- Executive Independent Director |
| 2.      | Rajinder Singla      | Member      | 5                 | Non- Executive Independent Director |
| 3.      | Devendra Madesh      | Member      | 5                 | Non- Executive Independent Director |
| 4.      | Srikanth Ginjupalli  | Member      | 5                 | Non- Executive Independent Director |

Mr. Suresh Bansal (Non-Executive Independent Director) was member of the committee till his resignation, i.e. 1<sup>st</sup> September, 2012.

❖ Shareholders/ Investor Grievance CommitteeTerms of the Committee:

1. To scrutinize and approve registration of transfer of shares/warrants issued or to be issued.
2. The Shareholders' and Investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividends and matters related thereto.
3. To exercise all power conferred on the Board of Directors under Articles of Association.
4. Attending to investors' queries and complaints regarding transfer, dividend, annual reports, etc.
5. Attending to complaints of Investor routed by SEBI/Stock Exchanges/ RBI.

Details of Pending Investor Grievances and Compliance Officer:

There were no investor grievances pending for Redressal as the end of the financial year and all the queries from the stakeholders were attended to promptly. Further there were no pending transfers for the year under review.

Further the details of the Compliance Officer designated for handling of the Investor grievances is provided as under:

Name : Mr.Dhiresb Munver  
Address : House No.1-2-29/45/A4,  
Nandamuri Nagar Lane,  
Nizampet Road, Hydernagar Kukutpally Municipality,  
Hyderabad- 500 072  
Email ID : yantranrltd@gmail.com

#### Composition & Meeting

The Committee comprises of 3 Non-Executive Independent Directors, namely Mr. Devendra Madesh (Chairman), Mr. Srikanth Ginjupalli & Mr. Rajeev Kumar as Member and Mr. Sita Ram Mangla (Whole-Time Director of the Company) and Mr. Vijay H Devleker (Executive Director) as member of the committee. Mr. Suresh Bansal (Non-Executive Independent Director) was member till his resignation, i.e. 1<sup>st</sup> September, 2012.

#### ❖ Remuneration Committee:

##### Terms of the Committee

The Committee review and recommend payment of annual salaries, commission and other employment conditions of the Managing Director, Whole-Time Director & other Executive Directors as well Key Management personal.

None of the Executive or Non-Executive Directors has been paid any remuneration during the year 2012-2013.

##### Composition

The composition of the Remuneration Committee is Mr. Srikanth Ginjupalli (Chairman), Mr. Rajeev Kumar, Mr. Devendra Madesh and Mr. Girish Agarwal as members of the committee. Mr. Pawan Kumar (Non-Executive Independent Director) was member of the committee till his resignation, i.e. 1<sup>st</sup> September, 2012.

During the financial year ended 31<sup>st</sup> March, 2013 no Remuneration Committee meeting was held.

#### Subsidiary Company

The Company does not have any subsidiary companies.

#### Disclosures:

- ❖ During the financial year 2012-13, there was no materially significant Related Party Transaction, with the promoters, the Directors, or the Management, their relatives etc. having

potential conflict with the interests of the Company at large. Further as a matter of policy, all the transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in the Annual Report of the Company on a regular basis.

- ❖ There is no instance of non-compliance by the Company or penalties imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
- ❖ There was no related party transaction during the year, i.e. transactions of the Company of material nature, with its promoters, Directors or the management that may have potential conflict with the interests of Company at large.
- ❖ The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- ❖ The Company has adopted the Code of Ethics and Business principles for the members of Board and senior management personnel.
- ❖ The Company has adopted a 'Code of Conduct for Prevention of Insider Trading ("the Code") in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and its subsequent amendment.
- ❖ The Company is in compliance with all mandatory requirements of Clause 49 of the Listing Agreement.

#### Details of General Meetings:

- ❖ Annual General Meetings:

The details of last 3 Annual General Meetings together with the details of the special resolution passed thereat is provided hereunder:

| Year    | Day, Date and Time                                      | Venue  | Special Resolutions Passed  |
|---------|---|--|---|
| 2009-10 | Thursday, 30 <sup>th</sup> September 2010 at 11.30 a.m. | G.T. Road, Karnal Store, Village Simla, Molana Road, Panipat, Haryana- 132 103.                | 1. Special Resolution was passed to change the management of the Company under regulation 12 of the SEBI (SAST) Regulations, 1997. Special Resolution was passed under<br><br>2. Section 198, 269, 309, 310 of the Companies Act, 1956 to appoint Mr. Dhires Munver as the Managing Director of the Company |
| 2010-11 | Friday, 30 <sup>th</sup> September, 2011 at 9.00 a.m.   | House No. 8-3-678/66, First Floor, Pragati Nagar, Yousfguda, Hyderabad, Andhra Pradesh-500045. | No Special Resolution was passed. at this meeting   |



|         |   |   |   |
|---------|---|---|---|
| 2011-12 | Saturday, 29 <sup>th</sup> September, 2012 at 9.00 a.m. | House No. 1-2-29/45/A4,<br>Nandamuri Nagar Lane,<br>Nizampet Road,<br>Hydernagar, Kukutpally<br>Municipality, Hyderabad-<br>500 072 | Re-appointment of Mr.<br>Dhires Munver as Managing<br>Director of the Company for a<br>period of 3 years from<br>30/09/2012 on various terms<br>and conditions. |
|---------|---|---|---|

❖ **Extra- Ordinary General Meetings:**

Details of the Extra- Ordinary General Meetings of the Company held during 3 preceding previous years together with a gist of the special resolutions passed there at is given hereunder:

| <b>Financ<br/>ial<br/>Year</b>     | <b>Date</b>                     | <b>Venue</b>   | <b>Special Resolutions passed</b>   |
|------------------------------------|---------------------------------|--|---|
| 31 <sup>st</sup><br>March,<br>2010 | 25th February, 2010             | G.T. Road, Karnal Store, Village Simla,<br>Molana Road, Panipat,<br>Haryana- 132 103.  | Special Resolution was passed under<br>Section 81(1A) of the Companies Act,<br>1956 for Allotment of Convertible<br>Equity<br>Warrants of the Company.  |
| 31 <sup>st</sup><br>March,<br>2011 | 15th February, 2011             | 8-2-584/5/B Plot No. 9, Hyderabad -<br>500 034   | Special Resolution was Passed Under<br>Section 81(1A) of the Companies Act,<br>1956 for Allotment of 10,00,00,000<br>(Ten Crores) Convertible Equity<br>Warrants Change of name from Shri<br>Ganesh Spinners Limited to Yantra<br>Natural Resources Limited and to<br>include the object of mining,<br>processing and dealing in major<br>minerals.                         |
| 2012-<br>2013.                     | 10 <sup>th</sup> January, 2013. | House No.1-2-29/45/A4,<br>Nandamuri Nagar Lane,<br>Nizampet Road, Hydernagar Kukutpally<br>Municipality,<br>Hyderabad- 500 072 | (i) Increase in authorized<br>capital from Rs. 75<br>crore to Rs. 650 crore<br>(divided into<br>650,00,00,000 equity<br>shares of Re. 1/- each)<br>(ii) Alteration in capital<br>clause of MOA.<br>(iii) Issue of 125 crore<br>convertible equity<br>warrants.<br>(iv) Issue of 137, 33, 13,750<br>equity shares of Re. 1/-<br>each as bonus shares in<br>the ratio of 5:2. |

❖ **Postal Ballot**

No resolutions have been passed by way of Postal Ballot during the year under review.



