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**SHERVANI INDUSTRIAL SYNDICATE LIMITED**

Date: October 14, 2017

BSE Limited  
Listing Department  
Department of Corporate Services,  
P.J. Towers,  
Dalal Street, Fort,  
Mumbai-400001

Sub:-Annual Report for the year 2016-17 under Regulation 34(1) of SEBI (LODR) Regulations-2015.

Dear Sir,

Please find enclosed herewith the Annual Report of the Company for the year ended on 31<sup>st</sup> March, 2017, pursuant to the compliance of Regulation 34(I) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations-2015.

Please take the same on record.

Thanking you,

Yours faithfully,  
For Shervani Industrial Syndicate Limited

  
B.K. Misra  
Company Secretary\*



Encl. as above.

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Registered Office : 332, Sulem Sarai, Shervani Nagar, Harwara, Allahabad - 211 011, INDIA  
Phones : 91-532-██████████, 2102306, 2436927 Fax : 91-532-2436928  
E-mail : ██████████@rediffmail.com  
CIN:L45202UP1948PLC001891

# 69<sup>th</sup> ANNUAL REPORT 2016-2017

**Shervani Industrial Syndicate Limited**

# Shervani Industrial Syndicate Limited

## BOARD OF DIRECTORS

### CHAIRMAN

Dr. Ashutosh Pratap Singh

### MANAGING DIRECTOR

Mr. Saleem Iqbal Shervani

### WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER

Mr. Tahir Hasan

### DIRECTORS

Mr. Azher Nisar Shervani

Mr. Saeed Mustafa Shervani

Mr. Kush Bhargava

Mr. Gopal Swarup Chaturvedi

Mr. Raju Verghese

Mr. Mohammad Aslam Sayeed

Mrs. Shefali Bansal

### COMPANY SECRETARY & Sr. ACCOUNTS MANAGER

Mr. B. K. Misra

### AUDITORS

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

Chartered Accountants,

Kanpur

### BANKERS

State Bank of India

Union Bank of India

Central Bank of India

ICICI Bank Ltd.

HDFC Bank Ltd.

### REGISTERED OFFICE

Shervani Nagar,

Sulem Sarai, Harwara

Allahabad - 211011

Uttar Pradesh

## Annual Report 2016-2017

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NOTICE is hereby given that the 69<sup>th</sup> Annual General Meeting of the Members of Shervani Industrial Syndicate Limited will be held on Thursday, the 28<sup>th</sup> September, 2017 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 :
  - (a) the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2017 together with the Reports of the Directors and Auditors thereon; and
  - (b) the Audited Consolidated Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2017 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Raju Verghese (DIN: 01086812) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Shefali Bansal (DIN: 07090579) who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint M/s. Gupta Vaish & Co., Chartered Accountants (Firm Registration No. 005087C), as the Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Gupta Vaish & Co., Chartered Accountants (Firm Registration No. 005087C) be and are hereby appointed as Statutory Auditors of the Company, in place of the retiring Statutory Auditors M/s. P.L. Tandon & Co., Chartered Accountants (Firm Registration No. 000186C), to hold office for a term of five years from the conclusion of the Sixty Ninth Annual General Meeting until the conclusion of the Seventy Fourth Annual General Meeting of the Company, subject to ratification of the appointment by the Members at every Annual General Meeting held after this Sixty Ninth Annual General Meeting, on such remuneration as may be fixed by the Board of Directors of the Company.”

By Order of the Board  
For Shervani Industrial Syndicate Limited

B.K. Misra  
Company Secretary

Place : Allahabad  
Date : August 14, 2017

**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/ HER SELF AND A 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 forty-eight hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. The Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts in respect of Business under Item No. 4 as set out above is annexed hereto.
4. Corporate members intending to send 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.
5. Members / Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the Meeting.
6. In case of Joint Holders attending the Meeting, only such Joint Holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Annual General Meeting.
8. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, dividend which remains unpaid / unclaimed in the Unpaid Dividend Account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund established by the Central Government. The Members who have not encashed their dividend warrant(s) so far for the financial years 2009-2010, 2010-2011 2011-2012 and 2013-2014 are requested to lodge their claims with Company or Registrar and Transfer Agents (RTA). Further, as per the provisions of Section 124 of the Companies Act, 2013, shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the Investor Education and Protection Fund (IEPF) Authority.
9. Members holding shares in electronic form are requested to intimate immediately any change in their Address or Bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members

holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrar and Transfer Agents (RTA).

10. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Transfer Agents (RTA).
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in Form No. SH-13 prescribed under Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 which can be obtained from the Company or its RTA.
13. Members desirous of obtaining any information / clarifications, intending to raise any query concerning the annual accounts or operations of the Company, are requested to forward the same at least seven days prior to the date of meeting to the Company Secretary at the Registered office of the Company, so that the same may be attended appropriately.
14. In terms of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing its members the facility to exercise their right to vote at the meeting by electronic means on all businesses specified in the accompanying Notice. The necessary arrangements have been made by the Company with Central Depository Services Ltd ("CDSL") to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the General Meeting.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Monday, 25<sup>th</sup> September, 2017 at 10.00 a.m. and ends on Wednesday, 27<sup>th</sup> September, 2017 at 5.00 p.m. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the 21<sup>st</sup> September, 2017 (the cut off date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding Shares in Demat and Physical Form	
PAN	Enter your 10 digit alpha-numeric **PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  **Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Date of Birth	Enter the Date of Birth (DOB) as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the <Shervani Industrial Syndicate Limited> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- iv. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.
- v. Any person, who acquires shares of the Company and become member of the Company after 25<sup>th</sup> August, 2017 i.e. BENPOS date considered for dispatch of the notice and holding shares as on the cut off date i.e. 21<sup>st</sup> September, 2017, may obtain the login Id and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- vi. M/s. Sidique & Associates, Practising Company Secretaries (Membership No. 2229 and Certificate of Practice No.- 1284) have been appointed as the Scrutinizer by the Company to scrutinize the remote e-voting process in a fair and transparent manner.
- vii. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper/Polling Paper” for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- viii. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.
- ix. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.shervaniind.com](http://www.shervaniind.com) and on the website of CDSL immediately after the declaration of results by the Chairman. The results shall also be immediately forwarded to Stock Exchanges where the shares of the Company are listed.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### General Instructions:

- i. The facility of voting through ballot paper shall also be made available at the Meeting. Members attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper.
  - ii. Members who have cast their vote by remote e-voting prior to the Meeting, may also attend the Meeting, but shall not be entitled to cast their vote again.
  - iii. The voting rights of the shareholders (for voting through remote e-voting or by ballot paper at the Meeting) shall be in proportion to their shares of the paid-up equity share capital of the Company as on 21<sup>st</sup> September, 2017 (i.e. the “Cut-Off Date”).
15. As required under Listing Regulations and Secretarial Standards-2 on General Meetings, the relevant details in respect of directors seeking re-appointment under Item Nos. 2 and 3 of this Notice are as below:

## BRIEF PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT

Particulars	Mr. Raju Verghese	Mrs. Shefali Bansal
Director Identification Number	01086812	07090579
Date of Birth / Age	05.11.1947 / 70 years	06.12.1956 / 61 years
Date of Appointment on the Board	27.01.2007	09.02.2015
Qualifications	B.Sc.	B.A.
Expertise in specific functional area	Finance, Account and Taxation	Social and Cultural
Chairman/ Director of other Companies	Reed Finance Pvt. Ltd. Capon Food Specialities Ltd.	NIL
Chairman/ Member of Committee of the Board of other Companies of which he is a Director		
(a) Audit Committee	NIL	NIL
(b) Stakeholders' Relationship Committee	NIL	NIL
Shareholding of Director in the Company	540 Equity shares	NIL
Relationship with other Director / KMPs	None	None
No. of Board Meetings held during the tenure and attended by the Director during the Financial year 2016-17	Held Four Attended One	Held Four Attended One

By Order of the Board  
For Shervani Industrial Syndicate Limited

B.K. Misra  
Company Secretary

Place : Allahabad  
Date : August 14, 2017

## ANNEXURE TO NOTICE

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

**ITEM No. 4**

This Explanatory Statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.

As per the provisions of Section 139 of the Companies Act, 2013 ("the Act") read with rules made thereunder, no Listed Company can appoint or re-appoint an Audit firm as Auditor for more than two terms of five consecutive years. Further, as per Section 139 of the Act, a period of three years has been provided to comply with this requirement. In view of the same, the tenure of the existing Statutory Auditors, M/s. P.L. Tandon & Co., Chartered Accountants is upto the conclusion of this Annual General Meeting.

The Board of Directors of the Company, based on the recommendations of the Audit Committee, at its meeting held on 30.05.2017, proposed the appointment of M/s. Gupta Vaish & Co., Chartered Accountants (Firm Registration No.005087C), as the Statutory Auditors of the Company for a period of five years, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Seventy Fourth Annual General Meeting of the Company subject to ratification of their appointment at every Annual General Meeting.

M/s. Gupta Vaish & Co., Chartered Accountants (Firm Registration No.005087C) have consented to their appointment as Statutory Auditors and have confirmed eligibility that their appointment, if made, will be in accordance with the provisions of Section 139 read with Section 141 of the Act.

None of the Directors and Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

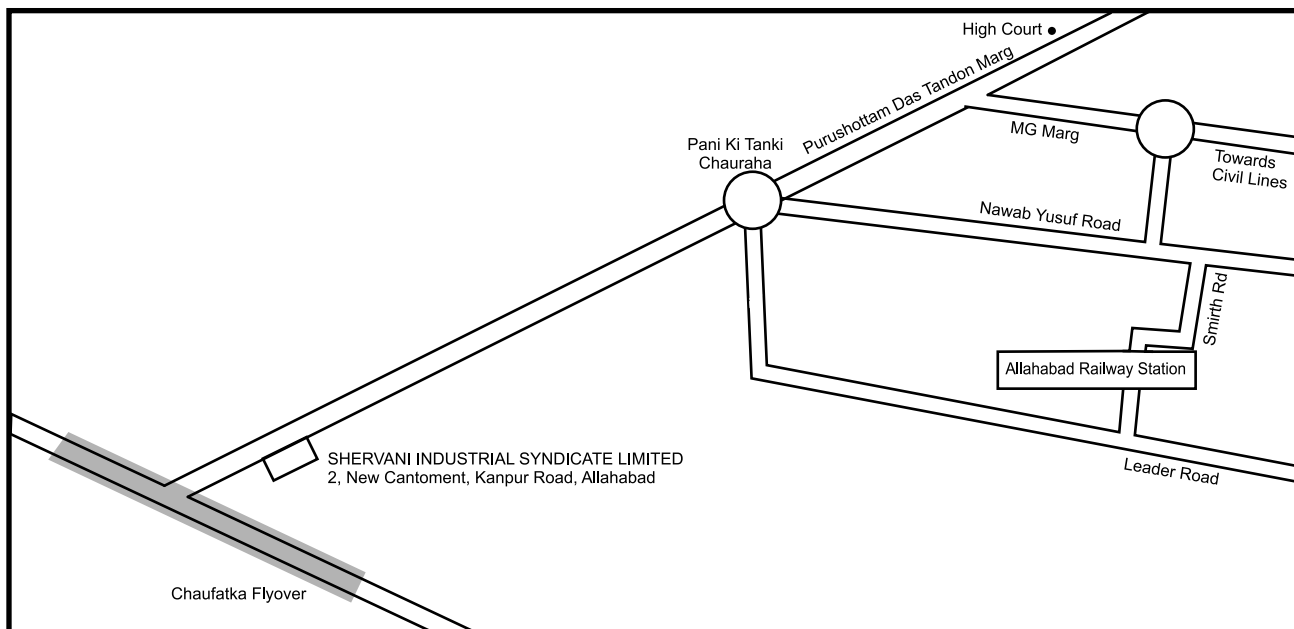
The Board recommends the ordinary resolution as set out in Item No. 4 of the Notice for your approval.

By Order of the Board  
For Shervani Industrial Syndicate Limited

B. K.Misra  
Company Secretary

Place : Allahabad  
Date : August 14, 2017

## LOCATION MAP OF VENUE OF ANNUAL GENERAL MEETING





Dear Members,

Your Director's take pleasure in presenting the 69<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2017.

#### FINANCIAL RESULTS

	(Rs. in Lac)
Total Revenue	3814
Profit before Depreciation	651
Depreciation	29
Profit after Depreciation before tax	622
Exceptional Item-Income	882
MAT Credit	1
Profit after tax	1505

#### DIVIDEND

Due to inadequacy of Profit and the provisions of the Companies Act, 2013, your Directors are not in a position to propose any dividend for the year that ended on 31<sup>st</sup> March, 2017.

#### OPERATIONS REVIEW

In the previous report to the shareholders we had stated that the development of infrastructure facilities for the 'Shervani Legacy Project' has been completed and the sale of plots has commenced and is progressing satisfactorily. During the current year the company also executed sale deeds in favour of customers who completed their respective payment schedules.

During the current year the company started the construction of Group Housing residential apartments which is progressing in accordance with the plan approved by ADA. However the time schedule for Group Housing has been adversely affected due to non-availability of coarse sand. The State Govt. stopped mining of sand to facilitate the review of policy on same. However, we are pleased to report that despite slow down in real state sector the company has during the current year been able to book more than 50% of the total flats under construction. We are very thankful for the trust the public has reposed in the Company.

#### MANAGEMENT DISCUSSION AND ANALYSIS

##### A. Business Overview, Industry Structure and Development

During the year under review the real estate sector continued to suffer from economic slow-down. Hence the sale of plots did not reach the expected level. However, the booking of residential apartments is as per our expectations. During the period which follows the period under review the monsoon has been good, the Seventh Pay Commission Report has been implemented which together with easy availability of housing loan and cheaper credit lead towards recovery of economy and the real estate sector in particular specially in medium term.

##### B. Outlook on Opportunities, Threats Risks and Concern

In search of opportunities for better life, people

migrate from villages to cities. This is bound to have a positive impact on the demand for housing in urban areas, specially in B - Class cities.. Thus over a period of time despite some intermittent periods of slowdown, the growth in the construction industry is expected to pick up. The infrastructure facilities developed at 'Shervani Legacy' promise a green and healthy environment, which together with the high construction standards adopted by us has uplifted the trust of public in our project. However, the inflationary market trends can increase input costs, which are a matter of concern for both buyers and sellers. Increases in input costs have negative impact on project costs and margins. Your company is planning better management of raw material and optimization of operating efficiency to overcome external risks, and continue to address issues concerning the buyers.

##### C. Subsidiary Company

M/s Farco Foods Pvt Limited, the wholly owned subsidiary of your Company manufactured 5723 MT biscuits of Priyagold Brand on job work basis. The work relating to firing of furnace by gas supplied through pipe-line has been completed. As a result the efficiency of plant has improved considerably.

##### D. Internal Financial Controls

The Company has an adequate system of internal control to ensure compliance with policies and procedures commensurate with the size and scale of operations. The internal audit work has been assigned to an independent firm of Chartered Accountant which evaluates the efficiency and adequacy of internal control systems. The internal audit reports and recommendations are reviewed by the Audit Committee of the Board.

##### E. Development in Human Resource and Industrial Relations

The Company maintains a very cordial relationship with its employees. They whole-heartedly support the management in all its activities and endeavors.

##### F. Research and Development

In view of the nature of business activities of the Company there is little scope for research and development work. The company is making all efforts to reduce costs by maintaining standards that benefit the consumers.

#### CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to Corporate Governance requirements set out by SEBI. The Company has complied with all mandatory requirements of Corporate Governance. A separate report on governance practices followed by the Company in compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance along with a

Certificate of Compliance from the Statutory Auditors is attached with the said separate report which forms integral part of this Director's Report.

**EXTRACT OF ANNUAL RETURN**

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014 the extract of the Annual Return of the Company in Form MGT-9 is annexed to this report as Annexure A.

**BOARD MEETINGS**

The calendar of Meetings is prepared and circulated in advance to the Directors. During the year four Board Meetings were convened and details of same are given in the Corporate Governance Report.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134 (3) of the Companies Act, 2013, the Directors state that;

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the Annual Accounts on a going concern basis;
- (v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**NOMINATION & REMUNERATION**

The Board on the recommendation of the Nomination & Remuneration Committee, make the appointment of Directors, senior management and fix their remuneration. Key Management Personnel are appointed by the Board after consideration of their qualification and exposure to required fields. The details are stated in the Corporate Governance Report. There are no changes among the Board of Directors and Key Managerial Personnel of the Company during the year under review.

