

# 71<sup>st</sup> ANNUAL REPORT 2018-2019

**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

Mr. S.K. Shukla

### AUDITORS

M/s. Gupta Vaish & 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

Prayagraj - 211015

Uttar Pradesh

## Annual Report 2018-2019

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NOTICE is hereby given that the 71<sup>st</sup> Annual General Meeting of the Members of Shervani Industrial Syndicate Limited will be held on Monday, the 30<sup>th</sup> September, 2019 at 11.30 A.M. at 2, New Cantonment, Kanpur Road, Prayagraj to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt :
  - (a) the Audited Standalone Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2019 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, 2019 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Azher Nisar Shervani (DIN: 00424635) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Raju Verghese (DIN: 01086812) who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of 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 Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. Gupta Vaish & Co., Chartered Accountants (Firm Registration No. 005087C), as Auditors of the Company made at the 69<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017 for a period of five years, be and is ratified for the period from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and that the Auditors be paid such remuneration as may be fixed by the Board of Directors of the Company in consultation with the Audit Committee.”

#### SPECIAL BUSINESS

5. To approve the re-appointment of Mr. Tahir Hasan (DIN: 00074282) as Whole-time Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
 

“RESOLVED THAT pursuant to the provisions of section 196,197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the re-appointment of Mr. Tahir Hasan (DIN: 00074282) as a Whole-time Director of the

Company for a period of three years with effect from 14.08.2019 on the following terms and conditions which have been approved by the board of Directors of the company on the recommendations of the Remuneration Committee

- (A) Salary : Rs. 25,000/- (Rupees Twenty Five Thousand only) per month.
- (B) Perquisites & Allowances : In addition to salary the Whole-time Director shall entitled to the following perquisites:-
  - Medicclaim Policy :
  - Medicclaim Policy to be taken as per the applicable Rules of the Company
  - Personal Accident Insurance :
  - Policy to be taken as per the applicable Rules of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include the Nomination & Remuneration Committee) be and is hereby authorised to alter, vary, modify, the terms and conditions of appointment of Mr. Tahir Hasan from time to time during the tenure of his appointment as a Whole-time Director of the Company, provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Schedule V and all other applicable provisions of the Companies Act, 2013 including any statutory modifications or re-enactment thereof for the time being, be in force.

RESOLVED FURTHER THAT where in any financial year during the currency of tenure of Whole-time Director, the Company has no profits or its profits are inadequate, Mr. Tahir Hasan Whole-time Director be paid the remuneration by way of salary and perquisites as above, as the minimum remuneration, as may be permitted in accordance with the provisions of the Companies Act, 2013 read with Schedule V including any statutory modifications or re-enactment thereof for the time being, be in force.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To ratify the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2020 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
 

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s Shishir Jaiswal & Co., Cost Accountants (Firm Registration No. 102450) appointed by the Board of Directors of the Company as Cost Auditors to conduct

the audit of the Cost Records of the Company for the financial year ending 31<sup>st</sup> March 2020 amounting to Rs. 40,000 (Rupees Forty Thousand Only) plus taxes as applicable and re-imbursement of actual travel/conveyance and out of pocket expenses incurred in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed.”

7. To appoint Dr. Ashutosh Pratap Singh (DIN: 05354321) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Dr. Ashutosh Pratap Singh (DIN: 05354321) who was appointed as an Independent Director at the 66<sup>th</sup> Annual General Meeting of the Company, to hold office for 5(five) consecutive years up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 30.09.2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To appoint Mr. Gopal Swarup Chaturvedi (DIN: 00148434) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Gopal Swarup Chaturvedi (DIN: 00148434) who was appointed as an Independent Director at the 66<sup>th</sup> Annual General Meeting of the Company, to hold office for 5(five) consecutive years up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and submitted a declaration that he meets the criteria

for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 30.09.2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To appoint Mr. Mohd. Aslam Sayeed (DIN: 06652348) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force). Mr. Mohd. Aslam Sayeed (DIN: 06652348) who was appointed as an Independent Director at the 66<sup>th</sup> Annual General Meeting of the Company, to hold office for 5(five) consecutive years up to the conclusion of this Annual General Meeting and who is eligible for re-appointment and submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as a Non- Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 30.09.2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

10. To appoint Mrs. Shefali Bansal (DIN: 07090579) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Shefali Bansal (DIN: 07090579) who has submitted a declaration that she

meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 and is eligible for re-appointment and submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Woman Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

11. To appoint Mr. Sadiq Husain Siddiqui (DIN: 02125236) as Whole-time Director designated as Director (Corporate Affairs) and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the necessary approvals, the consent of the company be and is hereby accorded to the appointment of Mr. Sadiq Husain Siddiqui (DIN: 02125236) as a Whole-time Director designated as Director (Corporate Affairs) of the Company for a period of 3 (Three) years with effect from 1<sup>st</sup> October, 2019 on the following terms and conditions as approved by the Nomination and Remuneration Committee:

(A) Salary : Rs. 63,500/- (Rupees Sixty Three Thousand Five Hundred) per month.

(B) Perquisites : Company's Car

Perquisites shall be evaluated as per Income-Tax Rules, 1962, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost to the Company.

For the purpose of perquisites stated herein above, 'family' means the spouse and dependent children of the appointee.

RESOLVED FURTHER THAT where in any financial year during the currency of term of Director (Corporate Affairs), the Company has no profits or its profits are inadequate, the Company shall pay to Director (Corporate Affairs), remuneration by way of Salary, Commission and Perquisites as specified above as minimum remuneration, subject to the compliance of the applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter, vary,

modify the terms and conditions of appointment of Mr. Sadiq Husain Siddiqui from time to time during the tenure of his appointment as Director (Corporate Affairs) of the Company, provided however that the total remuneration payable to him shall be in accordance with the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution and matters incidental, consequential and connected therewith.”

By Order of the Board  
For Shervani Industrial Syndicate Limited

S. K. Shukla  
Company Secretary

Place : Prayagraj

Date : Aug 10, 2019

**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 Annual General 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 Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts in respect of Business under Item Nos. 5 to 11 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 under section 113 of the Companies Act, 2013 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 copy of Annual Report to the Meeting.
6. In case of Joint Shareholders attending the Meeting, only such Shareholder 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. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 24<sup>th</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019 (both days inclusive).
9. 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 2011-12, 2013-14 & 2017-18 (Interim) are requested to lodge their claims with Registrar and Transfer Agents (RTA) or with the Company. 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. The Members, whose unclaimed dividend / shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).
10. 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 (Link Intime India Private Ltd., C-101, 247-Park, L.B.S. Marg, Vikhroli West, Mumbai-400083) ("RTA").
11. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20<sup>th</sup> April, 2018, the Company is required to obtain the copy of PAN Card and Bank details from all the shareholders holding shares in physical form. Members are requested to get their details updated by sending the below-mentioned documents along-with a duly signed request letter to RTA:
  - a) Self-attested copy of PAN Card of all the holders;
  - b) Original cancelled cheque leaf with name of member printed on it (if name is not printed, a copy of Bank Passbook/ Statement bearing name, duly attested by the Bank) and;
  - c) Self-attested copy of address proof (viz. aadhar, voter-id, passport, driving license, any utility bill not older than 3 months).
12. The Equity Shares of the Company are compulsorily tradable in demat form. The Equity Shares of the Company have been assigned ISIN INE011D01013 In accordance with the proviso to Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 1st April, 2019, transfer of shares of the Company shall not be processed (except in the cases of transmission or transposition of shares) unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions. The procedure for dematerialisation of shares is available at our website: [www.shervaniind.com](http://www.shervaniind.com). Members are requested to get their shares dematerialised at the earliest to avoid any inconvenience.
13. To support "Green Initiative", 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 Reports, Notices, Circulars etc. from the Company electronically.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Members may submit their request to the Company's Registrar & Share Transfer Agents, M/s LINK INTIME INDIA PVT. LTD C-101, 247-Park, L.B.S. Marg, Vikhroli West, Mumbai-400083. in the prescribed Form SH-13 for nomination and Form SH-14 for cancellation/ variation in nomination already made, as the case may be. The Forms will be sent by the Company/RTA upon such request. Members holding shares in demat mode may contact their respective Depository Participant (DP) for availing this facility.
15. Members desirous of obtaining any information / clarification concerning the Accounts and operations of the Company may send their query so as to reach the Company at least seven days before the Annual General Meeting, so that the desired information may be made available at the Annual General Meeting, if the Chairman permits to do so.
16. Members holding Shares in electronic form are requested to provide their Client-Id and DP-Id numbers at the Meeting for easy identification.
17. In terms of Section 101 and 136 of the Companies Act, 2013 read with the Rules made thereunder, the listed companies may send the Notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company. For members who request for a hard copy and for those who have not registered their e-mail

addresses, physical copies are being sent through the permitted mode.

18. The Annual Report and the Notice of the 71<sup>st</sup> Annual General Meeting will also be available on the Company's website [www.shervaniind.com](http://www.shervaniind.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office as well as Administrative Office for inspection during business hours.
19. Non- Resident Indian Members are requested to inform immediately:
- Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier, to Company's Registrar & Share Transfer Agent, M/s. LINK INTIME INDIA PVT. LTD, in case of shares held in physical form and to respective Depository Participant, in case of shares held in Demat form.
20. 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 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:
- The voting period begins on Friday, 27<sup>th</sup> September, 2019 at 10.00 A.M. and ends on Sunday, 29<sup>th</sup> September, 2019 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 23<sup>rd</sup> September, 2019 (cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on Shareholders.
  - Now Enter your User ID
    - For CDSL: 16 digits beneficiary ID,
    - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.

- 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 Form 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) <ul style="list-style-type: none"> <li>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.</li> </ul>
Date of Birth	Enter the Date of Birth 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. <ul style="list-style-type: none"> <li>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).</li> </ul>

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the <Shervani Industrial Syndicate Limited> on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.

**General Instructions:**

- 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.
- 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.
- 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 23<sup>rd</sup> September, 2019 (the cut-off date).
- 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.
- Any person, who acquires shares of the Company and becomes member of the Company after 23<sup>rd</sup> August, 2019 i.e. BENPOS date considered for dispatch of the

notice, and holding shares as on the cut off date i.e. 23<sup>rd</sup> September, 2019, may obtain the login Id and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- M/s. Sidiqqi & 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.
- 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.
- 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.
- 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.

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).

- As required under Listing Regulations and Secretarial Standards-2 on General Meetings, the relevant details in respect of directors seeking appointment/ re-appointment under Item Nos. 5,7,8,9,10 and 11 of this Notice are as below:



## BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

Particulars	Mr. Tahir Hasan	Dr. Ashutosh Pratap Singh	Mr. Gopal Swarup Chaturvedi	Mr. Mohd. Aslam Sayeed	Mr. A. N. Shervani	Mr. Raju Verghese	Mrs. Shefali Bansal	Mr. Sadiq Husain Siddiqui
DIN	0074282	05354321	00148434	06652348	0424635	01086812	07090579	02125236
Date of Birth / Age	21 <sup>st</sup> Jul, 1946	12 <sup>th</sup> Mar, 1959	23 <sup>rd</sup> Jan, 1950	11 <sup>th</sup> Mar, 1954	15 <sup>th</sup> Aug, 1947	05 <sup>th</sup> Nov, 1947	06 <sup>th</sup> Dec, 1956	01 <sup>st</sup> Jan, 1948
Date of Appointment on the Board	14 <sup>th</sup> Aug, 2014	14 <sup>th</sup> Aug, 2014	14 <sup>th</sup> Aug, 2014	14 <sup>th</sup> Aug, 2014	31 <sup>st</sup> Oct, 2000	27 <sup>th</sup> Jan, 2007	09 <sup>th</sup> Feb, 2015	NA*
Qualifications	B E, PGDBM	Doctorate in General Medicine	Law Graduate	Law Graduate	B. Com	B. Sc	Graduate	Graduate
Experience and expertise in specific functional area	Engineering and Operations	Medical Practitioner	Advocate	Businessman	Industrialist	Finance, Accounts & Taxation	Social Work	Legal, Defence & Public Relations
Terms and conditions of Appointment	As per resolution set out in the Notice	As per resolution set out in the Notice	As per resolution set out in the Notice	As per resolution set out in the Notice	As per resolution set out in the Notice	As per resolution set out in the Notice	As per resolution set out in the Notice	As per Company's appointment and remuneration policy
Remuneration last drawn p.a.	3,00,000/-	-	-	-	-	-	-	-
Directorship in other Companies	M/s Tara Products & Services Pvt. Ltd. M/s Saraswati Sugar Mills Ltd. M/s ISGEC Heavy Engineering Ltd. M/s Star Hotels Ltd. (Formerly Known as Shervani Hospitalities Ltd.) Uttar Pradesh Cricket Association	-	-	M/s Farco Foods Private Limited (Nominee Director)	M/s Star Hotels Limited (Formerly Known as Shervani Hospitalities Ltd) M/s Shervani Enterprises Pvt. Ltd. (Formerly Known as Shervani Fabrics Pvt. Ltd.) Red Leaf Estate Pvt. Ltd.	Lebensraum Infra Pvt. Ltd. (formerly known as Reed Finance Pvt. Ltd. Capon Food Specialities Ltd.	-	Capon Food Specialities Ltd.
Chairman/Member of Committee of the Board of other Companies								
(a) Audit Committee	-	-	-	-	-	-	-	-
(b) Stakeholders' Relationship Committee								
Shareholding in Shervani Industrial Syndicate Limited	15415 Equity Shares	500 Equity shares	800 Equity Shares	-	1,49,655 Equity Shares	540 Equity Shares	-	150 Deferred Shares
Relationship with other Directors / KMPs	Sister's Husband of Mr S I Shervani, Mr S M Shervani and Mr A N Shervani	-	-	-	Brother of Mr. S. I. Shervani & Mr. S. M. Shervani	-	-	-
No. of Board Meetings held during the year and attended by the Director during the Financial year 2018-19	Held - 5 Attended - 4	Held - 5 Attended - 4	Held- 5 Attended- 4	Held- 5 Attended- 5	Held- 5 Attended- 2	Held- 5 Attended- 2	Held- 5 Attended- 1	NA*

\* His date of appointment will be 1<sup>st</sup> Oct, 2019.

By Order of the Board  
For Shervani Industrial Syndicate Limited

S. K. Shukla  
Company Secretary

Place : Prayagraj  
Date : Aug 10, 2019

**ANNEXURE TO NOTICE****STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM No. 5**

The Board of Directors of the Company at its meeting held on August 10, 2019 approved the re- appointment of Mr. Tahir Hasan (DIN:00074282) as a Whole Time Director for a period of three years with effect from 14.08.2019 on the terms and conditions as set out in the proposed resolution which are in line with the provisions of Schedule V of the Companies Act, 2013 and have been approved by the Nomination & Remuneration Committee of the Board. In terms of Provisions of sections 196, 197, 203 and other applicable provisions, the appointment of Mr. Tahir Hasan requires approval of Shareholders by way of special resolution as set out in the Notice.

Mr. Tahir Hasan is Graduate in Engineering and Management. His association with the company has been very long, more than 40 years, and deep. He has made immense contribution in the growth and development of this company. As a Whole-time Director is actively involved in the routine business affairs of the company. He guides the Board on technical aspects. Considering the invaluable services and long term association, the Board recommends the reappointment of Mr. Tahir Hasan as Whole-time Director for the approval of members.

