

64th ANNUAL REPORT 2011-2012

Shervani Industrial Syndicate Limited

Shervani Industrial Syndicate Limited

BOARD OF DIRECTORS

CHAIRMAN EMERITUS

Mr. Azhar Nisar Shervani

VICE CHAIRMAN

Mr. Tahir Hasan

MANAGING DIRECTOR

Mr. Saleem Iqbal Shervani

DIRECTORS

Mr. Saeed Mustafa Shervani

Mr. Kush Bhargava

Mr. Gopal Swaroop Chaturvedi

Mr. Raju Verghese

COMPANY SECRETARY & ACCOUNTS MANAGER

Mr. B. K. Misra

AUDITORS

M/s. P.L. Tandon & Co.

Chartered Accountants,

Kanpur

BANKERS

Union Bank of India

HDFC Bank Ltd.

ICICI Bank Ltd.

Central Bank of India

State Bank of India

REGISTERED OFFICE

Shervani Nagar,

Sulem Sarai,

Allahabad - 211011

Uttar Pradesh

Annual Report 2011-2012

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NOTICE is hereby given that the 64th Annual General Meeting of the Members of SHERVANI INDUSTRIAL SYNDICATE LIMITED will be held on Saturday, the 29th September, 2012 at 11.30 A.M at 2, New Cantonment, Kanpur Road, Allahabad to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March 2012 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend on shares for the financial year 2011-12.
3. To appoint a Director in place of Mr. Azhar Nisar Shervani, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Saeed Mustafa Shervani, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Kush Bhargava, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 314 read with Director's Relatives (Office or Place of Profit) Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof for the time being in force and subject to such approvals or sanctions as may be necessary, consent of the Company be and is hereby accorded to the appointment of Mrs. Salma Hasan, a relative of Directors of the Company to hold office or place of profit under the Company as General Manager (Public Relations) for a period of 5 (Five) years with effect from 1st April, 2012 on the following terms and conditions:-

1. Salary: Rs. 48,750/- (Rs. Forty Eight Thousand Seven Hundred and Fifty) only per month.
2. Perquisite: In addition to Salary, the General Manager (Public Relations) shall be entitled to reimbursement of medical expenses up to Rs. 15,000/- p.a.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, vary, modify and revise the terms and conditions of appointment from time to time during her tenure of appointment subject, however, to the compliance with the applicable provisions of the Companies Act, 1956

and the Rules and Regulations made thereunder for the time being in force and as may be enacted from time to time .

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to complete all the necessary formalities and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 314 read with Director's Relatives (Office or Place of Profit) Rules, 2011 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof for the time being in force and subject to such approvals or sanctions as may be necessary, consent of the Company be and is hereby accorded to the appointment of Mrs. Zeba Hasan, a relative of Directors of the Company to hold office or place of profit under the Company as General Manager (Project) for a period of 5 (Five) years with effect from 1st April, 2012 on the following terms and conditions:-

1. Salary: Rs. 48,750/- (Rs. Forty Eight Thousand Seven Hundred and Fifty) only per month.
2. Perquisite: In addition to Salary, the General Manager (Project) shall be entitled to reimbursement of medical expenses up to Rs. 15,000/- p.a.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter, vary, modify and revise the terms and conditions of appointment from time to time during her tenure of appointment subject, however, to the compliance with the applicable provisions of the Companies Act, 1956 and the Rules and Regulations made thereunder for the time being in force and as may be enacted from time to time .

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to complete all the necessary formalities and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By Order of the Board
For Shervani Industrial Syndicate Limited

B.K. Misra
Company Secretary &
Sr. Accounts Manager

Place : Allahabad
Date : May 30, 2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. Corporate members intending to depute their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Explanatory Statement pursuant to the Provisions of the Section 173(2) of the Companies Act, 1956 in respect of businesses placed at item Nos. 7 and 8 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2012 to 29th September, 2012 (both days inclusive).
5. The Dividend on Shares, as recommended by Board of Directors, if approved by the Members at the Annual General Meeting, will be paid to the Members whose names appear on the Company's Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company and its Registrars on or before 23rd September, 2012. In respect of Equity Shares held in Dematerialised Form, the dividend will be payable to the "Beneficial Owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of business hours on 23rd September, 2012.
6. Member's may note that the whole amount of Unclaimed Dividend declared up to the Financial year ended 31st March, 2004 has been transferred to General Revenue Account of the Central Government/ Investor Education and Protection Fund established by the Government of India as required by the Companies Act, 1956.
7. Pursuant to the Provisions of Section 205C of the Companies Act, 1956, dividend for the financial year ended 31st March, 2005 and thereafter, which remain unpaid or unclaimed for a period of Seven years from the date on which such dividend was due for payment shall be transferred by the Company to the "Investor Education and Protection Fund" established by the Government of India and that thereafter no claim shall lie against the Fund or the Company in respect of the amount so transferred. Members who have not so far encashed dividend warrants for the aforesaid years may write to the Company for issue of duplicate in lieu thereof.
8. Members seeking any information or clarification on any matter concerning Accounts are requested to write to the Company at its Registered Office at least seven days in advance of the date of meeting so as to enable the management to keep the information ready at the meeting, if the Chairman so permits.
9. Members holding Shares in physical form may write to the Company's Registrar & Transfer Agents, "M/s Link Intime India Private Limited" C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W) Mumbai – 400078 for change in their address, if any, under their signatures clearly quoting their folio numbers, old address along with a valid address proof showing the changed address with Pin Code and Members holding Shares in electronic form may inform any change in address to their Depository Participants.
10. Members are advised to submit their Electronic Clearing System (ECS) mandates to enable the Company to make remittance of dividend by means of ECS. Members holding shares in physical form may obtain and send the ECS mandate Form to Registrar and Share Transfer Agent (RTA) of the Company i.e. "M/s Link Intime India Private Limited" C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W) Mumbai – 400078. Members holding shares in Electronic Form may obtain and send the ECS Mandate Form directly to their Depository Participant (DP). Members who have already furnished the ECS Mandate Form to the Company/ Registrar and Share Transfer Agents / DP with complete details need not send it again.
11. As per the Circular Nos. MRD/DoP/Cir-05/2009 and SEBI/MRD/DoP/SE/RTA/Cir-03/2010 issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for transfer/ transposition/ transmission of shares in physical form. Therefore, the transferee(s)/ legal heir(s) are required to furnish a copy of their PAN card to the Registrar & Share Transfer Agents of the Company.
12. The Members holding Shares in the physical form and wishing to avail of the nominations facility, are requested to send the duly filled in nomination in the prescribed form (Form-2B) as permitted under Section 109A of the Companies Act, 1956 to the RTA of the Company.

13. Disclosures pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting are given in the Annexure.
14. All the documents referred to in the accompanying Notice are open for inspection of members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on all working days except holidays up to the date of the meeting.
15. As a Measure of economy, Members holding both, Ordinary and Deferred Shares are being sent only one copy of the Annual Report. Further, copies of the Annual Report will not be distributed at the Annual General Meeting and Members are requested to bring their copies at the meeting.

By Order of the Board
For Shervani Industrial Syndicate Limited

B.K. Misra
Company Secretary &
Sr. Accounts Manager

Place: Allahabad
Date: May 30, 2012

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 7

With a view to strengthen the management functions of the Company, the Board of Directors of the Company had appointed Mrs. Salma Hasan , a relative of Directors of the Company as General Manager (Public Relations) for a period of five years with effect from 1st April, 2012 on the terms and conditions as mentioned in the proposed Resolution.

Mrs. Salma Hasan has adequate experience to her credit to discharge her functional responsibilities. As required under Section 314 of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2011, the proposal is placed for approval of Shareholders. The Board recommends the resolution for approval.

None of the Directors of the Company except Mr. Saleem Iqbal Shervani, Managing Director Mr. Azhar Nisar Shervani, Mr. Saeed Mustafa Shervani, Directors and Mr. Tahir Hasan, Whole Time Director of the Company being related to her may be considered as concerned or interested in the resolution.

ITEM NO. 8

With a view to strengthen the management functions of the Company, the Board of Directors of the Company had appointed Mrs. Zeba Hasan , a relative of Directors of the Company as General Manager (Project) for a period of five years with effect from 1st April, 2012 on the terms and conditions as mentioned in the proposed Resolution.

Mrs. Zeba Hasan has adequate experience to her credit to discharge her functional responsibilities. As required under Section 314 of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2011, the proposal is placed for approval of Shareholders. The Board recommends the resolution for approval.

None of the Directors of the Company except Mr. Saleem Iqbal Shervani, Managing Director Mr. Azhar Nisar Shervani, Mr. Saeed Mustafa Shervani, Directors and Mr. Tahir Hasan, Whole Time Director of the Company being related to her may be considered as concerned or interested in the resolution.

By Order of the Board
For Shervani Industrial Syndicate Limited

B.K. Misra
Company Secretary &
Sr. Accounts Manager

Place: Allahabad
Date: May 30, 2012

ANNEXURE TO THE AGM NOTICE

Information pursuant to Clause 49 of the Listing Agreement regarding re-appointment of the Directors.

Name of the Director	Mr. A. N. Shervani	Mr. S. M. Shervani	Mr.Kush Bhargava
Date of Birth	15.08.1947	29.05.1959	20.10.1952
Date of Appointment	31.10.2000	09.01.1986	11.07.1981
Specialised expertise	Industrialist	Company Executive	Company Executive
Qualifications	B. Com.	Diploma in Hotel Management	M.A.

Directorship of other**Companies as****on 31.03.2012**

Shervani Hospitalities Limited	Shervani Hospitalities Limited	K. B. Builders Pvt. Limited
Shervani Sugar Syndicate Limited	SPS Propmart Pvt. Ltd.	
Shervani Enterprises Pvt. Ltd.	Sherans Infrastructure Pvt. Ltd.	
	Cherry Auto Industries Pvt. Ltd.	
	Hotel & Restaurant Association of Northern India.	

Chairman/Member of**Committees of other****Companies as****on - 31-03-2012**

NIL	NIL	NIL
2.91%	4.00%	0.03%

Shareholding in the Company

Your Directors take pleasure in presenting the 64th Annual Report together with the audited Statements of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

	(Rs. in Lacs)
Profit before Depreciation	89
Depreciation	15
Profit after Depreciation & before Tax	74
Current / Earlier Tax	(07)
MAT Credit Entitlement (Current / Earlier Year)	07
Profit after Tax	74
Add Balance brought forward from last year	276
Surplus Available for Appropriation	350

Appropriation:

Proposed Dividend	33
Tax on dividend	5
Balance Carried Forward	312

DIVIDEND

Your Directors recommend dividend @ 10% for the year 2011-12 payable as under:

	(Rs. in Lacs)
(1) Ordinary Shares @ Re.1.00 per share	32.60
(2) Deferred Shares @ Rs.2.50 per share	0.20
TOTAL	32.80

OPERATIONS REVIEW

The Company has recognised the revenue of Rs. 682.13 Lacs during the year under review against Rs 611.70 lacs in previous Financial Year 2010-11 from its real estate project showing an increase of 11.50%. The Company is also looking for land at prime location for its next project in Allahabad.

SUBSIDIARY COMPANY

FARCO FOODS PRIVATE LIMITED

During the first year of its Job Work agreement, Subsidiary Company produced 3836 MT of Biscuits on Job Work basis. Management is taking all necessary steps to improve the efficiency of plant. The management is hopeful that this agreement would go a long way in revival of subsidiary company.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the accounting standard AS-21 on consolidated financial statements read with accounting standard AS-23 on accounting for investments in associates, your company has prepared the consolidated financial statements and annexed to this Annual Report.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Azhar Nisar Shervani, Mr. Saeed Mustafa Shervani and Mr. Kush Bhargava Directors of the Company retire by rotation at this Annual General Meeting and are eligible for re-appointment.

AUDITORS

The observations of the Auditors in their report are appropriately dealt with Notes forming part of Accounts. M/s P. L. Tandon & Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received confirmation that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Report on Corporate Governance along with Auditors' Statement on its compliance is annexed to this Annual Report.

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure 'A' to this Report.

PARTICULARS OF EMPLOYEES

Information in accordance with Sub-Section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time and forming part of Directors Report ---Not Applicable

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors state as under :

- That in the preparation of the Annual Accounts, the applicable accounting standards had been followed and there is no material departure;
- That the accounting policies selected and applied are consistent and the judgements and estimates made 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 or Loss of the Company for that period;

- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Annual Accounts have been prepared on a going concern basis.

DEPOSITS

During the year fixed deposits amounting to Rs.17.00 Lac was paid and renewed on or before 31st March, 2012. Depositors were intimated well in advance regarding the maturity of deposits with requests to claim their deposits on maturity.

INDUSTRIAL RELATIONS

Industrial Relations remained satisfactory during the period under review.

ACKNOWLEDGEMENT

Your Directors wish to place on record their deep sense of appreciation for the devoted services of all the employees of the Company and assistance and co-operation received from all stakeholders.

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as amended from time to time and forming part of Directors' Report for the year ended 31st March, 2012.