**RELATED PARTY TRANSACTIONS**

To provide transparency in management and ensure compliance with the provisions of various laws the Audit

Committee has provided guidelines to the Directors/Board. The guidelines inter alia provide for identification, manner of dealing, conduct and documentation of such transactions as per the provisions of the Companies Act and other applicable rules and regulations.

There were no related party transactions between the Company and the Promoters, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company. All related party transactions that were entered in to during the financial year were in the ordinary course of business and are disclosed at Note No.31 attached to the standalone balance sheet. None of the Director's has any pecuniary relationship or transaction vis-à-vis the Company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO**

There is nothing to report about the conservation of energy and technology absorption during the year. There is no foreign exchange earning and outgo. .

**CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to provisions of section 135 of the Companies Act, 2013, a committee of Board of Directors has been formed and the members of the Committee are Mr. S.I. Shervani, Managing Director, Mr. T. Hasan Whole Time Director and Mr. M. A. Sayeed, Director.

**BOARD EVALUATION**

The Board carries out annual evaluation of its own performance, of the Directors individually as well of the working of its various Committees. The key areas for evaluation are the quality of deliberations and contribution towards performance and guidance to management. The Board of Directors expressed their satisfaction with the evaluation process.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the section 152 of the Companies Act, 2013, Mr. Raju Verghese (DIN:01086812) and Mrs Shefali Bansal (DIN:07090579) Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief resume of the Directors seeking re-appointment along with other details as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Section 102(1) of the Companies Act 2013 are provided in the Notice for convening the Annual General Meeting.

There are no changes among the Board of Directors and Key Managerial Personnel of the Company during the year under review except for directors re-appointed by rotation.

Pursuant to provisions of section 203 of the Companies Act, 2013 the Key Managerial Personnel of the Company are Mr S I Shervani, Managing Director, Mr T Hasan, Chief Financial Officer and Mr B K Misra, Company Secretary.

The Directors recommend all the resolutions placed before the Members relating to Directors for their approval.

**STATUTORY AUDITORS**

In terms of provisions of section 139 and 142 of the Companies Act, 2013 and The Companies (Audit and

Auditors) Rules, 2014 the retiring auditors are not entitled for re-appointment. The Board of Directors, after scrutiny by the Audit Committee have approved the appointment of M/s Gupta Vaish & Co. Chartered Accountants, Kanpur as the auditors of the Company to audit the financial records of the Company for a period of 5 years from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March, 2022 from the conclusion of ensuing Annual General Meeting till the conclusion of the Annual General Meeting for the year 2022 on remuneration to be fixed by the Board of Directors. They have confirmed their eligibility under section 141 of the Companies Act, 2013 and the rules framed thereunder for appointment as Auditors of the Company. The proposed appointment shall be subject to ratification by the shareholders in the Annual General Meeting every year. Your Directors recommend their re-appointment up to the conclusion of the next Annual General Meeting

#### SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Company has appointed M/s Siddiqui & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of Secretarial Audit for the year 2016-17 is annexed herewith as Annexure-B. and forms integral part of this Report.

#### INTERNAL AUDITOR

The Board of Directors on the recommendation of the Audit Committee appointed M/s Rekha Agarwal & Associates, Chartered Accountants, Allahabad to carry out the Internal Audit of the Company.

#### DEPOSITS

The Company has not accepted or renewed any deposit during the year falling within the ambit of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules 2014 accordingly no amount was outstanding as on the date of Balance Sheet.

#### CONSOLIDATED FINANCIAL STATEMENT

In accordance with the section 129(3) of the Companies Act, 2013 and the accounting standard AS-21 on consolidated financial statement(s) read with accounting standard AS-23 on accounting for investments in associates your Company has prepared the consolidated financial statements and annexed to this report. A Statement in form AOC-1 containing salient features of the financial statements of the subsidiary and associate companies are attached as Annexure-C.

#### AUDITORS REPORT

The observations of the Statutory Auditors in their report are appropriately dealt with in notes forming part of Financial Statement. No qualification or adverse remarks has been made by the Company Secretary in Practice in his Secretarial Audit Report.

#### DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014.

None of the employee of the Company was in receipt of total remuneration of Rs.60,00,000/- per annum or Rs.5,00,000/- per month during the financial year under review.

Disclosure required under section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment &

Remuneration) Rules, 2014 have been annexed as Annexure D.

#### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an anti sexual harassment policy in line with the requirements of Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013. Till date the company has not received any complaint thereunder.

#### UNCLAIMED DIVIDEND

Pursuant to provisions of section 205A(5) and 205C of the Companies Act, 1956 the company has transferred the unpaid or unclaimed dividends for the financial year upto 2008-09 from time to time on due dates to the Investor Education and Protection Fund (the IEPF) established by the Central Govt.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

#### AUDIT COMMITTEE

The Company has an Audit Committee and details of constitution and terms of reference are set out in the Corporate Governance Report.

#### VIGIL MECHANISM

Pursuant to the provisions of the section 177 of the Companies Act, 2013 the Company has adopted Vigil Mechanism policy which also incorporates a whistle blower policy. Adequate safeguards are provided against victimization to those who avail the mechanism and access to the Chairman of the Audit Committee while reporting about unethical practices, malpractice and non-compliance of policies.

#### LISTING WITH STOCK EXCHANGE

The Equity shares of the Company are listed on BSE Limited. Further details are set out in the Corporate Governance Report.

#### REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud to Audit Committee as stipulated under second proviso of section 143(12) of the Companies Act, 2013.

#### INDUSTRIAL RELATIONS

Industrial relations remained cordial during the period under review.

#### ACKNOWLEDGEMENTS

Your Directors wish to convey their deep sense of appreciation for the continued support, and co-operation extended by bankers, Central and State Government and all other stakeholders. The Directors also wish to place on record their sincere appreciation for the commitment and enthusiasm of the employees for the Company.

For and on behalf of the Board

Mohd. Aslam Sayeed  
Director  
DIN : 06652348

S I Shervani  
Managing Director  
DIN : 00023909

Place : Allahabad  
Date : May 30, 2017

**FORM No. MGT-9****Extract of Annual Return****as on Financial Year ended on 31<sup>st</sup> March, 2017**

[ Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration ) Rules, 2014]

**1. REGISTRATION AND OTHER DETAILS**

1	CIN	L45202UP1948PLC001891
2	Registration Date	25 <sup>th</sup> February 1948
3	Name of the Company	Shervani Industrial Syndicate Limited
4	Sub-Category of the Company	Public Company Limited by Shares
5	Address of the Registered office and contact details	Shervani Nagar, Sulem Sarai, Harwara, Allahabad-211011, (U.P.) Phone : 0532- 2102306, Fax : 0532-2436928 E-mail : shervaniind@rediffmail.com www.shervaniind.com
6	Whether listed company	Yes
7	Name and Address of Registrar & Transfer Agents, if any	Link Intime India Pvt. Ltd, C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai-400083

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sr.No	Name and Description of main Products/Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Real Estate Business	8200 & 8201	100%

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary/Associate	% of shares held	Applicable section
1.	Farco Foods Private Limited, 332, Shervani Nagar, Sulem Sarai, Harwara, Allahabad	U15111UP1995PTC019155	Subsidiary	100.00	2(87)
2.	Shervani Hospitalities Limited, 11, Sunder Nagar, New Delhi	U74899DL1978PLC009206	Associate	30.02	2(6)
3.	Youngtronics India Private Limited, 332, Shervani Nagar, Sulem Sarai, Harwara, Allahabad	U36931UP2008PTC036318	Associate	46.33	2(6)

## 4. SHARE HOLDING PATTERN ( Equity share Capital break-up as % of Total Equity)

## (i) Category wise share holding

Category of Share Holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
<b>A. Promoters</b>									
<b>1 Indian</b>									
a) Individual/ HUF	543845	-	543845	16.68	598645	-	598645	18.36	1.68
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	550790	7840	558630	17.13	550790	7840	558630	17.13	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other / Director Relative	502545	34320	536865	16.47	629075	14690	643765	19.75	3.28
<b>Sub-Total (A) (1)</b>	<b>1597180</b>	<b>42160</b>	<b>1639340</b>	<b>50.28</b>	<b>1778510</b>	<b>22530</b>	<b>1801040</b>	<b>55.24</b>	<b>4.96</b>
<b>2. Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate (For. Promoter)	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter A = A (1) + A(2)</b>	<b>1597180</b>	<b>42160</b>	<b>1639340</b>	<b>50.28</b>	<b>1778510</b>	<b>22530</b>	<b>1801040</b>	<b>55.24</b>	<b>4.96</b>
<b>B Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	6040	6040	0.19	-	6040	6040	0.19	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>-</b>	<b>6040</b>	<b>6040</b>	<b>0.19</b>	<b>-</b>	<b>6040</b>	<b>6040</b>	<b>0.19</b>	<b>-</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	450344	2750	453094	13.90	450659	2750	453409	13.91	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individual</b>									
i) Individual share holders holding nominal share capital upto Rs 1 lac	265696	195344	461040	14.14	237851	195044	432895	13.28	(0.86)
ii) Individual share holders holding nominal share capital in excess of Rs 1 lac	699236	-	699236	21.45	565366	-	565366	17.34	(4.11)
<b>c) Others (specify)</b>									
a) Non-Resident Indians	120	460	580	0.02	120	460	580	0.02	-
b) Foreign National	0	920	920	0.02	0	920	920	0.02	-
c) Clearing Members	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (2)</b>	<b>1415396</b>	<b>199474</b>	<b>1614870</b>	<b>49.53</b>	<b>1253966</b>	<b>199174</b>	<b>1453170</b>	<b>44.57</b>	<b>(4.96)</b>
<b>Total Public shareholding B = B (1) + B(2)</b>	<b>1415396</b>	<b>205514</b>	<b>1620910</b>	<b>49.72</b>	<b>1253966</b>	<b>205214</b>	<b>1459210</b>	<b>44.76</b>	<b>(4.96)</b>
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3012576</b>	<b>247674</b>	<b>3260250</b>	<b>100.00</b>	<b>3032506</b>	<b>227744</b>	<b>3260250</b>	<b>100.00</b>	<b>-</b>

## (ii) Share holding of Promoter

Sr. No	Share Holder's Name	Shares at the beginning of the year 01.04.2016			Shares at the end of the year 31.03.2017			% change in share holding during the year
		No. of Share	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Mr S I Shervani	318680	9.77	0.00	318680	9.77	0.00	Nil
2	Mr Saeed M Shervani	130310	4.00	0.00	130310	4.00	0.00	Nil
3	Mr A N Shervani	94855	2.91	0.00	149655	4.59	0.00	1.68
4	Mr T Hasan	15415	0.47	0.00	15415	0.47	0.00	Nil
5	Mrs S Hasan	57743	1.77	0.00	110943	3.40	0.00	1.63
6	Mrs R Shervani	66655	2.04	0.00	66655	2.04	0.00	Nil
7	Mr Saad M Shervani	96130	2.95	0.00	96130	2.95	0.00	Nil
8	Mr Mustafa Rashid Shervani	76575	2.35	0.00	76575	2.35	0.00	Nil
9	Ms Ursala F Shervani	87835	2.69	0.00	87835	2.69	0.00	Nil
10	Mrs Z Hasan	87902	2.70	0.00	141602	4.34	0.00	1.64
11	Mrs Z Shervani	14400	0.44	0.00	14400	0.44	0.00	Nil
12	Ms A Kidwai	14580	0.45	0.00	14580	0.45	0.00	Nil
13	Ms Shamsia Fatima Shervani	11790	0.36	0.00	11790	0.36	0.00	Nil
14	Mr Mohd. Aadil M. Shervani	7840	0.24	0.00	7840	0.24	0.00	Nil
15	Azhar Family Trust	55065	1.69	0.00	55065	1.69	0.00	Nil
16	Saeed Family Trust	55830	1.71	0.00	55830	1.71	0.00	Nil
17	Salma Zeba Family Trust	61870	1.90	0.00	61870	1.90	0.00	Nil
18	Saleem Family Trust	60985	1.87	0.00	60985	1.87	0.00	Nil
19	Aslam Family Trust	46445	1.42	0.00	46445	1.42	0.00	Nil
20	Waqf Haji Bhikkan	7840	0.24	0.00	7840	0.24	0.00	Nil
21	Shervani Fabrics Pvt Ltd	1450	0.04	0.00	1450	0.04	0.00	Nil
22	Reed Finance Pvt Ltd.	269145	8.26	0.00	269145	8.26	0.00	Nil
	Total	1639340	50.28	0.00	1801040	55.24	0.00	4.95

## (iii) Change in Promoters Share Holding ( please specify, if there is no change)

	Share holding at the beginning of the year		Purchases during the year			Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	Date of purchase	No. of shares purchased	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. Azher Nisar Shervani	94855	2.91	23.3.2017	54800	1.68	149655	4.59
Mrs Salma Hasan	57743	1.77	23.3.2017	53200	1.63	110943	3.40
Mrs Zeba Hasan	87902	2.70	23.3.2017	53700	1.64	141602	4.34

## (iii) Shareholding pattern of top ten shareholders (other than Director, Promoters and holders of GDRs and ADRs)

Sr. No	For each of top ten shareholder	Share holding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Frost Traders Pvt. Ltd At the beginning of the year Change during the year At the end of the year	400602 - 400602	12.29 - 12.29	400602	12.29
2	Hitesh Ramji Javeri At the beginning of the year Decrease during the year 23.03.2017 – (143989) At the end of the year	455250  (143989) 311261	13.96  (4.41) 9.55	311261	9.55
3	Aslam Qadar Khan At the beginning of the year Increase during the year 25.10.2016 - 373 27.10.2016 - 200 21.03.2017 - 1050 22.03.2017 - 250 At the end of the year	110075    1873 111948	3.37    0.06 3.43	111948	3.43
4	Imran Hasan At the beginning of the year Change during the year At the end of the year	35700 - 35700	1.10 - 1.10	35700	1.10
5	Arvind Kumar Sancheti At the beginning of the year Change during the year At the end of the year	34141 - 34141	1.05 - 1.05	34141	1.05
6	Arvind Kumar J Sancheti At the beginning of the year Decrease during the year 06.05.2016 - (2700) (2000) At the end of the year	33440  (4700) 28740	1.00  (0.14) 0.88	28740	0.88
7	Shri Parasram Holdings Pvt Ltd At the beginning of the year Change during the year At the end of the year	24519 - 24519	0.75 - 0.75	24519	0.75
8	Sarita Arvind Sancheti At the beginning of the year Change during the year At the end of the year	20376 - 20376	0.62 - 0.62	20376	0.62
9	Salahuddin Khan At the beginning of the year Change during the year At the end of the year	14700 - 14700	0.45 - 0.45	14700	0.45
10	Mahendra Mirchandani At the beginning of the year Change during the year At the end of the year	10000 - 10000	0.31 - 0.31	10000	0.31

## (v) Shareholding of Director's and Key Managerial person

Sr.No.	Shareholding of each Director and Key Managerial personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. A P Singh				
	At the beginning of the year	500	0.01	500	0.01
	Change during the year	-	-		
	At the end of the year	500	0.01		
2	Mr. S I Shervani, Managing Director				
	At the beginning of the year	318680	9.77	318680	9.77
	Change during the year	-	-		
	At the end of the year	318680	9.77		
3	Mr. T Hasan, Whole Time Director & Chief Financial Officer				
	At the beginning of the year	15415	0.47	15415	0.47
	Change during the year	-	-		
	At the end of the year	15415	0.47		
4	Mr. A N Shervani				
	At the beginning of the year	94855	2.91	149655	4.59
	Increase during the year 23.03.2017	54800	1.68		
	At the end of the year	149655	4.59		
5	Mr. S M Shervani				
	At the beginning of the year	130310	4.00	130310	4.00
	Change during the year	-	-		
	At the end of the year	130310	4.00		
6	Mr. K Bhargava				
	At the beginning of the year	850	0.03	850	0.03
	Change during the year	-	-		
	At the end of the year	850	0.03		
7	Mr G S Chaturvedi				
	At the beginning of the year	1950	0.06	1950	0.06
	Change during the year	-	-		
	At the end of the year	1950	0.06		
8	Mr R Verghese				
	At the beginning of the year	540	0.01	540	0.01
	Change during the year	-	-		
	At the end of the year	540	0.01		
9	Mr M. A Sayeed				
	At the beginning of the year	-	-	-	-
	Change during the year	-	-		
	At the end of the year	-	-		
10	Mrs. Shefali Bansal				
	At the beginning of the year	-	-	-	-
	Change during the year	-	-		
	At the end of the year	-	-		
11	Mr. B.K.Misra, Company Secretary				
	At the beginning of the year	20	-	20	-
	Change during the year	-	-		
	At the end of the year	20	-		



## (V) INDEBTEDNESS

Indebtedness of the Company including interest) outstanding /accrued but not due for payment

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
1) Principal	7,91,75,984	-	-	7,91,75,984
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	6,91,20,628		-	6,91,20,628
<b>Net Change</b>	6,91,20,628	-	-	6,91,20,628
<b>Indebtedness at the end of the financial year</b>				
1) Principal	1,00,55,356	-	-	1,00,55,356
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
<b>Total ( 1+2+3 )</b>	1,00,55,356	-	-	1,00,55,356

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and / or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr S I Shervani Managing Director	Mr T Hasan Whole-time Director & CFO	
1	Gross Salary (Rs in lac)			
	a) Salary as per provisions of sec. 17(1) of Income Tax Act, 1961	12,00,000	3,00,000	15,00,000
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	39,600	-	39,600
	c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -- as % of Profit (1%) -- others specify	-	-	-
5	Others , please specify Fees for attending Board meeting	20000	40,000	60,000
	<b>Total</b>	12,59,600	3,40,000	15,99,600

## B. Remuneration to other director's

Sr. No	Particulars of Remuneration	Name of Director				Total Amount (Rs.)
		Dr. A P Singh	Mr. G S Chaturvedi	Mr. K Bhargava	Mr. M A Sayeed	
1	<b>Independent Director</b>					
	Fee attending Board /Committee Meeting	20,000	40,000	10,000	40,000	1,10,000
	Commission	-	-	-	-	-
	Other ( Specify)	-	-	-	-	-
	<b>Total (1)</b>	20,000	40,000	10,000	40,000	1,10,000
2	<b>Other Non-Executive Director</b>	Mr. A N Shervani	Mr. S M Shervani	Mr. R Verghese	Mrs. Shefali Bansal*	
	Fee attending Board Committee Meeting	10,000	10,000	10,000	10,000	40,000
	Commission	-	-	-	-	-
	Other ( Specify)	-	-	-	-	-
	<b>Total (2)</b>	10,000	10,000	10,000	10,000	40,000
	<b>Total B = ( 1+2 )</b>					1,50,000

Total Managerial Remuneration**	Rs.15,39,600
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\*\*Sitting fees is not included in total managerial remuneration.