However, Mr. Tahir Hasan attained the age of seventy years on 21<sup>st</sup> July, 2016, as such, it is intended to seek approval of the members by way of special resolution for his appointment as Whole-time Director of the Company.

Except Mr. Tahir Hasan being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is in any way, concerned or Interested, financially or otherwise in the said resolution

**ITEM NO. 6**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Shishir Jaiswal & Co., Cost Accountants (Firm Registration No. 102450) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2020 on the terms and conditions as set out in the resolution placed at Item No. 6 of the Notice. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members of the Company is being sought for passing the Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2020.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

None of the Directors and / or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 6 of the Notice.

**ITEM NO. 7 to 9**

Dr. Ashutosh Pratap Singh, Mr. Gopal Swarup Chaturvedi & Mr. Mohd. Aslam Sayeed were appointed as Non-Executive Independent Directors of the Company by the members at the 66<sup>th</sup> AGM of the Company held on 30<sup>th</sup> September, 2014 for a period of five consecutive years till 30<sup>th</sup> September, 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. Ashutosh Pratap Singh, Mr. Gopal Swarup Chaturvedi and Mr. Mohd. Aslam Sayeed being eligible have offered themselves for re-appointment as Independent Directors ,therefore, are proposed to be re-appointed as an Independent Directors for second term of five consecutive years with effect from 30<sup>th</sup> September, 2019.

The Company has received declaration from them stating that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have also given their consent to continue to act as Independent Directors of the Company, if so appointed by the members.

The Board considers that the continued association of all the retiring independent Directors would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Ashutosh Pratap Singh, Mr. Gopal Swarup Chaturvedi & Mr. Mohd. Aslam Sayeed as an Independent Directors.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Dr. Ashutosh Pratap Singh, Mr. Gopal Swarup Chaturvedi & Mr. Mohd. Aslam Sayeed as Independent Directors for another term of five consecutive years with effect from 30<sup>th</sup> September, 2019 for the approval by the shareholders of the Company.

Except Dr. Ashutosh Pratap Singh, Mr. Gopal Swarup Chaturvedi and Mr. Mohd. Aslam Sayeed, being an appointees and their respective relatives, none of the

Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 7 to 9.

#### **ITEM NO. 10**

Pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed to appoint Mrs. Shefali Bansal (DIN: 07090579), as a Women Director in the category of Independent Director of the Company with effect from 30<sup>th</sup> September, 2019 to hold office for a period 5(five) consecutive years in place of Mr. Kush Bhargava (DIN: 00074004), the Independent Director who opted not to seek re-election at the ensuing Annual General Meeting of the company due to personal reasons. Mrs. Shefali Bansal is eligible for appointment and has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act read with rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations. The Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the company. The brief profile of Mrs. Shefali Bansal has been given in a the separate statement forming part of this notice. The Board recommends the appointment of Mrs. Shefali Bansal (DIN: 07090579) as a Women Director in the category of Independent Director of the Company.

Except Mrs. Shefali Bansal as an appointee no other Directors, Key Managerial Personnel of the Company and their relatives, is interested or concerned financially or otherwise in the Resolution.

#### **ITEM NO. 11**

The Board of Directors of the Company at its meeting held on 10<sup>th</sup> August, 2019 approved the appointment of Mr. Sadiq

Husain Siddiqui (DIN: 02125236) as a Whole Time Director designated as Director (Corporate Affairs) for a period of three years with effect from 1<sup>st</sup> October, 2019 on the terms and conditions as set out in the proposed resolution which are in line with the provisions of Schedule V of the Companies Act, 2013 and have been approved by the Nomination & Remuneration Committee of the Board. In terms of Provisions of sections 196, 197, 203 and other applicable provisions, the appointment of Mr. Sadiq Husain Siddiqui requires approval of Shareholders by way of special resolution as set out in the Notice.

Mr. Sadiq Husain Siddiqui joined the Company in 1970 and served the Organisation at various positions. Due to his memorable contribution and long association with the Company, the Board recommends his appointment on the Board of the Company as Whole-time Director. He is very well known social activist in Prayagraj and has been awarded President's Medal, twice, for his meritorious and distinguished services. He is also Dy Chief Warden of Civil Defence of Prayagraj and actively participates in volunteer works through Civil Defence.

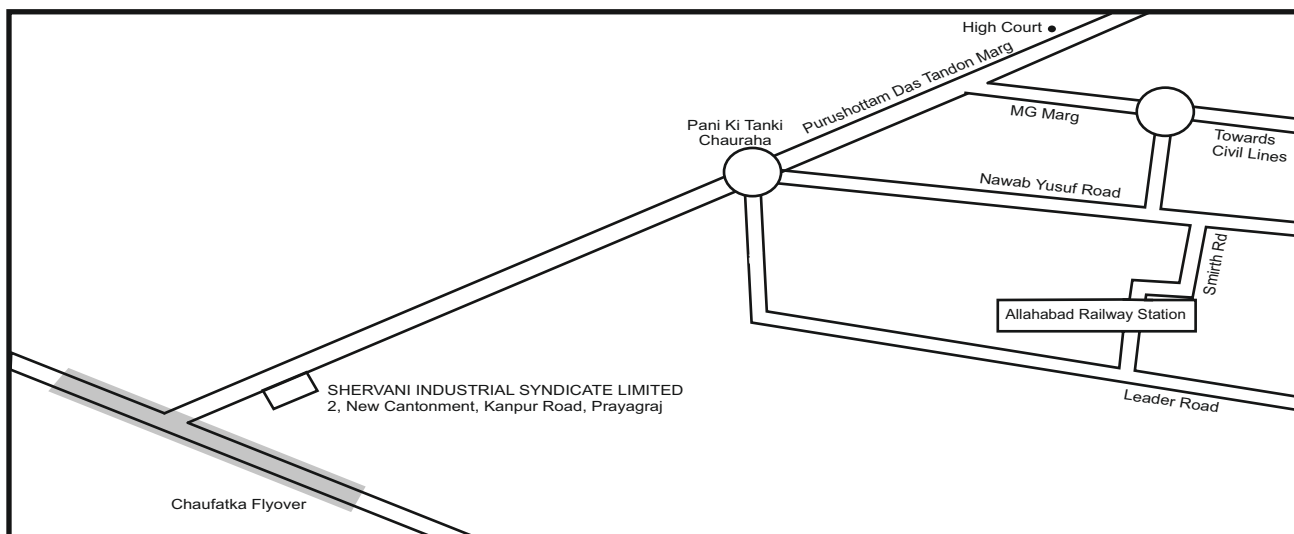
Except Mr. Sadiq Husain Siddiqui being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is in any way may be considered as concerned or Interested financially or otherwise in the resolution.

By Order of the Board  
For Shervani Industrial Syndicate Limited

S. K. Shukla  
Company Secretary

Place : Prayagraj  
Date : Aug 10, 2019

#### LOCATION MAP OF VENUE OF ANNUAL GENERAL MEETING



Dear Members,

Your Director's take pleasure in presenting the 71<sup>st</sup> Annual Report together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2019.

#### FINANCIAL RESULTS

	(Rs. in Lakh)
Total Revenue	7,634
Profit before Depreciation	4,544
Depreciation	55
Profit after Depreciation before tax	4,489
Exceptional Items	(331)
Tax Expense (including earlier year)	(827)
Other Comprehensive Income	11
Profit after tax	3,342

#### DIVIDEND

The Board of Directors have not recommended any dividend for the financial year under review, in the light of other impending fund requirement of the Company.

#### OPERATIONS REVIEW

The Construction of Group Housing project namely 'TARA TOWERS' was completed in Feb'19, and we have started execution of sale deed in favour of customers to hand over possession of flats to them. Thus our commitment in respect of handing over of possession of flats to the allottees of Tara Towers stands fulfilled well within the period committed by the company. We have also completed the EWS/ LIG Group Housing project and are waiting for further compliances as per the guidelines of the Govt. in this regard.

As already stated in our previous report, the plans of next phase of Group Housing project were finalised and sanctioned by the authorities during the year. We have named this project 'NAMAN HOMES'. The sanctioned plan comprises two towers of 13 storey each having 207 Two BHK flats and 51 Three BHK flats. Naman homes will have basement parking, larger carpet area, and more amenities for each flat owner. The estimated period for completion of this project is about 48 months. The construction work on this project has begun and customer response towards the project 'Naman Homes' is good.

#### MANAGEMENT DISCUSSION AND ANALYSIS

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

During the year under review the world economy continued to remain sluggish. It did not show any sign of growth or positive mode. This affected our country too and resulted in decline of GDP. The situation in our economy specially for the real estate sector is grim and was compounded by the loss of buyer's faith, trust and liquidity issues. However the welcoming feature is that the demand in residential housing sector of Class B cities has remained constant because of the continued migration of public from villages to the cities. The management feels that the infrastructure facilities

developed at 'Shervani Legacy' together with high construction standards adopted by the company will yield good results.

The later part of year under review witnessed some changes in GST which gave real estate industry some relief. The implementation of Real Estate (Regulation and Development) Act, 2016 (RERA) effected the much awaited discipline in developers in terms of fund management and adherence to delivery period. The confidence of the buyers in market or sellers was restored and the signs of revival emerged.

The relaxation in banking regulations and interest rates has made a positive impact on demand for flats by the middle-income group and the market for this sector is growing. We expect this trend to continue for some time because the middle income group is largest in terms of quantity.

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

As already explained the real estate industry is showing sign of recovery particularly in B class cities. However the real estate industry is no exception to risks and threats of business. Among them, the major areas of risk before the real estate industry is related to supply of raw materials. This can sometimes stall projects and escalate costs wherein both buyers and sellers have to suffer. Another factor of risk is macro economic factors related to money supply, bank loans and so on.

We at 'Shervani Legacy' have been cognizant to minimize the risks and concern of the buyers. We are working hard to win the trust of buyers by hiring experienced professionals for guidance, adopting high construction standards, and maintaining our construction schedule and commitments as far as possible. We are continuously working to employ the most efficient systems for procurement and tests of raw materials as well as to optimize the operating efficiency of construction projects.

##### C. Subsidiary Company

M/s Farco Foods Pvt Limited, the wholly owned subsidiary of your Company is engaged in manufacturing of biscuits on job work basis for M/s Surya Foods and Agro Limited for their 'Priya Gold' brand. During the year under review the Company produced 7005 MT of biscuits and earned profit of Rs 50.54 lacs.

##### 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 controls designed and adopted by the Company are in accordance with the guidelines issued by the Institute of Chartered Accountants of India. The interest of Company and other stake holders is well protected.

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 adheres to the 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 and the same is also available on company's website [www.shervaniind.com](http://www.shervaniind.com).

### **BOARD MEETINGS**

The calendar of Meetings is prepared and circulated in advance to the Directors. During the year five 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.

### **BUY BACK OF EQUITY SHARES**

In accordance with the provisions of section 68, 69 and 70 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014 the Company applied for and has been granted approval by SEBI to Buyback 4,15,000 no of fully paid up equity shares of face value of Rs 10 each at a price of Rs 500 each for aggregate value of Rs 20.75 crores. Upon completion of said Buyback offer the Company has extinguished its capital and the consequential results would become evident in the Annual Report for the next financial year.

### **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.

A meeting of the independent Directors was held on 30<sup>th</sup> Jan, 2019.

### **NOMINATION & REMUNERATION**

The Board on the recommendation of the Nomination & Remuneration Committee, considers and approves the appointment of Directors, senior management and decides upon 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.

### **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. 34 attached to the standalone balance sheet. None of the Director's has any pecuniary relationship or transaction vis-a-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. The foreign exchange earning was nil and outgo was Rs. 6.88 lakh.

**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 member of the Committee are:

- |    |                           |          |
|----|---------------------------|----------|
| a. | Mr. Mohammad Aslam Sayeed | Chairman |
| b. | Mr. Saleem Iqbal Shervani | Member   |
| c. | Mr. Tahir Hasan           | Member   |

During the year, CSR committee meeting were held on 23<sup>rd</sup> April 2018, 13<sup>th</sup> August 2018, 14<sup>th</sup> November 2018, 08<sup>th</sup> January 2019, 30<sup>th</sup> January 2019, 22<sup>nd</sup> February 2019 & 26<sup>th</sup> March 2019. As prescribed in section 135(5) of the Companies Act, 2013 a budget of Rs 27 lakh was allocated for purpose of CSR and a report on the activities during the current year is attached as Annexure-B to this Report.

**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.

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board and Nomination & Remuneration Committee. The Board approved the evaluation results as collated by the Nomination & Remuneration Committee.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Brief resume of the Directors seeking re-appointment namely Dr. A.P. Singh (DIN : 05354321), Mr. G.S. Chaturvedi (DIN : 00148434), Mr. M.A. Sayeed (DIN : 06652348), Mrs. S. Bansal (DIN : 07090579) 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. Mr. T. Hasan (DIN : 00074282) is being re-appointed as Whole-time Director.

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, Whole-time Director & Chief Financial Officer and Mr S. K. Shukla, 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 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 the shareholders in the 69<sup>th</sup> Annual General Meeting held on 28.09.2017 have approved the appointment of M/s Gupta Vaish & Co. Chartered Accountants, Kanpur (Firm Registration No. 005087C) as Statutory Auditors of the Company for a period of 5 years from the conclusion of said Annual General Meeting. However, their appointment as Statutory Auditors of the Company shall be required to be ratified by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company. Necessary resolution for ratification of appointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

**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 2018-19 is annexed herewith as Annexure-C and forms integral part of this Report.

**COST AUDITORS'**

Pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Shishir Jaiswal & Co., Cost Accountants (Firm Registration No. 102450) has been appointed as Cost Auditors and the company is maintaining cost records as per the provision of "Act".

**INTERNAL AUDITORS'**

The Board of Directors on the recommendation of the Audit Committee appointed M/s P. L. Tandon & Co., Chartered Accountants, to carry out the Internal Audit of the Company.

**DEPOSITS**

During the year under review the Company has not accepted or renewed any deposit falling within the ambit of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules 2014, hence 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 Ind AS-27 on consolidated financial statement(s) read with accounting standard Ind AS-28 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-D.

**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 lakh per annum or Rs. 5 lakh 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 124 (5) of the Companies Act, 2013 the company has transferred the unpaid or unclaimed dividends for the financial year up to 2010-11 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 Bombay Stock Exchange 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	Saleem I. Shervani Managing Director DIN : 00023909
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Place : Prayagraj  
Date : Aug 10, 2019

**FORM No. MGT-9****Extract of Annual Return****as on Financial Year ended on 31<sup>st</sup> March, 2019**

[ 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	25th 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, Prayagraj-211015 (U.P.) Phone: +91-7311128115, 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 – 400 083.