A. CONSERVATION OF ENERGY

- a) Energy conservation measures taken - Nil
- b) Additional Investments & schemes being implemented - Nil
- c) Impact of measure (a) & (b) above - Nil

B. TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENT - Nil**C. FOREIGN EXCHANGE EARNINGS AND OUTGOING**

Foreign Exchange used equivalent to Rs. 7.39 Lac and Foreign Exchange earned Rs. NIL.

For and on behalf of the Board

Tahir Hasan
Wholetime Director

Saleem I. Shervani
Managing Director

Place : Allahabad

Date : May 30, 2012

(Pursuant to clause 49 of the Listing Agreement)

1. COMPANY'S PHILOSOPHY

The Company's philosophy on Corporate Governance is to enhance the long term economic value of the Company, its stakeholders and the society at large by adopting better corporate practices in fair and transparent manner. Your Company continues to follow procedures and practices in conformity with the code of corporate governance outlined in the listing agreement.

2. BOARD OF DIRECTORS

The Board comprises of Chairman, Managing Director, Whole-time Director and Five Non-executive Directors of whom three are Independent Directors.

During the Financial Year ending 31st March, 2012, Five Board Meetings were held on 30th May, 2011, 13th August, 2011, 8th November, 2011, 7th December, 2011 and 14th February, 2012. The details of attendance of each Director at said meetings, at Annual General Meeting, number of Companies and other Board Committees where he is a director/ member or chairman as at 31st March, 2012 are given below:

Director	Category	Attendance Board Meeting	AGM	No. of outside Directorship *	No. of other Board Committees	
					Member	Chairman
Mr. A. N. Shervani	Chairman Emeritus Non Executive	X	X	2	Nil	Nil
Dr. Kamal Kumar**	Chairman, Independent, Non Exec.	4	X	Nil	Nil	Nil
Mr. Tahir Hasan	Vice Chairman, Executive	5	✓	4	1	Nil
Mr. S. I. Shervani	M.D., Executive	5	X	4	Nil	Nil
Mr. S. M. Shervani	Non Executive	1	X	1	Nil	Nil
Mr. Raju Verghese	Independent, Non Executive	X	X	1	Nil	Nil
Mr. Kush Bhargava	Independent, Non Executive	X	X	Nil	Nil	Nil
Mr. G.S.Chaturvedi	Independent, Non Executive	5	✓	1	Nil	Nil

*This excludes directorships held in Private Limited Companies

**Resigned from directorship w.e.f. 30th May, 2012

Particulars of the directors being re-appointed are given in Annexure to the Notice of Annual General Meeting

3. AUDIT COMMITTEE

- a. Mr. G. S. Chaturvedi, Chairman Independent, Non-executive
- b. Mr. Kush Bhargava, Member Independent, Non-executive
- c. Dr. Kamal Kumar, Member ** Independent, Non executive

The Company Secretary of the company also acts as Secretary to the Committee.

The Audit Committee was set up by the Board of Directors and the terms of reference of the Committee cover the matters specified for Audit Committee in compliance of Clause 49 of the listing agreement as well as of Section 292-A of the Companies Act, 1956.

The Committee had met on 30th May, 2011, 13th August, 2011, 8th November, 2011 and 14th February, 2012 attended by Mr. G.S. Chaturvedi, Chairman and Dr. Kamal Kumar, Member.

4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Committee is being headed by Mr. G. S. Chaturvedi. The other members of the Committee are Mr. S. I. Shervani and Mr. Tahir Hasan.

During the year the Company has not received any complaints from the Stock Exchanges/investors.

5. REMUNERATION COMMITTEE

The Board has constituted Remuneration Committee comprising following members in compliance of Schedule XIII of the Companies Act, 1956 and Clause 49 of the listing agreement with the Stock Exchanges.

- a. Mr. G. S. Chaturvedi, Chairman Independent, Non-executive
- b. Mr. Kush Bhargava, Member Independent, Non-executive
- c. Dr. Kamal Kumar, Member ** Independent, Non-executive

The Company Secretary of the company also acts as Secretary to the Committee.

Directors' remuneration details for the year ended 31st March 2012 are as under:

Name of Director	Salary	Perquisites (including retirement benefits)	Total
Mr.S. I. Shervani	12,00,000	58,304	12,58,304
Mr.Tahir Hasan	1,44,000	20,294	1,64,294

6. GENERAL BODY MEETINGS

AGM/EGM	Date	Time	Venue
AGM (2008-2009)	26/09/2009	11.30 A. M.	2, New Cantonment Kanpur Road, Allahabad-211001
AGM(2009-2010)	25/09/2010	11.30 A.M.	Same as above
AGM (2010-2011)	30/09/2011	11.00 A. M.	Same as above

No special resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting of the Company.

7. DISCLOSURES

There was no transaction of material nature with the directors or management or their relatives during the year. There was no non-compliance by the Company on any matter related to Capital Market. Consequently, there were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any Statutory Authority.

8. MEANS OF COMMUNICATIONS

Quarterly/Half yearly Financial Results of the Company are published in Aaj (Hindi) & Financial Express as well as on the website of the Company. The Company has not made any presentations to any Institutional Investors/Analyst.

The Company's website is www.shervaniind.com

9. CEO/CFO CERTIFICATION

The Company has obtained the CEO/CFO certificate on financial reporting and internal controls in terms of Clause 49 of the Listing Agreement entered into with the Stock Exchange(s).

10. SHAREHOLDERS INFORMATION

Annual General Meeting

DATE	: September 29, 2012
DAY	: Saturday
TIME	: 11.30 A. M.
VENUE	: 2, New Cantonment, Kanpur Road, Allahabad-211001, U. P.

Financial Calendar

Financial reporting for the	
Financial year	: April—March
Quarter ending June 30, 2012	: 14 th August, 2012
Half year ending September 30, 2012	: 14 th November, 2012
Quarter ending December 31, 2012	: 14 th February, 2013
Quarter ending March 31, 2013	: 30 th May, 2013

Date of Book Closure : 24th September 2012 to 29th September, 2012 (both days inclusive)

Date of Dividend Payment : Within Statutory time limit

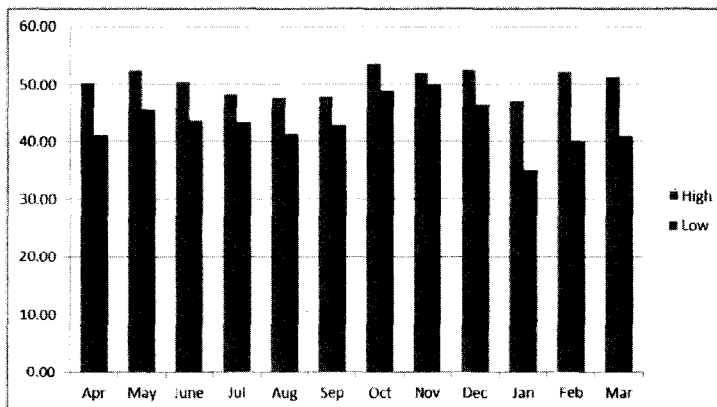
Listing on Stock Exchanges & Stock Code

1. Bombay Stock Exchange Limited, Mumbai : 526117
2. Delhi Stock Exchange Ltd. New Delhi : 3079
3. The U.P. Stock Exchange Association Ltd. Kanpur: -

Market Price Data (Financial Year 2011-2012)

The detail of share price movement is as under: -

	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
High	50.30	52.35	50.40	48.25	47.75	47.80	53.65	51.90	52.50	47.00	52.10	51.25
Low	41.05	45.75	43.75	43.35	41.35	43.00	48.95	49.90	46.50	35.00	40.15	40.90

**REGISTRAR**

: Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound,

L. B. S. Marg, Bhandup (W),

Mumbai- 400 078

Share Transfer System

The company has appointed M/s Link Intime India Private Limited, having its office as above as Registrar for demat as well as for physical segment, which provides all related services within the prescribed period under law and the Listing Agreements with the Stock Exchanges. All share transfers & transmissions etc. are being approved by a Committee of Directors, which meets periodically.

Shareholding Pattern and Distribution of Shares as on 31st March, 2012

SHAREHOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING		
Category	No. of Shares	%	No. of Shares	No. of Shareholders	Shares
Promoters, Directors & Relatives	16,36,340	50.19	1-500	1,150	1,43,579
Nationalised Bank	6,040	0.19	501-1000	89	69,043
Bodies Corporate	4,67,220	14.33	1001-2000	60	90,045
Public	11,48,550	35.22	2001-3000	24	58,245
Others (Foreign Nationals)	1,520	0.05	3001-4000	12	42,242
NRIs/OCBs	580	0.02	4001-5000	7	31,576
			5001-10000	23	1,69,222
			10001 and above	40	26,56,298
Total	32,60,250	100.00		1,405	32,60,250

Dematerialisation of Shares

The shares of the Company are fully under the category of compulsory delivery in dematerialised mode by all categories of investors. The Company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2012 over 79% of the share of the Company are dematerialised.

Location

: Shervani Nagar, Sulem Sarai, Allahabad (U.P.)

Address for Correspondence:**SHERVANI INDUSTRIAL SYNDICATE LIMITED**

Registered Office: Shervani Nagar, Sulem Sarai

Allahabad-211011(U.P.)

Phone: 0532-2102306, Fax:0532-2436928,

E-mail: shervaniind@rediffmail.com

Website: www.shervaniind.com

MANAGEMENT DISCUSSION AND ANALYSIS**Industry Structure and Development**

Amidst a slowdown in economic growth, the Indian real estate sector continued to face a challenging environment. A slow down in demand and increase in cost has been witnessed during the year. The overall demand in the residential sector witnessed muted growth. The first project of the company is overwhelmingly responded by the customers. The company is looking for more avenues in this segment in the city of Allahabad as there is scarcity of good apartments in the city.

Outlook on Opportunities, Threats, Risks and Concern

There are enough opportunities in residential segment. Your Company is making all efforts to encash these opportunities. The real estate business is correlated to the speed of execution. Any delay in execution of projects can expose the Company to risks of higher costs as well as affect its profitability.

Being a small city based player the company is dependent on economic climate of city. As the Company is new in this segment, risk as a new player is also involved. Valuation of the land in the posh localities are too high which restrain to launch the new project aggressively.

Financial Performance

The Company has earned the operational income from real estate business and also earned the sufficient interest income which resulted in to generation of profit during the year.

Subsidiary Company

Farco Foods Pvt. Ltd., a wholly owned subsidiary of your Company performs satisfactorily during the current financial year and produced 3836 MT of Biscuits on Job Work basis. Keeping in view the market share of the "Priyagold" brand, management is taking all necessary steps to improve the efficiency of plant so that maximum production can be made. The management is hopeful that this agreement would go a long way in the revival of the subsidiary company.

Internal Control Systems and Adequacy

The Company has adequate internal control procedures commensurate with its size and nature of business. The Company has appointed internal auditors who carry out audit extensively throughout the year.

Human Resource

The company maintains a very cordial relationship with its employees and they wholeheartedly support the management in its development activities.

TO THE MEMBERS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED

We have examined the compliance of conditions of Corporate Governance by SHERVANI INDUSTRIAL SYNDICATE LIMITED as at 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. 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 information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 P.L. TANDON & CO.,
Chartered Accountants
Registration No.000186C

P. P. SINGH
Partner
Membership No.72754

Place: Kanpur
Date : May 30, 2012

TO THE MEMBERS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED

1. We have audited the attached Balance Sheet of Shervani Industrial Syndicate Limited, as at 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except Liability for leave encashment and gratuity have been provided on the basis of actual liability determined by the management as on 31.03.2012.
 - e) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with notes and Accounting Policies thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For P.L. TANDON & CO.,
Chartered Accountants
Registration No.000186C

P. P. SINGH
Partner
Membership No.72754

Place : Kanpur
Date : May 30, 2012

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in Paragraph (3) of our report of even date)

- (i) In respect of its Fixed Assets
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard 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 of fixed assets during the year.
- (ii) In respect of its Inventories
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (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.
 - (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and discrepancies noticed on verification between physical stocks and the book records were not material.
- (iii) In respect of loans, secured or unsecured, granted or taken by the company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, according to the information and explanations given to us
 - (a) The company has / had granted loans to three Parties. The maximum amount involved during the year was Rs.3199.81 Lacs and the year end balance of such loans granted was Rs.2595.37 Lacs.
 - (b) In our opinion, the rate of interest and other terms and conditions are not prima facie, prejudicial to the interest of the company.
- (c) Shervani Sugar Syndicate Limited an associate company and Farco Foods Private Limited a subsidiary company have not repaid the principal and interest.
- (d) According to modified rehabilitation scheme sanctioned by BIFR Shervani Sugar Syndicate Limited will make repayment after rehabilitation period on interest free basis. There is no terms of repayment in respect of Loan to wholly owned subsidiary company.
- (e) The company has not taken any Loan from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As the company has not taken any Loans, Secured or Unsecured, from parties listed in the register maintained under section 301 of the Companies Act, 1956, The provisions of clause 4(iii)(f) and (g) of the companies (Auditor's Report) order, 2003 are therefore not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- (v) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. Five Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provision of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to deposit accepted from the Public.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) According to the information and explanations given to us, the Companies (Cost Accounting Records) Rules, 2011 have become applicable to the company for its real estate operations during the year. The company is in process of preparing cost records in terms of the clarification issued by the Ministry of Corporate Affairs vide Notification No. F.No. 52/1/CAB/2012 dated May 25, 2012.
- (ix) According to the information and explanations given to us, in respect of statutory and other dues:
- (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, custom duty and excise duty were in arrears as at 31-03-2012 for a period of more than Six months from the date they became payable.
- (c) According to the records of the company, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company does not have accumulated losses at the end of the financial year. Further, the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank.
- (xii) As explained to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- (xiii) The nature of company's business / activities during the year is such that the provisions of Clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) In our opinion, the terms and conditions on which the company has given guarantee for loan taken by an associate company from bank are not prejudicial to the interest of the company.
- (xvi) The company has not obtained any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, 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.
- (xix) As the company has no debenture outstanding at any time during the year, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are therefore, not applicable to the company.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For P.L. TANDON & CO.,
Chartered Accountants
Registration No.000186C