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ WTD/ MANAGER

Sr. No.	Particulars of Remuneration	Company Secretary
1	Gross Salary (Rs in lac)	5,22,318
	a) Salary as per provisions of sec. 17(1) of Income Tax Act, 1961	6,450
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-
	c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission -- as % of Profit (1%) -- others specify	-
5	Others , please specify	-
	<b>Total</b>	5,28,768

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty	Authority RD/NCLT/COURT	Appeal made If any Give details
<b>A Company</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>B Directors</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C Other Officer in Default</b>					
Penalty			Nil		
Punishment					
Compounding					

**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

Annexure B

**For the Financial Year ended 31<sup>st</sup> March 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Shervani Industrial Syndicate Limited  
Shervani Nagar  
Sulem Sarai Harwara  
Allahabad 211011 (UP)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shervani Industrial Syndicate Limited having CIN No. L45202UP1948PLC001891 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of Shervani Industrial Syndicate Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Shervani Industrial Syndicate Limited for the financial year ended on 31<sup>st</sup> March 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);  
The Company has complied with the provisions, rules & regulations of FEMA to the extent applicable. The Company is not having any FDI, ODI and ECB during the period.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable to the Company during the Audit Period.
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable to the Company during the Audit Period and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable to the Company during the Audit Period.
- vi. The Company has also complied with various provisions of Labour Laws, Environment Laws and other related laws to the extent applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as aforesaid.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, if any.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has had no major events or actions which are having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

for Siddiqui & Associates  
Company Secretaries  
K.O.SIDDIQUI  
FCS 2229 : CP 1284

Place : New Delhi  
Date : May 30, 2017

## Form AOC-1

Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules , 2014

## Statement containing salient features of the financial statement of subsidiaries/associate companies /joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

**Name of Subsidiary - Farco Foods Private Limited**

Reporting Currency	:	INR
Share Capital	:	90,00,000
Reserves and Surplus	:	(3,84,72,465)
Total Assets	:	3,89,66,308
Total Liabilities	:	6,84,38,773
Investments	:	NIL
Turnover / Total Income	:	4,46,84,844
Profit Before Tax	:	57,62,398
Provision for Tax / Deferred Tax Credit	:	8,68,845
Profit after Tax	:	66,31,243
Proposed Dividend	:	NIL
% of Shareholding	:	100%

Part "B": Associates and Joint Ventures

## Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl No.	Name of Associate	Shares of associates held by the company on the year end					Profit/Loss for the year			
		Latest audited balance sheet date	No. of Shares	Amount of investment in Associate	Extent of Holding %	Net worth attributable to shareholding as per latest balance sheet	Considered in consolidation	Not considered in consolidation	Description of how there is significant influence	Reason why associate is not considered
1	Shervani Hospitalities Ltd	31.03.2017	2265750	88143000	30.02%	197313832	1769385	Nil	30.02% Shares Held	NA
2	Youngtronics India Private Limited	31.03.2017	85000	850000	46.33%	(1573787)	(115781)	Nil	46.33% Shares Held	NA

## DETAILS PERTAINING TO REMUNERATION

[Information pursuant to section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Remuneration Personnel) Rules, 2014]

- (1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the company are as under :

Sl. No.	Name of the Director/ KMP and Designation	Remuneration* Of Director/KMP for the financial year 2016-17 Rs in lac	% increase in remuneration in the financial year 2016-17	Ratio of remuneration of each Director/KMP to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1	Mr Saleem I Shervani Managing Director	12.00	Nil	2.59	Please refer sub-clause (5) of this annexure
2	Mr Tahir Hasan Whole Time Director & Chief Financial Officer	3.00	Nil	0.65	
3	Mr B K Misra Company Secretary & Sr. Accounts Manager	5.22	13.48	1.13	

\*NOTE : Director's sitting fee and perks have not been considered for the purpose of remuneration  
Remuneration has been calculated on actual receipt basis and excludes any retirement and other benefit accrued but not paid.

- (2) The median remuneration of employees of the company during the financial year was Rs. 4.62 lacs p.a.
- (3) In the financial year there was an increase of 4.76 % in the median remuneration of employees.
- (4) There were 18 no. of permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2017.
- (5) Relationship between average increase in remuneration and company performance : While increase in the remuneration consideration was given to cost of living and inflation.
- (6) (a) Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs. 60,00,00/- per annum : NIL
- (b) Employed for a part of the year and were in receipt of remuneration at the rate of not less than Rs. 5,00,00/- per month. : NIL

**Pursuant to Reg. 27(2) of SEBI (LODR), 2015**

This Report is furnished in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Auditors Certificate on Corporate Governance, as prescribed, is also attached. Further this Report also discloses relevant information in terms of section 134(3) of the Companies Act, 2013 and forms an integral part of the Board's Report to the Shareholders.

**1. COMPANY'S PHILOSOPHY**

The Company's philosophy on Corporate Governance is to enhance the long term economic value of the Company. The Company constantly endeavours to enhance the value for its shareholders, other stakeholders and the society at large by adopting better corporate practices in fair and transparent manner. Your Company continues to follow procedures and practices which are in conformity with the code of corporate governance outlined in the LODR Regulations, 2015.

During the year under review the SEBI introduced the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR). Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company. The Company has complied with the requirements of Corporate Governance as laid down under the LODR Regulations, 2015.

**2. BOARD OF DIRECTORS****2.1 Composition as on 31.03.2017**

The Board comprises Independent Non-Executive Chairman, Managing Director, Whole Time Director and seven Non-Executive Directors, out of which six are independent. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The composition of the Board as on 31<sup>st</sup> March 2017 is as under;

Category	No. of Director
Other Independent and Non-Executive Directors	2
Independent Directors	6
Non-Independent & Executive Directors	2
Total	10

**2.2 Profile of Directors**

## i. Dr. Ashutosh Pratap Singh (Chairman, Independent, Non-Executive), DIN : 05354321

Dr. A.P. Singh is aged about 58 years and is a Medical Practitioner by profession. He is a post graduate and his field of practice is General Medicine. He is widely acclaimed for his professional work. He is also associated with many cultural activities. He joined the Board of the Company in August 2012 and was reappointed in current term as Independent Director on 30.09.2014.

## ii. Mr. Saleem Iqbal Shervani (Managing Director, Non-Independent) DIN: 00023909

Mr Saleem Iqbal Shervani aged about 64 years is well known personality in industrial and political circles. He is an industrialist by profession. He is a graduate in Economics (Gold Medallist). He has been Member of Lok Sabha several times from Budaun Parliamentary constituency of Uttar Pradesh. He has also been Member of Union Cabinet holding charge of Ministry of Health and Family Planning and as State Minister in Ministry of External Affairs and also been a Member of several Parliamentary Committees. He has also been honoured with Indira Gandhi Unity Award for his services, achievements, and contribution to society. He is on the Board of subsidiary company and some other public and private limited companies. He joined the Board of the Company in April 1998 and was reappointed in current term as Managing Director on 21.09.2013.

## iii. Mr. Tahir Hasan (Whole-time Director, Non-Independent) DIN : 00074282

Mr Tahir Hasan aged about 70 years is a graduate in Engineering and Management. He has a vast managerial experience. He specialises in Product Marketing. He has been a member of the Board of Sugar Technologist Association and Technology Committee of Indian Sugar Mills Association. He is also associated with cricketing activities at state level. He is also on the Board of several other companies. Presently he is Executive-Whole Time Director and Chief Financial Officer of the company and joined the Board on 14.08.2014 and was re-appointed in current terms on 30.09.2015.

## iv. Mr. Azher Nisar Shervani (Non-Independent, Non Executive) DIN : 00424635

Mr Azher Nisar Shervani aged about 70 years is a graduate in Commerce. He has a vast experience of different type of industries. He is also on the Board of other companies. He joined the Board in October 2000 and re-appointed in current term on 30.09.2014.

## v. Mr. Saeed Mustafa Shervani (Non-Independent, Non Executive) DIN: 00024390

Mr Saeed Mustafa Shervani aged about 58 years is a graduate with specialisation in Hotel Management. He has a vast experience of managing hotel business across several cities. He is Director of the Hotel and Restaurant Association of

Northern India and The Federation of Hotel and Restaurant Association of India and Board of Governors of the Institute of Hotel Management Catering Technology and Applied Nutrition. He joined the Board in January 1986 and was re-appointed in current term on 30.09.2014.

- vi. Mr. Kush Bhargava (Independent, Non Executive) DIN: 00074004

Mr Kush Bhargava aged about 65 years is a post graduate and by profession is associated with construction business. He is Managing Director of K B Builders Pvt Ltd. He is also associated with other companies and has a vast experience. He joined the Board in July 1981 and re-appointed as Independent Director in current term on 30.09.2014.

- vii. Mr Gopal Swarup Chaturvedi (Independent, Non Executive) DIN : 00148434

Mr Gopal Swarup Chaturvedi aged about 65 years is a law graduate. He is a designated Senior Advocate practicing in Hon'ble High Court of Judicature at Allahabad. He is a prominent and renowned lawyer in criminal matters. He joined the Board in January 2000 and re-appointed as Independent Director in current term on 30.09.2014.

- viii. Mr Mohd. Aslam Sayeed (Independent, Non Executive) DIN: 06652348

Mr Mohd Aslam Sayeed aged about 63 years is graduate in law. He is a prominent businessman of Allahabad dealing in timber and furniture. He joined the Board in August 2013 and reappointed as Independent Director in current term on 30.09.2014.

- ix. Mr Raju Verghese (Non Executive) DIN: 01086812

Mr Raju Verghese aged about 70 years is a graduate. He superannuated from the company after more than 35 years of service. He was General Manager incharge of Finance, Indirect and Direct taxes, and Company Law matters. He specialises in Indirect taxes-Excise law matters. He joined the Board in January 2007 and reappointed in current term on 30.09.2015.

- ix. Mrs. Shefali Bansal (Non Executive) DIN: 07090579

Mrs Shefali Bansal aged about 61 years is a graduate. She is associated with wide range of cultural activities having considerable exposure to public life. She joined the Board pursuant to provisions of section 149 and 152 of the Companies Act, 2013 read with Rule 3 of the Companies(Appointment and Qualification) Rules, 2014 and Clause 49 of the Listing Agreement. She joined the Board in February 2015 and re-appointed in current term on 30.09.2015.

### 2.3 Director's resigned during the year

None of the Director's resigned during the year.

### 2.4 Appointment / Re-appointment during the year

Except for the Directors re-appointed by rotation no fresh appointment was made during the year.

### 2.5 Agenda, proceedings etc of Board Meeting

During the Financial Year ended on 31<sup>st</sup> March, 2017 four Board Meetings were held on 28<sup>th</sup> May 2016, 8<sup>th</sup> Aug. 2016, 7<sup>th</sup>Nov 2016, and 13<sup>th</sup> Feb. 2017. The details of their attendance at Board Meetings, Annual General Meeting, Director's Committee and other Companies where each Director is member or Chairman or interested or associated as at 31<sup>st</sup> March, 2017 is given below:

Name of Director	Designation	Category	Attendance at		No. of outside director-ship*	No. of other Board Committees		Relationship	No. of shares
			Board Meeting	AGM		Member	Chairman		
Dr A P Singh	Chairman	Independent Non-Executive	2	x	Nil	Nil	Nil	-	500
Mr S I Shervani	Managing Director	Executive	2	X	1	Nil	Nil	-	318680
Mr Tahir Hasan	Whole Time Director	Executive	4	Yes	3	Nil	Nil	-	15415
Mr A N Shervani	Chairman Emeritus	Non-Executive	1	X	1	Nil	Nil	Brother of Mr S I Shervani	149655
Mr S M Shervani	Director	Non-Executive	1	X	1	Nil	Nil	Brother of Mr S I Shervani	130310
Mr Raju Verghese	Director	Independent Non-Executive	1	X	1	Nil	Nil	-	540
Mr Kush Bhargava	Director	Independent Non-Executive	1	X	Nil	Nil	Nil	-	850
Mr G S Chaturvedi	Director	Independent Non-Executive	4	X	Nil	Nil	Nil	-	1950
Mr Mohd Aslam Sayeed	Director	Independent Non-Executive	4	Yes	Nil	Nil	Nil	-	0
Mrs Shefali Bansal	Director	Independent Non-Executive	1	X	Nil	Nil	Nil	-	0

\*This excludes directorship held in Private Companies

Particulars of Director's being re-appointed by rotation are provided in the notice of Annual General Meeting.

**Separate meeting of Independent Directors / Evaluation of Board's performance**

As per the provisions of Companies Act, 2013 and Clause 25 of the LODR Regulations a separate meeting of the Independent Directors of the Company was held on 13<sup>th</sup> February 2017 to review the working of the Non-Independent Directors, Executive Directors and the Board as a whole by considering the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably discharge its duties.

**Agenda and Information to the Board**

The agenda papers alongwith complete details thereon are circulated at least seven days before the date of meeting. If required, or asked for, by any Director further /additional /price sensitive information is provided before the start of meeting with the consent of chairman.

**Invitees & Proceedings**

The Company Secretary assists the Chairman in conducting the meeting and also acts as the Secretary. Senior Executives are also invited to provide inputs on agenda items under discussion whenever required. The Managing Director or the CFO presents the quarterly/half yearly/yearly results of operation. The Chairman of various Committees brief the Board on all matters discussed and decided in respective Committees.

No Board meeting was conducted through video or other audio-visual means. The Board reviews compliance reports of all laws applicable to the Company and takes proactive steps to guard against slippages and take remedial measures as appropriate. Draft minutes are circulated to all members of the Board to confirm/opine or comment on the proceedings of the meeting.

**2.6 Other Directorship**

The details of other directorships held by the Directors on the Board of this Company are provided in the table given above.

**2.7 Familiarization Programme of the Independent Directors<sup>1</sup>**

In accordance with the provisions of LODR Regulations, 2015 the Company conducted a Familiarization programme for the Independent Directors of the Company wherein they were made familiar with the various provisions of the Companies Act, 2013 in respect of role, rights, duties and responsibilities of the Independent Director, nature of industry, environment in which the Company operates, business model of the Company and statutory compliance management.