**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)

Sl. 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, Prayagraj	U15111UP1995PTC019155	Subsidiary	100.00	2(87)
2.	Star Hotels Limited (Formerly known as Shervani Hospitalities Limited), 11, Sunder Nagar, New Delhi	U74899DL1978PLC009206	Associate	35.40	2(6)
3.	Youngtronics India Private Limited, 332, Shervani Nagar, Sulem Sarai, Harwara, Prayagraj	U36931UP2008PTC036318	Associate	46.33	2(6)



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

## (i) Category wise shareholding

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	760645	-	760645	24.41	760645	-	760645	24.41	-
b) Central Govt.									-
c) State Govt. (s)									-
d) Bodies Corporate	558630	-	558630	17.93	558630	-	558630	17.93	-
e) Banks / FI									-
f) Any Other / Director Relative	629185	14580	643765	20.66	643765	-	643765	20.66	-
<b>Sub-Total (A) (1)</b>	<b>1948460</b>	<b>14580</b>	<b>1963040</b>	<b>63.00</b>	<b>1963040</b>	<b>-</b>	<b>1963040</b>	<b>63.00</b>	<b>-</b>
<b>2. Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate (Foreign 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>1948460</b>	<b>14580</b>	<b>1963040</b>	<b>63.00</b>	<b>1963040</b>	<b>-</b>	<b>1963040</b>	<b>63.00</b>	<b>-</b>
<b>B Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	6040	6040	0.19	-	-	-	-	(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>-</b>	<b>-</b>	<b>-</b>	<b>(0.19)</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	443550	2750	446300	14.32	433490	2750	436240	14.00	(0.32)
ii) Overseas									-
<b>b) Individual</b>									
i) Individual shareholders holding nominal share capital up to Rs 1 lac	258744	191464	450208	14.45	285155	128986	414141	13.29	(1.16)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lac	248155	-	248155	7.96	183676	-	183676	5.90	(2.07)
<b>c) Others (specify)</b>									
a) Non-Resident Indians	895	460	1355	0.04	3432	460	3892	0.12	0.08
b) Foreign National	0	920	920	0.03	-	-	-	-	(0.03)
c) Director or Director's Relatives	-	-	-	-	1300	1890	3190	0.10	0.10
d) HUF	-	-	-	-	51279	-	51279	1.65	1.65
e) IEPF Authority	-	-	-	-	60560	-	60560	1.94	1.94
<b>Sub-Total (B) (2)</b>	<b>951344</b>	<b>195594</b>	<b>1146938</b>	<b>36.81</b>	<b>1018892</b>	<b>134086</b>	<b>1152978</b>	<b>37.00</b>	<b>0.19</b>
<b>Total Public shareholding B = B (1) + B (2)</b>	<b>951344</b>	<b>201634</b>	<b>1152978</b>	<b>37.00</b>	<b>1018892</b>	<b>134086</b>	<b>1152978</b>	<b>37.00</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs and ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>2899804</b>	<b>216214</b>	<b>3116018</b>	<b>100.00</b>	<b>2981932</b>	<b>134086</b>	<b>3116018</b>	<b>100.00</b>	<b>-</b>

## (ii) Shareholding of Promoter

Sr. No	Share Holder's Name	Shares at the beginning of the year 01.04.2018			Shares at the end of the year 31.03.2019			% 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	427580	13.72	0.00	427580	13.72	0.00	Nil
2.	Mr Saeed M Shervani	183410	5.89	0.00	183410	5.89	0.00	Nil
3.	Mr A N Shervani	149655	4.80	0.00	149655	4.80	0.00	Nil
4.	Mr T Hasan	15415	0.49	0.00	15415	0.49	0.00	Nil
5.	Mrs S Hasan	110943	3.56	0.00	110943	3.56	0.00	Nil
6.	Mrs R Shervani	66655	2.14	0.00	66655	2.14	0.00	Nil
7.	Mr Saad M Shervani	96130	3.09	0.00	96130	3.09	0.00	Nil
8.	Mr Mustafa Rashid Shervani	76575	2.46	0.00	76575	2.46	0.00	Nil
9.	Ms Ursala F Shervani	87835	2.82	0.00	87835	2.82	0.00	Nil
10.	Mrs Z Hasan	141602	4.54	0.00	141602	4.54	0.00	Nil
11.	Mrs Z Shervani	14400	0.46	0.00	14400	0.46	0.00	Nil
12.	Ms A Kidwai	14580	0.47	0.00	14580	0.47	0.00	Nil
13.	Ms Shamsia Fatima Shervani	11790	0.38	0.00	11790	0.38	0.00	Nil
14.	Mr Adil M Shervani	7840	0.25	0.00	7840	0.25	0.00	Nil
15.	Azhar Family Trust	55065	1.77	0.00	55065	1.77	0.00	Nil
16.	Saeed Family Trust	55830	1.79	0.00	55830	1.79	0.00	Nil
17.	Salma Zeba Family Trust	61870	1.99	0.00	61870	1.99	0.00	Nil
18.	Saleem Family Trust	60985	1.96	0.00	60985	1.96	0.00	Nil
19.	Aslam Family Trust	46445	1.49	0.00	46445	1.49	0.00	Nil
20.	Waqf Haji Bhikkan	7840	0.25	0.00	7840	0.25	0.00	Nil
21.	Shervani Enterprises Pvt. Ltd. (Formerly known as Shervani Fabrics Pvt. Ltd.)	1450	0.05	0.00	1450	0.05	0.00	Nil
22.	Lebensraum Infra Pvt. Ltd. (Formerly known as Reed Finance Pvt. Ltd.)	269145	8.64	0.00	269145	8.64	0.00	Nil
	<b>Total</b>	<b>1963040</b>	<b>63.00</b>		<b>1963040</b>	<b>63.00</b>		<b>Nil</b>

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

Name of Promoter	Shareholding 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
NO CHANGE							

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

Sr. No	For each of the top ten shareholder	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.	Frost Traders Pvt. Ltd At the beginning of the year Change during the year At the end of the year	400602 - 400602	12.86 - 12.86	400602	12.86
2.	Aslam Qadar Khan At the beginning of the year Change during the year At the end of the year	111948 - 111948	3.59 - 3.59	111948	3.59
3.	Investor Education & Protection Fund At the beginning of the year Increase during the year At the end of the year	- 60560 60560	- 1.94 1.94	60560	1.94
4.	Arvind Kumar J. Sancheti At the beginning of the year Increase during the year At the end of the year	32040 8312 40352	1.03 0.27 1.30	40352	1.30
5.	Arvind Kumar Sancheti At the beginning of the year Increase during the year At the end of the year	34691 1537 36228	1.11 0.05 1.16	36228	1.16
6.	Imran Hasan At the beginning of the year Decrease during the year At the end of the year	35700 (200) 35500	1.15 (0.01) 1.14	35500	1.14
7.	Shri Parasram Holdings Pvt Ltd At the beginning of the year Change during the year At the end of the year	24519 - 24519	0.79 - 0.79	24519	0.79
8.	Sarita Arvind Sancheti At the beginning of the year Decrease during the year At the end of the year	19076 (1800) 17276	0.61 (0.06) 0.55	17276	0.55
9.	Salahuddin Khan At the beginning of the year Change during the year At the end of the year	14700 - 14700	0.47 - 0.47	14700	0.47
10.	Hemraj Chaturbhuj Asher At the beginning of the year Change during the year At the end of the year	9722 - 9722	0.31 - 0.31	9722	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 Change during the year At the end of the year	500 - 500	0.01 - 0.01	500	0.01
2	Mr. S I Shervani, Managing Director At the beginning of the year Change during the year At the end of the year	427580 - 427580	13.72 - 13.72	427580	13.72
3	Mr. T Hasan, Whole Time Director & Chief Financial Officer At the beginning of the year Change during the year At the end of the year	15415 - 15415	0.49 - 0.49	15415	0.49
4	Mr. A.N. Shervani At the beginning of the year Change during the year At the end of the year	149655 - 149655	4.80 - 4.80	149655	4.80
5	Mr. S. M. Shervani At the beginning of the year Change during the year At the end of the year	183410 - 183410	5.89 - 5.89	183410	5.89
6	Mr. K. Bhargava At the beginning of the year Change during the year At the end of the year	850 - 850	0.03 - 0.03	850	0.03
7	Mr G.S. Chaturvedi At the beginning of the year Change during the year At the end of the year	800 - 800	0.03 - 0.03	800	0.03
8	Mr R. Verghese At the beginning of the year Change during the year At the end of the year	540 - 540	0.02 - 0.02	540	0.02
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. S.K. Shukla, Company Secretary At the beginning of the year Change during the year At the end of the year	- - -	- - -	-	-

**(vi) INDEBTEDNESS**

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

(Rs. In Lakhs)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
1)Principal	682.11	-	-	682.11
2)Interest due but not paid	-	-	-	
3)Interest accrued but not due	-	-	-	
<b>Change in Indebtedness during the financial year</b>				
• Addition	37.83	-	-	37.83
• Reduction	-	-	-	-
<b>Net Change</b>		-	-	
<b>Indebtedness at the end of the financial year</b>				
1)Principal	719.94	-	-	719.94
2)Interest due but not paid	-	-	-	-
3)Interest accrued but not due	-	-	-	-
<b>Total (1+2+3)</b>	<b>719.94</b>	<b>-</b>	<b>-</b>	<b>719.94</b>

**(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(Rs. In Lakhs)

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	
<b>1</b>	<b>Gross Salary (Rs in lac)</b>			
	a) Salary as per provisions of sec. 17(1) of Income Tax Act, 1961	12.00	3.00	15.00
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	0.39	-	0.39
	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 (4%) -- others specify	67.00* -	-	-
5	Others, please specify Fees for attending Board meeting	1.00	1.00	2.00
	<b>Total</b>	<b>80.39</b>	<b>4.00</b>	<b>84.39</b>

\* Payable after Annual General Meeting

**B. Remuneration to other director's**

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Director				Total Amount
		Dr. A. P. Singh	Mr. G. S. Chaturvedi	Mr. K. Bhargava	Mr. M. A. Sayeed	
1	<b>Independent Director</b>					
	Fee for attending Board/ Committee Meeting	1.00	1.00	0.50	1.25	3.75
	Commission	-	-	-	-	-
	Other (Specify)	-	-	-	-	-
	Total (1)	1.00	1.00	0.50	1.25	3.75

2	<b>Other Non-Executive Director</b>	Mr. A N Shervani	Mr. S M Shervani	Mr. Raju Verghese	Mrs. Shefali Bansal	
	Fee for attending Board/ Committee Meeting	0.50	0.25	0.50	0.25	1.50
	Commission	-	-	-	-	-
	Other (Specify)	-	-	-	-	-
	Total (2)	0.50	0.25	0.50	0.25	1.50
	Total B = (1+2)					5.25

	Total Managerial Remuneration**	Rs. 82.39
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\*\*Sitting fees is not included in total managerial remuneration.

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

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Company Secretary
1	Gross Salary (Rs in lac)	
	a) Salary as per provisions of sec. 17(1) of Income Tax Act, 1961	1.87
	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	-
	Total	1.87

**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					

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY ( CSR)  
ACTIVITIES FOR THE FINANCIAL YEAR 2018-2019**

1. The Board has formed a Committee to oversee the Corporate Social Responsibility (CSR) activities and the Members are following :
  - a. Mr. Mohammad Aslam Sayeed Chairman
  - b. Mr. Saleem Iqbal Shervani Member
  - c. Mr. Tahir Hasan Member
2. Role and responsibilities of CSR Committee
  - (a) To formulate and recommend a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
  - (b) To recommend the amount of expenditure to be incurred
  - (c) To monitor the Corporate Social Responsibility Policy of the company from time to time.
3. Areas preferred for CSR activities are as under;
  - Promotion of Education
  - Promoting gender equality and empowering women
  - Eradicating extreme hunger and poverty,
  - Reducing child mortality and improving maternal health,
  - Measures for the benefit of armed forces veterans, war widows and their dependents
  - Ensuring environmental sustainability,
  - Social business projects,
  - Contribution to PM Relief Fund.
  - Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
  - Rural development projects,
  - Slum area development
4. The average net profit of the Company for the last three years is Rs. 1304 Lakh. Accordingly Company is liable to spend @ 2% of average net profit i.e. Rs. 26.08 Lakh.
5. Fund allocated, as per section 135 of the Companies Act, 2013, for the purpose of CSR activities is Rs. 27 Lakh for the financial year 2018-19.
6. The funds allocated for CSR activity were spent directly by the Company for renovation and construction of classrooms of M.R. Shervani Inter College, an college aided by the Govt. of Uttar Pradesh during the financial year 2018-19.
7. CSR Policy is available on the Company's website i.e. [www.shervaniind.com](http://www.shervaniind.com)
8. That implementation and monitoring of CSR policy is in accordance with the CSR objectives and policy of the Company.

Saleem I. Shervani  
Member  
CSR Committee

Mohd. Aslam Sayeed  
Chairman  
CSR Committee

S. K. Shukla  
Secretary  
CSR Committee

Form No. MR-3

Annexure C

## SECRETARIAL AUDIT REPORT

For the Financial Year ended 31<sup>st</sup> March 2019

[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,  
Prayagraj- 211015 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, 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 2019 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 2019 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, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable to the Company during the Audit Period.
  - d. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; Not Applicable to the Company during the Audit Period.

- 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;
- 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. There was no change in the composition of the Board of Directors during the period under review.

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. 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 initiated the buy-back of 4,15,000 Equity Shares of the Company representing 13.32% of the Total Equity Shares of the Company.

For Siddiqui & Associates  
Company Secretaries

Place : New Delhi  
Date : Aug 10, 2019

K.O.SIDDIQUI  
FCS 2229 : CP 1284



## 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 Rs. in Lakhs)

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

Reporting Currency	:	INR
Share Capital	:	90.00
Reserves and Surplus	:	(308.92)
Total Assets	:	503.59
Total Liabilities	:	722.51
Investments	:	NIL
Turnover / Total Income	:	557.95
Profit Before Tax	:	68.25
Provision for Tax	:	17.71
Profit after Tax	:	50.54
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

Sr. 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 (Rs. In Lakhs)	Extent of Holding %	Net worth attributable to shareholding as per latest Balance Sheet (Rs. In Lakhs)	Considered in consolidation (Rs. In Lakhs)	Not considered in consolidation	Description of how there is significant influence	Reason why associate is not considered
1.	Star Hotels Limited (Formerly known as Shervani Hospitality Limited)	31.03.2019	2265750	881.43	35.40%	740.25	24.50	Nil	35.40% Shares Held	NA
2.	Youngtronics India Private Limited	31.03.2019	85000	8.50	46.33%	4.55	(0.05)	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 Key Managerial Personnel (KMP) during the Financial Year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19 and the comparison of remuneration of each 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 2018-19 (Rs. in Lakh)	% increase in remuneration in the financial year 2018-19	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	2.99	Please refer serial no. (5) of this annexure
2.	Mr Tahir Hasan Whole Time Director & Chief Financial Officer	3.00	Nil	0.75	
3.	Mr. S. K. Shukla Company Secretary	1.87	Nil	0.47	

\*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, employed for the entire financial year was Rs. 4.01 Lakh p.a.
- (3) In the financial year there was decrease of 18.50 % in the median remuneration of employees.
- (4) There were 24 no. of permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2019.
- (5) Relationship between average increase in remuneration and company performance: While increasing 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 lakh p.a. : NIL
- (b) Employed for a part of the year and were in receipt of remuneration at the rate of not less than Rs. 5 lakh p.m. : 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.

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 31.03.2019**

The Board comprises Independent Non-Executive Chairman, Managing Director, Whole Time Director and seven Non-Executive Directors, out of which six are independent and one Woman Director. 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 2019 is as under;

Category	No. of Director
Non - 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 a Medical Practitioner by profession. He is a post graduate and his field of expertise 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 and his tenure will expire upon conclusion of ensuing Annual General Meeting.