P. P. SINGH
Partner
Membership No.72754

Place : Kanpur
Date : May 30, 2012

64TH ANNUAL REPORT (2011-2012)**BALANCE SHEET****BALANCE SHEET AS AT 31ST MARCH, 2012****As at 31.03.2012****As at 31.03.2011**

	Note No.	Rs.	Rs.
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
SHARE CAPITAL	2	3,28,02,500	3,28,02,500
RESERVES AND SURPLUS	3	2,10,80,02,801	58,54,17,065
		<u>2,14,08,05,301</u>	<u>61,82,19,565</u>
NON-CURRENT LIABILITIES			
LONG TERM BORROWINGS	4	16,00,000	18,00,000
OTHER LONG-TERM LIABILITIES	5	1,04,38,809	4,53,809
LONG-TERM PROVISIONS	6	5,68,371	4,68,422
		<u>1,26,07,180</u>	<u>27,22,231</u>
CURRENT LIABILITIES			
SHORT TERM BORROWINGS	7	38,79,983	-
TRADE PAYABLES	8	3,13,54,828	1,91,77,057
OTHER CURRENT LIABILITIES	9	2,23,79,635	1,37,82,851
SHORT TERM PROVISIONS	10	4,38,12,390	4,38,12,390
		<u>10,14,26,836</u>	<u>7,67,72,298</u>
TOTAL		<u>2,25,48,39,317</u>	<u>69,77,14,094</u>
ASSETS			
NON CURRENT ASSETS			
FIXED ASSETS			
TANGIBLE ASSETS	11	5,07,77,439	5,30,55,870
NON CURRENT INVESTMENTS	12	20,26,98,000	12,96,98,000
LONG TERM LOANS AND ADVANCES	13	96,743	27,87,743
		<u>25,35,72,182</u>	<u>18,55,41,613</u>
CURRENT ASSETS			
CURRENT INVESTMENTS	14	6,66,97,306	13,04,29,026
INVENTORIES	15	1,58,73,51,722	3,14,07,862
TRADE RECEIVABLES	16	23,356	11,29,952
CASH AND CASH EQUIVALENTS	17	11,62,64,864	12,56,04,043
SHORT TERM LOANS AND ADVANCES	18	21,21,58,893	19,92,96,516
OTHER CURRENT ASSETS	19	1,87,70,994	2,43,05,082
		<u>2,00,12,67,135</u>	<u>51,21,72,481</u>
TOTAL		<u>2,25,48,39,317</u>	<u>69,77,14,094</u>

Significant Accounting Policies and Notes on Financial Statement**1-38**

As per our report of even date attached

For P.L. Tandon & Co.

Chartered Accountants

P.P. SINGH

Partner

B.K. MISRA

Company Secretary & Sr. Accounts Manager

TAHIR HASAN

Whole Time Director

SALEEM I. SHERVANI

Managing Director

Place : Kanpur

Date : May 30, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Year ended
March 31, 2012Year ended
March 31, 2011

PARTICULARS	NOTE NO.	Rs.	Rs.	Rs.	Rs.
REVENUE FROM OPERATIONS					
REVENUE FROM OPERATIONS	20		6,92,18,947		6,16,50,757
OTHER INCOME	21		1,66,67,150		1,72,40,605
TOTAL REVENUE			8,58,86,097		7,88,91,362
EXPENSES					
COST OF CONSTRUCTION & DEVELOPMENT EXPENSES	22		5,38,02,887		5,23,92,542
CHANGES IN INVENTORIES OF FINISHED GOODS	23		-		2,64,075
EMPLOYEE BENEFITS EXPENSES	24		66,44,610		75,25,012
FINANCE COSTS	25		3,93,689		6,46,833
DEPRECIATION AND AMORTIZATION EXPENSE			15,08,760		15,95,601
OTHER EXPENSES	26		1,61,41,741		1,26,62,858
TOTAL EXPENSES			7,84,91,687		7,50,86,921
PROFIT BEFORE TAX			73,94,410		38,04,441
TAX EXPENSE					
CURRENT TAX			(6,50,000)		(13,60,090)
EARLIER YEARS TAX			(51,833)		35,519
MAT CREDIT ENTITLEMENT					
EARLIER YEAR		15,298		47,54,108	
CURRENT YEAR		<u>6,50,000</u>	<u>6,65,298</u>	<u>13,00,000</u>	<u>60,54,108</u>
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS			73,57,875		85,33,978
PROFIT FOR THE YEAR			73,57,875		85,33,978
EARNING PER EQUITY SHARE					
BASIC			2.24		2.60
DILUTED			2.24		2.60
Significant Accounting Policies, and Notes on Financial Statement	1-38				

As per our report of even date attached

For RL. Tandon & Co.

Chartered Accountants

P.P. SINGH

Partner

B.K. MISRA

Company Secretary & Sr. Accounts Manager

TAHIR HASAN

Whole Time Director

SALEEM I. SHERVANI

Managing Director

Place : Kanpur

Date : May 30, 2012

NOTES TO FINANCIAL STATEMENTS

Note No. 1 ACCOUNTING POLICIES**1.1 Basis of Preparation of Financial Statement**

- a) The Financial Statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the Companies Act, 1956 as adopted consistently by the company.
- b) The company generally follows mercantile systems of accounting and recognizes significant items of income and expenditure on accrual basis.

1.2 Fixed Assets and Depreciation

- a) Fixed Assets are stated at cost of acquisition minus the accumulated depreciation. Direct costs are capitalized till the assets are ready to be put to use.
- b) Depreciation on Fixed Assets is provided on straight line method at rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

1.3 Investments

Current investments are carried at lower of cost or quoted/fair value computed on an individual investment basis. Long Term Investments are carried at cost. Diminution in value, if any, which is not of temporary nature, is provided.

1.4 Inventories

Inventory comprises property for sale and the property under construction (work in progress).

Inventories are valued at cost except for finished goods. Finished goods are valued at cost or market value whichever is lower.

Completed real estate projects for sale is valued at lower of cost and net realizable value. Cost is determined by including cost of land, materials, services and other related overheads.

Construction work in progress is valued at cost which comprises of land materials, services and other related overheads.

1.5 Revenue Recognition

Revenue from project is recognized on the basis of the percentage of completion method, revenue is recognized to sale/booked area only on the basis of percentage of cumulative actual cost incurred thereon including cost of land as against the total estimated cost of the project under execution subject to such cumulative actual cost being 25% or more of the total estimated cost.

The estimates of the saleable area, sale prices and future cost are revised periodically by the management. The effect of such change to estimate are recognized in the period in which such estimates are determined.

In case of cancellation of booking of any flat, the revenue and cost are recognized earlier in respect of such flat is reversed in the year in which such cancellation taken place.

1.6 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of Financial Statements and the results of operation during the reporting period end. Although these estimates are based upon management's best knowledge of current event and actions, actual results could differ from these estimates.

1.7 Income Tax

Provision is made for Income Tax on yearly basis, under the tax payable method based on tax liability as Computed after taking credit for the allowances. In case of matters under appeal, due to disallowance or otherwise full provision is made when the said liabilities are accepted.

1.8 Retirement Benefit to employee

Company's contribution to Provident Fund is charged to Profit and Loss Account.

Liability of Gratuity & Leave Encashment is accounted for on the basis of actual liability determined by the management on the date of Balance Sheet.

NOTE NO.

2 SHARE CAPITAL

AUTHORISED

20,000 CUMULATIVE REDEEMABLE PREFERENCE SHARES
OF RS. 100/- EACH
62,80,000 ORDINARY SHARES OF RS. 10/- EACH
8,000 DEFERRED SHARES OF RS. 25/- EACH

As at 31.03.2012
Rs.

As at 31.03.2011

Rs.

20,00,000	20,00,000
6,28,00,000	6,28,00,000
2,00,000	2,00,000
6,50,00,000	6,50,00,000

ISSUED, SUBSCRIBED AND PAID UP

Number

Rs.

Number

Rs.

ORDINARY SHARES

BALANCE AS ON 01.04.2011

32,60,250

3,26,02,500

32,60,250

3,26,02,500

BALANCE AS AT 31.03.2012

32,60,250

3,26,02,500

32,60,250

3,26,02,500

3,26,02,500

3,26,02,500

DEFERRED SHARES

BALANCE AS ON 01.04.2011

8,000

2,00,000

8,000

2,00,000

BALANCE AS AT 31.03.2012

8,000

2,00,000

8,000

2,00,000

2,00,000

2,00,000

GRAND TOTAL

3,28,02,500

3,28,02,500

RECONCILIATION OF NUMBER OF SHARES

Nos.

Nos.

OUTSTANDING IS SET OUT BELOW

SHARES AT THE BEGINNING OF THE YEAR

32,68,250

32,68,250

SHARES AT THE CLOSE OF THE YEAR

32,68,250

32,68,250

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5 PER CENT

SHARES (Equity shares in nos. of Rs. 10 each)

HITESH RAMJI JAVERI

4,55,250

4,55,250

FROST TRADERS PVT LTD.

4,00,602

4,00,602

SALEEM IQBAL SHERVANI

3,18,680

3,18,680

REED FINANCE PVT LTD.

2,69,145

14,43,677

2,69,145

14,43,677

3 RESERVES & SURPLUS

Rs.

Rs.

GENERAL RESERVE

AS PER LAST BALANCE SHEET

55,00,00,000

55,00,00,000

CAPITAL SUBSIDY RESERVE

AS PER LAST BALANCE SHEET

19,26,616

19,26,616

SHARE PREMIUM ACCOUNT

AS PER LAST BALANCE SHEET

38,40,909

38,40,909

CAPITAL REDEMPTION RESERVE

AS PER LAST BALANCE SHEET

20,00,000

20,00,000

CAPITAL RESERVE ON REVALUATION OF LAND

RESERVE CREATED DURING THE YEAR

1,51,90,40,251

-

SURPLUS

AS PER LAST BALANCE SHEET

2,76,49,540

2,29,27,952

ADD: BALANCE IN THE STATEMENT OF PROFIT & LOSS ACCOUNT

73,57,875

85,33,978

3,50,07,415

3,14,61,930

APPROPRIATIONS

PROPOSED DIVIDEND

32,80,250

32,80,250

TAX ON PROPOSED DIVIDEND

5,32,140

5,32,140

38,12,390

3,11,95,025

38,12,390

2,76,49,540

2,10,80,02,801

58,54,17,065

		As at 31.03.2012	As at 31.03.2011
NOTE NO.			
4	LONG TERM BORROWING	Rs.	Rs.
	UNSECURED LOAN		
	DEPOSITS	16,00,000	18,00,000
	MATURITY PROFILE	<u>16,00,000</u>	<u>18,00,000</u>
	YEAR		
	2013-14	1,00,000	8
	2014-15	15,00,000	8
	TOTAL	16,00,000	
5	OTHER LONG-TERM LIABILITIES		
	SECURITY DEPOSIT	1,04,38,809	4,53,809
		<u>1,04,38,809</u>	<u>4,53,809</u>
6	LONG-TERM PROVISIONS		
	PROVISION FOR EMPLOYEES BENEFIT	5,68,371	4,68,422
		<u>5,68,371</u>	<u>4,68,422</u>
7	SHORT-TERM BORROWINGS		
	SECURED LOAN FROM BANK		
	OVERDRAFT	38,79,983	-
	(Secured by hypothecation of fixed deposits)	<u>38,79,983</u>	<u>-</u>
8	TRADE PAYABLES		
	SUNDRY CREDITORS	50,80,198	33,40,730
	ADVANCE FROM CUSTOMER-INTEREST FREE	2,62,74,630	1,58,36,327
		<u>3,13,54,828</u>	<u>1,91,77,057</u>
9	OTHER CURRENT LIABILITIES		
	INTEREST ACCRUED BUT NOT DUE	29,000	32,600
	INTEREST ACCRUED AND DUE	5,86,441	5,81,082
	INVESTOR EDUCATION & PROTECTION FUND SHALL BE CREDITED BY THE FOLLOWING (Amounts to be transferred to the said fund shall be determined on the respective due date)		
	UNPAID DIVIDENDS	6,29,719	5,38,351
	TEMPORARY BOOK OVER DRAFT	10,72,092	-
	OTHER PAYABLE	2,00,62,383	1,26,30,818
	(includes employees liabilities, statutory liabilities etc.)	<u>2,23,79,635</u>	<u>1,37,82,851</u>
10	SHORT-TERM PROVISIONS		
	PROVISIONS FOR TAXATION	4,00,00,000	4,00,00,000
	PROPOSED DIVIDEND	32,80,250	32,80,250
	TAX PAYABLE ON DIVIDEND	5,32,140	5,32,140
		<u>4,38,12,390</u>	<u>4,38,12,390</u>

NOTE NO.