**3. AUDIT COMMITTEE**

a. Mr Mohammad Aslam Sayeed	Chairman	Independent Non-Executive
b. Mr Gopal Swarup Chaturvedi	Member	Independent Non-Executive
c. Dr. Ashutosh Pratap Singh	Member	Independent Non-Executive

**Detailed Terms of Reference**

The terms of reference of the Audit Committee are in conformity with Regulation 18 of the SEBI (LODR) Regulation, 2015 and section 177 of the Companies Act, 2013. The terms of reference inter-alia has responsibilities of monitoring financial reporting processes, reviewing the Company's statutory and internal audit activities, qualification remark of auditors, financial strategies, review the quarterly and annual financial statements before submission to the Board, ensure compliance of regulatory guidelines, financial policies and practices and review significant related party transactions as per Accounting Standard 18. The Company Secretary of the Company also acts as the Secretary to the Committee.

The Committee Meetings were convened on 28<sup>th</sup> May 2016, 6<sup>th</sup> August 2016, 7<sup>th</sup> November, 2016 and 13<sup>th</sup> February 2017.

**4. NOMINATION & REMUNERATION COMMITTEE**

a. Mr Gopal Swarup Chaturvedi	Chairman	Independent Non-Executive
b. Mr Mohammad Aslam Sayeed	Member	Independent Non-Executive
c. Dr. Ashutosh Pratap Singh	Member	Independent Non-Executive

The Committee recommends the appointment, re-appointment and remuneration payable to Executive Directors, key managerial personnel and senior management. The Company Secretary acts as the Secretary to the Committee.

**Remuneration and Compensation policy**

The Company has a Remuneration and Compensation policy in place which is designed to enhance the value of performance.

The Remuneration/Compensation/Increments to the Whole Time Director and KMP is considered by the Committee and thereafter as and when required the recommendations of the Committee are placed before the Board. Approval of shareholders is taken under the provisions of the Companies Act, 2013 and Schedule V as and when required. The policy also provides for the identification and evaluation of the personnel eligible for directorship.



**5. EXECUTIVE DIRECTOR COMPENSATION****PECUNIARY RELATIONSHIP**

None of the Non-Executive Directors of your Company has any pecuniary relationship or material transactions with the Company except for sitting fees paid to them for attending Board meetings.

In compliance with Accounting Standard 18 (AS 18) transactions with related parties have been furnished under Note No. 31 of Notes to the Accounts of the Financial Statements.

**REMUNERATION TO EXECUTIVE DIRECTORS**

Sl. No.	Name and Designation	Salary	Perquisites	Contribution to PF & other funds	Total	Sitting Fee	Total
1	Mr S I Shervani Managing Director	12,00,000	39,600	1,44,000	13,83,600	20,000	14,03,600
2	Mr T Hasan Whole Time Director & Chief Financial Officer	3,00,000	-	-	3,00,000	40,000	3,40,000

**REMUNERATION TO NON-EXECUTIVE DIRECTORS AND THE SHARES HELD BY THEM**

The Non-Executive Directors were paid sitting fees for attending Board Meetings. No sitting fee is paid to the Director for attending the Committee meetings. The details of payments is furnished hereunder:

S.No.	Name	Category	Sitting Fees	Commission	Total	No. of Shares
1	Mr. A P Singh	Independent	20,000	Nil	20,000	500
2	Mr G S Chaturvedi	Independent	40,000	Nil	40,000	1,950
3	Mr Kush Bhargava	Independent	10,000	Nil	10,000	850
4	Mr M A Sayeed	Independent	40,000	Nil	40,000	Nil
5	Mr R Verghese	Non - Executive	10,000	Nil	10,000	540
6	Mr A N Shervani	Non-Executive	10,000	Nil	10,000	1,49,655
7	Mr S M Shervani	Non-Executive	10,000	Nil	10,000	1,30,310
8	Mrs. Shefali Bansal	Non-Executive	10,000	Nil	10,000	Nil

**6. STAKE HOLDERS RELATIONSHIP/GRIEVANCE COMMITTEE**

- |    |                            |          |                            |
|----|----------------------------|----------|----------------------------|
| a. | Mr Mohammad Aslam Sayeed   | Chairman | Independent, Non-Executive |
| b. | Mr Gopal Swarup Chaturvedi | Member   | Independent, Non-Executive |
| c. | Dr. Ashutosh Pratap Singh  | Member   | Independent, Non-Executive |

The Committee specifically looks into issues / grievances relating to investors including share related matters and redressal thereof. Mr B K Misra, Company Secretary is the Compliance Officer for the redressal of investor grievances and also acts as the Secretary to the Committee.

During the year under review the Company did not receive any complaint from any investor or any Stock Exchange.

**7. GENERAL BODY MEETINGS****(1) Annual General Meetings**

Particulars of the last three Annual General Meeting and Special Resolution passed thereto

Financial Year	Date and Time	Venue	Special Resolutions Passed
2013-14 (66 <sup>th</sup> AGM)	30 <sup>th</sup> Sept, 2014 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad	Appointment of Mr T Hasan as Whole Time Director for 5 years Consent in terms of section 180(1)(a) to the extent of aggregate of paid up capital & free reserve.
2014-15 (67 <sup>th</sup> AGM)	30 <sup>th</sup> Sept, 2015 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad	No Special Resolution was passed
2015-16 (68 <sup>th</sup> AGM)	29 <sup>th</sup> Sept, 2016 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad	Consent in terms of section 196 for continuance in office by Mr. T. Hasan Consent in terms of section 20

No resolution was put for voting through postal ballot.

**(b) Extra Ordinary General Meeting**

No Extra Ordinary General Meetings was held during the year.

**(c) Special Resolutions**

As stated above.

**8. DISCLOSURES**

- (i) There was no transaction of material nature with the Directors or management or their relatives during the year.
- (ii) There was no non-compliance by the Company on any matter related to capital market. No stricture or penalty has been imposed on the Company by Stock Exchange or SEBI or any other statutory authority on any matter during the year.
- (iii) The Company had established a vigil mechanism for directors and employees to report concerns about unethical behaviour, fraud or violation of the Company's code of conduct or policy. This mechanism also provides for adequate safeguards against victimisation of director(s)/employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee.
- (iv) The Company has obtained the CEO/CFO certificate on the financial results and placed before the Board.
- (v) In preparation of financial statements the Company has followed the Accounting Standards as specified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and as amended from time to time.
- (vi) Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN Card of members, transferees, surviving joint holders, legal heirs be furnished to the Registrar & Share Transfer Agent while obtaining the services from them.

**9. CODE OF CONDUCT**

The Company has laid down the rules for code of conduct for the members of the Board and senior management personnel of the Company. The code of conduct also prohibits' insider trading pursuant to the requirements of the listing agreement. This prohibition is applicable to all Directors and such identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company. The code of conduct is also posted on the website of the Company.

**10. MEANS OF COMMUNICATION**

- (a) Quarterly, half yearly and annual audited results are published in Aaj (Hindi) & Financial Express immediately after they are approved by the Board. Simultaneously they are posted at Company' website and Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by BSE.
- (b) Management Discussion and Analysis forms part of Annual Report which is posted to the Shareholders of the Company.

**11. GENERAL SHAREHOLDERS INFORMATION****Annual General Meeting**

Day, date and time

Thursday, 28<sup>th</sup> September 2017 at 11.30 AM

Venue

2, New Cantonment, Kanpur Road, Allahabad (U.P.)-211001

**Financial Calendar**

Financial reporting for the Financial year

: April – March

1<sup>st</sup> Quarter ending June 30, 2017

: On or before 14<sup>th</sup> August 2017

2<sup>nd</sup> Quarter ending September 30, 2017

: On or before 14<sup>th</sup> November 2017

3<sup>rd</sup> Quarter ending December 31, 2017

: On or before 14<sup>th</sup> February 2018

4<sup>th</sup> Quarter ending March 31, 2018

: On or before 30<sup>th</sup> May 2018

**Listing on Stock Exchange**

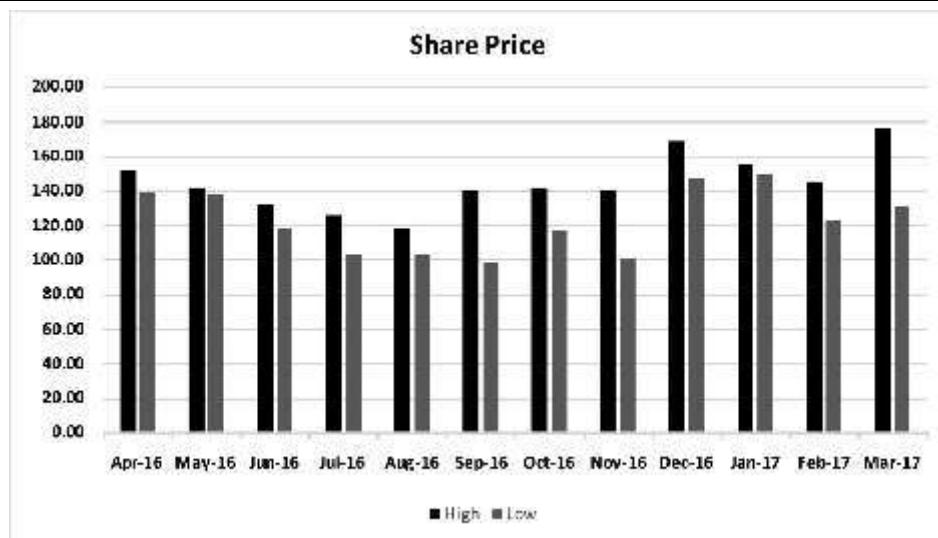
: Company's Equity Shares are listed on The BSE Limited, Mumbai Delhi Stock Exchange Limited and the U.P. Stock Exchange Association Limited. However the Delhi Stock Exchange and U.P. Stock Exchange have been closed.

The Scrip code in BSE 526117 and ISIN is INE011D01013.

- 12. Listing Fee** The company has paid listing fee for the financial year 2017-18 to the BSE Ltd. Mumbai

## Market Price Data for the Financial Year 2016-2017 on BSE

	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
<b>High</b>	152.00	141.90	132.00	125.65	118.00	140.00	142.00	140.00	169.00	155.00	145.00	176.00
<b>Low</b>	138.70	138.00	118.35	103.30	103.35	98.80	116.20	100.20	147.00	150.00	123.10	131.00



## REGISTRAR &amp; TRANSFER AGENT

: Link Intime India Pvt. Limited  
C-101, 247 Park,  
L.B.S. Marg, Vikhroli (West)  
Mumbai-400 083

## SHARE TRANSFER SYSTEM

The Company has appointed M/s Link Intime India Private Limited having its office as stated above, as Registrar for demat as well as for physical segment, which provides all related services within the period prescribed under law and the Listing Agreements with the Stock Exchange.

SHAREHOLDING PATTERN AND DISTRIBUTION OF SHARES AS ON 31<sup>ST</sup> MARCH 2016

Shareholding Pattern			Distribution of Shareholding		
Category	No. of Shares	%	No. of Shares	No. of Shareholders	Shares
Promoters, Directors & Relatives	18,01,040	55.24	1-500	1138	1,29,818
Nationalised Bank	6,040	0.19	501-1000	91	68,376
Bodies Corporate	4,53,409	13.90	1001-2000	48	70,832
Public	9,98,261	30.62	2001-3000	18	43,318
Others (Foreign Nationals)	920	0.03	3001-4000	10	33,589
NRI/OCBs	580	0.02	4001-5000	8	36,526
			5001-10000	21	1,57,494
			10001 and above	37	27,20,297
<b>Total</b>	<b>32,60,250</b>	<b>100.00</b>		<b>1371</b>	<b>32,60,250</b>

## 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, 2017 about 93% of the share of the Company are dematerialised.

## Address for Correspondence:

**SHERVANI INDUSTRIAL SYNDICATE LIMITED**

Registered Office: Shervani Nagar, Sulem Sarai, Harwara,  
Allahabad-211011(U.P.)  
Phone: 0532-2102306, Fax:0532-2436928,  
E-mail: shervaniind@rediffmail.com  
Website: www.shervaniind.com

**Auditors Certificate on Corporate Governance**

TO THE MEMBERS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED

We have examined the compliance of conditions of Corporate Governance by Shervani Industrial Syndicate Limited ('the Company') for the year ended 31<sup>st</sup> March, 2017, as per regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C,D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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

We conduct our examination in accordance with the Guidance Note on reports or certificates for special purpose (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/ Listing Regulations, as applicable.

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  
Firm Registration No 000186C

P.P.SINGH  
(Partner)  
(Membership Number 072754)

Place : Kanpur  
Date : May 30, 2017

**TO THE MEMBERS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED****Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of SHERVANI INDUSTRIAL SYNDICATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial

control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- 2 As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 it 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 aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) amendment Rules 2016.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 33 to the financial statements;
  - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the management. – Refer Note No 38.

For P.L. TANDON & Co.  
Chartered Accountants  
Regn. No.: 000186C

P.P.SINGH  
(PARTNER)  
Memb. No.: 072754

Place : KANPUR  
Date : May 30, 2017

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT  
Re: SHERVANI INDUSTRIAL SYNDICATE LIMITED**

**The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017, we report that:**

- i. In respect of its Property Plant & Equipment :
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment .
  - (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) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the Company.
- ii. In respect of its Inventories:
 

As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and discrepancies noticed on verification between physical stocks and the book records were not material.
- iii. In respect of loans, secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013, according to the information and explanations given to us :
  - (a) The Company had granted Unsecured Loan to a wholly owned subsidiary Company. The terms and conditions of such loan are not prejudicial to the interest of the company.
  - (b) There are no stipulations for the repayment of loan.
  - (c) There is no overdue amount of loan.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. In our opinion and according to information and explanations given to us, the company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Therefore, the provisions of paragraph (v) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- vi. In our opinion and according to the information and explanations given to us the maintenance of cost records under sub-section (1) of section 148 the Companies Act, 2013 are not applicable to the company.
- vii. 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, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it.

- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were in arrear as at 31<sup>st</sup> March, 2017 for a period more than six months from the date they became payable.
- (b) According to the records of the company, there were no dues of income tax, sales tax, service tax, duty of custom, duty of excise and value added tax which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, provisions of paragraph 3 (ix) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of paragraph 3(xii) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not entered in to non cash transactions with directors or person connected with them. Accordingly provisions of paragraph 3(xv) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- xvi. The Company is not required to be registered under 45-IA of the Reserve Bank of India Act 1934.