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

Mr. Saleem Iqbal Shervani 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 other companies. He was reappointed in current term as Managing Director on 03.04.2018 for five years.

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

Mr Tahir Hasan is a graduate in Engineering and Management. He has a vast managerial experience. He specialises in Product Marketing. He is 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 for a period of five years.

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

Mr Azher Nisar Shervani 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 29.09.2016.

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

Mr. Saeed Mustafa Shervani 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. He joined the Board in January 1986 and was re-appointed in current term on 29.09.2018.

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

Mr. Kush Bhargava is a post graduate and by profession is associated with construction business. He is Managing Director of M/s 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 and his tenure will expire upon conclusion of ensuing Annual General Meeting.

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

Mr. Gopal Swarup Chaturvedi 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 and his tenure will expire upon conclusion of ensuing Annual General Meeting.

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

Mr. Mohd. Aslam Sayeed 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 and his tenure will expire upon conclusion of ensuing Annual General Meeting.

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

Mr. Raju Verghese is a graduate. He superannuated from the company after more than 35 years of service. He was General Manager in charge 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 28.09.2017.

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

Mrs Shefali Bansal 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 28.09.2017.

**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**

The Board has recommended the re-appointment of Mr Tahir Hasan as Whole time Director of the Company for a term of three years starting from the expiry of current term i.e. 13.08.2019.

Pursuant to provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company at its 66<sup>th</sup> Annual General Meeting appointed four Independent Directors viz. Dr. Ashutosh Pratap Singh, Mr. Kush Bhargava, Mr. Gopal Swarup Chaturvedi & Mr. Mohd. Aslam Sayeed to hold office till the conclusion of ensuing Annual General Meeting.

The Board of Directors at their meeting held on August 10, 2019, based on the performance evaluation, formed the opinion that Dr. Ashutosh Pratap Singh, Mr. Gopal Swarup Chaturvedi, Mr. Kush Bhargava & Mr. Mohd. Aslam Sayeed continue to be persons of integrity and possess relevant expertise and experience and hence could be re-appointed as Independent Directors of the Company. However, Mr. Kush Bhargava opted not to seek reappointment due to personal reason. Consequently his term will expire upon conclusion of ensuing Annual General Meeting. The Board thereupon decided to re-appoint Dr. Ashutosh Pratap Singh, Mr. Gopal Swarup Chaturvedi & Mr. Mohd. Aslam Sayeed for five years from conclusion of 71<sup>st</sup> AGM till the conclusion of 76<sup>th</sup> AGM as independent director not liable to retire by rotation, subject to approval by Shareholders of the Company by a Special Resolution in the forthcoming Annual General Meeting. The Board also recommend appointment of Mrs. Shefali Bansal, woman director as independent director not liable to retire by rotation, subject to approval by shareholders of the company by an Ordinary Resolution in the forthcoming Annual General Meeting.

Mr. Sadiq Husain Siddiqui, (DIN : 02125236) has been associated with the company since 1970 and has served the Organisation in various capacities. His contribution in growth and development of your company has been immense. In view of his vast contribution and dedication the Nomination and Remuneration Committee evaluated and thereafter the Board has decided to recommend for his appointment as Executive Director of the company to be designated as Director (Corporate Affairs).

Mr. A.N. Shervani (DIN : 00424635) and Mr. R. Verghese (DIN : 01086812) Directors were reappointed on the basis of rotation in accordance with Memorandum & Articles of Association.

## 2.5 Board Meetings

During the Financial Year ended on 31<sup>st</sup> March, 2019 five Board Meetings were held on 23<sup>rd</sup> April 2018, 29<sup>th</sup> May 2018, 13<sup>th</sup> August 2018, 14<sup>th</sup> November 2018 and 30<sup>th</sup> January, 2019. The details of Directors' attendance at Board Meeting, Annual General Meeting, and details of their interest association or membership in other Companies and Committee(s) as on 31<sup>st</sup> March, 2019 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	4	x	Nil	Nil	Nil	-	500
Mr S. I. Shervani	Managing Director	Executive	4	Yes	1	Nil	Nil	Brother of Mr. A. N. Shervani & Mr. S. M. Shervani	4,27,580
Mr Tahir Hasan	Whole Time Director	Executive	4	Yes	3	Nil	Nil	-	15,415
Mr A. N. Shervani	Director	Non-Executive	2	X	1	Nil	Nil	Brother of Mr. S. I. Shervani & Mr. S. M. Shervani	1,49,655
Mr S. M. Shervani	Director	Non-Executive	1	X	1	Nil	Nil	Brother of Mr. S. I. Shervani & Mr. A. N. Shervani	1,83,410
Mr Raju Verghese	Director	Independent Non-Executive	2	X	1	Nil	Nil	-	540
Mr Kush Bhargava	Director	Independent Non-Executive	2	X	Nil	Nil	Nil	-	850
Mr. G. S. Chaturvedi	Director	Independent Non-Executive	4	Yes	Nil	Nil	Nil	-	800
Mr. Mohd. Aslam Sayeed	Director	Independent Non-Executive	5	Yes	Nil	Nil	Nil	-	-
Mrs Shefali Bansal	Director	Independent Non-Executive	1	X	Nil	Nil	Nil	-	-

\*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 30<sup>th</sup> January, 2019 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 along with complete details thereon are circulated at least seven days before the date of meeting. If required, or asked for, by any Director further or price sensitive, information is provided before the start of meeting with the consent of Chairman in the light of various provisions of listing agreement.

### 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 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.

During the current year 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 adopts remedial measures as deemed appropriate. Draft minutes are circulated to all members of the Board to confirm 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 at no. 2.5

## 2.7 Familiarization Programme of the Independent Directors'

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

**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 of 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 23<sup>rd</sup> April 2018, 29<sup>th</sup> May 2018, 11<sup>th</sup> August 2018, 14<sup>th</sup> November 2018 and 30<sup>th</sup> January 2019.

**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 of Accounting Standard-24 transactions with related parties have been furnished under Note No. 34 of Notes to the Accounts of the Financial Statements.

**REMUNERATION TO EXECUTIVE DIRECTORS**

(Rs. In Lakhs)

Sl. No.	Name and Designation	Salary	Perquisites	Contribution to PF & other funds	Commission	Total	Sitting Fee	Total
1.	Mr. S I Shervani Managing Director	12.00	0.39	1.44	67.00	80.83	1.00	81.83
2.	Mr. T Hasan Whole Time Director & CFO	3.00	-	-	-	3.00	1.00	4.00

**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 Directors for attending the Committee meetings. The details of payment made towards sitting fees along with respective shareholding of each director is furnished hereunder:

(Rs. In Lakhs)

S.No.	Name	Category	Sitting Fees	Commission	Total	No. of Shares
1.	Dr. A. P. Singh	Independent	1.00	Nil	1.00	500
2.	Mr. G. S. Chaturvedi	Independent	1.00	Nil	1.00	800
3.	Mr. Kush Bhargava	Independent	0.50	Nil	0.50	850
4.	Mr. M. A. Sayeed	Independent	1.25	Nil	1.25	Nil
5.	Mr. R. Verghese	Non-Executive	0.50	Nil	0.50	540
6.	Mr. A. N. Shervani	Non-Executive	0.50	Nil	0.50	1,49,655
7.	Mr. S. M. Shervani	Non-Executive	0.25	Nil	0.25	1,83,410
8.	Mrs. Shefali Bansal	Non-Executive	0.25	Nil	0.25	Nil

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

- Mr Mohammad Aslam Sayeed Chairman Independent Non-Executive
- Mr Gopal Swarup Chaturvedi Member Independent Non-Executive
- 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. 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 few cases of non-receipt of dividend, share certificates and stickers were reported and the same were addressed to the satisfaction of Members.

The Committee Meetings were convened on 23<sup>rd</sup> April 2018, 29<sup>th</sup> May 2018, 11<sup>th</sup> August 2018, 27<sup>th</sup> October 2018, 24<sup>th</sup> November 2018, 29<sup>th</sup> December 2018, 30<sup>th</sup> January 2019, 22<sup>nd</sup> February 2019 & 20<sup>th</sup> March 2019.

**7. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

- Mr Mohammad Aslam Sayeed Chairman Independent Non-Executive
- Mr Saleem Iqbal Shervani Member Executive
- Mr Tahir Hasan Member Executive

During the year, CSR committee meeting was held on 23<sup>rd</sup> April 2018, 13<sup>th</sup> August 2018, 14<sup>th</sup> November 2018, 08<sup>th</sup> January 2019, 30<sup>th</sup> January 2019, 22<sup>nd</sup> February 2019 & 26<sup>th</sup> March 2019. As prescribed in section 135(5) of the Companies Act, 2013 a budget of Rs 27 lacs was allocated for purpose of CSR and a report on the activities during the current year is attached as Annexure to the Report of Directors to the Shareholders.

The Company Secretary acts as a Secretary to the CSR committee.

**8. 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
2015-16 (68 <sup>th</sup> AGM)	29 <sup>th</sup> Sept, 2016 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad (Prayagraj)	<ul style="list-style-type: none"> <li>Continuation of services of Mr Tahir Hasan as Whole Time Director</li> <li>To charge fee from members for delivery of documents</li> </ul>
2016-17 (69 <sup>th</sup> AGM)	28 <sup>th</sup> Sept., 2017 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad (Prayagraj)	No Special Resolution was passed
2017-18 (70 <sup>th</sup> AGM)	29 <sup>th</sup> Sept., 2018 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad (Prayagraj)	Re-appointment of Mr. Saleem Iqbal Shervani as Managing Director of the Company

**(2) Postal Ballot**

A Special Resolution was passed through Postal Ballot approving the Buyback of 4,15,000 fully paid up ordinary shares (representing 13.32% of the total number of shares in the paid-up share capital of the company as on March 31, 2018) at a price of Rs. 500/- (Rupees Five Hundred only) per ordinary share payable in cash, for an aggregate amount of Rs. 20,75,00,000/- (Rupees Twenty Crores Seventy Five Lakhs only). The result of Postal Ballot was announced on March 15, 2019 by Mr. Saleem Iqbal Shervani, Managing Director of the company.

**(3) Extra Ordinary General Meeting**

No Extra Ordinary General Meetings were held during the year.

**(4) Special Resolutions**

As stated above.

**9. DISCLOSURES**

- (i) There was no transaction of material nature with the Directors or management or their relatives during the year.
- (ii) There was no default in 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 the same 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.

**Note for Members**

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 (RTA) while obtaining the services from them. Furnishing of KYC data to the RTA is in the interest of shareholder.

**10. Code of Conduct**

The Company has laid down the 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.

**11. 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's website and Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by BSE.
- (b) Management Discussion and Analysis forms part of Annual Report.

**12. General Shareholders Information****Annual General Meeting**

Day, Date and time : Monday, 30<sup>th</sup> September 2019 at 11.30 AM  
 Venue : 2, New Cantonment, Kanpur Road, Prayagraj (U.P.)-211 001  
 Date of Book Closure : 24<sup>th</sup> September 2019 to 30<sup>th</sup> September 2019 (Both days inclusive)

**Financial Calendar**

Financial reporting for the Current Financial year	: April – March
1 <sup>st</sup> Quarter ending June 30, 2019	: On or before 14 <sup>th</sup> August 2019
2 <sup>nd</sup> Quarter ending September 30, 2019	: On or before 14 <sup>th</sup> November 2019
3 <sup>rd</sup> Quarter ending December 31, 2019	: On or before 14 <sup>th</sup> February 2020
4 <sup>th</sup> Quarter ending March 31, 2020	: On or before 30 <sup>th</sup> May 2020



**Listing on Stock Exchange**

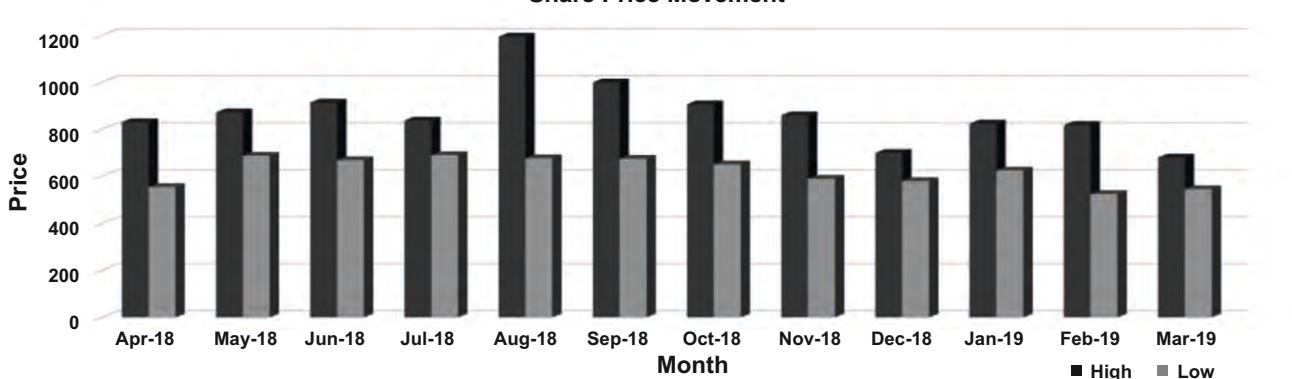
Company's Equity Shares are listed on The BSE Ltd. (BSE), Mumbai. The Scrip code in BSE is 526117 and ISIN is INE011D01013.

**13. Listing Fee**

The Company has paid Listing Fee for the Financial Year 2019-20 to the Bombay Stock Exchange (BSE).

**Market Price Data for the Financial Year 2018-2019 on BSE**

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>High</b>	830.95	872.45	914.45	837.80	1195.00	1000.00	907.00	859.95	700.00	825.00	819.00	680.00
<b>Low</b>	555.00	688.00	669.20	691.00	677.00	675.10	651.10	590.00	580.00	625.05	525.00	545.55

**Share Price Movement****REGISTRAR & 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, Mumbai as Registrar for Demat as well as for physical segment of shareholders 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, 2019**

Shareholding Pattern			Distribution of Shareholding		
Category	No. of Shares	%	No. of Shares	No. of Shareholders	Shares
Promoters, Directors & Relatives	19,63,040	63.00	1-500	1991	1,30,265
Govt. Company	60,560	1.94	501-1000	78	57,256
Bodies Corporate	4,36,240	14.00	1001-2000	47	67,144
Public	6,01,007	19.29	2001-3000	15	35,377
HUF	51,279	1.65	3001-4000	10	33,888
NRI	3,892	0.12	4001-5000	7	32,478
			5001-10000	17	1,23,055
			10001 and above	35	26,36,555
<b>Total</b>	<b>31,16,018</b>	<b>100.00</b>		<b>2200</b>	<b>31,16,018</b>

**DEMATERIALIZATION OF SHARES**

The shares of the Company are 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<sup>st</sup>, 2019 about 95.70 % of the shares of the Company are dematerialised.

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

Registered Office: Shervani Nagar, Sulem Sarai,  
Harwara, Prayagraj-211015(U.P.)  
Phone: +91-7311128115; Fax: 0532-2436928,  
Email: shervaniind@rediffmail.com  
Website: www.shervaniind.com

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**CERTIFICATE ON CORPORATE GOVERNANCE****Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015****TO THE MEMBERS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED PRAYAGRAJ**

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 2019 as referred to in Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 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.