11 TANGIBLE ASSETS

GROSS BLOCK OP. BALANCE

ASSETS

	AS AT 01.04.2011	ADDITION	DELETION	AS AT 31.03.2012
FREEHOLD LAND	1,83,67,026	2,90,57,136	3,09,59,749	1,64,64,413
LEASEHOLD LAND	5,179	-	-	5,179
NON-FACTORY BUILDING	2,63,54,915	-	-	2,63,54,915
PLANT AND EQUIPMENTS	53,51,314	-	19,45,826	34,05,488
FURNITURE AND FIXTURE	14,56,592	-	-	14,56,592
VEHICLES (CARS)	1,06,39,467	24,68,428	8,86,006	1,22,21,889
OFFICE EQUIPMENTS	65,000	-	-	65,000
COMPUTERS	49,72,802	32,000	-	50,04,802
TOTAL	<u>6,72,12,295</u>	<u>3,15,57,564</u>	<u>3,37,91,581</u>	<u>6,49,78,278</u>
PREVIOUS YEAR	<u>6,72,68,219</u>	<u>15,29,292</u>	<u>15,85,216</u>	<u>6,72,12,295</u>

DEPRECIATION BLOCK

FREEHOLD LAND

LEASEHOLD LAND

NON-FACTORY BUILDING

PLANT AND EQUIPMENTS

FURNITURE AND FIXTURE

VEHICLES (CARS)

OFFICE EQUIPMENTS

COMPUTERS

TOTAL

THE PREVIOUS YEAR

-	-	-	-
-	-	-	-
20,53,829	4,29,585	-	24,83,414
22,79,461	1,27,164	9,29,805	14,76,820
9,16,870	48,837	-	9,65,707
43,18,193	8,67,111	5,34,541	46,50,763
1,252	3,088	-	4,340
45,86,820	32,975	-	46,19,795
<u>1,41,56,425</u>	<u>15,08,760</u>	<u>14,64,346</u>	<u>1,42,00,839</u>
<u>1,32,90,264</u>	<u>15,95,601</u>	<u>7,29,440</u>	<u>1,41,56,425</u>

NET BLOCK

FREEHOLD LAND

LEASEHOLD LAND

NON-FACTORY BUILDING

PLANT AND EQUIPMENTS

FURNITURE AND FIXTURE

VEHICLES (CARS)

OFFICE EQUIPMENTS

COMPUTERS

TOTAL

AS AT 31.03.2012

AS AT 31.03.2011

1,64,64,413	1,83,67,026
5,179	5,179
2,38,71,501	2,43,01,086
19,28,668	30,71,853
4,90,885	5,39,723
75,71,126	63,21,274
60,660	63,748
3,85,007	3,85,981
<u>5,07,77,439</u>	<u>5,30,55,870</u>

NOTE NO.		As at 31.03. 2012	As at 31.03. 2011
12	NON CURRENT INVESTMENT: (AT COST)		
	(LONG TERM INVESTMENT)	Rs.	Rs.
	TRADE INVESTMENT (UNQUOTED)		
	INVESTMENT IN EQUITY INSTRUMENTS		
	I SUBSIDIARY COMPANY		
	900000 9,00,000 EQUITY SHARES OF Rs.10/- EACH	27,00,000	27,00,000
	(900000) OF FARCO FOODS PVT. LTD.		
	II ASSOCIATE COMPANY		
	300000 SHERVANI SUGAR SYNDICATE LTD.	30,00,000	30,00,000
	(300000) OF Rs. 10/- EACH*		
	2265750 SHERVANI HOSPITALITIES LTD. OF Rs. 10/-		
	(1535750) EACH (INCLUDING 730000 EQUITY SHARES	8,81,43,000	1,51,43,000
	AT A PREMIUM OF RS.90/- PER SHARE AND		
	21450 BONUS SHARES)		
	85000 YOUNGTRONICS INDIA PRIVATE LTD. OF	8,50,000	8,50,000
	(85000) Rs.10/- EACH		
	IN DEBENTURES- UNQUOTED FULLY PAID UP		
	50000 0% UNSECURED FULLY CONVERTIBLE	5,00,00,000	5,00,00,000
	(50000) DEBENTURES OF Rs.1000/- EACH OF M/S		
	SHERVANI SUGAR SYNDICATE LTD.		
	OTHER INVESTMENTS (IN EQUITY SHARES- UNQUOTED FULLY PAID UP		
	500 SHARES OF SUPER BAZAR COOPERATIVE	5,000	5,000
	(500) STORES LTD. OF Rs. 10/- EACH		
	80000 6% NON CUMULATIVE PREF. SHARES OF	80,00,000	80,00,000
	(80000) INDIA GLOBAL EXPORTS PVT. LTD. OF Rs.100/- EACH		
	50000 5% CUMULATIVE REDEEMABLE PREFERENCE	5,00,00,000	5,00,00,000
	(50000) SHARES OF Rs.1000/- EACH OF SHERVANI		
	SUGAR SYNDICATE LTD.(Associate Company)		
		20,26,98,000	12,96,98,000
13	LONG TERM LOANS AND ADVANCES		
	(UNSECURED CONSIDERED GOOD UNLESS		
	OTHERWISE STATED)		
	SECURITY DEPOSITS	96,743	27,87,743
		96,743	27,87,743

NOTE NO.	As at 31.03. 2012		As at 31.03. 2011	
	Rs.	Rs.	Rs.	Rs.
14 CURRENT INVESTMENTS				
Other Investment				
In Equity Shares-Quoted fully paid up				
1000 BOMBAY DYEING AND MANUFACTURING CO. LTD.	5,71,810		3,66,300	
(1000) OF Rs.10/- EACH				
500 DLF LIMITED OF Rs.2/- EACH	2,87,833		1,33,600	
(500)				
6000 I.D.B.I. BANK LIMITED OF Rs.10/- EACH	7,24,567		7,24,567	
(6000)				
3800 IDEA CELLULAR LIMITED OF Rs.10/- EACH	4,89,676		2,56,500	
(3800)				
2000 INFRASTRUCTURE DEVELOPMENT FINANCE CO. LTD.	2,33,700		2,33,700	
(2000) OF Rs.10/- EACH				
3100 FIRSTSOURCE SOLUTIONS LIMITED OF	2,21,198		55,800	
(3100) Rs.10/- EACH				
1000 INDIA CEMENTS LIMITED OF Rs.10/- EACH	2,87,987		95,600	
(1000)				
1100 INDIA INFOLINE LIMITED OF Rs.10/- EACH	1,44,816		81,455	
(1100)				
848 SCHRADER DUNCAN LIMITED OF	3,20,873		1,15,150	
(1000) Rs.10/- EACH				
- RDB INDUSTRIES LIMITED OF Rs.10/- EACH	-		41,325	
(1500)				
1000 RELIANCE ENERGY LIMITED OF Rs.10/- EACH	16,23,450		6,87,800	
(1000)				
2000 NETWORTH STOCK BROKING LIMITED	2,45,449		70,700	
(2000) OF Rs.10/- EACH				
2000 POWER GRID CORPORATION OF INDIA LTD.	3,02,456		2,03,600	
(2000) OF Rs.10/- EACH				
4000 KIRLOSKAR FERROUS INDUSTRIES LIMITED	2,11,129		93,200	
(4000) OF Rs.5/- EACH				
2000 ARIES AGRO LTD. OF Rs.10/- EACH	2,62,871		1,20,150	
(1000)				
3000 FORTIS HEALTHCARE LTD. OF Rs.10/- EACH	4,53,424		4,53,424	
(3000)				
10000 CEREBRA INTEGRATED TECHNOLOGIE	2,87,935		2,82,000	
(10000) OF Rs.10/- EACH				
5000 V-GUARD INDUSTRIES LTD. OF	9,98,267		8,40,250	
(5000) Rs.10/- EACH				
5000 HATHWAY CABLE AND DATACOM LTD.	10,34,039		4,88,250	
(5000) OF Rs.10/- EACH				
10000 FINOLEX CABLES LIMITED OF Rs.10/- EACH	5,87,776		4,71,000	
(10000)				
5000 ESSAR OIL LIMITED OF Rs.10/- EACH	6,61,234		6,22,500	
(5000)				
5 RDB REALITY & INFRASTRUCTURE LTD.	-		-	
(1500) OF Rs.10/- EACH ALLOTTED DUE TO DEMERGER				
TOTAL CARRIED OVER		99,50,490		64,36,871

		As at 31.03. 2012		As at 31.03. 2011	
		Rs.	Rs.	Rs.	Rs.
Total Brought Forward			99,50,490		64,36,871
IN MUTUAL FUND UNITS-UNQUOTED					
-	AIG LIQUID FUND RETAIL WEEKLY DIVIDEND	-		53,24,282	
(5310.105)	OF Rs.1002.6698				
-	BIRLA MIDCAP FUND (GROWTH)	-		43,03,056	
(40802.731)	OF Rs.120.09 EACH				
-	DSP BR SMALL & MIDCAP FUND (GROWTH)	-		43,96,874	
(254876.463)	OF Rs.19.225 EACH				
-	HDFC INFRASTRUCTURE FUND (GROWTH)	-		25,00,000	
(250000.00)	OF Rs.10/- EACH				
44534.888	HSBC EQUITY FUND (GROWTH)	49,98,000		46,88,139	
(44534.888)	OF Rs.110.026 EACH				
-	JM CONTRA FUND (GROWTH) OF	-		50,12,910	
(977995.11)	Rs.10/- EACH				
302170.696	MORGAN STANLEY A.C.E. FUND (GROWTH)	49,98,000		45,30,747	
(302170.696)	OF Rs.16.216 EACH				
355467.397	JM MULTI STRATEGY FUND(GROWTH) OF	50,28,264		-	
(-)	Rs.14.145 EACH				
-	TAURUS STARSHARE (GROWTH)	-		49,98,000	
(99979.596)	OF Rs. 49.010 EACH				
-	TAURUS ETHICAL FUND (GROWTH)	-		49,98,000	
(233111.323)	OF Rs. 21.020 EACH				
254017.626	BIRLA SUNLIFE INFRASTRUCTURE FUND	50,08,094		41,63,349	
(254017.626)	(GROWTH) OF Rs.19.29 EACH				
411418.976	BIRLA SUNLIFE INDIA REFORMS FUND	50,08,094		40,15,449	
(411418.976)	(GROWTH) OF Rs.11.91 EACH				
51470.048	DSP BR OPPORTUNITIES FUND(GROWTH)	50,08,094		44,35,586	
(51470.048)	OF Rs.95.201 EACH				
271618.625	TAURUS DISCOVERY FUND (GROWTH)	50,08,094		38,10,809	
(271618.625)	OF Rs. 18.04 EACH				
-	SUNDARAM ULTRA ST FUND (DIVIDEND)	-		19,08,198	
(178782.188)	OF Rs. 10.6548 EACH				
-	BIRLA SUNLIFE SAVING FUND	-		55,59,892	
(555611.386)	(DAILY DIVIDEND) OF Rs. 10.0068 EACH				
-	DSP BR MONEY MANAGER FUND(WEEKLY	-		1,89,72,555	
(18950.41)	DIVIDEND) OF Rs.1000.80 EACH				
-	HSBC FLOATING RATE FUND(WEEKLY	-		76,10,394	
(760267.009)	DIVIDEND) OF Rs.10.0045 EACH				
		3,50,56,640		9,12,28,240	
TOTAL		4,50,07,130		9,76,65,111	
	LESS: PROVISION FOR DIMINUTION OF	1,12,87,683		-	
	CURRENT INVESTMENT				
TOTAL		3,37,19,447		9,76,65,111	
	HDFC AMC REAL ESTATE -1	36,19,859		42,58,915	
SHARE APPLICATION MONEY					
	INDIA GLOBAL EXPORTS PVT. LIMITED	2,43,00,000		2,43,00,000	
	YOUNGTRONICS INDIA PVT. LTD.	50,58,000	2,93,58,000	42,05,000	2,85,05,000
TOTAL CURRENT INVESTMENTS		6,66,97,306		13,04,29,026	