For P.L. TANDON & Co.  
Chartered Accountants  
Regn. No.: 000186C

P.P.SINGH  
(PARTNER)  
Memb. No.: 072754

Place : KANPUR  
Date : May 30, 2017

**ANNEXURE -“ B” TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of SHERVANI INDUSTRIAL SYNDICATE LIMITED (“the Company”) as of 31<sup>st</sup> March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued

by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on

our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P.L. TANDON & Co.  
Chartered Accountants  
Regn. No.: 000186C

P.P.SINGH  
(PARTNER)

Memb. No.: 072754

Place : KANPUR  
Date : May 30, 2017



		As at 31.03.2017	As at 31.03.2016
	Note No.	Rs.	Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders Funds</b>			
Share Capital	2	3,28,02,500	3,28,02,500
Reserves and Surplus	3	1,95,40,18,242	1,85,64,48,887
		<b>1,98,68,20,742</b>	<b>1,88,92,51,387</b>
<b>Non-Current Liabilities</b>			
Long term Borrowings	4	6,74,479	10,88,752
Other Long-term Liabilities	5	5,89,998	22,74,961
Long-term Provisions	6	8,12,379	6,30,172
		<b>20,76,856</b>	<b>39,93,885</b>
<b>Current Liabilities</b>			
Short term Borrowings	7	89,66,604	7,66,74,445
Trade Payable	8	23,43,001	6,65,870
Other Current Liabilities	9	8,29,78,858	3,08,19,106
Short term Provision	10	4,00,43,738	4,00,09,587
		<b>13,43,32,201</b>	<b>14,81,69,008</b>
<b>Total</b>		<b>2,12,32,29,799</b>	<b>2,04,14,14,280</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property Plant & Equipment			
Tangible Assets	11	5,92,70,878	6,04,55,141
Non-Current Investment	12	10,42,98,000	10,72,98,000
Long-term Loans and Advances	13	4,61,359	1,60,273
		<b>16,40,30,237</b>	<b>16,79,13,414</b>
<b>Current Assets</b>			
Current Investment	14	11,44,84,186	4,12,80,401
Inventories	15	1,33,95,03,040	1,51,63,14,622
Trade Receivables	16	23,51,57,544	11,73,65,310
Cash and Cash Equivalent	17	18,95,95,575	16,16,11,577
Short-term Loans and Advances	18	7,77,20,985	3,33,79,265
Other Current Assets	19	27,38,232	35,49,691
		<b>1,95,91,99,562</b>	<b>1,87,35,00,866</b>
<b>TOTAL</b>		<b>2,12,32,29,799</b>	<b>2,04,14,14,280</b>

Significant Accounting Policies and Notes on Financial Statement 1 - 39

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

Mohd. Aslam Sayeed  
Director  
DIN: 06652348

Tahir Hasan  
Whole Time Director &  
Chief Financial Officer  
DIN: 00074282

Saleem I. Shervani  
Managing Director  
DIN: 00023909

Place : Allahabad  
Date : May 30, 2017

# 69<sup>TH</sup> ANNUAL REPORT (2016-2017) STATEMENT OF PROFIT & LOSS

PARTICULARS	Note No.	Year Ended	Year Ended
		March 31, 2017	March 31, 2016
		Rs.	Rs.
<b>Revenue from Operations</b>			
Revenue from Operations	20	36,46,02,225	28,37,19,107
Other Income	21	1,68,19,618	1,06,58,369
<b>Total Revenue</b>		<b>38,14,21,843</b>	<b>29,43,77,476</b>
<b>Expenses</b>			
Cost of Construction & Development Expenses	22	9,61,98,878	11,01,48,226
Changes in Inventories of Finished Goods & W.I.P.	23	18,30,40,056	12,99,29,736
Employees' Benefit Expense	24	95,50,492	92,80,206
Finance Cost	25	19,88,398	50,76,589
Depreciation and Amortization Expense		29,19,120	29,40,661
Other Expenses	26	2,55,75,281	3,38,54,366
<b>Total Expenses</b>		<b>31,92,72,225</b>	<b>29,12,29,784</b>
<b>Profit before Exceptional Items and tax</b>		6,21,49,618	31,47,692
Exceptional Items	27	8,82,47,235	78,61,071
<b>Profit before Tax</b>		15,03,96,853	1,10,08,763
<b>Tax Expense:</b>			
Current Tax		-	8,85,000
MAT credit entitlement (Net of written off)		-	4,52,048
Adj. of MAT credit		(1,35,737)	-
Earlier Year Tax (Adj. of MAT Credit)		-	(1,740)
<b>Profit after tax (profit for the year)</b>		<b>15,05,32,590</b>	<b>96,73,455</b>
Earning Per Equity Share of Rs. 10/- each			
Basic		45.89	2.95
Diluted		45.89	2.95
<b>Significant Accounting Policies and Notes on Financial Statement 1 - 39</b>			

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

**Mohd. Aslam Sayeed**  
Director  
DIN: 06652348

**Tahir Hasan**  
Whole Time Director &  
Chief Financial Officer  
DIN: 00074282

**Saleem I. Shervani**  
Managing Director  
DIN: 00023909

Place : Allahabad  
Date : May 30, 2017

	Year Ended 31.03.2017		Year Ended 31.03.2016	
	Rs.	Rs.	Rs.	Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) Before Tax		6,21,49,618		31,47,692
Provision for Doubtful Advances	3,52,84,000			
Adjustment for				
Depreciation	29,19,120		29,40,661	
Loss /(Profit) on sale of assets	1,05,105		2,14,481	
Interest Paid	19,88,398		50,76,589	
Interest Received	(1,28,33,413)		(1,02,52,527)	
Dividend Received	(8,500)		(8,000)	
(Profit)/Loss on Sale of Investments	(32,62,341)	24,192,369	1,65,38,557	1,45,09,762
Operating Profit before Working Capital Changes		8,63,41,987		1,76,57,454
Adjustment for				
(Increase)/Decrease in Trade and other receivables	(16,01,13,851)		(10,91,76,252)	
(Increase)/Decrease in Inventories	17,68,11,583		12,99,86,187	
Increase / (Decrease) in Advance from Customer	7,60,50,760		(39,273,435)	
Increase/(Decrease) in Trade Payables	(2,26,83,967)	7,00,64,524	1,58,01,460	(26,62,040)
Cash generated / (used) in operation		15,64,06,511		1,49,95,414
Add/(Deduct) for				
Direct tax (Paid) /Refund of earlier years	(21,85,452)		14,58,274	
<b>Net Cash (used in)/from operating activities (Total – A)</b>		<b>15,42,21,059</b>		<b>1,64,53,688</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Refund of share application money		-		4,96,000
Purchase of Fixed Assets		(20,30,438)		(18,12,966)
Sale of Fixed Assets		1,90,476		3,09,524
(Purchase) Sale of Current Investments (Net of Sale / Purchase)		(7,10,09,444)		52,26,968
Purchase of Investment in Associate Company		-		(46,00,000)
Sale of Investments in Associate Company		-		88,325
Sale of other Investments		40,68,000		-
Dividend Received		8,500		8,000
Interest received		1,36,44,872		1,11,66,145
<b>Net Cash (used in)/from investing activities (Total - B )</b>		<b>(5,51,28,034)</b>		<b>1,08,81,996</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Loans & Borrowing		(6,91,20,629)		(2,75,95,086)
Interest paid		(19,88,398)		(50,76,589)
<b>Net Cash (used in)/from financing activities (Total – C)</b>		<b>(7,11,09,027)</b>		<b>(3,26,71,675)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>		2,79,83,998		(53,35,991)
Add : Cash and Cash Equivalents at the beginning		16,16,11,577		16,69,47,568
<b>Closing Cash and Cash Equivalent</b>		<b>18,95,95,575</b>		<b>16,16,11,577</b>

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

Mohd. Aslam Sayeed  
Director  
DIN: 06652348

Tahir Hasan  
Whole Time Director &  
Chief Financial Officer  
DIN: 00074282

Saleem I. Shervani  
Managing Director  
DIN: 00023909

Place : Allahabad

Date : May 30, 2017

**NOTES ON FINANCIAL STATEMENTS****NOTE No. 1. ACCOUNTING POLICIES****(i) 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, 2013 as adopted consistently by the company.
- b) The company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

**(ii) Property Plant & Equipment and Depreciation**

- a) Property Plant & Equipment 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 Property Plant & Equipment is provided on straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

**(iii) 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.

**(iv) 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 project 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.

**(v) Revenue Recognition**

Revenue from Real Estate 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 has taken place.

**(vi) 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.

**(vii) 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.

**(viii) 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 actuarial valuations as per AS-15 issued by the Institute of Chartered Accountants of India.

NOTE No.	As at 31.03.2017		As at 31.03.2016	
<b>2 Share Capital</b>				
<b>Authorised</b>		<b>Rs.</b>		<b>Rs.</b>
20,000 Cumulative Redeemable Preference Shares of Rs. 100/- Each		20,00,000		20,00,000
62,80,000 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
		<b>6,50,00,000</b>		<b>6,50,00,000</b>
<b>Issued, Subscribed and Paid Up</b>	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
<b>Ordinary Shares</b>				
Balance as on 01.04.2016	32,60,250	3,26,02,500	32,60,250	3,26,02,500
Balance as at 31.03.2017	32,60,250	3,26,02,500	32,60,250	3,26,02,500
		<b>3,26,02,500</b>		<b>3,26,02,500</b>
<b>Deferred Shares</b>				
Balance as on 01.04.2016	8,000	2,00,000	8,000	2,00,000
Balance as at 31.03.2017	8,000	2,00,000	8,000	2,00,000
		<b>2,00,000</b>		<b>2,00,000</b>
<b>Total</b>		<b>3,28,02,500</b>		<b>3,28,02,500</b>
<b>Reconciliation of number of shares</b>		<b>Nos.</b>		<b>Nos.</b>
<b>Outstanding is set out below</b>				
Equity Shares at the beginning of the year		<b>32,68,250</b>		<b>32,68,250</b>
Equity Shares at the close of the year		<b>32,68,250</b>		<b>32,68,250</b>
Details of Shareholders holding more than 5 percent Shares (Equity Shares in nos. of Rs. 10/- Each)	No. of Shares	%age	No. of Share	%age
M/s Frost Traders Pvt Ltd.	4,00,602	12.29%	4,00,602	12.29%
Mr. Saleem Iqbal Shervani	3,18,680	9.77%	3,18,680	9.77%
Mr. Hitesh Ramji Javeri	3,11,261	9.55%	4,55,250	13.96%
M/s Reed Finance Pvt Ltd.	2,69,145	8.26%	2,69,145	8.26%
		<b>12,99,688</b>		<b>14,43,677</b>
<b>3 Reserves &amp; Surplus</b>		<b>Rs.</b>		<b>Rs.</b>
<b>General Reserve</b>				
As per last Balance Sheet	52,89,12,956		52,89,12,956	
Less : Transferred to Surplus	-	52,89,12,956	-	52,89,12,956
<b>Capital Subsidy Reserve</b>				
As per last Balance Sheet		19,26,616		19,26,616
<b>Share Premium Account</b>				
As per last Balance Sheet		38,40,909		38,40,909
<b>Capital Redemption Reserve</b>				
As per last Balance Sheet		20,00,000		20,00,000
<b>Capital Reserve on Revaluation of Land</b>	1,51,11,79,179		1,51,90,40,250	
Less: Transfer to Surplus	5,29,63,235	1,45,82,15,944	78,61,071	1,51,11,79,179
<b>Surplus</b>				
As per last Balance Sheet	(19,14,10,773)		(20,10,84,228)	
Balance in the statement of Profit and Loss	15,05,32,590		96,73,455	
		(4,08,78,183)		(19,14,10,773)
		<b>1,95,40,18,242</b>		<b>1,85,64,48,887</b>

NOTE No.		As at 31.03.2017	As at 31.03.2016
<b>4</b>	<b>Long Term Borrowing</b>		
	<b>Secured Loan</b>	<b>Rs.</b>	<b>Rs.</b>
	Vehicle Loan (Secured by Hypothecation of Vehicle)	6,74,479	10,88,752
		<u>6,74,479</u>	<u>10,88,752</u>
	Maturity Profile		
	Year	Amount Payable (Rs.)	
	2018-19	2,40,538	
	2019-20	2,65,989	
	2020-21	1,67,952	
<b>5</b>	<b>Other Long-term Liabilities</b>		
	Security Deposit	5,89,998	22,74,961
		<u>5,89,998</u>	<u>22,74,961</u>
<b>6</b>	<b>Long-term Provisions</b>		
	Provision for Employees Benefit	8,12,379	6,30,172
		<u>8,12,379</u>	<u>6,30,172</u>
<b>7</b>	<b>Short-term Borrowing</b>		
	Secured Loan from Banks		
	Overdraft from Union Bank of India (Secured by pledge of fixed deposits)	89,66,604	6,49,68,438
			-
	Overdraft from State Bank of India (Secured by Equitable Mortgage of immovable Property situated at villages Sulem Sarai, Jairampur and Harwara and also guaranteed by Managing Director of the Company)	-	1,17,06,007
		<u>89,66,604</u>	<u>7,66,74,445</u>
<b>8</b>	<b>Trade Payable</b>		
	Sundry Creditors	23,43,001	6,65,870
		<u>23,43,001</u>	<u>6,65,870</u>
<b>9</b>	<b>Other Current Liabilities</b>		
	Current Maturity of Long Term Borrowing - Secured (Vehicles Loan)	4,14,273	14,12,788
	Investor Education & Protection Fund shall be credited by the following: (Amount to be transferred to the said fund shall be determined on the respective due date)		
	Unpaid Dividend	4,71,365	5,32,173
	Advance from customer	7,72,18,865	11,68,105
	Other Payable (includes employees liabilities, statutory liabilities etc.)	48,74,355	2,77,06,040
		<u>8,29,78,858</u>	<u>3,08,19,106</u>
<b>10</b>	<b>Short-term Provisions</b>		
	Provision for taxation	4,00,00,000	4,00,00,000
	Provision for employees benefit	43,738	9,587
		<u>4,00,43,738</u>	<u>4,00,09,587</u>

11 Non Current Assets -  
Property Plant & Equipment

Tangible Assets

<b>Gross Block</b>	<b>As at 01.04.2016</b>	<b>Addition</b>	<b>Deletion</b>	<b>As at 31.03.2017</b>
Freehold Land	1,64,64,413	-	-	1,64,64,413
Leasehold Land	5,179	-	-	5,179
Non-factory Building	3,71,66,333	-	-	3,71,66,333
Plant and Equipments	40,52,538	1,94,250		42,46,788
Furniture and Fixture	14,90,592	-		14,90,592
Vehicles	1,69,04,655	17,14,763	5,27,855	1,80,91,563
Office Equipments	1,20,000	63,425		1,83,425
Computers	50,29,402	58,000	-	50,87,402
<b>Total</b>	<b>8,12,33,112</b>	<b>20,30,438</b>	<b>5,27,855</b>	<b>8,27,35,695</b>
Previous Year	8,05,44,931	18,12,966	11,24,785	8,12,33,112

Depreciation Block

Freehold Land	-	-	-	-
Leasehold Land	-	-	-	-
Non-factory Building	53,82,429	5,63,882		59,46,311
Plant and Equipments	26,64,377	2,72,607		29,36,984
Furniture and Fixture	11,88,650	52,412		12,41,062
Vehicle	66,88,200	19,98,542	2,32,274	84,54,468
Office Equipments	79,450	14,235		93,685
Computers	47,74,865	17,442		47,92,307
<b>Total</b>	<b>2,07,77,971</b>	<b>29,19,120</b>	<b>2,32,274</b>	<b>2,34,64,817</b>
Previous Year	1,84,38,090	29,40,661	6,00,780	2,07,77,971

Net Block

	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Freehold Land	1,64,64,413	1,64,64,413
Leasehold Land	5,179	5,179
Non-factory Building	3,12,20,022	3,17,83,904
Plant and Equipments	13,09,804	13,88,161
Furniture and Fixture	2,49,530	3,01,942
Vehicle	96,37,095	1,02,16,455
Office Equipments	89,740	40,550
Computers	2,95,095	2,54,537
<b>Total</b>	<b>5,92,70,878</b>	<b>6,04,55,141</b>

NOTE No.	As at 31.03.2017		As at 31.03.2016	
	Rs.	Rs.	Rs.	Rs.
<b>12 Non Current Investment: ( At Cost)</b>				
(Long Term Investment)				
Trade Investment (unquoted)				
Investment In Equity Instruments				
<b>Subsidiary Company</b>				
9,00,000 Equity Shares of Rs.10/- each	27,00,000		27,00,000	
(9,00,000) of Farco Foods Pvt. Ltd.				
<b>Associate Company</b>				
22,65,750 Shervani Hospitalities Ltd. of Rs. 10/-				
(22,65,750) each (including 730000 Equity Shares at a Premium of Rs.90/- per share and 21450 Bonus Shares)	8,81,43,000		8,81,43,000	
85,000 Youngtronics India Private Ltd.	8,50,000		8,50,000	
(85,000) of Rs.10/- each				
4,60,000 6% Non cumulative redeemable preference shares of	46,00,000		46,00,000	
(-) Rs. 10/- each of Youngtronics India Private Ltd.				
<b>Other Investments (in Equity Shares- Unquoted Fully Paid Up)</b>				
500 Shares of Super Bazar Cooperative	5,000		5,000	
(500) Stores Ltd. of Rs.10/- each				
80,000 6% Non Cumulative Pref. Shares of	80,00,000		80,00,000	
(80,000) India Global Exports Pvt. Ltd. of Rs.100/- each				
(-) Shares of Shervani Sugar Syndicate Ltd.	-	10,42,98,000	30,00,000	10,72,98,000
(3,00,000) of Rs.10/- each				
		<b>10,42,98,000</b>		<b>10,72,98,000</b>
<b>13 Long Term Loans and Advances</b>				
(Unsecured Considered good unless otherwise stated)				
Security Deposit		4,61,359		1,60,273
		<b>4,61,359</b>		<b>1,60,273</b>
<b>14 Current Investments</b>				
<b>Other Investment</b>				
<b>In Equity Shares-Quoted Fully Paid Up</b>				
1,000 Reliance Infra Limited of Rs.10/- each	16,23,450		16,23,450	
(1,000)				
10,000 Cerebra Integrated Technologie of	2,87,936		2,87,936	
(10,000) Rs.10/- each		19,11,386		19,11,386
<b>In Mutual Fund Units-Unquoted</b>				
(-) SBI Bluechip Fund Regular (Growth) of	-		61,07,900	
(2,17,658.177) Rs.10/- each				
(-) SBI Small & Midcap Fund Regular	-		1,01,79,900	
(3,34,356.474) (Growth) of Rs.10/- each				
116133.968 SBI Magnum Midcap Fund (Growth) of	81,83,900		-	
(-) Rs. 10/- each				
214214.372 SBI Magnum Midcap Fund (Growth) of	81,83,900		-	
(-) Rs. 10/- each				
250000 Union Capital Protection Oriented	25,00,000		-	
(-) Fund (Growth) of Rs. 10/- each				
594552.279 SBI Saving Fund (Growth) of	1,50,00,000		-	
(-) Rs. 10/- each				
51276.141 Birla Sunlife Cash Manager Fund	2,00,00,000		-	
(-) (Growth) of Rs. 10/- each				
16602.304 Birla Sunlife Equity Fund (Growth)	1,02,30,000		-	
(-) of Rs. 10/- each				
976060.334 Canara Robeco Yield Advantage Fund	1,50,00,000		-	
(-) (Growth) of Rs. 10/- each				
260197.231 Mirae Asset India Opportunities Fund	1,02,30,000		-	
(-) (Growth) of Rs. 10/- each		8,93,27,800		1,62,87,800
Less: Provision for Diminution of Current Investment		(10,55,000)		(12,18,785)
Share Application Money				
India Global Exports Pvt. Limited		2,43,00,000		2,43,00,000
Total Current Investments		<b>11,44,84,186</b>		<b>4,12,80,401</b>
Total Investments		<b>11,44,84,186</b>		<b>4,12,80,401</b>