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 Regulation.

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 Gupta Vaish & Co.  
Chartered Accountants  
Firm Registration No 005087C

Rajendra Gupta  
(Partner)  
Membership Number : 073250

Place : Kanpur  
Date : May 27, 2019

## TO THE MEMBERS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED

**Report on the Audit of Standalone Financial Statements  
Opinion**

We have audited the standalone financial statements of SHERVANI INDUSTRIAL SYNDICATE LIMITED ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2019, and the statement of Profit and Loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and the profit, Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Standalone financial statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that

there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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, Total Comprehensive Income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

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 including Other Comprehensive Income, statement of changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 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".
- (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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations which would impact the financial position of the company.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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.

For Gupta Vaish & Co.  
Chartered Accountants  
Registration Number: 005087C

Rajendra Gupta  
(Partner)

Membership Number: 073250

Place : Kanpur  
Date : May 27, 2019

**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, 2019, we report that:**

- i. In respect of its Property, Plant and Equipment:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) 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. We have broadly reviewed the books of account maintained by the company, pursuant to the rules made by the Central Government, for maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima-facie the prescribed accounts and records have been maintained.
- 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, 2019 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 section 45 -IA of the Reserve Bank of India Act 1934.

For Gupta Vaish & Co.  
Chartered Accountants  
Registration Number: 005087C

Rajendra Gupta  
(Partner)  
Membership Number: 073250

Place : Kanpur  
Date : May 27, 2019

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# 71<sup>ST</sup> ANNUAL REPORT (2018-2019) INDEPENDENT AUDITOR'S REPORT

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## 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 2019 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 2019, 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 Gupta Vaish & Co.  
Chartered Accountants  
Registration Number: 005087C

Rajendra Gupta  
(Partner)  
Membership Number: 073250

Place : Kanpur  
Date : May 27, 2019

# 71<sup>ST</sup> ANNUAL REPORT (2018-2019)

# BALANCE SHEET

		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
			(Rs. In Lakhs)
	Note No.		
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	2	863.23	776.50
Financial Assets			
Investments	3	962.98	1,042.98
Other Financial Assets	4	109.31	295.76
Deferred tax assets (Net)	5	3.21	57.16
<b>Total Non Current Assets</b>		<b><u>1,938.73</u></b>	<b><u>2,172.40</u></b>
<b>Current Assets:</b>			
Inventories	6	15,206.26	14,753.92
<b>Financial Assets</b>			
Investments	7	1,110.87	1,101.73
Trade Receivables	8	235.24	-
Cash and Cash Equivalents	9	1,055.45	801.07
Other Bank Balances	10	2,719.82	3,473.68
Loans	11	489.73	489.73
Other Financial Assets	12	47.29	39.79
Other Current Assets	13	300.21	357.00
<b>Total Current Assets</b>		<b><u>21,164.87</u></b>	<b><u>21,016.92</u></b>
<b>TOTAL ASSETS</b>		<b><u>23,103.60</u></b>	<b><u>23,189.32</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
Equity Share Capital	14	313.60	313.60
Other Equity	15	15,059.59	17,207.31
<b>Total Equity</b>		<b><u>15,373.19</u></b>	<b><u>17,520.91</u></b>
<b>Liabilities:</b>			
<b>Non-Current Liabilities:</b>			
<b>Financial Liabilities</b>			
Borrowings	16	123.47	129.55
Provisions	17	12.10	8.79
<b>Total Non Current Liabilities</b>		<b><u>135.57</u></b>	<b><u>138.34</u></b>
<b>Current Liabilities:</b>			
<b>Financial Liabilities</b>			
Borrowings	18	543.77	513.81
Trade Payables	19	166.67	40.34
Other Financial Liabilities	20	158.80	42.87
Other Current Liabilities	21	6,279.22	4,779.28
Provisions	22	0.18	0.13
Current Tax Liability (Net)		446.20	153.64
<b>Total Current Liabilities</b>		<b><u>7,594.84</u></b>	<b><u>5,530.07</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>23,103.60</u></b>	<b><u>23,189.32</u></b>

Significant Accounting Policies & Notes to  
Financial Statements

1-40

As per our report of even  
date attached

**For Gupta Vaish & Co.**  
Chartered Accountants

**Rajendra Gupta**  
Partner

**S.K. Shukla**  
Company Secretary

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

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

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

Place : Prayagraj  
Date : May 27, 2019

# 71<sup>ST</sup> ANNUAL REPORT (2018-2019) STATEMENT OF PROFIT & LOSS

PARTICULARS	Note No.	Year Ended	Year Ended
		March 31, 2019	March 31, 2018
			(Rs. In Lakhs)
<b>REVENUE FROM OPERATIONS</b>			
Revenue from Operations	23	7,307.97	8,729.00
Other Income	24	326.35	150.04
<b>TOTAL INCOME</b>		<b>7,634.32</b>	<b>8,879.04</b>
<b>EXPENSES :</b>			
Cost of Construction and Development Expenses	25	2,951.31	1,954.00
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	26	(452.35)	2,957.74
Employee Benefit Expense	27	202.25	195.22
Finance Costs		19.74	9.09
Depreciation and Amortisation Expense		54.95	39.80
Other Expenses	28	369.41	333.65
<b>TOTAL EXPENSES</b>		<b>3,145.31</b>	<b>5,489.50</b>
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>		<b>4489.01</b>	<b>3389.54</b>
Exceptional items	29	(331.07)	-
<b>PROFIT BEFORE TAX</b>		<b>4,157.94</b>	<b>3,389.54</b>
<b>Tax Expense :</b>			
Current tax		690.00	900.00
Deferred tax		53.96	2.47
Income Tax of Earlier Year		83.29	4.07
<b>PROFIT FOR THE YEAR</b>		<b>3,330.69</b>	<b>2,483.00</b>
<b>OTHER COMPREHENSIVE INCOME :</b>			
Items that will not be reclassified to Profit or Loss:			
Fair Value change on Equity Instrument through other comprehensive Income(Net of Tax)		11.65	43.49
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>3,342.34</b>	<b>2,526.49</b>
<b>Earnings per equity share (face value of Rs. 10/- each)</b>			
<b>Basic and Diluted</b>	31	<b>106.21</b>	<b>79.18</b>
<b>Significant Accounting Policies &amp; Notes to Financial Statements</b>	1-40		

As per our report of even  
date attached

**For Gupta Vaish & Co.**  
Chartered Accountants

**Rajendra Gupta**  
Partner

**S.K. Shukla**  
Company Secretary

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

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

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

Place : Prayagraj  
Date : May 27, 2019



# 71<sup>ST</sup> ANNUAL REPORT (2018-2019)

## Statement of changes in Equity for the year ended 31<sup>st</sup> March, 2019

(Rs. In Lakhs)

Share Capital	Balance at the beginning of the reporting period	Changes in Equity Share Capital during the year	Balance at the end of the reporting period
For the year ended 31 <sup>st</sup> March, 2018	328.03	(14.42)	313.60
For the year ended 31 <sup>st</sup> March, 2019	313.60	-	313.60

(Rs. In Lakhs)

Reserve and Surplus								
Reserve	Securities Premium Reserve	Capital Subsidy Reserve	General Reserve	Capital Redemption Reserve	Capital Reserve on Revaluation of Land	Retained Earnings	Other Comprehensive Income	Total
Balance as at 31 <sup>st</sup> March, 2017	38.41	19.27	5,289.12	20.00	14,582.16	(410.42)	12.92	19,513.05
Profit for the year						3,728.84		3,728.84
IND AS 115 adjustments						(2,284.54)		(2,284.54)
Changes in fair value							43.49	43.49
Transfer to Profit and Loss					(3,361.97)			(3,361.97)
Transfer from Retained earnings			15.00			(15.00)		-
Utilised for Buyback of equity shares	(38.41)		(242.84)					(242.84)
Transfer to Capital Redemption Reserve			(14.42)	14.42				-
Interim Dividend Paid						(156.80)		(156.80)
Tax on Dividend						(31.92)		(31.92)
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>19.27</b>	<b>5,046.86</b>	<b>34.42</b>	<b>11,220.19</b>	<b>830.16</b>	<b>56.41</b>	<b>17,207.31</b>
Profit for the year						3,330.69		3,330.69
Changes in fair value							11.65	11.65
Transfer to Profit and Loss					(2,420.16)			(2,420.16)
Reclassified to profit/(loss) on disposal							(45.39)	(45.39)
Interim Dividend Paid						(2,508.82)		(2,508.82)
Tax on Dividend						(515.69)		(515.69)
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>19.27</b>	<b>5,046.86</b>	<b>34.42</b>	<b>8,800.03</b>	<b>1,136.34</b>	<b>22.67</b>	<b>15,059.59</b>

**71<sup>ST</sup> ANNUAL REPORT (2018-2019)****CASH FLOW STATEMENT**

	2018-2019	2017-2018
		(Rs. In Lakhs)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Tax	4,157.94	3,389.54
Adjustment For :		-
Adjustment on account of IND AS 115 on Retained Earnings		(1,038.70)
Exceptional Item (Investments written off)	331.07	-
Transfer from Capital reserve on revaluation of Land	(2,420.16)	(3,361.97)
Depreciation	54.95	39.80
Loss /(Profit) on sale of Assets	8.86	7.72
Interest Paid	19.74	9.09
Interest Received	(161.02)	(132.22)
Dividend Received	(0.37)	(0.09)
(Profit)/Loss on Sale of Investments	(122.10)	(6.99)
<b>Operating Profit before Working Capital Changes</b>	<b>1,868.91</b>	<b>(1,093.82)</b>
Adjustment For :		-
(Increase)/Decrease in Trade and other receivables	(186.52)	2,135.94
(Increase)/Decrease in Inventories	(452.35)	(1,358.89)
Increase/(Decrease) in Trade Payables	1,731.61	3,969.12
	<b>1,092.74</b>	<b>4,746.17</b>
<b>Cash generated / (used) in operation</b>	<b>2,961.65</b>	<b>3,652.35</b>
Add/(Deduct) For :		
Direct tax (paid)/Refund of earlier years	(480.73)	(1,059.34)
<b>Net Cash (used in)/from operating activities (Total – A)</b>	<b>2,480.92</b>	<b>2,593.01</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(166.38)	(239.73)
Sale of Fixed Assets	15.85	8.41
(Purchase)/Sale of Current Investments (Net of sale/ Purchase)	79.21	(138.12)
Movement in Fixed Deposits	795.92	(2,337.95)
Movement in Fixed Deposits	0.37	0.09
Interest received	153.51	119.82
<b>Net Cash (used in)/from investing activities (Total - B)</b>	<b>878.48</b>	<b>(2,587.47)</b>

	2018-2019	2017-2018 (Rs. In Lakhs)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Bought Back of Equity shares	-	(295.68)
Loans & Borrowings	37.83	581.56
Interest Paid	(19.74)	(9.09)
Change in Other Financial Asset	(98.60)	0.97
Dividend Paid	(2,508.81)	(156.80)
Tax on Dividend	(515.70)	(31.92)
<b>Net Cash (used in)/from Financing activities (Total – C)</b>	<b>(3,105.02)</b>	<b>89.04</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>254.38</b>	<b>94.58</b>
 Add : Cash and Cash Equivalents	 801.07	 706.49
<b>Closing Cash and Cash Equivalent</b>	<b>1,055.45</b>	<b>801.07</b>

## Notes:

1. Cash and cash equivalents consists of cheques, drafts, balance and deposits with original maturity of upto three months.
2. Reconciliation of Cash and Cash equivalents : Cash and cash equivalents as per Note No. 9

As per our report of even  
date attached

**For Gupta Vaish & Co.**  
Chartered Accountants

**Rajendra Gupta**  
Partner

**S.K. Shukla**  
Company Secretary

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

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

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

Place : Prayagraj  
Date : May 27, 2019

**NOTES ON FINANCIAL STATEMENTS****NOTE No. 1. SIGNIFICANT ACCOUNTING POLICIES****Reporting Entity**

Shervani Industrial Syndicate Limited (the "Company") is a listed entity domiciled in India and limited by shares (CIN: L45202UP1948PLC001891). The company is engaged in the business of Real Estate and development of infrastructure facilities.

The address of the company's registered office is Shervani Nagar, Sulem Sarai, Harwara, Prayagraj - 211 015.

**1.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

**1.2 Current and Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when:

- (a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (b) it holds the asset primarily for the purpose of trading;
- (c) it expects to realise the asset within twelve months after the reporting period; or
- (d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

An entity shall classify a liability as current when:

- (a) it expects to settle the liability in its normal operating cycle;
- (b) it holds the liability primarily for the purpose of trading;
- (c) the liability is due to be settled within twelve months after the reporting period; or
- (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

**1.3 Revenue recognition****1.3.1 Revenue from Sale of Real Estate**

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 "Construction Contracts" and Ind AS 18.

"Revenue". The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of

transition to Ind AS 115 has been adjusted against the Retained earnings as at April 1, 2018.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies. The taxes, levies or duties are not considered to be received by the Company on its own account and are excluded from net revenue.

**1.3.2 Interest**

Interest income is recognised using the Effective Interest Method.

**1.3.3 Dividend**

Dividend income from investments is recognised when the rights to receive payment is established.

**1.3.4 Other Claims**

Other claims (including interest on delayed realization from customers) are accounted for, when there is certainty of realisation.

**1.4 Property, Plant and Equipment (PPE)**

Land is carried at historical cost. Historical cost includes expenditure which are directly attributable to the acquisition of the land like, rehabilitation expenses, resettlement cost etc.

After recognition, an item of all other Property, plant and equipment are carried at its cost less any accumulated depreciation and any accumulated impairment losses under Cost Model. The cost of an item of property, plant and equipment comprises:

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item depreciated separately. However, significant part(s) of an item of PPE having same useful life and depreciation method are grouped together in determining the depreciation charge.

Costs of the day to-day servicing described as for the 'repairs and maintenance' are recognised in the statement of profit and loss in the period in which the same are incurred.

### Subsequent Measurement

Subsequent cost of replacing parts of an item of property, plant and equipment are recognised in the carrying amount of the item, if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition policy mentioned below.

When major inspection is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if it is probable that future economic benefits associated with the item will flow to the Company; and the cost of the item can be measured reliably. Any remaining carrying amount of the cost of the previous inspection (as distinct from physical parts) is derecognised.

An item of Property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from the continued use of assets. Any gain or loss arising on such derecognition of an item of property plant and equipment is recognised in profit and Loss.

### Depreciation

Depreciation on property, plant and equipment, except freehold land, is provided on straightline method based on useful life specified in schedule II to the Companies Act, 2013. The residual value of Property, plant and equipment is considered as 5% of the original cost of the asset.

Depreciation on the assets added / disposed of during the year is provided on pro-rata basis with reference to the month of addition / disposal.

Capital Expenses incurred by the company on construction/development of certain assets which are essential for production, supply of goods or for the access to any existing Assets of the company are recognised as Enabling Assets under Property, Plant and Equipment.

### 1.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 1.5.1 Financial assets

##### 1.5.1 Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time

frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### 1.5.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### 1.5.2.1 Equity investments in subsidiaries and associates

In accordance of Ind AS 101 (First time adoption of Ind AS), the carrying amount of these investments as per previous GAAP as on the date of transition is considered to be the deemed cost. Subsequently Investment in subsidiaries and associates are measured at cost.