NOTE NO.	As at 31.03. 2012	As at 31.03. 2011
15 INVENTORIES	Rs.	Rs.
(Stock as valued and certified by Managing Director)		
WORK IN PROGRESS (Real State)	3,63,25,731	3,10,48,360
FINISHED GOODS	3,21,115	3,21,115
STOCK IN TRADE (Land)	1,55,00,00,000	-
STORES & SPARES	7,04,876	38,387
	<u>1,58,73,51,722</u>	<u>3,14,07,862</u>
16 TRADE RECEIVABLES		
(Unsecured considered good unless otherwise stated)		
OVER SIX MONTH	-	-
OTHERS	23,356	11,29,952
	<u>23,356</u>	<u>11,29,952</u>
17 CASH & CASH EQUIVALENTS		
BALANCE WITH BANKS		
IN FIXED DEPOSITS		
MATURITY WITH MORE THAN 12 MONTHS	27,14,712	11,93,75,249
OTHERS	11,26,10,740	-
IN CURRENT ACCOUNTS		
EARMARKED BALANCE WITH BANKS	6,40,423	61,91,403
OTHERS	2,56,809	-
CASH ON HAND	42,180	37,391
	<u>11,62,64,864</u>	<u>12,56,04,043</u>
18 SHORT TERM LOANS & ADVANCES		
(Unsecured considered good unless otherwise stated)		
ADVANCES RECOVERABLE IN CASH OR	1,94,83,243	79,21,087
IN KIND FOR THE VALUE TO BE RECEIVED		
ADVANCE TO RELATED PARTY	32,87,698	19,38,405
LOANS TO RELATED PARTIES		
- UNSECURED CONSIDERED GOOD	17,45,36,861	17,38,36,861
- UNSECURED CONSIDERED DOUBTFUL	8,50,00,000	8,50,00,000
ADVANCE INCOME TAX (Net of provision)	51,53,220	75,69,291
BALANCES WITH CENTRAL EXCISE DEPARTMENT	3,11,082	2,84,891
MAT CREDIT ENTITLEMENT	67,19,406	60,54,108
VAT RECOVERABLE	26,67,383	16,91,873
	<u>29,71,58,893</u>	<u>28,42,96,516</u>
LESS: PROVISION FOR DOUBTFUL ADVANCES	8,50,00,000	8,50,00,000
	<u>21,21,58,893</u>	<u>19,92,96,516</u>
19 OTHER CURRENT ASSETS		
INTEREST RECEIVABLE	1,87,70,994	2,43,05,082
	<u>1,87,70,994</u>	<u>2,43,05,082</u>

NOTE NO.	Year ended 31.03.2012		Year ended 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
20 REVENUE FROM OPERATIONS				
REVENUE FROM REAL ESTATE		6,82,13,947		6,11,70,757
OTHER OPERATING REVENUES				
TRANSFER FEE		8,25,000		-
MISC. RECEIPTS		1,80,000		4,80,000
		<u>10,05,000</u>		<u>4,80,000</u>
		<u>6,92,18,947</u>		<u>6,16,50,757</u>
21 OTHER INCOME				
INTEREST RECEIVED		1,22,79,553		1,37,51,133
DIVIDEND RECEIVED		9,89,722		3,37,327
RENT		6,01,200		8,41,200
MISCELLANEOUS RECEIPTS		63,29,843		31,478
PROVISION OF LIABILITY NO LONGER REQUIRED		1,55,938		1,03,782
PROFIT ON SALE OF CURRENT INVESTMENTS (Net)		-		59,77,008
DIMINUTION IN THE VALUE OF CURRENT INVESTMENTS		(42,33,855)		(78,76,386)
DIMINUTION IN VALUE OF INVESTMENT NO LONGER REQUIRED		73,18,185		40,75,063
LOSS ON SALE OF INVESTMENTS (Net)				
CURRENT INVESTMENT	(20,79,668)		-	
LONG TERM INVESTMENT	(45,94,199)		-	
SECURITY TRANSACTION TAX ON ABOVE	(99,569)		-	
		<u>(67,73,436)</u>		<u>-</u>
		<u>1,66,67,150</u>		<u>1,72,40,605</u>
22 COST OF CONSTRUCTION & DEVELOPMENT EXPENSES		<u>5,38,02,887</u>		<u>5,23,92,542</u>
23 CHANGES IN INVENTORIES OF FINISHED GOODS				
STOCK AT COMMENCEMENT				
FINISHED GOODS		3,21,115		5,85,190
		<u>3,21,115</u>		<u>5,85,190</u>
STOCK AT CLOSE				
FINISHED GOODS		3,21,115		3,21,115
		<u>3,21,115</u>		<u>3,21,115</u>
		<u>-</u>		<u>2,64,075</u>
24 EMPLOYEE BENEFITS EXPENSE				
SALARY & WAGES		63,21,169		71,80,639
CONTRIBUTION TO PROVIDENT AND OTHER FUND		2,54,340		2,49,114
STAFF WELFARE EXPENSES		69,101		95,259
		<u>66,44,610</u>		<u>75,25,012</u>
25 FINANCE COSTS				
INTEREST TO BANK & OTHERS		3,93,689		6,46,833
		<u>3,93,689</u>		<u>6,46,833</u>

NOTE NO.	Year ended 31.03.2012		Year ended 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
26 OTHER EXPENSES				
ADMINISTRATIVE EXPENSES				
RENT		4,55,076		4,71,641
REPAIRS BUILDING		3,52,251		2,54,193
INSURANCE		1,87,484		1,60,105
RATES AND TAXES		1,96,565		1,24,457
ELECTRICITY EXPENSES		9,97,027		14,02,869
SAFETY & PROTECTION		10,71,836		10,18,648
VEHICLE MAINTENANCE		13,73,270		8,47,119
RETAINERSHIP		13,13,130		13,95,115
PROFESSIONAL CHARGES		14,37,638		19,09,945
EXCISE DUTY		-		42,624
TRAVELLING AND CONVEYANCE EXPENSES (Including Rs. 32344 paid to Auditors)		5,23,832		8,77,486
PAYMENTS TO THE AUDITORS (Including Service Tax)				
AS AUDITOR	1,23,596		1,10,000	
FOR OTHER SERVICES	<u>56,180</u>	1,79,776	<u>50,000</u>	1,60,000
DIRECTORS' SITTING FEE		60,000		51,000
BAD DEBTS WRITTEN OFF		34,10,420		
LOSS ON SALE OF ASSETS (Net)		7,17,486		2,62,919
MISCELLANEOUS EXPENSES		<u>31,15,950</u>		<u>36,84,737</u>
		1,53,91,741		1,26,62,858
SELLING AND DISTRIBUTION EXPENSES				
SELLING EXPENSES		7,50,000		-
TOTAL		<u>1,61,41,741</u>		<u>1,26,62,858</u>

NOTE No.

27 Investments and Loans outstanding in subsidiary company;

(Amount in Rs.)

Name of Company	Investment in Shares	% of Shareholding	Loan Balance outstanding
Farco Foods Private Limited	27,00,000	100	6,39,72,861

The Company holds undernoted Provisions for possible losses on loans given to under noted Company:

Name of Company	Balance Outstanding (Rs.)	Provisions made (Rs.)
Farco Foods Private Limited (Wholly owned subsidiary Company,)	6,39,72,861	4,50,00,000

28 The Company has investment in 3,00,000 Equity Shares of Rs.10/- each, Preference Shares of Rs. 5,00,00,000, Unsecured Debentures of Rs. 5,00,00,000 and Loan of Rs. 19,55,64,000 in Shervani Sugar Syndicate Limited. The Company holds a provision of Rs. 4,00,00,000 for possible losses against said loan. Board for Industrial and Financial Reconstruction has sanctioned a Modified Rehabilitation Scheme for above Company on 14.09.2009. According to sanctioned scheme redemption of preference shares and repayment of Loans shall be made after rehabilitation period on interest free basis.

29 Due to Closure of manufacturing operations all the employees have been retrenched except few employees in General Administration of the Company. The Company has decided to make provision for retirement benefits on actual basis as on date of Balance Sheet instead of actuarial valuation.

30 In view of uncertainty regarding availability of sufficient future taxable income, deferred tax assets arising out of timing difference of depreciation have not been considered in the accounts.

31 **Related Party Disclosures**

Relationship

A. Subsidiary Company

Farco Foods Private Ltd.

B. Associate Companies

Shervani Sugar Syndicate Ltd.

Shervani Hospitalities Limited

Youngtronics India Private Limited

C. Key Management Personnel

Mr. S.I. Shervani

Managing Director

Mr. Tahir Hasan

Vice Chairman

and their relatives

Related Parties relationship as identified by the company and relied upon by the Auditors following are the transactions with related parties as defined under Accounting Standard -18 issued by the Institute of Chartered Accountants of India

	Year ended 31.03.2012	Year ended 31.03.2011
D Nature and volume of transactions	Rs.	Rs.
(i) Remuneration		
Paid to Key management personnel	15,66,600	15,69,186
(ii) Rent		
Key management personnel (Paid)	6,11,000	6,36,000
Associate Company (Received)	73,200	73,200
(iii) Hire charges of Assets		
Key management personnel (Paid)	1,20,000	1,20,000
Associate/Subsidiary Companies (Received)	4,80,000	4,80,000
(iv) Interest Received		
Associate Company	34,09,284	47,44,000

	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.	Rs.
(v) Closing Balance at the end of the year		
Subsidiary Company		
Farco Foods Private Limited	6,39,72,861	6,39,72,861
Provision for doubtful loan	(4,50,00,000)	(4,50,00,000)
Associate Companies		
Shervani Sugar Syndicate Ltd.	19,55,64,000	13,55,64,000
Provision for doubtful loan	(4,00,00,000)	(4,00,00,000)
Shervani Hospitalities Limited	-	5,93,00,000
Corporate guarantee to HDFC Bank	1,00,00,000	1,00,00,000
Allotment of Shares by Shervani Hospitalities Ltd.	7,30,00,000	-
32 Earning per share	31.03.2012	31.03.2011
(a) Net Profit available for Equity Share holders (numerator used for calculation)	73,57,875	85,33,978
(b) Weighted Average No. Equity Share used as denominator for calculating EPS	32,80,250	32,80,250
(c) Basic and Diluted Earning per share (Rs.)	2.24	2.60
(Equity Shares of face value of Rs.10 each)		
33 Contingent liabilities not provided for :	Year ended 31.03.2012	Year ended 31.03.2011
	Rs.	Rs.
(a) Claims against the company not acknowledged as debts		Amount indeterminate
(b) In respect of guarantee given by Company in favour of HDFC Bank Limited on behalf of Shervani Hospitalities Limited, (an Associate Company) for credit facility extended to them	1,00,00,000	1,00,00,000
34 Value of Imports on C.I.F. basis:	Nil	Nil
35 Value of Imported and indigeneous Stores and Spare Parts and Raw material Consumed.	Nil	Nil
36 Expenditure in Foreign Currency	This Year (Rs.)	Previous Year (Rs.)
Others	4,104	2,28,508
37 Based on the information available with the Company there are no dues payable to suppliers under the Micro Small and Medium Enterprises Development Act 2006.		
38 The figures of the previous year have been regrouped/rearranged wherever necessary.		

	Year ended 31.03.2012		Year ended 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) Before Tax		73,94,410		38,04,441
Adjustment For				
Depreciation	15,08,760		15,95,601	
Loss /(profit) on sale of assets	7,17,486		2,62,919	
Asset w/off	-		-	
Stores w/off	-		-	
Interest Paid	3,93,689			
Interest Received	(1,22,79,553)		(1,31,04,300)	
Dividend Received	(9,89,722)			
Profit/Loss on Sale of Investments	67,73,436		(59,77,008)	
Diminution in the value of Investments no longer required	(73,18,185)			
Diminution in the value of current investment	42,33,855	(69,60,234)	38,01,323	(1,34,21,465)
Operating Profit before Working Capital Changes		4,34,176		(96,17,024)
Adjustment For				
(Increase)/Decrease in Trade and other receivables	4,91,84,446		(98,49,111)	
Loan to Associate Company	(6,00,00,000)			
(Increase)/Decrease in Inventories	(3,50,00,996)		2,06,52,381	
Increase/(Decrease) in Trade Payables	30,857,745		2,26,86,222	
Mat Credit Entitlement	-	(1,49,58,805)	60,54,108	3,95,43,600
Cash generated used in operation		(1,45,24,629)		2,99,26,576
Add/(Deduct) For :				
Direct tax paid /Refund of earlier years		17,14,238		(15,42,644)
Net Cash from operating activities (Total – A)		<u>(1,28,10,391)</u>		<u>2,83,83,932</u>
B) CASH FLOW FROM INVESTING ACTIVITIES				
Diminution in the value of Investments no longer required		73,18,185		
Diminution in the value of current investment		(42,33,855)		
Purchase of Fixed Assets		(25,00,428)		(15,29,292)
Sale of Fixed Assets		6,50,000		5,92,857
Loans made with Subsidiary/Others		-		-
Sale of Investments		-		-
Purchase of Investments (Net)		(1,60,41,716)		37,95,370
Dividend Received		9,89,722		
Interest received		1,78,13,641		23,35,453
Net Cash from investing activities (Total B)		<u>39,95,549</u>		<u>51,94,388</u>
C) CASH FLOW FROM FINANCING ACTIVITIES				
Dividend paid		(38,12,390)		(30,60,047)
Bank Borrowings		36,79,983		(2,05,12,054)
Unsecured Loans		-		(10,000)
Interest Paid		(3,91,930)		(6,46,833)
Net Cash used in financing activities (Total – C)		<u>(5,24,337)</u>		<u>(2,42,28,934)</u>
Net Increase / (Decrease)in Cash and Cash Equivalents (A+B+C)		<u>(93,39,179)</u>		<u>93,49,386</u>
Add : Cash and Cash Equivalents as on 01.04.2011		12,56,04,043		11,62,54,657
Closing Cash and Cash Equivalent as on 31.03.2012		<u>11,62,64,864</u>		<u>12,56,04,043</u>