NOTE No.	As at 31.03.2017	As at 31.03.2016
<b>15 Inventories</b>	<b>Rs.</b>	<b>Rs.</b>
(Stock as Valued and Certified by Managing Director)		
Work In Progress (Real Estate)	22,78,14,979	14,67,35,124
Finished Goods	3,21,115	3,21,115
Stock in Trade (Land and expenses thereon)	1,10,49,26,221	1,36,90,46,132
Stores & Spares	1,94,766	2,12,251
Construction Material at Site	62,45,959	-
	<u>1,33,95,03,040</u>	<u>1,51,63,14,622</u>
<b>16 Trade Receivable</b>		
(Unsecured considered good unless otherwise stated)		
Over Six Month		-
Others-Unbilled Revenue	23,51,57,544	11,73,65,310
	<u>23,51,57,544</u>	<u>11,73,65,310</u>
<b>17 Cash &amp; Cash Equivalents</b>		
<b>Balance with Banks</b>		
In Fixed Deposit (Pledged with Bank Rs. 10,12,49,662)		
Maturity with more than 12 months	48,92,110	48,92,110
Others	11,39,08,554	11,00,22,378
<b>In Current Accounts</b>		
Earmarked Balance with Banks	4,81,327	5,45,265
Others	5,31,17,365	4,59,30,229
<b>Cash on Hand</b>	1,71,96,219	2,21,595
	<u>18,95,95,575</u>	<u>16,16,11,577</u>
<b>18 Short Term Loans &amp; Advances</b>		
(Unsecured considered good unless otherwise stated)		
Advances Recoverable in cash or in kind for the value to be received	1,26,03,284	14,30,951
Unsecured considered doubtful	-	19,55,64,000
<b>Loan to Related Parties</b>		
Unsecured Considered Doubtfull	1,50,00,000	4,50,00,000
Unsecured Considered Good	4,89,72,861	1,89,72,861
Prepaid Expenses	2,75,888	1,16,307
Advance Income Tax (Net of provision)	87,02,305	65,16,853
Balances with Central Excise Department	7,96,436	1,07,819
MAT Credit Entitlement	63,70,211	62,34,474
	<u>9,27,20,985</u>	<u>27,39,43,265</u>
Less: Provision for Doubtful Advances	1,50,00,000	24,05,64,000
	<u>7,77,20,985</u>	<u>3,33,79,265</u>
<b>19 Other Current Assets</b>		
Interest Receivable	27,38,232	35,49,691
	<u>27,38,232</u>	<u>35,49,691</u>

NOTE No.	Year ended March 31, 2017		Year ended March 31, 2016	
	Rs.	Rs.	Rs.	Rs.
<b>20 Revenue From Operations</b>				
Sale of Plot		36,46,02,225		28,37,19,107
		<u>36,46,02,225</u>		<u>28,37,19,107</u>
<b>21 Other Income</b>				
Interest Received		1,28,33,413		1,02,52,527
Dividend Received		8,500		8,000
Rent		87,120		81,180
Miscellaneous Receipts		3,76,550		1,80,000
Provision of liability no longer required		87,908		31,312
Profit on sale of Investments (Net)		32,62,341		-
Diminution in Value of Investment no longer required		1,63,786		1,05,350
		<u>1,68,19,618</u>		<u>1,06,58,369</u>
<b>22 Cost of Construction &amp; Development Expenses</b>		<b>9,61,98,878</b>		<b>11,01,48,226</b>
<b>23 Changes in Inventories of Finished Goods &amp; WIP</b>				
<b>Stock at Commencement</b>				
Finished Goods		3,21,115		3,21,115
Stock in trade		1,36,90,46,132		1,55,14,09,000
Work in Progress (Real Estate)		14,67,35,124		9,43,01,992
		<u>1,51,61,02,371</u>		<u>1,64,60,32,107</u>
<b>Stock at Close</b>				
Finished Goods		3,21,115		3,21,115
Stock in trade		1,10,49,26,221		1,36,90,46,132
Work in Progress (Real Estate)		22,78,14,979		14,67,35,124
		<u>1,33,30,62,315</u>		<u>1,51,61,02,371</u>
		<u>18,30,40,056</u>		<u>12,99,29,736</u>
<b>24 Employee Benefit Expense</b>				
Salary & Wages		88,20,149		86,80,688
Contribution to Provident and Other Fund		4,82,783		4,55,552
Staff Welfare Expenses		2,47,560		1,43,966
		<u>95,50,492</u>		<u>92,80,206</u>
<b>25 Finance Costs</b>				
Interest to Bank & Others		19,88,398		50,76,589
		<u>19,88,398</u>		<u>50,76,589</u>

NOTE No.	Year ended March 31, 2017		Year ended March 31, 2016	
	Rs.	Rs.	Rs.	Rs.
<b>26 Other Expenses</b>				
<b>Administrative Expense</b>				
Rent		1,42,400		2,18,400
Repairs building		5,01,128		20,98,316
Insurance		3,18,801,		3,27,289
Rates and Taxes		2,01,329		1,13,621
Electricity expenses		22,96,139		23,16,004
Safety & Protection		11,02,601		10,31,278
Vehicle Maintenance		14,97,592		13,07,327
Retainership		7,23,740		6,14,740
Professional Charges		38,36,230		39,76,746
Travelling and Conveyance expenses (including Rs.32043 Paid to Auditors)		5,17,652		3,65,245
Payments to the Auditors (including Service Tax)				
- As Auditor	1,50,000		1,25,950	
- For Other Services	<u>95,800</u>	2,45,800	<u>57,250</u>	1,83,200
Directors' Sitting Fee		2,10,000		2,40,000
Loss on Sale of Assets (net)		1,05,105		2,14,481
Loss on Sale of Investments (net)		-		1,65,38,557
Sundry Balances Written off		24,314		-
Miscellaneous expenses		<u>57,52,913</u>		<u>43,09,162</u>
<b>Total</b>		<b><u>1,74,75,744</u></b>		<b><u>3,38,54,366</u></b>
<b>Selling Expenses</b>				
Brokerage		64,54,600		-
Marketing Expenses		<u>16,44,937</u>		-
<b>Total</b>		<b><u>2,55,75,281</u></b>		<b><u>3,38,54,366</u></b>
<b>27 Exceptional Items</b>				
Loan Written Off	19,02,80,000		-	
Less : Provision for Doubtful loan provided in earlier Year relating to subsidiary/erstwhile subsidiary	<u>22,55,64,000</u>	3,52,84,000	<u>-</u>	-
Transferred from capital reserve		5,29,63,235		78,61,071
		<b><u>8,82,47,235</u></b>		<b><u>78,61,071</u></b>

## NOTE No.

28 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 provision 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	1,50,00,000

Looking to the financial position of Farco Foods Private Limited, wholly owned subsidiary, of the Company, the management has decided to write back the provision of Rs. 3,00,00,000 against loan extended to them. Provision of Rs. 1,50,00,000 will continue till further improvement.

## 29 Employee Benefits:

## A. Gratuity

Changes in present value obligation

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Defined benefit obligation, Beginning of Period*	15,65,530	7,42,289
Current service cost	1,18,006	1,01,641
Interest cost	1,21,329	57,527
Actual plan participants contributions	-	-
Actuarial (Gains)/Losses	(49,521)	6,64,073
Acquisition/Business Combination/Divestiture	-	-
Actual benefits paid	-	-
Past service cost	-	-
Changes in foreign currency exchange rates	-	-
Loss/(Gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Defined benefit obligation, End of year	17,55,343	15,65,530
<b>Expenses to be recognized in Statement of Profit &amp; Loss</b>		
Current service cost	1,18,006	1,01,641
Interest Cost	1,21,329	57,527
Expected return on Plan Assets	(1,54,501)	(1,42,595)
Past service cost	-	-
Net Actuarial Losses/(Gains)	(59,489)	6,53,034
(Gain)/Loss due to settlements/curtailment/ Acquisitions/Divestitures	-	-
Unrecognized asset due to limit in Para 59(B)	-	-
Total Expense/(Income) included in "Employee Benefit Expense"	25,344	6,69,607

\*No expenses charged to employee benefit expenses as fair value of plan assets are more than defined obligation.

**Changes in defined benefit obligation**

Fair value of Plan assets, Beginning of year	19,93,566	18,39,932
Expected return on plan assets	1,54,501	1,42,595
Actual enterprise Contributions	-	-
Actual plan participants' contributions	-	-
Actual Benefits Paid	-	-
Actuarial Gains/(Losses)	9,968	11,039
Acquisitions/Business Combination/Divestiture	-	-
Changes in foreign currency exchange rates	-	-
Liabilities extinguished on settlements	-	-
Fair value of Plan assets, End of year	21,58,035	19,93,566

**Financial Assumptions**

Discounting rate	7.25%	7.75%
Salary escalation rate	7.00%	7.00%
Expected return on Assets	7.25%	7.75%

Demographic Assumption		
Mortality Table	Indian assured Lives Mortality	Indian assured Lives Mortality
	(2006-08) Ult.	(2006-08) Ult.
Withdrawal rate	1.00%	1.00%
Retirement Age	58 Years	58 Years
B Leave Salary		
Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Present Value of funded obligation	-	-
Fair Value of Plan Asset	-	-
Present Value of unfunded obligation	8,56,117	6,39,759
Amount in Balance Sheet -Liability		
Liability	8,56,117	6,39,759
Asset	-	-
Net liability is bifurcated as follows		
Current Liability	43,738	9,587
Non-Current Liability	8,12,379	6,30,172
Net Liability	8,56,117	6,39,759
Expenses recognised in statement of profit & loss	2,49,700	1,41,209
Discount rate	7.25%	7.75%
Salary escalation	7.00%	7.00%
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	Wholly Owned Subsidiary Company Farco Foods Private Ltd.	
B	Associate Companies Shervani Hospitalities Limited Youngtronics India Private Limited	
C	Key Managerial Personnel	
	Mr. S.I. Shervani	Managing Director
	Mr. Tahir Hasan	Whole time Director & Chief Financial Officer
	Mr. B.K.Misra	Company Secretary
D	Other Directors	
	Dr. A.P. Singh	
	Mr. A.N. Shervani	
	Mr. S.M. Shervani	
	Mr. G.S. Chaturvedi	
	Mr. Kush Bhargava	
	Mr. Mohd. Aslam Sayeed	
	Mr. Raju Verghese	
	Mrs. Shefali Bansal	
	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 section 188 of the Companies Act, 2013.	
E	31.03.2017	31.03.2016
Nature and volume of transactions :	(Rs.)	(Rs.)
(i) Remuneration (including perks and retirement benefit)		
Paid to Key Managerial personnel	26,72,787	25,43,008
Paid to Relatives	30,46,319	26,65,035
(ii) Rent		
Key Managerial personnel (Paid)	96,000	96,000
Associate Company (Received)	87,120	81,180
(iii) Sitting Fee		
Key Managerial personnel & other Directors (Paid)	2,10,000	2,40,000

	Year ended 31.03.2017	Year ended 31.03.2016
	Rs.	Rs.
(iv) 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	(1,50,00,000)	(4,50,00,000)
Associate Companies		
Youngtronics India Private Limited	84,521	84,521
(vi) Allotment of 6% Non Cumulative Redeemable Preference Shares of Youngtronics India Private Limited	-	46,00,000
32. Earning per share	31.03.2017	31.03.2016
(a) Net Profit / (Loss) available for Equity Share holders (numerator used for calculation)	15,05,32,590	96,73,455
(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.) (Equity Shares of face value of Rs.10/- each)	45.89	2.95
33. Contingent liabilities not provided for :		
(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
(c) In respect of guarantee given by Company in favour of Union Bank of India on behalf of Omnitel Technologies Private Limited for credit facility extended to them	10,00,00,000	10,00,00,000
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. (a) Expenditure in Foreign Currency	This Year	Previous Year
Others	Nil	Nil
(b) Earning in Foreign Exchange	Nil	Nil
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. Disclosure pursuant to Notification No. 244 dated 30.03.2017 in respect of details of Specified Bank Notes (SBN) held and transacted during the period 8th November 2016 to 30th December 2016.		

Particulars	SBN	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	5,34,000	11,907	5,45,907
Add : Permitted Receipts	-	12,62,295	12,62,295
Less : Permitted Payments	69,000	6,30,666	6,99,666
Less : Amount deposited in Banks	4,65,000	-	4,65,000
Closing Cash in hand as on 30.12.2016	-	6,43,536	6,43,536

39. The Figure of the previous year have been regrouped/rearranged wherever necessary.

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of SHERVANI INDUSTRIAL SYNDICATE LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate entities, comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate entities as at 31<sup>st</sup> March, 2017, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

**Other Matters**

(a) The consolidated financial statements also include the Group's share of net Profit of Rs.17,69,385 for the year ended 31<sup>st</sup> March, 2017, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the reports of the other auditors

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) amendment Rules 2016 except liability for gratuity and leave encashment is accounted for on payment basis in one subsidiary company.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors of the Holding Company, none of the directors of the holding company is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our

separate report in "Annexure "A"; and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position. (Refer Note "28" to the consolidated financial statements).
  - ii. The Group, and its associate entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
  - iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the management.

For P.L. TANDON & CO  
Chartered Accountants  
Registration Number: 000186C  
P.P.SINGH  
(PARTNER)  
Membership Number:072754

Place : KANPUR  
Date : May 30, 2017

**ANNEXURE – "A" TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31<sup>st</sup> March, 2017, we have audited the internal financial controls over financial reporting of SHERVANI INDUSTRIAL SYNDICATE LIMITED ("the Holding Company") and its subsidiary as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the

Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.