**Means of Communication:**

The Quarterly, Half-Yearly and Annual Financial Results of the Company are forwarded to the Bombay Stock Exchange immediately upon its approval by the Board of Directors and are simultaneously published in leading newspapers in English and Andhra Pradesh (regional language). Normally, the results are published in "The Financial Express" and in "Andhra Prabha".

In accordance with the Listing Agreement requirements, data pertaining to Shareholding Pattern, Quarterly Financial Results and Other Details are forwarded to the Stock Exchange.

During the year under review, no presentation was made to the institutional investors or analysts.

**GENERAL SHAREHOLDERS' INFORMATION:**

- Date, time and venue of Annual General Meeting : Friday, 27 September, 2013 at 10.00 a.m. at House No. 1-2-29/45/A4, Nandamuri Nagar Lane, Nizampet Rd, Hydernagar, Kukutpally Municipality, Hyderabad- 500 072.
- Listing on Stock Exchanges : The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited and Delhi Stock Exchange Association Limited.

**❖ Market Share Price Data:**

Monthly high and low quotations and volume of shares traded on Bombay Stock Exchange for financial year 2012-2013 are;

| Month          | Open Price | High Price | Low Price | Close Price |
|----------------|------------|------------|-----------|-------------|
| April 2012     | 0.67       | 0.71       | 0.59      | 0.71        |
| May 2012       | 0.72       | 0.73       | 0.54      | 0.54        |
| June 2012      | 0.53       | 0.53       | 0.37      | 0.40        |
| July 2012      | 0.42       | 0.62       | 0.39      | 0.42        |
| August 2012    | 0.44       | 0.46       | 0.33      | 0.38        |
| September 2012 | 0.38       | 0.52       | 0.36      | 0.43        |
| October 2012   | 0.45       | 0.67       | 0.37      | 0.67        |
| November 2012  | 0.70       | 0.98       | 0.70      | 0.96        |

|               |      |      |      |      |
|---------------|------|------|------|------|
| December 2012 | 0.97 | 1.32 | 0.97 | 1.32 |
| January 2013  | 1.34 | 2.00 | 0.50 | 0.58 |
| February 2013 | 0.60 | 0.63 | 0.38 | 0.38 |
| March 2013    | 0.37 | 0.37 | 0.19 | 0.21 |

#### Share Transfer System:

Presently the Share Transfer documents received by the Company's Registrar and Transfer Agents in physical form are processed, approved and dispatched within a period of 5 to 15 days from the date of receipt, provided the documents received are complete and the shares under transfer are not under dispute.

For expeditious processing of share transfers, the Board of Directors of the Company has authorized the Compliance Officer, to decide on various issues like transfers/transmission of securities in physical form, change in status of share holders and confirmation of dematerialization.

International Securities Identification Number (ISIN) for equity shares is INE903B01023 [with National Securities Depository Limited and Central Depository Services (India) Limited].

#### ❖ Distribution of Shareholding as on March 31, 2013, Are As Follows:

| Sr. No | Range              | No. of Shares held | Percentage to paid up capital | Amount of the Shares | % of holding |
|--------|--------------------|--------------------|-------------------------------|----------------------|--------------|
| 1      | UPTO 5,000         | 1603               | 41.77%                        | 2932365              | 0.15%        |
| 2      | 5,001 - 10,000     | 400                | 10.42%                        | 2944064              | 0.15%        |
| 3      | 10,001 - 20,000    | 470                | 12.25%                        | 7199594              | 0.37%        |
| 4      | 20,001 - 30,000    | 204                | 5.32%                         | 5069780              | 0.26%        |
| 5      | 30,001 - 40,000    | 225                | 5.86%                         | 7867771              | 0.41%        |
| 6      | 40,001 - 50,000    | 69                 | 1.80%                         | 3127572              | 0.16%        |
| 7      | 50,001 - 1,00,000  | 302                | 7.87%                         | 21017974             | 1.09%        |
| 8      | 1,00,001 AND ABOVE | 565                | 14.72%                        | 1872480130           | 97.39%       |
|        | Total              | 3838               | 100.00%                       | 1922639250           | 100.00%      |

❖ Shareholding Pattern as on 31<sup>st</sup> March, 2013

| Sr. Nos. | Category                                       | No. of Shares held | % of Shareholding |
|----------|--|--------------------|-------------------|
| A        | Promoters                                      | 0                  | 0                 |
| 1.       | Individuals/HUF                                | 0                  | 0                 |
|          | TOTAL (A)                                      | 0                  | 0                 |
| B        | Public Shareholding                            |                    |                   |
|          | Institutions                                   | 40328500           | 2.10              |
|          | Non-Institutions                               |                    |                   |
| 1.       | Bodies Corporate                               | 1183662396         | 61.56             |
| 2. (a)   | Individual Shareholders holding up to Rs.1 Lac | 43524585           | 2.26              |
| (b)      | Individual Shareholders holding above Rs.1 Lac | 581794080          | 30.26             |
| 3.       | NRI's/ HUF's/ Clearing Members                 | 73329689           | 3.79              |
|          | TOTAL (B)                                      | 1922639250         | 100.00            |
|          | TOTAL (A+B)                                    | 1922639250         | 100.00            |

❖ Outstanding GDRs/ ADRs:

The Company has not issued any GDRs/ADRs.

❖ Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity;

During the year 125, 00, 00,000 Convertible Equity Warrants (Warrants) were issued to Non-Promoters on preferential basis with each warrants being convertible into one equity share of Re.1/- each, at an issue price of Rs.3/- inclusive of a premium of Rs.2/- per share are pending for conversion.

❖ Dematerialization of Shares and Liquidity:

The Company's equity shares are available for trading in the depository systems of National Securities Depository Limited and Central Depository Services (India) Limited.

As on 31st March, 2013, 152, 91, 63,726 equity shares, constituting 79.53% of the paid-up equity capital of the Company, stood dematerialized.

❖ Total Number of shares dematerialized as on 31.03.2013

| Depository | No. of Shares | %of Paid up Capital |
|------------|---------------|---------------------|
| NSDL       | 638687440     | 33.21               |
| CDSL       | 890476286     | 46.32               |
| Physical   | 393475524     | 20.47               |
| Total      | 1922639250    | 100.00              |



**❖ Financial Calendar (Tentative):**

|                        |  |
|------------------------|--|
| Financial Year         | : 01 April, 2013- 31 <sup>st</sup> March, 2014 |
| First quarter result   | : 14 <sup>th</sup> August, 2013.               |
| Half-yearly results    | : 14 <sup>th</sup> November, 2013.             |
| Third quarter results  | : 14 <sup>th</sup> February, 2014.             |
| Annual results         | : End of May, 2014.                            |
| Annual General Meeting | : September, 2014                              |

**❖ Address for Correspondence:**

Yantra Natural Resources Limited  
House No.1-2-29/45/A4,  
Nandamuri Nagar Lane,  
Nizampet Road, Hydernagar Kukutpally Municipality,  
Hyderabad- 500 072  
Email ID: yantranrltd@gmail.com

**Reconciliation of Share Capital Audit**

A practicing Company Secretary carries out reconciliation of share capital audit, on half-yearly basis to reconcile the total admitted capital with NSDL & CDSL and total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

**Audit Qualifications**

There are no Audit qualifications in the Company's financial statement for the year under review.

**Whistle Blower Policy**

The Company does not have a Whistle Blower Policy. However, employees are free to express their opinion/suggestions/ complaints through email.

The statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to this Report.

By Order of the Board  
For Yantra Natural Resources Limited  
(Formerly known as Shri Ganesh Spinners Limited)

Sd/-

Dhires Munver  
Managing Director

Place: Hyderabad.  
Date: 28<sup>th</sup> August, 2013

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
Yantra Natural Resources Limited  
(Formerly known as Shri Ganesh Spinners Limited)

We have examined the compliance of conditions of Corporate Governance by Yantra Natural Resources Limited (formerly known as Shri Ganesh Spinners Limited) for the year ended on 31<sup>st</sup> March, 2013 as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and belief and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the Listing Agreement

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chirag Mehta  
Chartered Accountant  
Sd/-

(Chirag Mehta)  
Proprietor

M.Ship No.: 122852

Place: Mumbai.  
Date: 28<sup>th</sup> August, 2013

**CERTIFICATE ON FINANCIAL STATEMENTS**

To,  
The Members,  
Yantra Natural Resources Limited  
(Formerly known as Shri Ganesh Spinners Limited)

We, Mr. Dhires Munver, Managing Director of Yantra Natural Resources Limited hereby certify that:

1. We have reviewed the financial statements and the cash flow statements for the financial year 2012-13 and to the best of my knowledge and belief:
  - a. These statements do not contain any materially untrue statement that might be misleading with respect to the statements made.
  - b. These financial statements and other financial information included in this report present a true and fair view of the Company's affairs for the period presented in this report and are in compliance with current accounting standards, applicable laws and regulations and full explanations has been given for any material departure in compliance of Accounting Standards.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
4. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
5. We have disclosed to the Company's Auditor and Audit Committee of the Company, all significant deficiencies in the design or operation of the internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify the deficiencies;
6. We have indicated to the Auditors and the Audit Committee:
  - a. Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
  - b. That there were no Instances of significant fraud that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad  
Date: 28<sup>th</sup> August, 2013

Yours Sincerely,  
Sd/-  
Dhiresh Munver  
Managing Director





**INDEPENDENT AUDITOR'S REPORT**

To the Members of Yantra Natural Resources Private Limited

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of Yantra Natural Resources Ltd., ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the statement of Profit and loss and Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- ii) in the case of the statement of Profit and Loss, of the profit for the year ended on that date;
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's Report) Order, 2003, ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

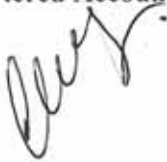
8. As required by section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- c) the Balance Sheet and the statement of Profit and loss Account, dealt with by this report are in agreement with the books of accounts;
- d) in our opinion, the Balance Sheet and the statement of Profit and loss Account, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act, and
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act,



- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company

**For CHIRAG C.MEHTA & CO.,  
Chartered Accountants**



**CHIRAG C.MEHTA**

**Proprietor**

**M. No. 122852**

**Firm Reg. No. 132696W**



**Place : Hyderabad**

**Date : 28/08/2013**



## ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 4 and 5 of our report of even date on the accounts for the year ended March 31, 2013 of Yantra Natural Resources Limited

### 1. Fixed Assets:

- a. The Company is generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. Assets have been physically verified by the management during the year. According to the information and explanation given to us, there is regular programme of verification which, in our opinion is reasonable having regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. The company has not disposed off substantial part of fixed assets.

### 2. Inventories:

- a. As explained to us, inventories have been physically verified by the Management at regular intervals during the year.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- a. The company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.

### 3. Loans and Advances :

- (a) The Company, During the period covered by our audit, has not granted secured or unsecured loans to companies covered in the Register maintained under section 301 of the companies Act,1956. Hence provisions of clauses (iii) (b),(c),(d) of paragraph 4 are not applicable to the company.
  - (b) The Company, during the period covered by our audit, has not taken secured or unsecured loans from companies covered in the register maintained under section 301 of the Act. Hence provisions of clause (iii) (f),(g) of paragraph 4 are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of audit, we have not observed any major weaknesses in internal controls.



5. **Transaction with related parties as per Register of Contracts under Section 301 of the Companies Act,1956:**
- a. In our opinion and according to the information and explanations given to us, particulars of contracts or arrangements, referred to in section 301 of the Act have been entered in the register required to be maintained under that section: and
  - b. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public and therefore section 58A, 58AA or any other relevant provisions of the Companies Act, do not apply.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has not prescribed any maintenance of Cost Records under section 209(1)(d) of the Companies Act, 1956 the product of the company.
9. **Statutory Dues:**
- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.
  - b. According to the information and explanations given to us, no disputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date of becoming payable. The company has neither accumulated losses as at March 31, 2013 nor has it incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
10. The Company does not have accumulated losses at the end of financial year. The company has not incurred cash losses in the current financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or any other organization.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditors Report) Order 2003 is not applicable to the company.



14. According to the information and explanations given to us they have proper record of securities, shares and other investments. And investments in shares and securities are held in the name of company.
15. The company has not given any guarantee for loan taken by others from bank or financial institutions.
16. According to the information and explanations given to us, no term loans were raised during the year.
17. According to the cash flow statement and other records examined by us, and the information and explanations given to us, on an overall basis funds raised on short term basis have, prima facie, not been used during period for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstate.

**For CHIRAG C.MEHTA & CO.,  
Chartered Accountants**



**CHIRAG C.MEHTA  
Proprietor  
M. No. 122852  
Firm Reg.No. 132696W**



**Place : Hyderabad  
Date : 28.08.2013**



**YANTRA NATURAL RESOURCES LTD**

1-2-29 / 45 / A4, Nandamuri Nagar Lane, Nizampet Road, Hydernagar Kuktapally Municipality,  
Hyderabad - 500 072