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Rs. In Thousand)

I. Registration Details		
Registration No.	1891	State code
Balance Sheet Date	31-03-2012	20
II Capital Raised During the year	Public Issue	Right Issue
	Nil	Nil
	Bonus Issue	Private Placement
	Nil	Nil
III Position of Mobilisation and Deployment of Funds	Total Liabilities	Total Assets
Sources of Funds	21,42,405	21,42,405
	Paid-up Capital	Reserve & Surplus
	32,803	21,08,002
	Secured Loans	Unsecured Loans
	NIL	1600
Application of Funds	Net Fixed Assets	Investments
	50,777	66,697
	Net Current Assets	Miscellaneous Expenditure
	20,24,931	NIL
	Accumulated Losses	
	NIL	
IV. Performance of the Company	Turn over	Total Expenditure
	68,214	78,492
	Profit/(Loss)Before Tax	Profit/(Loss) After Tax
	7,394	7,358
	Earning Per Share in Rs.	Dividend Rate
	2.24	10%
V. Generic Names of Three Principal Products/Services of the Company	Product Description (ITC Code)	Item Code No.
	-	-

SALEEM I. SHERVANI
Managing Director

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary : Farco Foods Pvt. Limited
 Financial Year of the Company : 1st April 2011 to 31st March 2012

Shares held in the subsidiary company at the end of financial year of the subsidiary	9,00,000 Equity Shares of Rs.10/- each, fully paid-up
Extent of Holding	100%
Changes in the interest of the Company at the end of financial year of the Subsidiary Company and 31st March, 2012. (No. of Shares acquired)	Nil
The net aggregate of Profit/(Loss) of the Subsidiary Company so far as it concerns the members of the Company	
(A) Dealt with in the Accounts of the Company for the year ended 31st March, 2012.	Nil
(B) Not dealt with in the Accounts of the Company for the year ended 31st March, 2012	Rs. 32,00,603
The net aggregate of Profits/(Losses) of the Subsidiary Company for previous financial years so far as it concerns the members of the Company	
(A) Dealt with in the Accounts of the Company for the year ended 31st March, 2012.	Nil
(B) Not dealt with in the Accounts of the Company for the year ended 31st March, 2012	(Rs. 6,47,36,294)
Material changes between the end of the financial year of the Subsidiary Company and 31st March, 2012	
a) Fixed assets	N.A.
b) Investments	N.A.
c) Moneys lent by the Subsidiary Company	N.A.
d) Moneys borrowed by the Subsidiary Company other than for meeting Current Liabilities	N.A.

CONSOLIDATED AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED AND ITS SUBSIDIARY.

1. We have examined the attached Consolidated Balance Sheet of Shervani Industrial Syndicate Limited and its Subsidiary, as at 31st March, 2012, the Consolidated statement of Profit and Loss and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS)21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Shervani Industrial Syndicate Limited and its Subsidiary included in the consolidated financial statements.
4. On the basis of information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Shervani Industrial Syndicate Limited and its Subsidiary, we are of the opinion that the attached Consolidated Financial Statements read together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the group as at 31.03.2012
 - (b) in the case of the Consolidated statement of Profit & Loss of the Profits of the group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the Consolidated Cash Flows of the group for the year ended on that date.

For P.L. TANDON & CO.,
Chartered Accountants
Registration No.000186C

P.P.SINGH
Partner
Membership No.72754

Place: Kanpur
Date : May 30, 2012

CONSOLIDATED BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH, 2012

		As at 31.03.2012	As at 31.03.2011
	Note No.	Rs.	Rs.
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
SHARE CAPITAL	2	3,28,02,500	3,28,02,500
RESERVES AND SURPLUS	3	2,09,45,66,505	56,87,80,166
		<u>2,12,73,69,005</u>	<u>60,15,82,666</u>
NON-CURRENT LIABILITIES			
LONG TERM BORROWINGS	4	16,00,000	18,00,000
OTHER LONG-TERM LIABILITIES	5	1,09,38,809	9,53,809
LONG TERM PROVISIONS	6	5,68,371	4,68,422
		<u>1,31,07,180</u>	<u>32,22,231</u>
CURRENT LIABILITIES			
SHORT TERM BORROWINGS	7	71,79,983	33,00,000
TRADE PAYABLES	8	3,22,97,863	2,02,72,426
OTHER CURRENT LIABILITIES	9	2,38,82,713	1,44,17,284
SHORT TERM PROVISIONS	10	4,38,12,390	4,38,17,990
		<u>1,071,72,949</u>	<u>8,18,07,700</u>
TOTAL		<u>2,24,76,49,134</u>	<u>68,66,12,597</u>
ASSETS			
NON-CURRENT ASSETS			
FIXED ASSETS			
TANGIBLE ASSETS	11	6,16,02,270	6,46,43,152
NON-CURRENT INVESTMENTS	12	19,99,98,000	12,69,98,000
LONG TERM LOANS AND ADVANCES	13	3,45,743	30,36,743
		<u>26,19,46,013</u>	<u>19,46,77,895</u>
CURRENT ASSETS			
CURRENT INVESTMENTS	14	6,66,97,306	13,04,29,026
INVENTORIES	15	1,58,73,51,722	3,14,07,862
TRADE RECEIVABLES	16	18,68,893	14,39,349
CASH AND CASH EQUIVALENTS	17	12,03,78,772	12,56,93,245
SHORT TERM LOANS AND ADVANCES	18	19,06,35,434	17,86,60,138
OTHER CURRENT ASSETS	19	1,87,70,994	2,43,05,082
		<u>1,98,57,03,121</u>	<u>49,19,34,702</u>
TOTAL		<u>2,24,76,49,134</u>	<u>68,66,12,597</u>

Significant Accounting Policies and Notes on Financial Statements 1-36

As per our report of even date attached

For P.L. Tandon & Co.

Chartered Accountants

P.P. SINGH

Partner

B.K. MISRA

Company Secretary & Sr. Accounts Manager

TAHIR HASAN

Whole Time Director

SALEEM I. SHERVANI

Managing Director

Place : Kanpur

Date : May 30, 2012

CONSOLIDATED PROFIT & LOSS ACCOUNT

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	NOTE NO.	Year ended 31.03.2012		Year ended 31.03.2011	
		Rs.	Rs.	Rs.	Rs.
REVENUE FROM OPERATIONS					
REVENUE FROM OPERATIONS	20		9,55,61,972		6,16,50,757
OTHER INCOME	21		1,66,67,149		1,72,40,605
TOTAL REVENUE			11,22,29,121		7,88,91,362
EXPENSES					
COST OF CONSTRUCTION & DEVELOPMENT EXPENSES	22		5,38,02,887		5,23,92,542
CHANGES IN INVENTORIES OF FINISHED GOODS	23		-		2,64,075
EMPLOYEE BENEFITS EXPENSES	24		1,32,56,679		78,10,671
FINANCE COSTS	25		3,93,689		6,46,833
DEPRECIATION AND AMORTIZATION EXPENSE			23,18,499		24,17,742
OTHER EXPENSES	26		3,18,62,355		1,47,58,139
TOTAL EXPENSES			10,16,34,109		7,82,90,002
PROFIT BEFORE TAX			1,05,95,012		6,01,360
TAX EXPENSE					
CURRENT TAX			(6,50,000)		(13,60,090)
EARLIER YEARS TAX			(51,833)		35,519
MAT CREDIT ENTITLEMENT					
EARLIER YEAR		15,298		47,54,108	
CURRENT YEAR		6,50,000	6,65,298	13,00,000	60,54,108
PROFIT(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS			1,05,58,477		53,30,897
PROFIT FOR THE YEAR			1,05,58,477		53,30,897
EARNING PER EQUITY SHARE					
BASIC			3.22		2.60
DILUTED			3.22		2.60

Significant Accounting Policies, and Notes on Financial Statement 1-35

As per our report of even date attached

For P.L. Tandon & Co.

Chartered Accountants

P.P. SINGH

Partner

B.K. MISRA

Company Secretary & Sr. Accounts Manager

TAHIR HASAN

Whole Time Director

SALEEM I. SHERVANI

Managing Director

Place : Kanpur

Date : May 30, 2012

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note No. 1****1.1 Principles of Consolidation**

l) The consolidated financial statements of the Group have been prepared on the following basis.

- a) The consolidated financial statements of the Group are prepared in accordance with Accounting Standard - 21 "Consolidated Financial Statements" issued by ICAI.
- b) The financial statements of the Company and its Subsidiary Company have been consolidated on a line-by-line-basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances.
- c) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- d) The difference between the cost of investment and capital of subsidiary has been recognised as capital reserve. In view of carried forward lossess in subsidiary at the time of acquisition of shares the resulting goodwill has been ignored.

1.2 The Subsidiary Company considered in the consolidated financial statements is :

Name of the company	Country of Incorporation	Holding as on 31.03.2012
Farco Foods Pvt. Limited	India	100%

1.3 Other Significant Accounting Policies :

These are set out under 'significant accounting policies' as given in the Unconsolidated Financial Statements of the Company and its Subsidiary.

1.4 Associate Companies Financial Statements as on 31.03.2012 have not yet been finalised, therefore, investments are shown at book value and Profit or Loss, if any, has not been considered while preparing Consolidated Financial Statements of the Group.

CONSOLIDATED NOTES

NOTE NO.	As at 31.03.2012		As at March 31, 2011	
	Rs.	Rs.	Rs.	Rs.
2 SHARE CAPITAL				
AUTHORISED				
20,000 CUMULATIVE REDEEMABLE PREFERENCE SHARES OF RS. 100/- EACH		20,00,000		20,00,000
6,280,000 ORDINARY SHARES OF RS. 10/- EACH		6,28,00,000		6,28,00,000
8,000 DEFERRED SHARES OF RS. 25/- EACH		2,00,000		2,00,000
		6,50,00,000		6,50,00,000
ISSUED, SUBSCRIBED AND PAID UP	Number	Rs.	Number	Rs.
ORDINARY SHARES				
BALANCE AS ON 01.04.2011	32,60,250	3,26,02,500	32,60,250	3,26,02,500
BALANCE AS AT 31.03.2012	32,60,250	3,26,02,500	32,60,250	3,26,02,500
		3,26,02,500		3,26,02,500
DEFERRED SHARES				
BALANCE AS ON 01.04.2011	8,000	2,00,000	8,000	2,00,000
BALANCE AS AT 31.03.2012	8,000	2,00,000	8,000	2,00,000
		2,00,000		2,00,000
GRAND TOTAL		3,28,02,500		3,28,02,500
RECONCILIATION OF NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW		Nos.		Nos.
SHARES AT THE BEGINNING OF THE YEAR		32,68,250		32,68,250
SHARES AT THE CLOSE OF THE YEAR		32,68,250		32,68,250
DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5 % SHARES (Equity Shares Nos. of Rs. 10 each)				
HITESH RAMJI JAVERI	4,55,250		4,55,250	
FROST TRADERS PVT LTD.	4,00,602		4,00,602	
SALEEM IQBAL SHERVANI	3,18,680		3,18,680	
REED FINANCE PVT LTD.	2,69,145	14,43,677	2,69,145	14,43,677
3 RESERVES & SURPLUS				
GENERAL RESERVE				
AS PER LAST BALANCE SHEET		55,00,00,000		55,00,00,000
CAPITAL SUBSIDY RESERVE				
AS PER LAST BALANCE SHEET		19,26,616		19,26,616
SHARE PREMIUM ACCOUNT				
AS PER LAST BALANCE SHEET		38,40,909		38,40,909
CAPITAL REDEMPTION RESERVE				
AS PER LAST BALANCE SHEET		20,00,000		20,00,000
CAPITAL RESERVE ON REVALUATION OF LAND				
RESERVE CREATED DURING THE YEAR		1,51,90,40,251		-
CAPITAL RESERVE ON CONSOLIDATION		63,00,000		63,00,000
SURPLUS				
AS PER LAST BALANCE SHEET	47,12,642		31,94,135	
ADD: BALANCE IN THE STATEMENT OF PROFIT & LOSS ACCOUNT	1,05,58,477		53,30,897	
	1,52,71,119		85,25,032	
APPROPRIATIONS				
PROPOSED DIVIDEND	32,80,250		32,80,250	
TAX ON PROPOSED DIVIDEND	5,32,140		5,32,140	
	38,12,390	1,14,58,729	38,12,390	47,12,642
		2,09,45,66,505		56,87,80,167