##### 1.5.2.2 Other Equity Investment

All other equity investments in scope of Ind AS 109 are measured at fair value through Other Comprehensive Income (OCI).

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### 1.5.3 Financial Liabilities

##### 1.5.3.1 Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

##### 1.5.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**1.6 Borrowing Costs**

Borrowing costs are expensed as incurred except where they are directly attributable to the acquisition, construction or production of qualifying assets i.e. the assets that necessarily takes substantial period of time to get ready for intended use, in which case they are capitalised as part of the cost of those asset up to the date when the qualifying asset is ready for its intended use.

**1.7 Taxation**

Tax expenses for the period comprises current and deferred tax. Tax is recognised in statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

**Current Tax:** Current Tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted at the Balance Sheet date.

**Deferred Tax:** Deferred Tax recognised on temporary difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

**1.8 Employee Benefits****(i) Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(ii) Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The company has following defined contribution plans:

**a) Provident fund****(iii) Defined benefit plans**

The company net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to

the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The company has following defined benefit plans:

**a) Gratuity**

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary and contributes to the gratuity fund. The contributions made are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet. Remeasurements are recognized in the Other Comprehensive Income, net of tax in the year in which they arise.

**b) Leave Encashment**

Leave encashment is accounted for on payment basis.

**1.9 Inventories****i) Inventories are valued as follows:**

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.

**1.10 Provisions, Contingent Liabilities & Contingent Assets**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the

amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the company, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent Assets are not recognised in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

### 1.11 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per shares and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 1.12 Judgements, Estimates and Assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reported period. Application of accounting policies involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimates are revised and, if material, their effects are disclosed in the notes to the financial statements.

#### 1.12.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

##### 1.12.1.1 Formulation of Accounting Policies

Accounting policies are formulated in a manner that result in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

In the absence of an Ind AS that specifically applies to a transaction, other event or condition, management has used its judgement in developing and applying an accounting policy that results in information that is:

- a) relevant to the economic decision-making needs of users and
- b) reliable in that financial statements:
  - (i) represent faithfully the financial position, financial performance and cash flows of the entity;
  - (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;
  - (iii) are neutral, i.e. free from bias;
  - (iv) are prudent; and
  - (v) are complete in all material respects on a consistent basis.

In making the judgement management refers to, and considers the applicability of, the following sources in descending order:

- (a) the requirements in Ind AS dealing with similar and related issues; and
- (b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgement, management considers the most recent pronouncements of International Accounting Standards Board and in absence thereof those of the other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the sources in above paragraph.

#### 1.12.1.2 Materiality

Ind AS applies to items which are material. Management uses judgment in deciding whether individual items or groups of item are material in the financial statements. Materiality is judged by reference to the size and nature of the item. The deciding factor is whether omission or misstatement could individually or collectively influence the economic decisions that users make on the basis of the financial statements. Management also uses judgement of materiality for determining the compliance requirement of the Ind AS. In particular circumstances either the nature or the amount of an item or aggregate of items could be the determining factor. Further an entity may also be required to present separately immaterial items when required by law.

#### 1.12.2 Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its

assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### 1.12.2.1 Impairment of non-financial assets

There is an indication of impairment if, the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Company considers individual PPE as separate cash generating units for the purpose of test of impairment. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

#### 1.12.2.2 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### 1.12.2.3 Defined Benefit Plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

#### 1.12.2.4 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### 1.15 Abbreviation used:

- |    |        |   |
|----|--------|---|
| a. | CGU    | Cash generating unit                          |
| b. | DCF    | Discounted Cash Flow                          |
| c. | FVTOCI | Fair value through Other Comprehensive Income |
| d. | FVTPL  | Fair value through Profit & Loss              |
| e. | GAAP   | Generally accepted accounting principal       |
| f. | Ind AS | Indian Accounting Standards                   |
| g. | OCI    | Other Comprehensive Income                    |
| h. | P&L    | Profit and Loss                               |
| i. | PPE    | Property, Plant and Equipment                 |
| j. | SPPI   | Solely Payment of Principal and Interest      |



(Rs. In Lakhs)

Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2019

## 2. PROPERTY, PLANT AND EQUIPMENT:

PARTICULARS	GROSS BLOCK							As at 31 <sup>st</sup> March, 2019
	As at 1 <sup>st</sup> April, 2017	Additions	Deductions/ Adjustments	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2018	Additions	Deductions/ Adjustments	
Freehold Land	164.64	-	-	164.64	164.64	-	-	164.64
Leasehold Land	0.05	-	-	0.05	0.05	-	-	0.05
Non-Factory Building	371.66	-	-	371.66	371.66	86.08	-	457.74
Plant and Equipments	42.47	10.28	-	52.75	52.75	0.34	-	53.09
Furniture and Fixture	14.91	-	-	14.91	14.91	-	-	14.91
Vehicles (Cars)	180.92	228.78	36.31	373.39	373.39	78.22	42.99	408.62
Office Equipments	1.83	0.67	0.65	1.85	1.85	-	-	1.85
Computers	50.87	-	-	50.87	50.87	1.74	-	52.61
	<b>827.35</b>	<b>239.73</b>	<b>36.96</b>	<b>1,030.12</b>	<b>1,030.12</b>	<b>166.38</b>	<b>42.99</b>	<b>1,153.51</b>

PARTICULARS	DEPRECIATION AND AMORTIZATION							Upto 31 <sup>st</sup> March, 2019
	Upto 1 <sup>st</sup> April, 2017	For The Year	Deductions	Upto 31 <sup>st</sup> March, 2018	Upto 1 <sup>st</sup> April, 2018	For The Year	Deductions	
Freehold Land	-	-	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-	-	-
Non-Factory Building	59.46	5.64	-	65.10	65.10	6.32	-	71.42
Plant and Equipments	29.37	2.60	-	31.97	31.97	2.87	-	34.84
Furniture and Fixture	12.41	0.52	-	12.93	12.93	0.52	-	13.45
Vehicles (Cars)	84.54	30.56	20.21	94.89	94.89	44.33	18.28	120.94
Office Equipments	0.94	0.30	0.62	0.62	0.62	0.35	-	0.97
Computers	47.92	0.18	-	48.10	48.10	0.56	-	48.66
	<b>234.64</b>	<b>39.80</b>	<b>20.83</b>	<b>253.61</b>	<b>253.61</b>	<b>54.95</b>	<b>18.28</b>	<b>290.28</b>

PARTICULARS	NET BLOCK	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Freehold Land	164.64	164.64
Leasehold Land	0.05	0.05
Non-Factory Building	386.32	306.55
Plant and Equipments	18.25	20.78
Furniture and Fixture	1.46	1.98
Vehicles (Cars)	287.68	278.50
Office Equipments	0.88	1.23
Computers	3.95	2.77
	<b>863.23</b>	<b>776.50</b>

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018 (Rs. In Lakhs)
<b>3 Non Current Investments</b>		
<b>Investment in Equity Instrument (Unquoted)</b>		
<b>Investments Measured at Cost</b>		
<b>In Subsidiary Company</b>		
900000 Farco Foods Private Limited	27.00	27.00
(900000) equity shares of Rs. 10/- each		
<b>Total (A)</b>	<b>27.00</b>	<b>27.00</b>
<b>In Associate Companies</b>		
2265750 Star Hotels Ltd. (Formerly known as Shervani	881.43	881.43
(2265750) Hospitalities Ltd.) equity shares of Rs. 10/- each		
85000 Youngtronics India Private Limited	8.50	8.50
(85000) equity shares of Rs. 10/- each		
460000 6% Non-Cumulative Redeemable Preference	46.00	46.00
(460000) Shares of Rs. 10/- each of Youngtronics India Pvt. Ltd.		
<b>Total (B)</b>	<b>935.93</b>	<b>935.93</b>
<b>Other Investment</b>		
<b>Investment at cost</b>		
<b>Investment in Preference Shares (Unquoted)</b>		
- 6% Non-Cumulative Preference Shares of India	-	80.00
(80000) Global Exports Pvt. Ltd. of Rs. 100/- each		
<b>Total (C)</b>	<b>-</b>	<b>80.00</b>
<b>Investment in equity instruments (Unquoted)</b>		
500 shares of Super Bazar Co-Operative Stores Ltd.	0.05	0.05
(500) of Rs. 10/- each		
<b>Total (D)</b>	<b>0.05</b>	<b>0.05</b>
<b>Total (A+B+C+D)</b>	<b>962.98</b>	<b>1,042.98</b>
Aggregate value of Unquoted investment	962.98	1,042.98
Amount of Investment measured at Cost	962.98	1,042.98
<b>4 Other Financial Assets</b>		
Earmarked balance with Banks	102.45	3.84
Fixed deposit (including pledged in 2018-19		
Rs. 6.86 Lakh & in 2017-18 Rs. 48.92 Lakh)	6.86	48.92
Share Application Money India Global Exports Pvt. Limited	-	243.00
<b>Total</b>	<b>109.31</b>	<b>295.76</b>
<b>5 Deferred Tax Assets (Net)</b>		
<b>Deferred Tax Liabilities</b>		
Related to property plant and equipment	(56.42)	(54.72)
<b>Deferred Tax Assets</b>		
MAT Credit entitlement	59.63	59.63
Other timing difference	-	52.25
<b>Total</b>	<b>3.21</b>	<b>57.16</b>

		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
			(Rs. In Lakhs)
<b>6</b>	<b>Inventories</b>		
	Work In Progress (Real Estate)	6,214.91	3,817.48
	Finished Goods	3.21	3.21
	Stock-in-trade (land and expenses thereon)	8,988.14	10,933.23
	<b>Total</b>	<b>15,206.26</b>	<b>14,753.92</b>
<b>7</b>	<b>Current Investment</b>		
	<b>Investment in Equity Instruments (Quoted)</b>		
	<b>Measured at FVOCI</b>		
	<b>Unit</b>		
	1000 Equity Shares of Reliance Infra Limited	1.36	4.27
	(1000) of Rs.10/- each		
	10000 Equity Shares of Cerebra Integrated Technologies	2.54	4.97
	(10000) of Rs.10/- each		
	213 Equity Shares of HDFC Bank Ltd.	4.79	-
	(-) of Rs.10/- each		
	163 Equity Shares of HDFC Ltd.	3.16	-
	(-) of Rs.10/- each		
	645 Equity Shares of ICICI Bank Ltd	2.42	-
	(-) of Rs.10/- each		
	377 Equity Shares of Infosys Limited	2.69	-
	(-) of Rs.10/- each		
	851 Equity Shares of ITC Limited	2.50	-
	(-) of Rs.10/- each		
	131 Equity Shares of Kotak Mahindra Bank Limited	1.70	-
	(-) of Rs.10/- each		
	122 Equity Shares of Larsen & Toubro Limited	1.69	-
	(-) of Rs.10/- each		
	13 Equity Shares of Maruti Suzuki India Limited	0.87	-
	(-) of Rs.10/- each		
	338 Equity Shares of Reliance Industries Limited	4.39	-
	(-) of Rs.10/- each		
	105 Equity Shares of TCS Limited	2.10	-
	(-) of Rs.10/- each		
	<b>Total value of Quoted Investment</b>	<b>30.21</b>	<b>9.24</b>
	<b>Investment in Mutual Fund (Unquoted)</b>		
	<b>Unit</b>		
	99255.568 DSP Black Rock Small & Mid Cap Fund	53.80	-
	(-) of Rs.10/- each		
	116133.968 SBI Magnum Midcap Fund (Growth)	86.90	89.83
	(116133.968) of Rs.10/- each		
	325344.271 SBI Magnum Multicap Fund (Growth)	157.31	94.90
	(214214.372) of Rs.10/- each		
	250000 Union Capital Protection Oriented Fund (Growth)	28.16	26.16
	(250000) of Rs.10/- each		
	(-) Birla Sunlife Equity Fund (Growth)	-	111.71
	(16602.304) of Rs.10/- each		
	(-) Mirae Asset India Opportunities Fund (Growth)	-	113.54
	(260197.231) of Rs.10/- each		
	650182.644 DSP BR Equity Fund (Growth)	253.36	53.84
	(149170.595) of Rs. 10/- each		
	(-) DSP BR Opportunities Fund	-	107.40
	(51421.034) of Rs.10/- each		

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018 (Rs. In Lakhs)
190001.634 ABSL Focused Equity Fund (190001.634) (Formerly ABSL Top 100 Fund) of Rs.10/- each	111.00	103.86
(-) Canara Robeco Equity Diversified Regular (Growth) (136732.158) of Rs.10/- each	-	161.23
150000 Union Capital Protection Oriented Fund (150000) Series 8-(Growth) of Rs.10/- each	16.00	15.25
149990 Union PFG-Union Balanced Advantage Fund (Growth) (149990) of Rs.10/- each	15.62	14.77
1999990 SBI Long Term Advantage Fund Series V- Growth (1999990) of Rs.10/- each	200.98	200.00
18916.099 Aditya Birla Sun Life Equity Fund - (-) Growth - Regular Plan of Rs.10 each	137.11	-
97862.679 Union Corporate Bond Fund Regular Plan Growth (-) of Rs.10 each	10.37	-
99990 Union Arbitrage Fund Regular Plan - Growth (-) of Rs.10 each	10.05	-
<b>Total value of Unquoted Investment</b>	<b>1,080.66</b>	<b>1,092.49</b>
<b>TOTAL AGGREGATE VALUE OF INVESTMENT MEASURED AT FVOCI</b>	<b>1,110.87</b>	<b>1,101.73</b>
Investment measured at FVOCI	1,110.87	1,101.73
Total Value of Unquoted Investment at FVOCI	1,080.66	1,092.49
Total Value of Quoted Investment at FVOCI	30.21	9.24
<b>8 Trade Receivables</b>		
Unsecured, Considered good	235.24	-
<b>Total</b>	<b>235.24</b>	<b>-</b>
<b>9 Cash and Cash Equivalents</b>		
Balance with Banks		
In current account	982.81	770.62
In Fixed Deposit (Pledged )	52.74	3.59
Cash on Hand	19.90	26.86
<b>Total</b>	<b>1,055.45</b>	<b>801.07</b>
<b>10 Other Bank Balances</b>		
In Fixed Deposit(Pledged with bank Rs.1059.83 Lakh (Previous Year: Rs. 964.76 Lakh) against Over draft facilities (Refer Note No. 18)	2,719.82	3,473.68
<b>Total</b>	<b>2,719.82</b>	<b>3,473.68</b>
<b>11 Loans to Related Parties</b>		
Unsecured, Considered Good	489.73	489.73
Credit Impaired	150.00	150.00
	639.73	639.73
Less Allowance for credit impaired	150.00	150.00
<b>TOTAL</b>	<b>489.73</b>	<b>489.73</b>
<b>12 Other Financial Assets</b>		
Interest accrued on FDR with Bank	47.29	39.79
<b>Total</b>	<b>47.29</b>	<b>39.79</b>