**Balance Sheet as at 31st March, 2013**

| Particulars  | Note No. | As At 31.03.2013 |                      | As At 31.03.2012 |                      |
|--|----------|------------------|----------------------|------------------|----------------------|
|  |          |                  | Rs.                  |                  | Rs.                  |
| <b>I. EQUITY AND LIABILITIES</b>                     |          |                  |                      |                  |                      |
| <b>(1) Shareholder's Funds</b>                       |          |                  |                      |                  |                      |
| (a) Share Capital                                    |          |                  |                      |                  |                      |
| (i) Equity Share Capital                             | 1.1      | 1,922,639,250    |                      | 549,325,500      |                      |
| (ii) Equity Share Warrants                           | 1.2      | 937,500,000      |                      | 4,978,125        |                      |
| (b) Reserves and Surplus                             | 2        | 1,014,680,638    | 3,874,819,888        | 2,382,640,656    | 2,936,944,281        |
| <b>(2) Share application money pending allotment</b> |          |                  | 2,797,964,000        |                  | 3,564,000            |
| <b>(3) Non-Current Liabilities</b>                   |          |                  |                      |                  |                      |
| (a) Long-term borrowings                             |          | -                |                      | -                |                      |
| (b) Deferred tax liabilities (Net)                   |          | -                |                      | -                |                      |
| (c) Other Long term liabilities                      | 3        | 363,729,327      |                      | 447,272,037      |                      |
| (d) Long term provisions                             |          | -                | 363,729,327          | -                | 447,272,037          |
| <b>(4) Current Liabilities</b>                       |          |                  |                      |                  |                      |
| (a) Trade payables                                   | 4        | 375,596,291      |                      | 957,521,547      |                      |
| (b) Other current liabilities                        | 5        | 100,895,062      |                      | 64,207,900       |                      |
| (c) Short-term provisions                            | 6        | 1,984,224        | 478,475,577          | 1,857,224        | 1,023,586,671        |
| <b>Total Equity &amp; Liabilities</b>                |          |                  | <b>7,514,988,793</b> |                  | <b>4,411,366,989</b> |
| <b>II.Assets</b>                                     |          |                  |                      |                  |                      |
| <b>(1) Non-current assets</b>                        |          |                  |                      |                  |                      |
| (a) Fixed assets                                     |          |                  |                      |                  |                      |
| (i) Tangible assets                                  | 7        | 3,639,066        |                      | 4,734,310        |                      |
| (ii) Intangible assets                               |          | -                |                      | -                |                      |
| (iii) Capital work-in-progress                       |          | -                |                      | -                |                      |
| (iv) Intangible assets under development             |          | -                | 3,639,066            | -                | 4,734,310            |
| (b) Non-current investments                          | 8        | 1,459,056,423    |                      | 921,692,023      |                      |
| (c) Deferred tax assets (net)                        | 9        | 511,697          |                      | 317,421          |                      |
| (d) Long term loans and advances                     | 10       | 316,028,336      |                      | 224,446,751      |                      |
| (e) Other non-current assets                         | 11       | 18,057,419       | 1,793,653,875        | 2,565,839        | 1,149,022,034        |
| <b>(2) Current assets</b>                            |          |                  |                      |                  |                      |
| (a) Current investments                              | 12       | 308,590,132      |                      | 443,340,505      |                      |
| (b) Inventories                                      | 13       | -                |                      | -                |                      |
| (c) Trade receivables                                | 14       | 633,623,331      |                      | 939,617,043      |                      |
| (d) Cash and cash equivalents                        | 15       | 1,577,647        |                      | 537,032          |                      |
| (e) Short-term loans and advances                    | 16       | 4,771,495,382    |                      | 1,871,747,119    |                      |
| (f) Other current assets                             | 17       | 2,409,358        | 5,717,695,850        | 2,368,945        | 3,257,610,645        |
| <b>Total Assets</b>                                  |          |                  | <b>7,514,988,793</b> |                  | <b>4,411,366,989</b> |

Significant Accounting Policies & Notes on Financial Statements 27 & 28

As per our report of even date attached

For CHIRAG C MEHTA & CO.  
Chartered Accountants

Chirag C.Mehta  
Membership .No.122852  
Firm Reg.No.  
(Proprietor )

Place : Hyderabad  
Date : 28.08.2013



For and on Behalf of the Board of Directors

D.U. Murad

(Director)

Devlekh



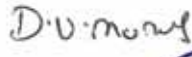
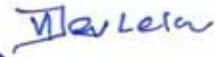
(Director)



**YANTRA NATURAL RESOURCES LTD**

1-2-29 / 45 / A4, Nandamuri Nagar Lane, Nizampet Road, Hydernagar Kuktapally Municipality,  
Hyderabad - 500 072

**Statement of Profit and Loss for the year ended 31st March, 2013**

| Particulars   | Note No   | As At  |   |
|---|---|--|---|
|   |   | 31.03.2013   | 31.03.2012  |
|   |   | Rs.  | Rs.   |
| <b>Revenue from Operations</b>  |   |  |   |
| I. Revenue from Sales   | 18  | 1,198,610,782  | 919,436,739   |
| II. Other Revenue Income  | 19  | 2,118,043  | 5,556,250   |
| <b>Total Revenue from Operations</b>  |   | <b>1,200,728,825</b>   | <b>924,992,989</b>  |
| <b>IV. Expenses:</b>  |   |  |   |
| Cost of materials   |   |  |   |
| Purchase of Stock-in-Trade  | 20  | 1,193,815,039  | 919,297,822   |
| Changes in inventories of finished goods,<br>work-in-progress and Stock-in-Trade    |   | -  | -   |
| Employee benefit expense  | 21  | 991,760  | 526,461   |
| Financial costs   | 22  | 50,956   | 21,508  |
| Depreciation and amortization expense   | 23  | 1,095,244  | 1,112,482   |
| Other expenses  | 24  | 4,429,495  | 3,832,963   |
| <b>Total Expenses</b>   |   | <b>1,200,382,494</b>   | <b>924,791,236</b>  |
| V. Profit before tax  |   | <b>346,331</b>   | <b>201,753</b>  |
| VI. Tax expense:  |   |  |   |
| (1) Current tax   | 25  | 165,000  | 608,110   |
| (2) Deferred tax  | 26  | (194,276)  | (175,200)   |
| VII. Profit/(Loss) for the period   |   | <b>375,607</b>   | <b>(231,157)</b>  |
| VIII. Earning per equity share:   |   |  |   |
| (1) Basic   |   | 0.0005   | (0.000)   |
| (2) Diluted   |   | 0.0005   | (0.000)   |
| <b>Significant Accounting Policies &amp; Notes on Financial Statements</b> 28 & 29  |   |  |   |
| As per our report of even date attached   |   |  |   |
| For CHIRAG C MEHTA & CO.<br>Chartered Accountants                                   |   | For and on Behalf of the Board of Directors  |   |
|  |  |  |  |
| Chirag C.Mehta<br>Membership .No.122852<br>Firm Reg.No.<br>(Proprietor )            |   | (Director)   | (Director)  |
| Place : Hyderabad<br>Date : 28.08.2013  |   |  |   |

**YANTRA NATURAL RESOURCES LTD**

1-2-29 / 45 / A4, Nandamuri Nagar Lane, Nizampet Road, Hydernagar Kuktapally Municipality,  
Hyderabad - 500 072

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

| PARTICULARS  | As At                | As At                |
|--|----------------------|----------------------|
|  | 31.03.2013           | 31.03.2012           |
|  | Rs.                  | Rs.                  |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                   |                      |                      |
| Net Profit after tax and Extraordinary Items                 | 375,607              | (231,157)            |
| Adjustments for :  |                      |                      |
| Deferred tax (assets)/ Liabilities                           | (194,276)            | (175,200)            |
| Depreciation   | 1,095,244            | 1,112,482            |
| Amortisation of Misc expenditure                             | 1,156,420            | 253,000              |
| Provision for Taxation                                       | 165,000              | 608,110              |
| <b>Operating Profit before working capital changes</b>       | <b>2,597,995</b>     | <b>1,567,235</b>     |
| Adjustments for :  |                      |                      |
| Loans & Advances   | (91,581,585)         | 60,236,019           |
| Current Liabilities  | (581,924,094)        | 51,211,869           |
| Short term Provisions  | -                    | -                    |
| Sundry Debtors   | 305,993,712          | (873,006,808)        |
| Inventories  | -                    | -                    |
| Other non current assets                                     | -                    | -                    |
| <b>Change in Working Capital</b>                             | <b>(347,511,967)</b> | <b>(761,558,920)</b> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                   |                      |                      |
| Sales / ( Purchase ) of Investment                           | (402,614,027)        | (276,918,948)        |
| Sales / ( Purchase ) of Fixed Assets                         | -                    | -                    |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>                    | <b>(402,614,027)</b> | <b>(276,918,948)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                   |                      |                      |
| Application Money Pending Allotment                          | 2,794,400,000        | (20,300,000)         |
| Share allotment + Premium + Share Application Money          | 937,500,000          | -                    |
| Secured Loan received / (Repaid)                             | (83,542,710)         | 1,188,654,909        |
| Unsecured Loan received / (Repaid)                           | (2,899,788,676)      | (131,657,873)        |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>                    | <b>748,568,614</b>   | <b>1,036,697,036</b> |
| <b>Net Increase in Cash &amp; Cash Equivalent</b>            | <b>1,040,615</b>     | <b>(213,597)</b>     |
| Opening Cash & Cash Equivalent                               | 537,032              | 750,629              |
| Closing Cash & Cash Equivalent                               | 1,577,647            | 537,032              |
| <b>Net Increase in Cash &amp; Cash Equivalent ( ii - i )</b> | <b>1,040,615</b>     | <b>(213,597)</b>     |