**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P.L. TANDON & Co.  
Chartered Accountants  
Registration Number: 000186C

P.P.SINGH  
(PARTNER)  
Membership Number: 072754

Place : KANPUR  
Date : May 30, 2017

**CONSOLIDATED****BALANCE SHEET**

	Note No.	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders Funds</b>			
Share Capital	2	3,28,02,500	3,28,02,500
Reserves and Surplus	3	<u>1,94,15,21,216</u>	<u>1,86,56,67,014</u>
		<b>1,97,43,23,716</b>	<b>1,89,84,69,514</b>
<b>Non-Current Liabilities</b>			
Long term Borrowings	4	6,74,479	10,88,752
Other Long-term Liabilities	5	10,89,998	27,74,961
Long-term Provisions	6	<u>8,12,379</u>	<u>6,30,172</u>
		<b>25,76,856</b>	<b>44,93,885</b>
<b>Current Liabilities</b>			
Short term Borrowings	7	89,66,604	7,66,74,445
Trade Payables	8	43,41,584	17,75,227
Other Current Liabilities	9	8,49,46,187	3,28,49,344
Short term Provisions	10	<u>4,00,43,738</u>	<u>4,00,09,587</u>
		<b>13,82,98,113</b>	<b>15,13,08,603</b>
	<b>Total</b>	<b>2,11,51,98,685</b>	<b>2,05,42,72,002</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property Plant & Equipment			
Tangible Assets	11	6,56,47,386	6,77,42,791
Goodwill on Consolidation		6,44,64,204	6,44,64,204
Non-current Investments	12	4,18,09,236	4,31,55,632
Deferred Tax Assets (Net)		8,68,845	-
Long-term Loans and Advances	13	<u>7,01,359</u>	<u>4,98,932</u>
		<b>17,34,91,030</b>	<b>17,58,61,559</b>
<b>Current Assets</b>			
Current Investments	14	11,44,84,186	4,12,80,401
Inventories	15	1,33,95,03,040	1,51,63,14,622
Trade Receivables	16	23,86,17,087	11,78,60,305
Cash and Cash Equivalents	17	21,54,90,095	18,29,46,642
Short-term Loans and Advances	18	3,00,02,363	1,56,26,183
Other Current Assets	19	<u>36,10,884</u>	<u>43,82,290</u>
		<b>1,94,17,07,655</b>	<b>1,87,84,10,443</b>
	<b>Total</b>	<b>2,11,51,98,685</b>	<b>2,05,42,72,002</b>
<b>Significant Accounting Policies and Notes on Financial Statement</b>	<b>1 - 31</b>		

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

**Mohd. Aslam Sayeed**  
Director  
DIN: 06652348

**Tahir Hasan**  
Whole Time Director &  
Chief Financial Officer  
DIN: 00074282

**Saleem I. Shervani**  
Managing Director  
DIN: 00023909

Place : Allahabad  
Date : May 30, 2017

**CONSOLIDATED****STATEMENT OF PROFIT & LOSS**

PARTICULARS	Note No.	Year ended	Year ended
		March 31, 2017	March 31, 2016
		Rs.	Rs.
<b>Revenue from Operations</b>			
Revenue from Operations	20	40,78,56,013	31,71,98,773
Other Income	21	1,82,50,675	1,19,24,032
<b>Total Revenue</b>		<b>42,61,06,688</b>	<b>32,91,22,805</b>
<b>Expenses</b>			
Cost of Construction & Development Expenses	22	9,61,98,879	11,01,48,226
Changes in Inventories of Finished Goods & WIP	23	18,30,40,056	12,99,29,736
Employees Benefit Expense	24	2,27,95,882	2,10,64,934
Finance Costs	25	19,88,398	50,76,589
Depreciation and Amortization Expense		42,45,351	42,75,532
Other Expenses	26	4,99,26,106	5,10,97,377
<b>Total Expenses</b>		<b>35,81,94,672</b>	<b>32,15,92,394</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>6,79,12,016</b>	75,30,411
Exceptional Items		8,82,47,235	78,61,071
<b>Profit Before Tax and share of profit in Associate Companies</b>		<b>15,61,59,251</b>	<b>1,53,91,482</b>
Share of Profit in Associate Companies		16,53,604	33,96,953
<b>Profit before Tax and after share of Loss in Associate Companies</b>		<b>15,78,12,855</b>	<b>1,87,88,435</b>
<b>Tax Expense</b>			
Current Tax		-	8,85,000
MAT Credit Entitlement (Net of Written Off)		-	4,52,048
Earlier Years Tax (Adj. of MAT Credit)		(1,35,737)	(1,740)
Deferred Tax Credit		8,68,845	-
<b>Profit (Loss) For the year</b>		<b>15,88,17,437</b>	<b>1,74,53,127</b>
Earning Per Equity Share of Rs. 10/- each			
Basic		48,42	5.32
Diluted		48,42	5.32
<b>Significant Accounting Policies and Notes on Financial Statement</b>	<b>1 - 31</b>		

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

**Mohd. Aslam Sayeed**  
Director  
DIN: 06652348

**Tahir Hasan**  
Whole Time Director &  
Chief Financial Officer  
DIN: 00074282

**Saleem I. Shervani**  
Managing Director  
DIN: 00023909

Place : Allahabad

Date : May 30, 2017

**CONSOLIDATED****CASH FLOW STATEMENT**

	Year ended 31.03.2017		Year ended 31.03.2016	
	Rs.	Rs.	Rs.	Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) Before Tax		6,79,12,016		75,30,411
Adjustment For :				
Provison Made Against Loan to Subsidiary Company	(3,00,00,000)			-
Provision for Doubtful Advances	3,52,84,000			-
Depreciation	42,45,351		42,75,532	
Loss /(Profit) on sale of assets	1,05,105		2,14,481	
Interest paid	19,88,398		50,76,589	
Interest Received	(1,42,34,459)		(1,15,16,548)	
Dividend Received	(8,500)		(8,000)	
(Profit)/Loss on Sale of Investments	(32,62,341)	(58,82,446)	1,65,38,557	1,45,80,611
<b>Operating Profit/(Loss) before Working Capital Changes</b>		<b>6,20,29,570</b>		<b>2,21,11,022</b>
Adjustment For :				
(Increase)/Decrease in Trade and other receivables	(13,27,95,148)		(10,77,96,490)	
(Increase)/Decrease in Inventories	17,68,11,580		12,99,86,189	
Increase/(Decrease) in Trade Payables	5,41,93,110	9,82,09,542	(2,36,74,987)	(14,85,288)
<b>Cash generated / (used) in operation</b>		<b>16,02,39,113</b>		<b>2,06,25,734</b>
Add / (Deduct) for :				
Direct tax (paid) /Refund of earlier years	(24,04,502)		14,95,689	
<b>Net Cash /(used in) /from operating activities (Total – A)</b>		<b>15,78,34,611</b>		<b>2,21,21,423</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Refund of share application money		-		4,96,000
Purchase of Fixed Assets	(24,45,529)			(20,11,907)
Sale of Fixed Assets	1,90,476			3,09,524
Purchase of Current Investments (net of sale)	(7,10,09,444)			52,26,968
Purchase of Investments in Associate Company	-			(46,00,000)
Sale of Investments in Associate Companies (Net of Purchase)	-			88,325
Sale of other Investments	40,68,000			-
Dividend Received	8,500			8,000
Interest Received	1,50,05,866			1,21,59,834
<b>Net Cash /(used in) from investing activities (Total - B )</b>		<b>(5,41,82,131)</b>		<b>1,16,76,744</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Loans and Borrowings		(6,91,20,629)		(2,75,95,086)
Interest paid		(19,88,398)		(50,76,589)
<b>Net Cash/(used in) from financing activities (Total – C)</b>		<b>(7,11,09,027)</b>		<b>(3,26,71,675)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>3,25,43,453</b>		<b>11,26,491</b>
Add : Opening Cash and Cash Equivalents		18,29,46,642		18,18,20,151
<b>Closing Cash and Cash Equivalent</b>		<b>21,54,90,095</b>		<b>18,29,46,642</b>

As per our report of even date attached

**For P.L. Tandon & Co.**

Chartered Accountants

P.P.Singh  
PartnerB.K. Misra  
Company Secretary &  
Sr. Accounts ManagerMohd. Aslam Sayeed  
Director  
DIN: 06652348Tahir Hasan  
Whole Time Director &  
Chief Financial Officer  
DIN: 00074282Saleem I. Shervani  
Managing Director  
DIN: 00023909Place : Allahabad  
Date : May 30, 2017

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Note No.

**1 Principles of Consolidation**

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

- a) The consolidated financial statements 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 losses 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 as under :

Name of the company	Country of Incorporation	Holding as on 31.03.2017
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.

# CONSOLIDATED

# NOTES

NOTE No.	As at 31.03.2017		As at 31.03.2016	
<b>2 Share Capital</b>				
<b>Authorised</b>		<b>Rs.</b>		<b>Rs.</b>
20,000 Cumulative Redeemable Preference Shares of Rs. 100/- each		20,00,000		20,00,000
62,80,000 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
		<u>6,50,00,000</u>		<u>6,50,00,000</u>
<b>Issued, Subscribed and Paid Up</b>	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
<b>Ordinary Shares</b>				
Balance as on 01.04.2016	32,60,250	3,26,02,500	32,60,250	3,26,02,500
Balance as at 31.03.2017	32,60,250	<u>3,26,02,500</u>	32,60,250	<u>3,26,02,500</u>
		<b>3,26,02,500</b>		<b>3,26,02,500</b>
<b>Deferred Shares</b>				
Balance as on 01.04.2016	8,000	2,00,000	8,000	2,00,000
Balance as at 31.03.2017	8,000	<u>2,00,000</u>	8,000	<u>2,00,000</u>
		<b>2,00,000</b>		<b>2,00,000</b>
<b>Total</b>		<u><b>3,28,02,500</b></u>		<u><b>3,28,02,500</b></u>
<b>Reconciliation of Number of Shares Outstanding is set out below</b>		<b>Nos.</b>		<b>Nos.</b>
Equity Shares at the beginning of the year		<b>32,68,250</b>		<b>32,68,250</b>
Equity Shares at the close of the year		<b>32,68,250</b>		<b>32,68,250</b>
<b>Details of shareholders holding more than 5 Percent</b>				
Shares (Equity Shares in nos. of Rs. 10/- Each)	No. of Shares	%age	No. of Shares	%age
M/s Frost Traders Pvt Ltd.	4,00,602	12.29%	4,00,602	12.29%
Mr. Saleem Iqbal Shervani	3,18,680	9.77%	3,18,680	9.77%
Mr. Hitesh Ramji Javeri	3,11,261	9.55%	4,55,250	13.96%
M/s Reed Finance Pvt Ltd.	<u>2,69,145</u>	<u>8.26%</u>	<u>2,69,145</u>	<u>8.26%</u>
			<b>12,99,688</b>	<b>14,43,677</b>
<b>3 Reserves &amp; Surplus</b>				
<b>General Reserve</b>				
As per last Balance Sheet	52,89,12,956		52,89,12,956	
Add : Adjustment during the year	<u>-</u>	52,89,12,956	<u>-</u>	52,89,12,956
Less : Transferred to Surplus				
<b>Capital Subsidy Reserve</b>				
As per last Balance Sheet		19,26,616		19,26,616
<b>Share Premium Account</b>				
As per last Balance Sheet		38,40,909		38,40,909
<b>Capital Redemption Reserve</b>				
As per last Balance Sheet		20,00,000		20,00,000
Capital Reserve on Revaluation of Land	1,51,11,79,180		1,51,90,40,251	
Less : Transfer to Surplus	<u>5,29,63,235</u>	1,45,82,15,945	<u>78,61,071</u>	1,51,11,79,180
Capital Reserve on Consolidation		63,00,000		63,00,000
<b>Surplus</b>				
As per last Balance Sheet	(18,84,92,647)		(21,25,00,771)	
Add : Balance in the statement of Profit and Loss Account	15,88,17,437		1,74,53,127	
Less : Prov. Made against loan to subsidiary company written back during the year	<u>(3,00,00,000)</u>	<u>(5,96,75,210)</u>	65,54,997	<u>(18,84,92,647)</u>
		<b>1,94,15,21,216</b>		<b>1,86,56,67,014</b>

# CONSOLIDATED

# NOTES

NOTE No.	As at 31.03.2017	As at 31.03.2016
<b>4 Long Term Borrowing</b>	<b>Rs.</b>	<b>Rs.</b>
<b>Secured Loan</b>		
Vehicle Loan (Secured by Hypothecation of Vehicle)	<u>6,74,479</u>	<u>10,88,752</u>
<b>Total long term borrowing</b>	<u><b>6,74,479</b></u>	<u><b>10,88,752</b></u>
Maturity Profile		
Year	Amount Payable (Rs.)	
2018-2019	2,40,538	
2019-2020	2,65,989	
2020-2021	1,67,952	
<b>5 Other long-term Liabilities</b>		
Security Deposit	<u>10,89,998</u>	<u>27,74,961</u>
	<u><b>10,89,998</b></u>	<u><b>27,74,961</b></u>
<b>6 Long-term Provisions</b>		
Provision for Employees' Benefit	<u>8,12,379</u>	<u>6,30,172</u>
	<u><b>8,12,379</b></u>	<u><b>6,30,172</b></u>
<b>7 Short-term Borrowings</b>		
<b>Secured Loans from Banks</b>		
Overdraft from Union Bank of India (Secured by pledge of fixed deposits )	89,66,604	6,49,68,438
Overdraft from State Bank of India (Secured by mortgage of company's land)	-	1,17,06,007
	<u><b>89,66,604</b></u>	<u><b>7,66,74,445</b></u>
<b>8 Trade Payables</b>		
Sundry Creditors	<u>43,41,584</u>	<u>17,75,227</u>
	<u><b>43,41,584</b></u>	<u><b>17,75,227</b></u>
<b>9 Other Current Liabilities</b>		
Current Maturity of long term Borrowing (Secured Vehicle Loan)	4,14,273	14,12,788
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	4,71,365	5,32,173
Advance From Customer	7,72,18,865	11,68,105
Other Payable	<u>68,41,684</u>	<u>2,97,36,278</u>
(Includes Employees Liabilities, Statutory Liabilities etc.)	<u><b>8,49,46,187</b></u>	<u><b>3,28,49,344</b></u>
<b>10 Short-term Provisions</b>		
Provision for taxation	4,00,00,000	4,00,00,000
Provision for Employee Benefit	<u>43,738</u>	<u>9,587</u>
	<u><b>4,00,43,738</b></u>	<u><b>4,00,09,587</b></u>

**11 Non Current Assets -  
Property Plant & Equipment  
Tangible Assets**

<b>Gross Block</b>	<b>As at 01.04.2016</b>	<b>Addition</b>	<b>Deletion</b>	<b>As at 31.03.2017</b>
Freehold land	1,71,31,323	-	-	1,71,31,323
Leasehold land	5,179	-	-	5,179
Factory building	60,28,619	-	-	60,28,619
Non-factory building	3,71,66,333	-	-	3,71,66,333
Plant and Equipments	1,70,24,305	5,99,740	-	1,76,24,045
Furniture and Fixture	18,87,801	-	-	18,87,801
Vehicles	1,86,84,489	17,14,762	5,27,855	1,98,71,396
Office equipments	1,93,780	63,425	-	2,57,205
Computers	52,57,470	67,600	-	53,25,070
<b>Total</b>	<b>10,33,79,299</b>	<b>24,45,527</b>	<b>5,27,855</b>	<b>10,52,96,971</b>
Previous Year	10,24,92,177	20,11,907	11,24,785	10,33,79,299

**Depreciation Block**

Freehold land	-	-	-	-
Leasehold land	-	-	-	-
Factory building	33,96,699	1,93,375	-	35,90,074
Non-factory building	53,82,428	5,63,882	-	59,46,310
Plant and Equipments	1,29,79,811	11,79,261	-	1,41,59,072
Furniture and Fixture	15,65,997	52,412	-	16,18,409
Vehicles	71,87,409	22,07,332	2,32,274	91,62,467
Office Equipments	1,49,541	14,235	-	1,63,776
Computers	49,74,623	34,854	-	50,09,477
<b>Total</b>	<b>3,56,36,508</b>	<b>42,45,351</b>	<b>2,32,274</b>	<b>3,96,49,585</b>
Previous Year	3,19,61,755	42,75,532	6,00,779	3,56,36,508

**Net Block**

	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
Freehold land	1,71,31,323	1,71,31,323
Leasehold land	5,179	5,179
Factory building	24,38,545	26,31,920
Non-factory building	3,12,20,023	3,17,83,905
Plant and Equipments	34,64,973	40,44,494
Furniture and Fixture	2,69,392	3,21,804
Vehicles	1,07,08,929	1,14,97,080
Office equipments	93,429	44,239
Computers	3,15,593	2,82,847
<b>Total</b>	<b>6,56,47,386</b>	<b>6,77,42,791</b>