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018 (Rs. In Lakhs)
<b>13 Other Current Assets</b>		
Unsecured considered good	-	-
Security deposit	4.61	4.61
Prepaid expenses	4.39	2.87
GST recoverable	129.69	70.53
Advance to others	161.52	278.99
<b>Total</b>	<b>300.21</b>	<b>357.00</b>
<b>14 Share Capital</b>		
<b>Authorised:</b>		
62,80,000 Equity shares of Rs. 10/- each	628.00	628.00
20,000 Cumulative Redeemable Preference Shares of Rs. 100/- each	20.00	20.00
8,000 Deferred Shares of Rs. 25/- each	2.00	2.00
	<b>650.00</b>	<b>650.00</b>
<b>Issued, Subscribed and Fully Paid Up:</b>		
31,16,018 Equity shares of Rs. 10/- each fully paid up	311.60	311.60
8,000 Deferred shares of Rs. 25/- each fully paid up	2.00	2.00
<b>Total</b>	<b>313.60</b>	<b>313.60</b>

The details of Shareholders holding more than 5% shares

Name of Shareholder	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	No. of Shares	% Held	No. of Shares	% Held
(Equity Shares In Nos. of Rs. 10/- each)				
Mr. Saleem Iqbal Shervani	427580	13.72	427580	13.72
Mr. Saeed Mustafa Shervani	183410	5.89	183410	5.89
Lebensraum Infra Private Limited	269145	8.64	269145	8.64
Frost Traders Private Limited	400602	12.86	400602	12.86

	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
			(Rs. In Lakhs)	
<b>15 Other Equity</b>				
<b>Security Premium</b>				
Balance at the beginning of the year		-		38.41
Utilised for Buyback of Equity Shares		-		(38.41)
<b>Balance at the end of the year</b>		<b>-</b>		<b>-</b>
<b>Capital Subsidy Reserve</b>				
Balance at the beginning of the year		19.27		19.27
<b>Balance at the end of the year</b>		<b>19.27</b>		<b>19.27</b>
<b>General Reserve</b>				
Balance at the beginning of the year		5,046.86		5,289.12
Utilised for Buyback of Equity Shares		-		(242.84)
Transfer to Capital Redemption Reserve		-		(14.42)
Transfer from Retained Earnings		-		15.00
<b>Balance at the end of the year</b>		<b>5,046.86</b>		<b>5,046.86</b>
<b>Capital Redemption Reserve</b>				
Balance at the beginning of the year		34.42		20.00
Transfer from General Reserve		-		14.42
<b>Balance at the end of the year</b>		<b>34.42</b>		<b>34.42</b>
<b>Capital Reserve on Revaluation on Land</b>				
Balance at the beginning of the year		11,220.19		14,582.16
Less Transfer to Profit and loss		2,420.16		3,361.97
<b>Balance at the end of the year</b>		<b>8,800.03</b>		<b>11,220.19</b>
<b>Retained Earnings (Restated)</b>				
Balance at the beginning of the year	830.16		(410.42)	
Add Adjustment on account of Ind AS 115	-	830.16	(1,038.70)	(1,449.12)
Net Profit for the year	3,330.69		3,728.84	
Add Adjustment on account of Ind AS 115	-	3,330.69	(1,245.84)	2,483.00
Less Interim Dividend paid		2,508.81		156.80
Less Tax on Interim Dividend		515.70		31.92
Less Transfer to Reserve		-		15.00
<b>Balance at the end of the year</b>		<b>1,136.34</b>		<b>830.16</b>
<b>Other Comprehensive Income(OCI)</b>				
As per last balance sheet		56.41		12.92
Add Movement in OCI(Net of Tax) during the year		11.65		43.49
Less Reclassified to profit/(loss) on disposal		45.39		-
<b>Closing balance at the end of the year</b>		<b>22.67</b>		<b>56.41</b>
<b>Total Other Equity</b>		<b>15,059.59</b>		<b>17,207.31</b>

15.1 Capital subsidy reserve is the amount of subsidy received towards capital investment.

15.2 General Reserve is the free reserve arising out of profit earned by the company after appropriation till date.

15.3 Capital Redemption Reserve was created in earlier years at the time of redemption of Redeemable Preference Shares and Buyback of Equity Shares. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.



	Year ended March 31, 2019	Year ended March 31, 2018 (Rs. In Lakhs)
<b>23 REVENUE FROM OPERATIONS</b>		
Sale of Plot (Including transfer from revaluation reserve Rs.2,420.16 Lakh, Previous year Rs.3,361.97 Lakh)	7,307.97	8,729.00
<b>TOTAL</b>	<b>7,307.97</b>	<b>8,729.00</b>
<b>24 OTHER INCOME</b>		
Interest Income	161.02	132.22
Dividend Income	0.37	0.09
<b>Other Non-Operating Income</b>		
Rent	2.69	3.18
Provision of Liability no longer required	0.44	0.62
Profit on Sale of Investments (Net)	122.10	6.99
Miscellaneous Receipts	39.73	6.94
<b>TOTAL</b>	<b>326.35</b>	<b>150.04</b>
<b>25 COST OF CONSTRUCTION AND DEVELOPMENT EXPENSES</b>	<b>2,951.31</b>	<b>1,954.00</b>
<b>TOTAL</b>	<b>2,951.31</b>	<b>1,954.00</b>
<b>26 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories (at close)</b>		
Finished Goods	3.21	3.21
Stock in trade (Real Estate)	8,988.14	7,496.27
Add: Ind AS Adjustment in respect of Ind AS 115	-	3,436.96
	<u>8,988.14</u>	<u>10,933.23</u>
Work-in-Progress	6,214.91	1,545.12
Add: Ind AS Adjustment in respect of Ind AS 115	-	2,272.35
	<u>6,214.91</u>	<u>3,817.47</u>
	<u>15,206.26</u>	<u>14,753.91</u>
<b>Inventories (at commencement)</b>		
Finished Goods	3.21	3.21
Stock in trade (Real Estate) (opening)	10,933.23	11,049.26
Add: Ind AS Adjustment in respect of Ind AS 115	-	3,847.93
	<u>10,933.23</u>	<u>14,897.19</u>
Work-in-Progress (opening)	3,817.47	2,278.15
Add: Ind AS Adjustment in respect of Ind AS 115	-	533.10
	<u>3,817.47</u>	<u>2,811.25</u>
	<b>14,753.91</b>	<b>17,711.65</b>
<b>TOTAL</b>	<b>(452.35)</b>	<b>2,957.74</b>
<b>27 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries and Wages	192.81	186.34
Contribution to Provident and Other Funds	5.93	5.38
Staff Welfare Expenses	3.51	3.50
<b>TOTAL</b>	<b>202.25</b>	<b>195.22</b>



	Year ended March 31, 2019	Year ended March 31, 2018 (Rs. In Lakhs)
<b>28 OTHER EXPENSES</b>		
<i>Establishment Expenses</i>		
Rent	1.73	1.10
Repair Buildings	5.53	7.94
Insurance	5.24	3.55
Rates and Taxes	1.41	1.71
Vehicle Maintenance	20.45	15.14
Professional Charges	52.68	59.00
Travelling and Conveyance Expenses	6.10	14.11
<i>Payments To The Auditors</i>		
As Auditor	1.50	1.50
For Other Services	0.86	0.86
Directors' Sitting Fee	7.25	2.70
Loss on Sale of Assets	8.86	7.72
CSR Expenses	27.00	10.00
Share Buyback Expenses	16.55	15.63
Miscellaneous Expenses	130.93	108.03
<b>TOTAL (A)</b>	<b>286.09</b>	<b>248.99</b>
<i>Selling and Distribution Expenses</i>		
Brokerage	83.32	84.66
<b>TOTAL (B)</b>	<b>83.32</b>	<b>84.66</b>
<b>TOTAL (A+B)</b>	<b>369.41</b>	<b>333.65</b>
<b>29 Exceptional Items</b>		
Investments Written Off	331.07	-
	<b>331.07</b>	<b>-</b>
<b>30 Reconciliation of effective tax rate</b>	<b>2018-19</b>	<b>2017-18</b>
The income tax expense for the year can be reconciled to the accounting profit as follows :		
Profit Before Tax	4,157.94	3,389.54
Applicable Tax Rate	29.12%	21.34%
<b>Computed Tax Expense (A)</b>	<b>1,210.79</b>	<b>723.33</b>
<b>Adjustment in respect of current Income Tax of Previous Year (B)</b>	<b>83.29</b>	<b>4.07</b>
Tax effect of :		
Exempted Income	(215.96)	(2.27)
Expenses Disallowed under Income Tax Act	120.81	
Expenses Additionally allowed under Income Tax Act	(80.54)	(13.56)
Other Difference	(289.38)	265.86
Tax Adjustment of last years	(83.29)	(4.07)
<b>Current Tax Provisions (C)</b>	<b>(548.36)</b>	<b>245.96</b>
Incremental Deferred Tax Asset / (Liability) on account of Tangible and Intangible Assets	(53.96)	(2.47)
<b>Deferred Tax Assets / (Liability) (D)</b>	<b>(53.96)</b>	<b>(2.47)</b>

	Year ended March 31, 2019	Year ended March 31, 2018
Tax Expenses recognised in Statement of Profit and Loss	690.00	900.00
<b>Effective Tax Rate</b>	<b>16.59 %</b>	<b>26.55 %</b>

**31 Corporate Social Responsibility Expenditure**

a. CSR amount required to be spent as per Section 135 of Companies Act, 2013 read with Schedule VII thereof by the company during the year ended 31<sup>st</sup> March 2019 is Rupees Twenty Seven Lakh.

b. Amount spent during the year on :	Rs. Paid in cash :	Yet to be paid in cash	Total
Promoting Education	27.00	NIL	27.00

**32 Earning Per Share**

Net profit available for equity shareholders (Numerator used for calculation)	3,330.69	2,483.00
Number of equity shares (Denominator for calculating EPS)	31,36,018	31,36,018
Basic and Diluted Earning per share of Rs. 10/-	106.21	79.18

**33 Investments and Loans outstanding in subsidiary company**

Name of Company	% of Shareholding	Investment in Shares	Loan Balance Outstanding	(Rs. in Lakhs) Provision Made
Farco Foods Pvt. Ltd.	100	27.00	639.73	150

Looking to the financial position of Farco Foods Pvt. Ltd., Wholly Owned Subsidiary, of the Company, the Management has decided to continue with the provision of Rs. 150.00 Lakh till further improvement.

**34 Related party disclosures as required under Ind AS-24 are given below****Wholly Owned Subsidiary Company**

Farco Foods Private Limited

**Associate Companies**

Star Hotels Limited (Formerly known as Shervani Hospitalities Limited)

Youngtronics India Private Limited

**Key Managerial Personnel (KMP) and their relatives**

Mr. Saleem Iqbal Shervani, Managing Director

Mr. Tahir Hasan, Whole-time Director & C.F.O.

Mr. Shrawan K. Shukla, Company Secretary

Mrs. Salma Hasan (Relative)

Mr. Mustafa Rashid Shervani (Relative)

Mr. Yasser Niaz Hasan (Relative)

**Non Executive Directors**

Dr. A.P. Singh, Chairman, Independent Non Executive

Mr. A.N. Shervani, Director Non Executive

Mr. S.M. Shervani, Director Non Executive

Mr. G.S. Chaturvedi, Director Independent Non Executive

Mr. Kush Bhargava, Director Independent Non Executive

Mr. Mohd. Aslam Sayeed, Director Independent Non Executive

Mr. Raju Verghese, Director Independent Non Executive

Mrs. Shefali Bansal, Director Independent Non Executive

(Rs. In Lakhs)

**Related parties with whom transactions have taken place**

	KMP and Other Directors	Relative of KMP	Associate Companies	Subsidiary Company
<b>Short Term Benefits (Remuneration)</b>				
Current Year	20.78	39.22	-	-
(Previous Year)	(49.21)	(31.21)	-	-
<b>Employee Benefit Expenses</b>				
Current Year	0.58	1.19	-	-
(Previous Year)	(0.70)	(0.82)	-	-
<b>Director's Commission</b>				
Current Year	67.00	-	-	-
(Previous Year)	(-)	-	-	-
<b>Rent paid</b>				
Current Year	1.65	-	-	-
(Previous Year)	(1.02)	-	-	-
<b>Rent received</b>				
Current Year	-	-	0.89	-
(Previous Year)	-	-	(0.87)	-
<b>Sitting Fee</b>				
Current Year	7.25	-	-	-
(Previous Year)	(2.70)	-	-	-
<b>Loans</b>				
Balance(Net of Provision) at the beginning and at the end of the year :				
Current Year	-	-	-	489.73
(Previous Year)	-	-	-	(489.73)

35 Balance of personal account of Debtors, Creditors, Unsecured Loans, Loans and advances, Security Deposits and other had not been confirmed and are subject to confirmation by the parties.

36 Previous year's figures have been regrouped/reclassified and restated wherever necessary to correspond with the current year's classification/disclosure.

37 The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been made.

38 Contingent Liabilities and Commitments As at 31.03.2019 As at 31.03.2018  
 Guarantee given by Company in favour of Union Bank of India  
 on behalf of Omnitel Technologies Private Limited  
 for credit facility extended to them. Rs. 900.00 Rs. 900.00

39 Ind AS 115- Revenue from Contracts with customers has been notified by Ministry of Corporate Affairs (MCA) on March 28,2018 and is effective from accounting period beginning on or after April 01,2018. the company has applied full retrospective approach in adopting the new standard (For all contracts other than completed contracts) and accordingly restated the previous period numbers as per point in time (Project Completion Method) of revenue recognition. the following table summarises the impact net of taxes of adopting Ind AS 115 on the standalone financial results.

(Rs. In Lakhs)

Particulars	Year Ended 31.03.2018
Total Comprehensive Income as reported	3,772.00
Change in Adoption of Ind AS 115	1,246.00
Total Comprehensive Income post adoption of Ind AS 115	2,526.00

The following summarises the impact net of taxes of transition to Ind AS 115 on net worth as at March 31, 2018.

(Rs. In Lakhs)

Particulars	Year Ended 31.03.2018
Net Worth (as reported)	8,585.00
Change in Net Worth as Adoption of Ind AS 115	2,285.00
Net Worth on adoption of Ind AS 115	6,300.00

40 40.1) Disclosure of amount by which financial statements are impacted by application of Ind AS 115 as compared to Ind AS 11 and Ind AS 18:

(Rs. In Lakhs)

Particulars	As at 31-3-2019 ( as per Ind AS 11 and Ind AS 18)	Impact of application of Ind AS 115 increase/(decrease)		As at 31-3-2019 (after application of Ind AS 115)
		Transition impact as at April 1, 2018	For the year 2018-19	
Assets	19,592.40	(2,284.54)	5,795.74	23,103.60
Equity	16,638.58	(2,284.54)	1,019.15	15,373.19

40.2) Disclosure pursuant to Ind AS 115 "Revenue from contracts with Customers"

(Rs. In Lakhs)

Particulars	Year Ended 31.03.2019		
	As per Ind AS 11 and Ind AS 18	Impact of application of Ind AS 115 increase / (decrease)	After application of Ind AS 115
Revenue from operations	6,893.07	414.90	7,307.97
Change in inventory	(151.91)	604.25	452.34
Profit before tax	3,171.20	1,019.15	4,190.35
Tax expenses	827.25	-	827.25
Basic earnings per share	74.74	31.47	106.21
Diluted earnings per share	74.74	31.47	106.21

- A Under Ind AS 115, revenue from realty business is recognized upon delivery of units as against percentage of completion method followed under Ind AS 11.
- B Impact on account of transition: Opening Retained earnings as on April 1, 2018 reduced by Rs. 2,284.54 Lakh with a corresponding increase in inventory by Rs. 5,709.31 Lakh and decrease in trade receivables by Rs. 3,579.02 Lakh and increase in Advance from Customer by Rs. 4,414.83 Lakh.
- C Impact for the year: Profit after tax during the year is higher by Rs. 1,019.15 Lakh increase in inventory by Rs. 604.25 Lakh and increase in Revenue from Operations of Rs. 414.90 Lakh.