This is the Cash Flow referred to in our report of even date

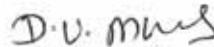
For CHIRAG C MEHTA & CO.  
Chartered Accountants



Chirag C. Mehta  
Membership .No.122852  
Firm Reg.No.  
(Proprietor )

Place : Hyderabad  
Date : 28.08.2013

For and on Behalf of the Board of Directors



(Director)



(Director)



0.06

0



**YANTRA NATURAL RESOURCES LTD**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

| 1 (i) <b>SHARE CAPITAL</b>  | (Rs)<br>AS AT<br>31.03.2013 | (Rs)<br>AS AT<br>31.03.2012 |
|---|-----------------------------|-----------------------------|
| <b>AUTHORISED SHARE CAPITAL</b>   |                             |                             |
| 6500000000 ( 2012 : 750000000 ) equity shares of<br>Rs. 1/- each                          | 6,500,000,000               | 750,000,000                 |
|   | <u>6,500,000,000</u>        | <u>750,000,000</u>          |
| <b>1.1 ISSUED, SUBSCRIBED AND PAID UP</b>   |                             |                             |
| i. 1922639250 (31 March 2012: 549325500 )<br>equity shares of Rs.1/- each fully paid up * | 1,922,639,250               | 549,325,500                 |
| <b>Total issued, subscribed and fully paid-up shares capital</b>                          | <u>1,922,639,250</u>        | <u>549,325,500</u>          |

**1.2 (ii) EQUITY WARRANTS**

**Convertible Equity Warrants**

a) 1327500 Nos. Convertible Equity Warrants of  
Rs. 15/- each partly paid Rs.3.75/- Per CEW ( 2011 )  
Less:- Amount Forfeited & Transferred to Capital  
Reserve

4,978,125  
4,978,125

4,978,125

4,978,125

b) 1250000000 Nos. Convertible Equity Warrants  
of Rs.3 each partly paid Rs.0.75/- per CEW (2013)

937,500,000

937,500,000

4,978,125

**DISCLOSURES**

**1 Reconciliation of the shares outstanding**

**i. Equity shares**

|   | <u>31 March 2013</u><br>Numbers | <u>31 March 2012</u><br>Numbers |
|---|---------------------------------|---------------------------------|
| i. At the beginning of the period           | 549,325,500                     | 549,325,500                     |
| ii. Issued during the period-Bonus issue    | 1,373,313,750                   | -                               |
| <b>Outstanding at the end of the period</b> | <u>1,922,639,250</u>            | <u>549,325,500</u>              |

**i. Equity Warrants**

|  | <u>31 March 2013</u><br>Numbers | <u>31 March 2012</u><br>Numbers |
|--|---------------------------------|---------------------------------|
| <b>A</b>   |                                 |                                 |
| i. At the beginning of the period 1327500<br>Convertible Equity Warrants of Rs.15/- was partly<br>paid 25% | 1,327,500                       | -                               |
| ii. Add:- Issued during the year   | -                               | 1,327,500                       |
|  | <u>1,327,500</u>                | <u>1,327,500</u>                |
| iii Less:- Forfeiture Equity Warrants  | <u>1,327,500</u>                | <u>1,327,500</u>                |
| <b>Total (A)</b>   | <u>-</u>                        | <u>1,327,500</u>                |
| <b>B</b>   |                                 |                                 |
| i. At the beginning of the period Nil Convertible<br>Equity Warrants of Rs.3/- was partly paid 25%         | -                               | -                               |
| ii. Issued during the year   | 1,250,000,000                   | -                               |
| <b>Total (B)</b>   | <u>1,250,000,000</u>            | <u>-</u>                        |
| <b>Outstanding at the end of the period (A+B)</b>  | <u>1,250,000,000</u>            | <u>1,327,500</u>                |

**2 \* Issued and paid up capital includes 156,56,23,750 No of shares issued as bonus shares during last five years**



3 **Convertible Equity Warrants Issue under option :**

In previous year 10,00,00,000 Nos Convertible Equity Warrants had been allotted to various allottees on preferential basis with each warrants convertible into one Equity Shares at Rs.15/- which gives holders the right to convert warrants in to equal numbers of equity shares of the company at any time within 18 months from the date of allotment, however due to failure of the warrant holders holding 1327500 warrants to exercise the right to convert the warrants in to equity shares within the due date .Outstanding amount has been forfeited and transferred to capital reserve. During the year 1250000000 Nos Convertible Equity Warrants had been allotted to various allottees on preferential basis with each warrants convertible in to one equity shares at Rs. 3 /- each

**Terms/Rights attached to equity shares and Convertible Equity Warrants :**

4

i ) The Company has only one class of share capital,i.e.equity shares having face value of Re.1/- per share.Each holder of equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividends as and when declared.

ii ) In the event of liquidation of the Company,the holders of equity shares will be entitled to receive remaining assets of the Company,after distribution of all preferential amounts.The distribution will be in proportion to the no of equity shares held by the shareholder

iii ) The Warrants holder has option to convert each warrant held by them into One Equity Share,at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment,in one or more tranches.

iv ) The Warrant holder(s) shall,on/before the date of allotment of Warrants,pay an amount equivalent to at least 25% of the total consideration per warrant.

v ) The Warrant(s) are transferable,however,a transfer shall be considered valid only if the same has been registered with the company and shall be subject to provision of all applicable SEBI Guidelines viz. SEBI ( Substantial Acquisition of shares and takeovers ) Regulations, 2009 etc.

vi ) The warrants outstanding at the expiry of the Warrants exercise period shall expire and the 25% of the total consideration per warrants shall stand forfeited.

vii ) The Warrant Holder shall be entitled to any future Bonus issue(s) of Equity Shares or any other security (ies), in the same proportion and manner as any other shareholder of the company. This entitlement is however subject to the exercise of the option by the warrant holder (s) to convert the warrants into Equity shares within the time limit specified in ( iii ) above .

viii ) The number of Warrants and the price per warrant shall be appropriately adjusted, subject to the companies Act, 1956 and SEBI Guidelines, for other corporate actions such as , stock split, consolidation, demerger and transfer of undertaking , sale of a division or any such capital or corporate restructuring .

ix ) The Equity Shares so issued in lieu of the Warrants shall rank *pari-passu* in all respects with the existing Equity Shares of the Company.

x ) The Equity Shares so issued upon conversion of the Warrants shall be subject to the relevant lock-in requirements as mentioned under chapter VII of the SEBI ( ICDR ) Regulations, 2009.

xi ) Shareholders holding more than 5% of equity shares as at the end of the year:

| Name of the shareholders | As at 31-03-2013 |                | As at 31-03-2012 |                |
|--------------------------|------------------|----------------|------------------|----------------|
|                          | Number of shares | Shareholding % | Number of shares | Shareholding % |
|                          | NIL              | NIL            | NIL              | NIL            |