CONSOLIDATED NOTES

			As at 31.03.2012	As at March 31, 2011
NOTE NO.				
4 LONG TERM BORROWING			Rs.	Rs.
UNSECURED LOAN				
DEPOSITS			16,00,000	18,00,000
MATURITY PROFILE			<u>16,00,000</u>	<u>18,00,000</u>
YEAR	AMOUNT PAYABLE	RATE OF INT.		
2013-14	1,00,000	8		
2014-15	15,00,000	8		
TOTAL	16,00,000			
5 OTHER LONG-TERM LIABILITIES				
SECURITY DEPOSIT			1,09,38,809	9,53,809
			<u>1,09,38,809</u>	<u>9,53,809</u>
6 LONG-TERM PROVISIONS				
PROVISION FOR EMPLOYEES BENEFIT			5,68,371	4,68,422
			<u>5,68,371</u>	<u>4,68,422</u>
7 SHORT-TERM BORROWINGS				
SECURED LOANS FROM BANKS				
OVERDRAFT			38,79,983	-
(Secured by hypothecation of fixed deposits)				
UNSECURED LOAN FROM RELATED PARTY			33,00,000	33,00,000
			<u>71,79,983</u>	<u>33,00,000</u>
8 TRADE PAYABLES				
SUNDRY CREDITORS			60,23,233	44,36,099
ADVANCE FROM CUSTOMER			2,62,74,630	1,58,36,327
			<u>3,22,97,863</u>	<u>2,02,72,426</u>
9 OTHER CURRENT LIABILITIES				
INTEREST ACCRUED BUT NOT DUE			29,000	32,600
INTEREST ACCRUED AND DUE			5,86,441	5,81,082
INVESTOR EDUCATION & PROTECTION FUND SHALL BE CREDITED BY THE FOLLOWING: (Amounts to be transferred to the said fund shall be determined on the respective due date)				
UNPAID DIVIDENDS			6,29,719	5,38,351
TEMPORARY BOOK OVER DRAFT			10,72,092	-
OTHER PAYABLE			2,15,65,461	1,32,65,251
(includes employees liabilities, statutory liabilities etc.)			<u>2,38,82,713</u>	<u>1,44,17,284</u>
10 SHORT-TERM PROVISIONS				
PROVISIONS FOR TAXATION			4,00,00,000	4,00,05,600
PROPOSED DIVIDEND			32,80,250	32,80,250
TAX PAYABLE ON DIVIDEND			5,32,140	5,32,140
			<u>4,38,12,390</u>	<u>4,38,17,990</u>

CONSOLIDATED NOTES

	Rs.	Rs.	Rs.	Rs.
11 TANGIBLE ASSETS				
GROSS BLOCK	AS AT 01-04-2011	ADDITION	DELETION	AS AT 31-03-2012
ASSETS				
FREEHOLD LAND	1,90,33,936	2,90,57,136	3,09,59,749	1,71,31,323
LEASEHOLD LAND	5,179	-	-	5,179
NON-FACTORY BUILDING	2,63,54,915	-	-	2,63,54,915
FACTORY BUILDING	60,28,619	-	-	60,28,619
PLANT AND EQUIPMENTS	1,79,28,342	-	19,45,826	1,59,82,516
FURNITURE AND FIXTURE	18,53,801	-	-	18,53,801
VEHICLES (CARS)	1,06,39,467	24,68,429	8,86,006	1,22,21,890
VEHICLES (OTHERS)	23,400	47,286	-	70,686
OFFICE EQUIPMENTS	1,38,780	-	-	1,38,780
COMPUTERS	51,25,569	32,001	-	51,57,570
TOTAL	8,71,32,008	3,16,04,852	3,37,91,581	8,49,45,279
PREVIOUS YEAR	8,68,63,090	18,54,134	15,85,216	8,71,32,008
DEPRECIATION BLOCK				
FREEHOLD LAND	-	-	-	-
LEASEHOLD LAND	-	-	-	-
NON-FACTORY BUILDING	20,53,829	4,29,585	-	24,83,414
FACTORY BUILDING	24,05,881	2,01,356	-	26,07,237
PLANT AND EQUIPMENTS	77,68,134	7,10,537	9,29,805	75,48,866
FURNITURE AND FIXTURE	11,45,253	69,603	-	12,14,856
VEHICLES (CARS)	43,18,193	8,67,111	5,34,541	46,50,763
VEHICLES (OTHERS)	22,271	739	-	23,010
OFFICE EQUIPMENTS	35,707	6,593	-	42,300
COMPUTERS	47,39,588	32,975	-	47,72,563
TOTAL	2,24,88,856	23,18,499	14,64,346	2,33,43,009
PREVIOUS YEAR	2,08,00,553	24,17,743	7,29,440	2,24,88,856
NET BLOCK	AS AT 31-03-2012	AS AT 31-03-2011		
FREEHOLD LAND	1,71,31,323	1,90,33,936		
LEASEHOLD LAND	5,179	5,179		
NON-FACTORY BUILDING	2,38,71,501	2,43,01,086		
FACTORY BUILDING	34,21,382	36,22,738		
PLANT AND EQUIPMENTS	84,33,650	1,01,60,208		
FURNITURE AND FIXTURE	6,38,945	7,08,549		
VEHICLES (CARS)	75,71,127	63,21,274		
VEHICLES (OTHERS)	47,676	1,129		
OFFICE EQUIPMENTS	96,480	1,03,073		
COMPUTERS	3,85,007	3,85,980		
TOTAL	6,16,02,270	6,46,43,152		

CONSOLIDATED NOTES

As at 31.03.2012

As at 31.03.2011

NOTE No.

**12 NON CURRENT INVESTMENT: (AT COST)(LONG TERM INVESTMENT
TRADE INVESTMENT (UNQUOTED)
INVESTMENT IN EQUITY INSTRUMENTS**

Rs.

Rs.

ASSOCIATE COMPANY

300000	SHERVANI SUGAR SYNDICATE LTD.OF	30,00,000	30,00,000
(3,00,000)	Rs. 10/- EACH*		
2265750	SHERVANI HOSPITALITIES LTD. OF Rs. 10/-		
(1535750)	EACH (INCLUDING 730000 EQUITY SHARES AT A PREMIUM OF RS.90/- PER SHARE AND 21450 BONUS SHARES)	8,81,43,000	1,51,43,000
85000	YOUNGTRONICS INDIA PRIVATE LTD. OF	8,50,000	8,50,000
(85,000)	Rs.10/- EACH		

IN DEBENTURES- UNQUOTED FULLY PAID UP

50000	0% UNSECURED FULLY CONVERTIBLE	5,00,00,000	5,00,00,000
(50000)	DEBENTURES OF Rs.1000/- EACH OF M/S SHERVANI SUGAR SYNDICATE LTD		

OTHER INVESTMENTS (IN EQUITY

SHARES- UNQUOTED FULLY PAID UP)

500	SHARES OF SUPER BAZAR COOPERATIVE	5,000	5,000
(500)	STORES LTD. OF Rs. 10/- EACH		
80000	6% NON CUMULATIVE PREF SHARES OF	80,00,000	80,00,000
(80000)	INDIA GLOBAL EXPORTS PVT. LTD. OF Rs.100/- EACH		
50000	5% CUMULATIVE REDEEMABLE PREFERENCE	5,00,00,000	5,00,00,000
(50000)	SHARES OF Rs.1000/- EACH OF SHERVANI SUGAR SYNDICATE LTD.(Associate Company)		

19,99,98,000

12,69,98,000

13 LONG TERM LOANS AND ADVANCES

(UNSECURED CONSIDERED GOOD UNLESS
OTHERWISE STATED)

SECURITY DEPOSITS

3,45,743

30,36,743

3,45,743

30,36,743

CONSOLIDATED NOTES

NOTE NO.	As at 31.03.2012		As at 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
14 CURRENT INVESTMENTS				
Other Investment				
In Equity Shares-Quoted fully paid up				
1000 BOMBAY DYEING AND MANUFACTURING	5,71,810		3,66,300	
(1000) CO. LTD.OF Rs.10/- EACH				
500 DLF LIMITED OF Rs.2/- EACH	2,87,833		1,33,600	
(500)				
6000 I.D.B.I. BANK LIMITED OF Rs.10/- EACH	7,24,567		7,24,567	
(6000)				
3800 IDEA CELLULAR LIMITED OF Rs.10/- EACH	4,89,676		2,56,500	
(3800)				
2000 INFRASTRUCTURE DEVELOPMENT FINANCE	2,33,700		2,33,700	
(2000) CO. LTD. OF Rs.10/- EACH				
3100 FIRSTSOURCE SOLUTIONS LIMITED	2,21,198		55,800	
(3100) OF Rs.10/- EACH				
1000 INDIA CEMENTS LIMITED OF Rs.10/- EACH	2,87,987		95,600	
(1000)				
1100 INDIA INFOLINE LIMITED OF Rs.10/- EACH	1,44,816		81,455	
(1100)				
848 SCHRADER DUNCAN LIMITED OF Rs.10/- EACH	3,20,873		1,15,150	
(1000)				
- RDB INDUSTRIES LIMITED OF Rs.10/- EACH	-		41,325	
(1500)				
1000 RELIANCE ENERGY LIMITED OF Rs.10/-	16,23,450		6,87,800	
(1000) EACH				
2000 NETWORTH STOCK BROKING LIMITED OF Rs.10/-	2,45,449		70,700	
(2000) EACH				
2000 POWER GRID CORPORATION OF INDIA LTD. OF Rs.10/-	3,02,456		2,03,600	
(2000) EACH				
4000 KIRLOSKAR FERROUS INDUSTRIES LIMITED OF Rs.5/-	2,11,129		93,200	
(4000) EACH				
2000 ARIES AGRO LTD. OF Rs.10/- EACH	2,62,871		1,20,150	
(1000)				
3000 FORTIS HEALTHCARE LTD. OF Rs.10/- EACH	4,53,424		4,53,424	
(3000)				
10000 CEREBRA INTEGRATED TECHNOLOGIE OF Rs.10/-	2,87,935		2,82,000	
(10000) EACH				
5000 V-GUARD INDUSTRIES LTD. OF Rs.10/-	9,98,267		8,40,250	
(5000) EACH				
5000 HATHWAY CABLE AND DATACOM LTD. OF Rs.10/-	10,34,039		4,88,250	
(5000) EACH				
10000 FINOLEX CABLES LIMITED OF Rs.10/- EACH	5,87,776		4,71,000	
(10000)				
5000 ESSAR OIL LIMITED OF Rs.10/- EACH	6,61,234		6,22,500	
(5000)				
5 RDB REALITY & INFRASTRUCTURE LTD. OF Rs.10/-	-		-	
(1500) EACH ALLOTTED DUE TO DEMERGER				
Total Carried Over		99,50,490		64,36,871

CONSOLIDATED NOTES

	As at 31.03.2012		As at 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
Total Brought Forward	-	99,50,490	-	64,36,871
IN MUTUAL FUND UNITS-UNQUOTED				
- AIG LIQUID FUND RETAIL WEEKLY	-		53,24,282	
(5310.105) DIVIDEND OF Rs.1002.6698				
- BIRLA MIDCAP FUND (GROWTH)	-		43,03,056	
(40802.731) OF Rs.120.09 EACH				
- DSP BR SMALL & MIDCAP FUND (GROWTH)	-		43,96,874	
(254876.463) OF Rs.19.225 EACH				
- HDFC INFRASTRUCTURE FUND (GROWTH)	-		25,00,000	
(250000.00) OF Rs.10/- EACH				
44534.888 HSBC EQUITY FUND (GROWTH)	49,98,000		46,88,139	
(44534.888) OF Rs.110.026 EACH				
- JM CONTRA FUND (GROWTH) OF Rs.10/-	-		50,12,910	
(977995.11) EACH				
302170.696 MORGAN STANLEY A.C.E. FUND (GROWTH) OF	49,98,000		45,30,747	
(302170.696) Rs.16.216 EACH				
355467.397 JM MULTI STRATEGY FUND(GROWTH) OF	50,28,264		-	
(-) Rs.14.145 EACH				
- TAURUS STARSHARE (GROWTH) OF Rs. 49.010	-		49,98,000	
(99979.596) EACH				
- TAURUS ETHICAL FUND (GROWTH) OF	-		49,98,000	
(233111.323) Rs. 21.020 EACH				
254017.626 BIRLA SUNLIFE INFRASTRUCTURE FUND(GROWTH)	50,08,094		41,63,349	
(254017.626) OF Rs.19.29 EACH				
411418.976 BIRLA SUNLIFE INDIA REFORMS FUND(GROWTH)	50,08,094		40,15,449	
(411418.976) OF Rs.11.91 EACH				
51470.048 DSP BR OPPORTUNITIES FUND(GROWTH)	50,08,094		44,35,586	
(51470.048) OF Rs.95.201 EACH				
271618.625 TAURUS DISCOVERY FUND (GROWTH)	50,08,094		38,10,809	
(271618.625) OF Rs. 18.04 EACH				
- SUNDARAM ULTRA ST FUND (DIVIDEND)	-		19,08,198	
(178782.188) OF Rs. 10.6548 EACH				
- BIRLA SUNLIFE SAVING FUND (DAILY	-		55,59,892	
(555611.386) DIVIDEND) OF Rs. 10.0068 EACH				
- DSP BR MONEY MANAGER FUND(WEEKLY	-		1,89,72,555	
(18950.41) DIVIDEND) OF Rs. 1000.80 EACH				
- HSBC FLOATING RATE FUND(WEEKLY	-		76,10,394	
(760267.009) DIVIDEND) OF Rs.10.0045 EACH				
TOTAL		3,50,56,640		9,12,28,240
		4,50,07,130		9,76,65,111
LESS: PROVISION FOR DIMINUTION OF		1,12,87,683		-
CURRENT INVESTMENT				
TOTAL		3,37,19,447		9,76,65,111
HDFC AMC REAL ESTATE -1		36,19,859		42,58,915
SHARE APPLICATION MONEY				
INDIA GLOBAL EXPORTS PVT. LIMITED	2,43,00,000		2,43,00,000	
YOUNGTRONICS INDIA PVT. LTD.	50,58,000	2,93,58,000	42,05,000	2,85,05,000
TOTAL CURRENT INVESTMENTS		6,66,97,306		13,04,29,026