# CONSOLIDATED

# NOTES

NOTE No.		As at 31.03.2017		As at 31.03.2016	
		Rs.	Rs.	Rs.	Rs.
<b>12 Non Current Investment (At Cost)</b>					
<b>(Long Term Investment)</b>					
<b>Trade Investment (unquoted)</b>					
<b>Investment In Equity Instruments</b>					
<b>Associate Company</b>					
22,65,750 Shervani Hospitalities Ltd. of Rs. 10/-					
(22,65,750) each (including 730000 Equity Shares at a Premium of Rs.90/- per share and 21450 Bonus Shares)	2,85,57,765			2,67,88,380	
85,000 Youngtronics India Private Ltd. of		6,46,471		7,62,252	
(85,000) Rs.10/- each					
4,60,000 9% Cumulative Redeemable Preference Shares of					
(4,60,000) Rs. 10/- each of Youngtronics India Pvt. Ltd.	46,00,000			46,00,000	
<b>Other Investments (in Equity Shares- Unquoted Fully Paid Up)</b>					
500 Shares of Super Bazar Cooperative		5,000		5,000	
(500) Stores Ltd., of Rs. 10/- each					
80,000 6% Non Cumulative Pref. Shares of		80,00,000		80,00,000	
(80,000) India Global Exports Pvt. Ltd. of Rs.100/- each					
- Shervani Sugar Syndicate Ltd.		-		30,00,000	
(3,00,000) of Rs.10/- each of					
		<b>4,18,09,236</b>		<b>4,31,55,632</b>	
<b>13 Long Term Loans and Advances</b>					
(Unsecured considered good unless otherwise stated)					
Security Deposits			7,01,359	4,98,932	
			<b>7,01,359</b>	<b>4,98,932</b>	
<b>14 CURRENT INVESTMENTS</b>					
<b>Other Investment</b>					
<b>In Equity Shares-Quoted Fully Paid Up</b>					
1,000 Reliance Infra Limited	16,23,450			16,23,450	
(1,000) of Rs.10/- Each					
10,000 Cerebra Integrated Technologie	2,87,936	19,11,386		2,87,936	19,11,386
(10,000) of Rs.10/- Each					
- SBI Bluechip Fund Regular (Growth)				61,07,900	
(2,17,658.177) of Rs.10/- Each					
<b>In Mutual Fund Units-unquoted</b>					
- SBI Small & Midcap Fund Regular (Growth)				1,01,79,900	
(3,34,356.474) of Rs.10/- Each					
1,16,133.968 SBI Magnum Midcap Fund (Growth)	81,83,900			-	
(-) of Rs. 10/- Each					
2,14,214.372 SBI Magnum Multicap Fund (Growth)	81,83,900			-	
(-) of Rs. 10/- Each					
2,50,000 Union Capital Protection Oriented	25,00,000			-	
(-) Fund (Growth) of Rs. 10/- Each					
5,94,552.279 SBI Savings Fund (Growth)	1,50,00,000			-	
of Rs. 10/- Each					
51,276.141 Birla Sunlife Cash Manager Fund	2,00,00,000			-	
(-) (Growth) of Rs. 10/- Each					
16,602.304 Birla Sunlife Equity Fund (Growth)	1,02,30,000			-	
(-) of Rs. 10/- Each					
9,76,060.334 Canara Robeco Yield Advantage	1,50,00,000			-	
(-) Fund (Growth of Rs. 10/- Each					
2,60,197.231 Mirae Asset India Opportunities	1,02,30,000	8,93,27,800		-	1,62,87,800
(-) Fund (Growth of Rs. 10/- Each					
Less: Provision For Diminution of Current Investment		(10,55,000)		(12,18,785)	
Share Application Money India Global Exports Pvt. Limited	2,43,00,000			2,43,00,000	
			2,43,00,000	2,43,00,000	
Total Current Investments		<b>11,44,84,186</b>		<b>4,12,80,401</b>	
Total Investments		<b>11,44,84,186</b>		<b>4,12,80,401</b>	

**CONSOLIDATED****NOTES**

NOTE No.	As at 31.03.2017	As at 31.03.2016
	Rs.	Rs.
<b>15 Inventories</b>		
(Stock as valued and Certified by Managing Director)		
Work in Progress (Real Estate)	22,78,14,979	14,67,35,124
Finished Goods	3,21,115	3,21,115
Stock in Trade (Land and expenses thereon)	1,10,49,26,221	1,36,90,46,132
Stores & Spares	1,94,766	2,12,251
Construction Material at Site	62,45,959	-
	<u>1,33,95,03,040</u>	<u>1,51,63,14,622</u>
<b>16 Trade Receivables</b>		
(Unsecured Considered Good unless otherwise stated)		
Over Six Month	-	7,945
Others (Includes unbilled revenue of Rs. 23,51,57,544)	23,86,17,087	11,78,52,360
	<u>23,86,17,087</u>	<u>11,78,60,305</u>
<b>17 Cash &amp; Cash Equivalents</b>		
<b>Balance with Banks</b>		
In Fixed Deposits (Pledged with Bank of Rs. 10,27,99,546)		
Marurity with more than 12 Months	48,92,110	48,92,110
Others	13,20,03,938	12,53,01,600
In current accounts		
Earmarked Balance with Banks	4,81,327	5,45,265
Others	6,09,09,614	5,18,87,790
Cash on Hand	1,72,03,106	3,19,877
	<u>21,54,90,095</u>	<u>18,29,46,642</u>
<b>18 Short Term Loans &amp; Advances</b>		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in Cash or In kind for the Value to be received)	1,28,35,773	18,45,293
Unsecured Considered Doubtful	-	19,55,64,000
Prepaid Expenses	2,97,273	1,39,798
Advance Income Tax (Net of Provision)	97,02,670	72,98,167
Balances with Central excise Department	7,96,436	1,08,451
MAT Credit Entitlement	63,70,211	62,34,474
	<u>3,00,02,363</u>	<u>21,11,90,183</u>
Less: Provision for doubtful Advances	-	19,55,64,000
	<u>3,00,02,363</u>	<u>1,56,26,183</u>
<b>19 Other Current Assets</b>		
Interest Receivable	36,10,884	43,82,290
	<u>36,10,884</u>	<u>43,82,290</u>

**CONSOLIDATED****NOTES**

NOTE No.	Year ended	Year ended
	March 31, 2017	March 31, 2016
	Rs.	Rs.
<b>20 Revenue from Operations</b>		
Revenue from Real Estate	36,46,02,225	28,37,19,107
Sale of Services	4,32,12,150	3,29,95,155
	<u>40,78,14,375</u>	<u>31,67,14,262</u>
<b>Other Operating Revenues</b>		
Misc. Receipts / Compensation	41,638	4,84,511
	<u>41,638</u>	<u>4,84,511</u>
<b>Total</b>	<u>40,78,56,013</u>	<u>31,71,98,773</u>
<b>21 Other Income</b>		
Interest received	1,42,34,459	1,15,16,548
Dividend received	8,500	8,000
Rent	87,120	81,180
Miscellaneous receipts	4,06,560	1,81,070
Provision of Liability no longer required	87,909	31,884
Diminution in the value of current investments	-	1,05,350
Diminution in value of investment no longer required	1,63,786	-
Profit on sale of investments (Including Security Transaction Tax)	32,62,341	-
	<u>1,82,50,675</u>	<u>1,19,24,032</u>
<b>22 Cost of Construction &amp; Development Expenses</b>	<u>9,61,98,879</u>	<u>11,01,48,226</u>
	<u>9,61,98,879</u>	<u>11,01,48,226</u>
<b>23 Changes In Inventories of Finished Goods</b>		
<b>Stock at Commencement</b>		
Finished Goods	3,21,115	3,21,115
Stock in Trade	1,36,90,46,132	1,55,14,09,000
Work in Process (Real Estate)	14,67,35,124	9,43,01,992
	<u>1,51,61,02,371</u>	<u>1,64,60,32,107</u>
<b>Stock at Close</b>		
Finished Goods	3,21,115	3,21,115
Stock in Trade	1,10,49,26,221	1,36,90,46,132
Work in Process (Real Estate)	22,78,14,979	14,67,35,124
	<u>1,33,30,62,315</u>	<u>1,51,61,02,371</u>
	<u>18,30,40,056</u>	<u>12,99,29,736</u>
<b>24 Employees' Benefit Expense</b>		
Salary & Wages	2,16,59,399	2,01,26,684
Contribution to Provident and other Fund	6,50,449	6,15,836
Staff Welfare expenses	4,86,034	3,22,414
	<u>2,27,95,882</u>	<u>2,10,64,934</u>
<b>25 Finance Costs</b>		
Interest to Bank & Others	19,88,398	50,76,589
	<u>19,88,398</u>	<u>50,76,589</u>

NOTE No.		Year ended	Year ended
		March 31, 2017	March 31, 2016
		Rs.	Rs.
<b>26</b>	<b>Other Expenses</b>		
	<b>Manufacturing Expenses</b>		
	Power & Fuel	1,68,66,741	1,30,55,565
	Repairs to Building	87,775	2,38,714
	Repairs to Plant & Machinery	9,81,842	15,08,178
	Other Manufacturing Expenses	2,25,714	2,33,387
		<u>1,81,62,072</u>	<u>1,50,35,844</u>
	<b>Administrative Expenses</b>		
	Rent	4,46,400	5,18,400
	Repairs Building	5,01,128	20,98,316
	Insurance	3,18,801	3,27,289
	Rates and Taxes	2,01,329	1,13,621
	Electricity Expenses	22,96,139	23,16,004
	Safety & Protection	11,02,601	10,31,278
	Vehicle Maintenance	14,97,592	13,07,327
	Retainership	7,23,740	6,14,740
	Professional Charges	73,04,230	39,76,746
	General Expenses	2,64,973	2,28,260
	Travelling and Conveyance expenses (Including Rs. 34145 paid to Auditors)	5,17,652	3,65,245
	Audit Fee	2,74,550	2,11,825
	Directors' Sitting Fee	3,40,000	3,10,000
	Loss on sale of assets (net)	1,05,105	2,14,481
	Sundry Balances Written Off	5,23,784	-
	Loss on sale of Investments (Net)	-	1,65,38,557
	Loan Written Off	19,02,80,000	
	Less : Prov. for Doubtful Loan Provided in Earlier Year (19,02,80,000)	-	
	Miscellaneous expenses	72,46,473	58,89,444
	<b>Total</b>	<u>2,36,64,497</u>	<u>3,60,61,533</u>
	<b>Selling and Distribution Expenses</b>		
	Brokerage	64,54,600	-
	Marketing Expenses	16,44,937	-
	<b>Total Other Expenses</b>	<u>4,99,26,106</u>	<u>5,10,97,377</u>
<b>27</b>	<b>Exceptional Items</b>		
	Loan Written Off	19,02,80,000	-
	Less : Provision for Doubtful Loan Provided in Earlier Years	<u>22,55,64,000</u>	-
	Transfer from capital Reserve	5,29,63,235	78,61,071
		<u>8,82,47,235</u>	<u>78,61,071</u>
<b>28</b>	Contingent liabilities not provided for :		
	(a) Claims against the company not acknowledged as debts	Amount indeterminate	
		March 31, 2017	March 31, 2016
	(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
	(c) In respect of guarantee given by Company in favour of Union Bank of India on behalf of Omnitel Technologies Private Limited (an Associate Company) for credit facility extended to them	10,00,00,000	10,00,00,000

**29. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary**

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of consolidated Net Assets	Amount in Rs	As % of consolidated Profit or Loss	Amount in Rs.
<b>Parent</b> Shervani Industrial Syndicate Limited	102.00%	2,01,27,96,181	96.00%	15,05,32,589
<b>Subsidiaries</b> Farco Foods Private Limited	(2.00%)	(3,84,72,465)	4.00%	66,31,243
<b>TOTAL</b>	<b>100%</b>	<b>1,97,43,23,716</b>	<b>100.00%</b>	<b>15,71,63,832*</b>

\*Excluding the Share of Profit of Associate Companies

**30. Salient Features of Financial Statements of Subsidiaries as per Companies Act, 2013**

**Name of Subsidiary Company - Farco Foods Private Limited**

Reporting Currency	: INR
Share Capital	: 90,00,000
Reserves and Surplus	: (3,84,72,465)
Total Assets	: 3,89,66,308
Total Liabilities	: 6,84,38,773
Investments	: NIL
Turnover / Total Income	: 4,46,84,844
Profit Before Tax	: 57,62,398
Provision for Tax (deferred Tax Credit)	: (8,68,845)
Profit after tax	: 66,31,243
Proposed Dividend	: NIL
% of Shareholding	: 100%

**31. Statement pursuant to section 129(3) of the Companies Act 2013 related to Associate Companies and Joint Ventures.**

Sl No.	Name of Associate	Shares of associates held by the company on the year end					Profit/Loss for the year			
		Latest audited balance sheet date	No. of Shares	Amount of investment in Associate	Extent of Holding %	Net worth attributable to shareholding as per latest balance sheet	Considered in consolidation	Not considered in consolidation	Description of how there is significant influence	Reason why associate is not considered
1	Shervani Hospitalities Ltd	31.03.2017	2265750	88143000	30.02%	197313832	1769385	Nil	30.02% Shares Held	NA
2	Youngtronics India Private Limited	31.03.2017	85000	850000	46.33%	(1573787)	(115781)	Nil	46.33% Shares Held	NA

# SHERVANI INDUSTRIAL SYNDICATE LIMITED

Regd. Office: Shervani Nagar, Sulem Sarai, Harwara, Allahabad-211011  
 Phone: 0532-2102306, Fax- 0532-2436928: e-mail: shervaniind@rediffmail.com, www.shervaniind.com  
 CIN : L45202UP1948PLC001891

## ATTENDANCE SLIP

**69<sup>th</sup> ANNUAL GENERAL MEETING ON THURSDAY, 28<sup>th</sup> SEPTEMBER, 2017**

Registered Folio No. / DP ID/ Client ID	
Name and address of the member(s)	
Joint Holder 1	
Joint Holder 2	

I/We hereby record my /our presence at the 69<sup>th</sup> Annual General Meeting of the Company at 2, New Cantonment, Kanpur Road, Allahabad on 28<sup>th</sup> September 2017.

.....  
**Member / Proxy Name in Block Letters**

.....  
**Member/ Proxy's Signature**

Please hand over the attendance slip at the Attendance Desk at the venue of meeting.

✂..... PLEASE CUT HERE AND BRING THE ABOVE SLIP TO THE MEETING .....✂

# SHERVANI INDUSTRIAL SYNDICATE LIMITED

Regd. Office: Shervani Nagar, Sulem Sarai, Harwara, Allahabad-211011  
 Phone: 0532-2102306, Fax- 0532-2436928: e-mail: shervaniind@rediffmail.com, www.shervaniind.com  
 CIN : L45202UP1948PLC001891

## PROXY FORM

(Form No. MGT – 11)

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules , 2014]

Name of the Member (s) : \_\_\_\_\_ Registered Address : \_\_\_\_\_  
 E-mail ID: \_\_\_\_\_ Folio No, Client ID, DP ID : \_\_\_\_\_  
 I / We being the member(s) holding \_\_\_\_\_ shares of the above named company, hereby appoint  
 Name : \_\_\_\_\_ Address : \_\_\_\_\_ E-mail ID: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him Name : \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him Name : \_\_\_\_\_  
 Address : \_\_\_\_\_ E-mail ID : \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on poll) for me /us and on my / our behalf at the 69<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 28<sup>th</sup> September, 2017 at 11.30 A.M. at 2, New Cantonment, Kanpur Road, Allahabad-211001 (U.P.) and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Description of Resolution	Special/ Ordinary	Optional	
			For	Against
	<b>Ordinary Business</b>			
1	Adoption of Standalone and Consolidated Audited Financial Statements for the year ended on March 31, 2017	Ordinary		
2	Re-appointment of Mr. Raju Verghese as Director, who retires by rotation	Ordinary		
3	Re-appointment of Mrs. Shefali Bansal as Director, who retires by rotation	Ordinary		
4	Appointment of M/s Gupta Vaish & Co., Chartered Accountants as Statutory Auditors	Ordinary		

Affix and sign  
across Re.1/-  
Revenue Stamp

**Signature of Shareholder**

**Signature of Proxy holder(s)**

Date:

1. This form of Proxy in order to be effective should be completed and deposited at the Registered Office of the Company, not later than 48 hours before the meeting.
2. It is optional to put a "X" in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.
3. Please complete all details of Member(s) in the above box before submission.

✂.....

<b>EVSN ( Electric Voting Sequence Number)</b>	<b>*Default PAN</b>

\*Only member who have not updated their PAN with Company /Depository Participant shall use default PAN in the PAN field.

Note: Please read instructions printed under the Note No 14 to the Notice of 69<sup>th</sup> Annual General Meeting dated 14.08.2017. The Voting period starts from 10.00 a.m. on 25<sup>th</sup> September, 2017 and ends at 5.00 p.m. on 27<sup>th</sup> September, 2017. The voting shall be disabled by CDSL for voting thereafter.

# **SHERVANI INDUSTRIAL SYNDICATE LIMITED**

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

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e-mail: [shervaniind@rediffmail.com](mailto:shervaniind@rediffmail.com)

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CIN : L45202UP1948PLC001891