2 **RESERVES & SURPLUS**

**A. Capital Reserve Account**

|  |                  |          |
|--|------------------|----------|
| - Balance at beginning of the year                         | -                | -        |
| Add:- Addition on Forfeiture of Warrants application Money | 4,978,125        | -        |
| <b>Balance at the end of the year</b>                      | <u>4,978,125</u> | <u>-</u> |

**B. Security premium account**

|  |                      |                      |
|--|----------------------|----------------------|
| - Balance at beginning of the year             | 2,381,415,000        | 2,381,415,000-       |
| Add:- Additions during the Year                | -                    | -                    |
| Less: Capitalisation for issue of Bonus Shares | 1,373,313,750        | -                    |
| <b>Balance at the end of the year</b>          | <u>1,008,101,250</u> | <u>2,381,415,000</u> |



**C. Statement of Profit & Loss**

|  |                  |                  |
|--|------------------|------------------|
| Balance as per the last financial statements                                     | 1,225,656        | 1,456,813        |
| Add: amount transferred from surplus balance in the statement of profit and loss | 375,607          | (231,157)        |
| Less: Transfer to general Reserve  | -                | -                |
| <b>Closing Balance</b>   | <b>1,601,263</b> | <b>1,225,656</b> |

|   |                      |                      |
|---|----------------------|----------------------|
| <b>Total Reserves and Surplus ( A+B )</b> | <b>1,014,680,638</b> | <b>2,382,640,656</b> |
|---|----------------------|----------------------|

**3 OTHER LONG TERM LIABILITIES**

|                |                    |                    |
|----------------|--------------------|--------------------|
| Trade Advances | 363,729,327        | 447,272,037        |
|                | <u>363,729,327</u> | <u>447,272,037</u> |

**4 TRADE PAYABLE**

|                  |                    |                    |
|------------------|--------------------|--------------------|
| Trades Creditors | 375,596,291        | 957,521,547        |
|                  | <u>375,596,291</u> | <u>957,521,547</u> |

\* The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority) under the Micro, Small and Medium Enterprises Development Act, 2006 claiming their status as on 31st March 2012 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is NIL

**5 OTHER CURRENT LIABILITIES**

|                        |                    |                   |
|------------------------|--------------------|-------------------|
| Creditors for Expenses | 20,185,484         | 2,862,690         |
| Advance from Customer  | 80,709,578         | 61,345,210        |
|                        | <u>100,895,062</u> | <u>64,207,900</u> |

**6 SHORT TERM PROVISIONS**

|                          |                  |                  |
|--------------------------|------------------|------------------|
| Provision for Expenses * | 20,000           | 20,000           |
| Statutory Provisions     | 1,964,224        | 1,837,224        |
|                          | <u>1,984,224</u> | <u>1,857,224</u> |

\* The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

**8 NON CURRENT INVESTMENTS**

|   | AS AT<br>31.03.2013  | AS AT<br>31.03.2012 |
|---|----------------------|---------------------|
| (a) Investment property   | -                    | -                   |
| (b) Non-current Investment (Non-Trade)                              | -                    | -                   |
| (c) Non-current Investment (Trade)                                  | -                    | -                   |
| <b>Investment in Quoted Shares</b>                                  |                      |                     |
| Investment in Prraneta Industries Ltd.Application Money             | -                    | 127,250,000         |
| <b>Investment in Shares - Quoted</b>                                |                      |                     |
| -Prraneta Industries Ltd 450716 Nos ( Previous Year : 325461 Nos. ) | 30,638,023           | 30,638,023          |
| Mahan Industries Ltd 140000 Nos ( Previous Year : NIL. )            | 127,400              | 0                   |
| Investment in Shares Application- Un-Quoted                         | 895,166,000          | 666,304,000         |
| Investment in Shares - Un-Quoted                                    | 533,125,000          | 97,500,000          |
|   | <u>1,459,056,423</u> | <u>921,692,023</u>  |





9 **DEFERRED TAX ASSETS (NET)**

|   |           |                |         |                |
|---|-----------|----------------|---------|----------------|
| Depreciation as per Books                 | 1,095,244 |                | 1112482 |                |
| Depreciation as per Income Tax Difference | 466,519   |                | 545493  |                |
|   |           | 628,725        |         | 566989         |
| Current Year Provision                    | 30.90%    | 194,276        | 30.90%  | 175,200        |
| Add : Opening Balance                     |           | 317,421        |         | 142,221        |
| Balance C/F                               |           | <u>511,697</u> |         | <u>317,421</u> |

10 **LONG TERM LOANS AND ADVANCES**

|                            |  |                    |  |                    |
|----------------------------|--|--------------------|--|--------------------|
| Loans and Advances         |  | 11,528,336         |  | 45,246,751         |
| Advance against Purchase   |  | 284,700,000        |  | 144,400,000        |
| Advance for Capital Assets |  | 8,800,000          |  | 8,800,000          |
| Advance for Property       |  | 11,000,000         |  | 26,000,000         |
|                            |  | <u>316,028,336</u> |  | <u>224,446,751</u> |

11 **OTHER NON CURRENT ASSETS**

|                      |  |                   |  |                  |
|----------------------|--|-------------------|--|------------------|
| Preliminary Expenses |  | 18,057,419        |  | 2,565,839        |
|                      |  | <u>18,057,419</u> |  | <u>2,565,839</u> |

12 **CURRENT INVESTMENTS**

|  |  | AS AT<br>31.03.2013 |  | AS AT<br>31.03.2012 |
|--|--|---------------------|--|---------------------|
| Current Investment (Non-trade)               |  |                     |  |                     |
| Investment in Shares Application - Un-Quoted |  | 152,690,132         |  | 270,291,550         |
| Investment in Shares - Un-Quoted             |  | 155,900,000         |  | 173,048,955         |
|  |  | <u>308,590,132</u>  |  | <u>443,340,505</u>  |

13 **INVENTORIES :**

Inventories (valued at lower of cost and net realizable value)

|                |  |          |  |          |
|----------------|--|----------|--|----------|
| Stock-in-trade |  | 0        |  | 0        |
| Total          |  | <u>0</u> |  | <u>0</u> |

14 **TRADE RECEIVABLES**

|                           |                    |                    |                    |                    |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| Over six months           | 371,272,634        |                    | 395,140,317        |                    |
| Trades Receivable - Sales | <u>262,350,698</u> | 633,623,331        | <u>544,476,726</u> | 939,617,043        |
|                           |                    | <u>633,623,331</u> |                    | <u>939,617,043</u> |

15 **CASH & CASH EQUIVALENTS**

|                                    |  |                  |  |                |
|------------------------------------|--|------------------|--|----------------|
| Cash on Hand                       |  | 14,212           |  | 54,555         |
| Bank balance with current accounts |  | 1,563,435        |  | 482,477        |
|                                    |  | <u>1,577,647</u> |  | <u>537,032</u> |