CONSOLIDATED NOTES

NOTE NO.	As at 31.03.2012	As at 31.03.2011
15 INVENTORIES	Rs.	Rs.
(Stock as valued and certified by Managing Director)		
WORK IN PROGRESS (Real State)	3,63,25,731	3,10,48,360
FINISHED GOODS	3,21,115	3,21,115
STOCK IN TRADE (Land)	1,55,00,00,000	-
STORES & SPARES	7,04,876	38,387
	<u>1,58,73,51,722</u>	<u>3,14,07,862</u>
16 TRADE RECEIVABLES		
(Unsecured considered good unless otherwise stated)		
OVER SIX MONTH	-	-
Considered good	3,32,753	11,29,952
Considered doubtful	-	3,09,397
OTHERS	15,36,140	-
	<u>18,68,893</u>	<u>14,39,349</u>
17 CASH & CASH EQUIVALENTS		
BALANCE WITH BANKS		
IN FIXED DEPOSITS		
MATURITY WITH MORE THAN 12 MONTHS	62,14,712	11,93,75,249
OTHERS	11,26,10,740	-
IN CURRENT ACCOUNTS		
EARMARKED BALANCE WITH BANKS	6,40,423	62,39,880
OTHERS	8,27,529	-
CASH ON HAND	85,368	78,116
	<u>12,03,78,772</u>	<u>12,56,93,245</u>
18 SHORT TERM LOANS & ADVANCES		
(Unsecured considered good unless otherwise stated)		
ADVANCES RECOVERABLE IN CASH OR	1,96,94,843	81,34,741
IN KIND FOR THE VALUE TO BE RECEIVED		
LOANS TO RELATED PARTIES		
- UNSECURED CONSIDERED GOOD	15,55,64,000	15,48,64,000
- UNSECURED CONSIDERED DOUBTFUL	4,00,00,000	4,00,00,000
ADVANCE INCOME TAX (Net of provision)	56,78,088	76,29,893
BALANCES WITH CENTRAL EXCISE DEPARTMENT	3,11,714	2,85,523
MAT CREDIT ENTITLEMENT	67,19,406	60,54,108
VAT RECOVERABLE	26,67,383	16,91,873
	<u>23,06,35,434</u>	<u>21,86,60,138</u>
 LESS : PROVISION FOR DOUBTFUL ADVANCES	 4,00,00,000	 4,00,00,000
	<u>19,06,35,434</u>	<u>17,86,60,138</u>
19 OTHER CURRENT ASSETS		
INTEREST RECEIVABLE	1,87,70,994	2,43,05,082
	<u>1,87,70,994</u>	<u>2,43,05,082</u>

CONSOLIDATED NOTES

NOTE NO.	Year ended 31.03.2012		Year ended 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
20 REVENUE FROM OPERATIONS				
REVENUE FROM REAL ESTATE		6,82,13,947		6,11,70,757
SALE OF SERVICES		2,63,43,025		-
OTHER OPERATING REVENUES				
TRANSFER FEE	8,25,000		-	
MISC. RECEIPTS	<u>1,80,000</u>	<u>10,05,000</u>	<u>4,80,000</u>	<u>480,000</u>
		9,55,61,972		6,16,50,757
21 OTHER INCOME				
INTEREST RECEIVED		1,22,79,553		1,37,51,133
DIVIDEND RECEIVED		9,89,721		3,37,327
RENT		6,01,200		8,41,200
MISCELLANEOUS RECEIPTS		63,29,843		31,478
PROVISION OF LIABILITY NO LONGER REQUIRED		1,55,938		1,03,782
PROFIT ON SALE OF CURRENT INVESTMENTS (Net)		-		59,77,008
DIMINUTION IN THE VALUE OF CURRENT INVESTMENTS		(42,33,855)		(78,76,386)
DIMINUTION IN VALUE OF INVESTMENT NO LONGER REQUIRED		73,18,185		40,75,063
LOSS ON SALE OF INVESTMENTS (Net)				
CURRENT INVESTMENT	(20,79,668)		-	
LONG TERM INVESTMENT	(45,94,199)		-	
SECURITY TRANSACTION TAX ON ABOVE	<u>(99,569)</u>	<u>(67,73,436)</u>	-	-
		1,66,67,149		1,72,40,605
22 COST OF CONSTRUCTION & DEVELOPMENT EXPENSES		5,38,02,887		5,23,92,542
23 CHANGES IN INVENTORIES OF FINISHED GOODS				
STOCK AT COMMENCEMENT				
FINISHED GOODS		<u>3,21,115</u>		<u>5,85,190</u>
		3,21,115		5,85,190
STOCK AT CLOSE				
FINISHED GOODS		<u>3,21,115</u>		<u>3,21,115</u>
		3,21,115		3,21,115
		-		2,64,075
24 EMPLOYEE BENEFITS EXPENSE				
SALARY & WAGES		1,27,96,806		74,16,962
CONTRIBUTION TO PROVIDENT AND OTHER FUND		2,54,340		2,93,537
STAFF WELFARE EXPENSES		<u>2,05,533</u>		<u>1,00,172</u>
		1,32,56,679		78,10,671
25 FINANCE COSTS				
INTEREST TO BANK & OTHERS		<u>3,93,689</u>		<u>6,46,833</u>
		3,93,689		6,46,833

CONSOLIDATED NOTES

	Year ended 31.03.2012	Year ended 31.03.2011
26 OTHER EXPENSES	Rs.	Rs.
MANUFACTURING EXPENSES		
POWER AND FUEL	1,33,12,246	4,99,394
REPAIR TO MACHINERY	7,84,293	2,22,973
OTHER MANUFACTURING EXPENSES	4,08,868	2,50,951
OBSOLETE STORES & RAW MATERIAL WRITTEN OFF	-	7,25,630
	<u>1,45,05,407</u>	<u>16,98,948</u>
ADMINISTRATIVE EXPENSES		
RENT	4,55,076	4,71,641
REPAIR BUILDINGS	4,08,773	2,98,830
INSURANCE	1,87,484	1,60,105
RATES AND TAXES	1,96,566	1,24,457
ELECTRICITY EXPENSES	9,97,027	14,02,869
SAFETY & PROTECTION	10,71,836	10,18,648
VEHICLE MAINTENANCE	13,73,270	8,47,119
RETAINERSHIP	13,13,130	13,95,115
PROFESSIONAL CHARGES	14,37,638	19,09,945
EXCISE DUTY	-	42,624
TRAVELLING AND CONVEYANCE EXPENSES (Including Rs. 32344 paid to Auditors)	5,23,832	8,77,486
PAYMENTS TO THE AUDITORS (Including Service Tax)		
AS AUDITOR	1,46,068	1,15,515
FOR OTHER SERVICES	<u>56,180</u>	<u>50,000</u>
DIRECTORS' SITTING FEE	60,000	51,000
BAD DEBTS WRITTEN OFF	34,10,420	-
LOSS ON SALE OF ASSETS (Net)	7,17,486	2,62,919
MISCELLANEOUS EXPENSES	<u>42,52,162</u>	<u>40,30,918</u>
	<u>1,66,06,948</u>	<u>1,30,59,191</u>
SELLING AND DISTRIBUTION EXPENSES		
SELLING EXPENSES	7,50,000	-
	<u>1,73,56,948</u>	<u>1,30,59,191</u>
GRAND TOTAL	<u>3,18,62,355</u>	<u>1,47,56,129</u>

CONSOLIDATED CASH FLOW STATEMENT

	Year ended 31.03.2012		Year ended 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) Before Tax		1,05,95,012		6,01,360
Adjustment For :				
Depreciation	23,18,499		24,17,743	
Loss /(profit) on sale of assets	7,17,486		2,62,919	
Interest paid	3,93,689		-	
Interest Received	(1,22,79,553)		(1,31,04,300)	
Dividend Received	(9,89,721)		(3,37,327)	
Profit on Sale of Investments	67,73,436		(5,97,008)	
Diminution in value of investment written back	(73,18,185)		(40,75,063)	
Diminution in the value of current investment	42,33,855	(61,50,494)	78,76,386	(1,29,36,650)
Operating Profit before Working Capital Changes		44,44,518		(1,23,35,290)
Adjustment For :				
(Increase)/Decrease in Trade and other receivables		4,83,34,355		(82,29,722)
Advance to associate company		(6,00,00,000)		
(Increase)/Decrease in Inventories		(3,50,00,996)		2,13,78,010
Increase/(Decrease) in Trade Payables		3,15,75,815		2,24,50,215
Cash generated used in operation		(1,06,46,308)		2,32,63,213
Add/(Deduct) For :				
Direct tax paid /Refund of earlier years		19,09,670		(11,06,797)
Mat Credit Entitlement				60,54,108
Net Cash from operating activities (Total – A)		(87,36,638)		2,82,10,524
B) CASH FLOW FROM INVESTING ACTIVITIES				
Provision of Diminution in value of investment written back		73,18,185		(40,75,063)
Diminution in value of investment		(42,33,855)		78,76,386
Purchase of Fixed Assets		(25,47,716)		(18,54,134)
Sale of Fixed Assets		6,50,000		5,92,857
Purchase of Investments (net)		(1,60,41,715)		37,95,370
Interest Received		1,78,13,641		23,35,453
Net Cash from investing activities (Total B)		29,58,540		48,69,546
C) CASH FLOW FROM FINANCING ACTIVITIES				
Dividend paid		(32,80,250)		(26,24,200)
Dividend tax paid		(5,32,140)		(4,35,847)
Bank Borrowings		38,79,983		(2,05,12,054)
Unsecured Loans		(2,00,000)		(10,000)
interest Paid		(3,93,689)		(6,46,833)
Dividend Received		9,89,721		3,37,327
Net Cash used in financing activities (Total – C)		4,63,625		(2,38,91,607)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)		(53,14,473)		91,88,463
Add : Opening Cash and Cash Equivalents as on 01.04.2011		12,56,93,245		11,65,09,782
Closing Cash and Cash Equivalent as on 31.03.2012		12,03,78,772		1,25,698,245

Note : Figures in brackets indicate negative figures

SHERVANI INDUSTRIAL SYNDICATE LIMITED
Regd. Office : Shervani Nagar, Sulem Sarai, Allahabad-211011 (U.P.)

ATTENDANCE SLIP

Name	Folio No./ Client ID	No. of Shares	
		Ordinary	Deferred

I hereby record my presence at the 64th ANNUAL GENERAL MEETING of the Company at 2, New Cantonment, Kanpur Road, Allahabad at 11.30 a.m. on Saturday, the 29th Septemebr, 2012.

(Proxy's full name)

Member's / Proxy's Signature

- Notes:**
1. The Member/Proxy must bring the Attendance Slip to the meeting duly completed and signed and hand over the same at the entrance of the Meeting place.
 2. Please bring your copy of Annual Report.

PROXY FORM

I/We _____ of _____
_____ in the District of _____

being a Member / Members of SHERVANI INDUSTRIAL SYNDICATE LIMITED, Shervani Nagar, Sulem Sarai, Allahabad-211011 hereby appoint _____ of _____ in the district of _____ of failing him _____ of _____ in the district of _____ as my / our Proxy to attend and vote for me/us on my/our behalf at the 64th Annual General Meeting of the Company to be held on Saturday, the 29th September, 2012 at 11.30 a.m. at 2, New Cantonment, Kanpur Road, Allahabad - 211001 and at any adjournment thereof.

Signed this _____ day _____ 2012

Folio No. / Client ID. : _____

No. of Shares held : _____

Ordinary _____

Deferred _____

Affix Re.1/-
Revenue
Stamp

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

SHERVANI INDUSTRIAL SYNDICATE LIMITED

Shervani Nagar, Sulem Sarai, Allahabad-211011 (U.P.)

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