16 **SHORT TERM LOANS & ADVANCES**

**ADVANCES**

|                    |  |                      |  |                      |
|--------------------|--|----------------------|--|----------------------|
| Advance for Shares |  | 2,673,852,354        |  | 1,746,878,119        |
| Trade Advances     |  | 1,897,643,028        |  | 124,869,000          |
|                    |  | <u>4,771,495,382</u> |  | <u>1,871,747,119</u> |



|  |                             |                             |
|--|-----------------------------|-----------------------------|
| <b>17 OTHER CURRENT ASSETS</b>                   |                             |                             |
| Deposit - Intercompany                           | -                           | -                           |
| Deposit - Others                                 | 330,025                     | 330,025                     |
| Prepaid Expenses                                 | -                           | 128,000                     |
| Prepaid Income Tax                               | 2,079,333                   | 1,910,920                   |
|  | <u>2,409,358</u>            | <u>2,368,945</u>            |
| <b>18 REVENUE FROM OPERATION</b>                 | <b>AS AT<br/>31.03.2013</b> | <b>AS AT<br/>31.03.2012</b> |
| Product Sales                                    | 1,198,610,782               | 919,436,739                 |
|  | <u>1,198,610,782</u>        | <u>919,436,739</u>          |
| <b>19 OTHER REVENUE</b>                          |                             |                             |
| Interest Income                                  | 1,684,136                   | 5,524,019                   |
| Profit on Sales of Investment                    | 0                           | 0                           |
| Short Term Profit on un-quoted Shares            | 433,907                     | 32,231                      |
|  | <u>2,118,043</u>            | <u>5,556,250</u>            |
| <b>20 PURCHASE OF STOCK IN TRADE</b>             |                             |                             |
| Purchase Account                                 | 1,193,815,039               | 919,297,822                 |
|  | <u>1,193,815,039</u>        | <u>919,297,822</u>          |
| <b>21 EMPLOYEE BENEFIT EXPENSES</b>              |                             |                             |
| Staff Welfare                                    | 13,760                      | 4,961                       |
| Staff Salary                                     | 978,000                     | 521,500                     |
| Directors Remuneration                           | 0                           | 0                           |
|  | <u>991,760</u>              | <u>526,461</u>              |
| <b>22 FINANCIAL COST</b>                         |                             |                             |
| Bank & Other Financial Charges                   | 50,956                      | 21,508                      |
|  | <u>50,956</u>               | <u>21,508</u>               |
| <b>23 DEPRECIATION AND AMORTIZATION EXPENSES</b> |                             |                             |
| Depreciation                                     | 1,095,244                   | 1,112,482                   |
|  | <u>1,095,244</u>            | <u>1,112,482</u>            |
| <b>24 OTHER EXPENSES</b>                         |                             |                             |
| Listing Fees                                     | 703,935                     | 233,287                     |
| Shares Sales Expenses                            | -                           | 737,216                     |
| Advertisement Expenses                           | 19,394                      | 35,135                      |
| AGM Expenses                                     | 3,684                       | 4,560                       |
| Auditors Remunerations                           | 30,000                      | 46,854                      |
| Computer Expenses                                | -                           | 132,800                     |
| Conveyance Expenses                              | 37,153                      | 12,341                      |
| Electricity Expenses                             | 110,164                     | 70,986                      |
| Interest on late payment                         | 3,466                       | 28,194                      |
| Freight & Loading /unloading / labour charges    | 684,308                     | -                           |
| Office Expenses                                  | 101,696                     | 10,000                      |
| Office Rent                                      | 876,000                     | 608,000                     |
| Postage & Telegrams                              | 37,903                      | 10,025                      |
| Printing & Stationery                            | 54,308                      | 32,227                      |
| Professional & Legal Expenses                    | 24,300                      | 29,900                      |
| Repair & Maintenance                             | -                           | 125,000                     |
| Rebate & Discount                                | -                           | 2,500                       |
| Share Issue Expenses Written Off                 | 1,156,420                   | 253,000                     |
| Baddebts   | 606,764                     | -                           |
| Loss on Sale of Shares                           | -                           | 1,460,938                   |
|  | <u>4,429,495</u>            | <u>3,832,963</u>            |



25 CURRENT TAXES

|                          |                |                |
|--------------------------|----------------|----------------|
| Provision for Income Tax | 165,000        | 608,110        |
|                          | <u>165,000</u> | <u>608,110</u> |

26 DEFERED TAX

|                       |                  |                  |
|-----------------------|------------------|------------------|
| Deferre Tax Provision | (194,276)        | (175,200)        |
|                       | <u>(194,276)</u> | <u>(175,200)</u> |

27 Notes to Accounts

27.1 Contingent Liabilities & Comments

- a ) Guarantee Given by the Company's banker as at March 31, 2013 is Rs.NIL ( previous year : Rs. NIL )

27.2 Related Party Transaction

a) Key Managerial Person  
Dhiresb Munver

| b) Transaction with related parties for the year ended are as follows ; |                        | AS AT      | AS AT      |
|---|------------------------|------------|------------|
| Transaction /Nature of relationship                                     |                        | 31.03.2013 | 31.03.2012 |
| Name of Related Party   | Nature of Relationship |            |            |
| Trade Advances Paid   |                        |            |            |
| Sanguine Media Limited  | Dhiresb Munver         | 53,600,000 | 53,600,000 |

c) The balance receivable from and payable to related parties as at March 31,2013 are as follows :

|                        |            |            |
|------------------------|------------|------------|
| 1) Amount Receivable   |            |            |
| Sanguine Media Limited | 53,600,000 | 53,600,000 |

27.3 Auditors Remuneration

|                | AS AT         | AS AT         |
|----------------|---------------|---------------|
|                | 31.03.2013    | 31.03.2012    |
| Audit Fees     | 20,000        | 20,000        |
| Tax Audit Fees | 10,000        | 10,000        |
|                | <u>30,000</u> | <u>30,000</u> |

27.4 Earning Per Shares

|   | Current Year | Previous Year |
|---|--------------|---------------|
| Net Profit for the year attributable to the             |              |               |
| - Ordinary Shareholders                                 | 375,607      | (231,157)     |
| Weighted average number of Equity Shares of Re 1/- each | 0.0005       | (0.000)       |
| Basic and Diluted Earning Per Share of Re 10/- each     | 0.0005       | (0.000)       |

27.5 The previous year figures have been regrouped, rearranged wherever necessary.





**YANTRA NATURAL RESOURCES LTD**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

**7 FIXED ASSETS**

| Name of Asset              | Depre. Rate | Gross Block       |           |           | Depreciation      |                   |                  | Net Block |                   |                  |                  |
|----------------------------|-------------|-------------------|-----------|-----------|-------------------|-------------------|------------------|-----------|-------------------|------------------|------------------|
|                            |             | As at 01.04.12    | Additions | Deletions | As at 31.03.13    | As at 01.04.12    | For the Year     | Deletions | As at 31.03.13    | As at 31.03.12   |                  |
| <b>A - Tangible Assets</b> |             |                   |           |           |                   |                   |                  |           |                   |                  |                  |
| Plant & Machineries        | 4.75%       | 21,202,351        | 0         | 0         | 21,202,351        | 17,139,259        | 1,007,112        | 0         | 18,146,371        | 3,055,980        | 4,063,092        |
| Office Equipments          | 4.75%       | 33,307            | 0         | 0         | 33,307            | 19,361            | 1,582            | 0         | 20,943            | 12,364           | 13,946           |
| Furniture & Fixture        | 6.33%       | 146,008           | 0         | 0         | 146,008           | 123,499           | 9,242            | 0         | 132,741           | 13,267           | 22,509           |
| Electrical Fittings        | 6.33%       | 1,164,640         | 0         | 0         | 1,164,640         | 529,878           | 77,307           | 0         | 607,185           | 557,455          | 634,762          |
| Vehicle                    | 9.50%       | 219,198           | 0         | 0         | 219,198           | 219,197           | 1                | 0         | 219,198           | 0                | 1                |
| <b>Current Year</b>        |             | <b>22,765,504</b> | <b>0</b>  | <b>0</b>  | <b>22,765,504</b> | <b>18,031,194</b> | <b>1,095,244</b> | <b>0</b>  | <b>19,126,438</b> | <b>3,639,066</b> | <b>4,734,310</b> |
| <b>Previous Year</b>       |             | <b>22,765,504</b> | <b>0</b>  | <b>0</b>  | <b>22,765,504</b> | <b>16,918,712</b> | <b>1,112,482</b> | <b>0</b>  | <b>18,031,194</b> | <b>4,734,310</b> | <b>5,846,790</b> |



**YANTRA NATURALS RESOURCES LIMITED**

**Note :28**

**STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013**

**a) Basis of preparation of financial statements:-**

The financial statements have been prepared under the historical cost convention in accordance with generally accepted Accounting Principles, Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act 1956, as adopted consistently by the company. All income and expenditure having a material bearing on the financial statement are recognized on accrual basis.

**b) Use of Estimates :-**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions

**c) Revenue Recognition:-**

- i. Sale of goods is recognized on dispatch to customers. Sales are net of returns, excise duty and sales tax/VAT.
- ii. Interest income is recognized on the time proportionate basis.
- iii. Income from Investment/Deposit is credited to revenue in the year in which it received. Income is stated in full with the tax thereon being accounted for under Tax deducted at source.

**d) Fixed Assets:-**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any other directly attributable costs of bringing the assets to its working condition for its intended use.

**e) Depreciation:-**

Depreciation on fixed assets is provided on Straight Line method at the rate and in the manner prescribed in schedule XIV to the companies Act, 1956.

**f) Impairment of Fixed Assets :-**

At the end of each year, the Company determines whether a provision should be made for Impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard (AS-28) "Impairment of Assets"



issued by the Institute of Chartered Accountants of India. An impairment loss is charged to the Profit and Loss account in the year in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognized in prior accounting periods is reversed, if there has been a change in the estimate of recoverable amount.

**g) Inventories:-**

- i. Raw material and consumable stores & Spares are valued at cost net realizable value, whichever is lower on first in first out basis.
- ii. Finished Goods are valued at lower of cost (cost of production method or net realizable value).
- iii. Stock in process & Semi Finished Goods valued at cost up to estimated stage of progress.
- iv. By Product valued at estimated prices.

**h) Investments:-**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Unquoted Investments are stated cost.

**i) Borrowing Costs :-**

Borrowing costs consists of interest and other cost that an entity incurs in connection with borrowing of funds. Borrowing costs are recognized as expenses in the period in which these are incurred.

**j) Research and Development:-**

Research & Development costs of revenue nature are charged to the statement of Profit & Loss when incurred Expenditure.

**k) Employee Retirement and other Benefit :-**

**i. Short Term Employee's Benefits:**

All employees' benefits payable within twelve months of rendering services are recognized in the period in which the employees render the related services.

**ii. Post Employment/Retirements Benefits:**

Contribution to defined Contribution plans such as Provident Fund etc. are charged to the statement of Profit and Loss as incurred.





**iii. Gratuity:**

As per AS-15 (Revised) 2005 of ICAI read with Accounting Standard Board Guidance, The Provision for Gratuity Liability is not made since none of the employees have completed 5 years of service for period under review.

**l) Taxes on Income :-**

Provision for Income tax is made on the basis of relevant provisions of the Income Tax Act, 1961.as applicable to the financial year.

Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes.

**m) Provision contingent liabilities and contingent assets :-**


Provision involving substantial degree of estimation in measurement is recognized when there is present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

**n) Earning Per Share( EPS) :-**

The basic and diluted EPS is calculated by dividing the Profit/ (Loss) after Tax by the weighted average number of Equity Shares outstanding.

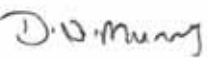
**As Per Report of Even Date Attached**

**FOR CHIRAG C.MEHTA & CO.,  
CHARTERED ACCOUNTANTS**

  
**CHIRAG C.MEHTA**  
Proprietor  
M. No. 122852  
Firm Reg.No.  
Place : Hyderabad  
Date : 28.08.2013



**For & On Behalf of the Board of Directors**

  
**DIRECTOR**

  
**DIRECTOR**



**ATTENDANCE SLIP**

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

| Name and Address of the Member | Registered Folio No. | Client ID & DP ID No. | Number of Shares held |
|--------------------------------|----------------------|-----------------------|-----------------------|
|                                |                      |                       |                       |

I/We hereby record my/our presence at the Annual General Meeting of the Company to be held on Friday, 27<sup>th</sup> September, 2013 at 10.00 A.M. at the Registered Office of the Company situated at House No. 1-2-29/45/A4, Nandamuri Nagar Lane, Nizampet Road, Hydernagar, Kukutpally Municipality, Hyderabad- 500 072.

Signature of the Member or the Proxy Attending the Meeting

| If Member, please sign here | If Proxy, please sign here |
|-----------------------------|----------------------------|
|                             |                            |

Note: members are requested to bring their copies of Notice and the Annual Report to the meeting as the same will not be circulated at the meeting.

**PROXY FORM**

Folio No. \_\_\_\_\_ Client ID No. & DP ID No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ being Member/ Members of Yantra Natural Resources Limited, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/ her \_\_\_\_\_ of \_\_\_\_\_ as my/ our proxy to attend and vote on my/ our behalf at the Annual General Meeting of the Company to be held on Friday, 27<sup>th</sup> September, 2013 at 10.00 a.m. at the Registered Office of the Company situated at House No. 1-2-29/45/A4, Nandamuri Nagar Lane, Nizampet Road, Hydernagar, Kukutpally Municipality, Hyderabad- 500 072 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Affix Rs.1/-  
Revenue  
Stamp here  
& Sign

Signature of the Shareholder(s) \_\_\_\_\_

Note: The Proxy form duly completed must be deposited at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting. The Proxy need not be a member of the Company.



## Form A

Format of covering letter of the Annual Report to be filed with the Stock Exchange

|   |   |                                  |
|---|---|----------------------------------|
| 1 | Name of the Company                             | Yantra Natural Resources Limited |
| 2 | Annual Financial Statement for the year ended   | 31 <sup>st</sup> March, 2013     |
| 3 | Type of Audit Observation                       | Un-qualified                     |
| 4 | Frequency of observation                        | Not Applicable                   |
| 5 | To be Signed by                                 |                                  |
|   | ❖ DHIRESH U MUNVER<br>(CEO/Managing Director)   | <u>D. Munver</u>                 |
|   | ❖ VIJAY DEVLEKAR<br>(Chief Financial Officer)   | <u>V. Devlekar</u>               |
|   | ❖ M/s. Chirag Mehta<br>(Auditor of the Company) | <u>Chirag Mehta</u>              |
|   | ❖ RAJEEV KUMAR<br>(Audit Committee Chairman)    | <u>Rajeev Kumar</u>              |



**Yantra Natural Resources Limited**

(Formerly known as Shri Ganesh Spinners Limited)

Reg. Office:- House No. 1-2-29/45/A4, Nandamuri Nagar Lane, Nizampet Road, Hydernagar Kukutpally Municipality,  
Hyderabad 500 072. Andhra Pradesh



**BOOK – POST**

**If Undelivered please return to:**

**REGISTERED OFFICE;**

House No. 1-2-29/45/A4.

Nandamuri Nagar Lane,

Nizampet Road,

Hydernagar Kukutpally Municipality,

Hyderabad – 500 072