**TO THE MEMBERS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED****Opinion**

We have audited the accompanying consolidated financial statements of SHERVANI INDUSTRIAL SYNDICATE LIMITED (hereinafter referred to as the "the Holding Company") and its associates (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

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 their consolidated state of affairs of the Company as at March 31, 2019, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Consolidated Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of

our in audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its associates is responsible for overseeing the financial reporting process of the Group and of its associates.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the one associate included in the consolidated financial statements, which

have been audited by other auditor, such other auditor remain responsible for the direction, supervisions and performance of the audits carried out by him. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements of one associate whose share of Profit of Rs. 24 lakhs is included in the consolidated financial results for the year ended 31st March 2019. The financial statement of the associate has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amount and disclosure included in respect of the associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the report of the other auditor.

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 report of the other auditor.

#### **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.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate companies, none of the directors of the Group, its associate companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-C"
- (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates. Refer Note 29 to the consolidated financial statements.
  - The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies and associate companies.

For Gupta Vaish & Co.  
Chartered Accountants  
Registration Number: 005087C

Rajendra Gupta  
(Partner)  
Membership Number: 073250

Place : Kanpur  
Date : May 27, 2019

**ANNEXURE "C" 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 31st March, 2019, we have audited the internal financial controls over financial reporting of SHERVANI INDUSTRIAL SYNDICATE LIMITED ("the Holding Company") and its subsidiaries which is incorporated in India as of that date.

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

The Respective Board of Directors of the Holding Company and its subsidiaries, which are company incorporated in India 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 Holding Company, its subsidiaries and associates which are incorporated in India, have, 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 March 2019, 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 Gupta Vaish & Co.  
Chartered Accountants  
Registration Number: 005087C

Rajendra Gupta  
(Partner)  
Membership Number: 073250

Place : Kanpur  
Date : May 27, 2019



**CONSOLIDATED****BALANCE SHEET**

		<b>As at 31<sup>st</sup> March, 2019</b>	<b>As at 31<sup>st</sup> March, 2018</b>
			(Rs. In Lakhs)
	Note No.		
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	1,093.22	859.70
<b>Financial Assets</b>			
Investments	3	373.45	428.99
Other Financial Assets	4	109.31	295.76
Deferred Tax Assets (Net)	5	-	52.51
Goodwill on Consolidation (Net)		581.64	581.64
<b>Current Assets</b>			
Biological Assets		5.83	-
Inventories	6	15,206.26	14,753.92
Financial Assets			
Investments	7	1,110.87	1,101.73
Trade Receivables	8	287.52	41.55
Cash and Cash Equivalents	9	1,154.31	985.92
Other Bank Balances	10	2,809.32	3,557.57
Other Financial Assets	11	54.36	48.98
Other Current Assets	12	308.99	362.30
<b>TOTAL ASSETS</b>		<b>23,095.08</b>	<b>23,070.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	313.60	313.60
Other Equity	14	14,982.78	17,055.50
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	123.47	129.56
Provisions	16	12.10	8.79
Deferred Tax Liabilities (Net)		1.75	-
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	17	543.77	513.80
Trade Payables	18	206.28	54.89
Other Financial Liabilities	19	158.80	42.87
Other Current Liabilities	20	6,317.44	4,816.32
Provisions	21	0.18	0.13
Current Tax Liabilities(Net)		434.91	135.11
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,095.08</b>	<b>23,070.57</b>
Significant Accounting Policies & Notes on Financial Statements	1-35		

As per our report of even date attached

**For Gupta Vaish & Co.**  
Chartered Accountants

**Rajendra Gupta**  
Partner

**S.K. Shukla**  
Company Secretary

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

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

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

Place : Prayagraj  
Date : May 27, 2019

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

PARTICULARS	Note No.	Year ended	Year ended
		March 31, 2019	March 31, 2018
			(Rs. In Lakhs)
<b>REVENUE FROM OPERATIONS</b>			
Revenue from Operations	22	7,852.27	9,115.99
Other Income	23	340.00	169.67
<b>TOTAL REVENUE</b>		<b>8,192.27</b>	<b>9,285.66</b>
<b>EXPENSES</b>			
Cost of Construction & Development Expenses	24	2,951.31	1,954.00
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	25	(452.35)	2,957.74
Employee benefit expenses	26	401.20	328.95
Finance costs		19.74	9.09
Depreciation and amortization expense		64.30	48.06
Other expenses	27	650.81	559.01
<b>TOTAL EXPENSES</b>		<b>3,635.01</b>	<b>5,856.85</b>
<b>Profit before tax and exceptional items</b>		<b>4,557.26</b>	<b>3,428.81</b>
Exceptional items	28	(331.07)	-
Profit before tax and share of profit in Associate Companies		4,226.19	3,428.81
Share of profit in Associate Companies		24.45	10.89
<b>Profit before tax after share of profit in Associate Companies</b>		<b>4,250.64</b>	<b>3,439.70</b>
<b>Tax expense</b>			
(1) Current tax		707.41	900.66
(2) Deferred tax		54.26	15.81
(3) Income Tax of Earlier Year		83.29	4.07
<b>PROFIT FOR THE YEAR</b>		<b>3,405.68</b>	<b>2,519.16</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss			
Fair value change on equity instrument through other comprehensive Income (Net of Tax)		11.65	43.49
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>3,417.33</b>	<b>2,562.65</b>
Earnings per equity share (face value of Rs. 10/- each)	30		
Basic and Diluted		108.60	80.33
<b>Significant Accounting Policies &amp; Notes to Financial Statements</b>	<b>1-35</b>		

As per our report of even  
date attached

**For Gupta Vaish & Co.**  
Chartered Accountants

**Rajendra Gupta**  
Partner

**S.K. Shukla**  
Company Secretary

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

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

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

Place : Prayagraj  
Date : May 27, 2019

# CONSOLIDATED

## Statement of changes in Equity for the year ended 31<sup>st</sup> March, 2019

(Rs. In Lakhs)

Share Capital	Balance at the beginning of the reporting period	Changes in Equity Share Capital during the year	Balance at the end of the reporting period
For the year ended 31 <sup>st</sup> March, 2018	328.03	(14.42)	313.60
For the year ended 31 <sup>st</sup> March, 2019	313.60	-	313.60

(Rs. In Lakhs)

Reserve and Surplus								
	Securities Premium Reserve	Capital Subsidy Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Capital Reserve on Revaluation of Land	Other Comprehensive Income	Total
<b>As on 31<sup>st</sup> MARCH 2017</b>								
Balance as at 31 <sup>st</sup> March, 2017	38.41	19.27	5,289.13	20.00	(598.39)	14,582.16	12.92	19,363.50
Changes in fair value	-	-	-	-	-	-	43.49	43.49
Utilised for Buyback of Equity shares	(38.41)	-	(242.85)	-	-	-	-	(281.26)
Transfer to Capital Redemption Reserve	-	-	(14.42)	14.42	-	-	-	-
Ind AS 115 adjustments	-	-	-	-	(2,284.54)	-	-	(2,284.54)
Transfer to/from Profit and Loss	-	-	-	-	-	(3,361.97)	-	(3,361.97)
Net Profit for the year	-	-	-	-	3,765.00	-	-	3,765.00
Interim Dividend paid during the year	-	-	-	-	(156.80)	-	-	(156.80)
Tax on Interim Dividend	-	-	-	-	(31.92)	-	-	(31.92)
Transfer to General Reserve	-	-	15.00	-	(15.00)	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>19.27</b>	<b>5,046.86</b>	<b>34.42</b>	<b>678.35</b>	<b>11,220.19</b>	<b>56.41</b>	<b>17,055.50</b>
Changes in fair value	-	-	-	-	-	-	11.65	11.65
Reclassified to Profit/(Loss) on disposal	-	-	-	-	-	-	(45.39)	(45.39)
Transfer to/from Profit and Loss	-	-	-	-	-	(2,420.16)	-	(2,420.16)
Net Profit for the year	-	-	-	-	3,405.69	-	-	3,405.69
Interim Dividend paid during the year	-	-	-	-	(2,508.81)	-	-	(2,508.81)
Tax on Interim Dividend	-	-	-	-	(515.70)	-	-	(515.70)
<b>Balance at the end of reporting period i.e. 31<sup>st</sup> March, 2019</b>	<b>-</b>	<b>19.27</b>	<b>5,046.86</b>	<b>34.42</b>	<b>1,059.53</b>	<b>8,800.03</b>	<b>22.67</b>	<b>14,982.78</b>

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

	2018-2019	2017-2018
		(Rs. In Lakhs)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Tax	4,250.64	3,439.70
Adjustment for		
Ind AS 115 Adjustment on Retained Earnings	-	(1,038.70)
Share of Profit in Associate Companies	(24.45)	(10.90)
Exceptional item (Investments Written Off)	331.08	
Transfer from Capital Reserve on revaluation of land	(2,420.16)	(3,361.96)
Depreciation	64.30	48.06
Loss /(Profit) on sale of assets	8.86	7.72
Interest Paid	19.74	9.09
Interest Received	(174.68)	(146.84)
Dividend Received	(0.37)	(0.09)
(Profit)/Loss on Sale of Investments	(122.10)	(6.99)
Operating Profit before Working Capital Changes	<u>1,932.86</u>	<u>(1,060.91)</u>
Adjustment for		
(Increase)/Decrease in Biological Assets	(5.83)	
(Increase)/Decrease in Trade and other receivables	(200.73)	2,128.63
(Increase)/Decrease in Inventories	(452.34)	(1,358.89)
Increase/(Decrease) in Trade Payables	1,757.86	3,976.05
<b>Cash generated in operation</b>	<u>3,031.82</u>	<u>4,745.79</u>
Add/(Deduct)		
Direct tax paid	(490.90)	(1,068.53)
<b>Net Cash from operating activities (Total – A)</b>	<u>2,540.92</u>	<u>2,616.35</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(322.53)	(267.42)
Sale of Fixed Assets	15.85	8.41
Purchase of Current Investments (Net of Sales)	79.21	(138.12)
Movement in Fixed Deposits	790.30	(2,355.84)
Dividend Received	0.37	0.09
Interest received	169.30	133.97
<b>Net Cash used in investing activities (Total - B)</b>	<u>732.50</u>	<u>(2,618.91)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buyback of Equity Shares	-	(295.67)
Loans & Borrowing's	37.83	581.56
Interest Paid	(19.74)	(9.09)
Change in Other Financial Assets	(98.60)	0.97
Dividend Paid	(2,508.82)	(156.80)
Tax on Dividend	(515.70)	(31.92)
<b>Net Cash (used in)/from financing activities (Total – C)</b>	<u>(3,105.03)</u>	<u>89.05</u>

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**CONSOLIDATED**

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**CASH FLOW STATEMENT**

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	2018-2019	2017-2018
		(Rs. In Lakhs)
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<u>168.39</u>	<u>86.49</u>
Add : Cash and Cash Equivalents	<u>985.92</u>	<u>899.43</u>
<b>Closing Cash and Cash Equivalent</b>	<u>1,154.31</u>	<u>985.92</u>

As per our report of even  
date attached  
**For Gupta Vaish & Co.**  
Chartered Accountants

**Rajendra Gupta**  
Partner

**S.K. Shukla**  
Company Secretary

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

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

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

Place : Prayagraj  
Date : May 27, 2019

**1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS**

**A. CORPORATE INFORMATION**

Shervani Industrial Syndicate Limited (the "Company") is a listed entity domiciled in India and limited by shares (CIN: L45202UP1948PLC001891).

The address of the company's registered office is Shervani Nagar, Sulem Sarai, Harwara, Prayagraj-211015.

**SIGNIFICANT ACCOUNTING POLICIES**

**B. (i) BASIS OF PREPARATION AND PRESENTATION**

The Consolidated Financial Statements have been prepared on the historical cost basis. The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

The Company's consolidated financial statements are presented in Indian Rupees.

**(ii) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements relate to Shervani Industrial Syndicate Limited ('the Company') and its subsidiary company, and its associates. The Consolidated Financial Statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary are combined on a line by line basis by adding together similar items of assets, liabilities, equity, incomes, expenses and cash-flows, after fully eliminating intra-group balances and intra-group transactions.
- b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
- c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of subsidiary.

**(i) The subsidiary company considered in the consolidated statements is**

(i)	Name of the Company	Country of Incorporation	Holding as on 31 <sup>st</sup> March, 2019
	Farco Foods Pvt. Ltd.	India	100%
	(ii) The associate companies considered in the consolidated statements are		
	Name of the Company	Country of Incorporation	Holding as on 31 <sup>st</sup> March, 2019
	Star Hotels Ltd. (Formerly known as Shervani Hospitalities Ltd.)	India	35.40%
	Youngtronics India Pvt. Ltd.	India	46.33%

**(iii) OTHER SIGNIFICANT ACCOUNTING POLICIES**

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

# CONSOLIDATED

# NOTES

(Rs. In Lakhs)

## Notes on Financial Statement for the year ended 31<sup>st</sup> March, 2019

### 2. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK								
	As at 1 <sup>st</sup> April, 2017	Additions	Deductions/ Adjustments	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2018	Additions	Additions on Amalgamation	Deductions/ Adjustments	As at 31 <sup>st</sup> March, 2019
Freehold Land	171.31	-	-	171.31	171.31	75.89	-	-	247.20
Leasehold Land	0.05	-	-	0.05	0.05	-	-	-	0.05
Factory Building	60.29	3.75	-	64.04	64.04	-	-	-	64.04
Non-Factory Building	371.66	-	-	371.66	371.66	86.08	-	-	457.74
Plant and Equipments	176.24	33.02	-	209.26	209.26	0.64	-	-	209.90
Furniture and Fixture	18.88	-	-	18.88	18.88	-	-	-	18.88
Vehicles (Cars)	198.72	228.78	36.31	391.19	391.19	78.22	-	42.99	426.42
Office Equipments	2.57	0.67	0.65	2.59	2.59	-	-	-	2.59
Computers	53.25	1.20	-	54.45	54.45	1.73	-	-	56.18
	<b>1,052.97</b>	<b>267.42</b>	<b>36.96</b>	<b>1,283.43</b>	<b>1,283.43</b>	<b>242.56</b>	<b>-</b>	<b>42.99</b>	<b>1,483.00</b>
Capital Work In Progress						<b>79.97</b>			<b>79.97</b>
<b>Total</b>	<b>1,052.97</b>	<b>267.42</b>	<b>36.96</b>	<b>1,283.43</b>	<b>1,283.43</b>	<b>322.53</b>	<b>-</b>	<b>42.99</b>	<b>1,562.97</b>

PARTICULARS	DEPRECIATION AND AMORTIZATION								
	Upto 1 <sup>st</sup> April, 2017	For the Year	Deductions	Upto 31 <sup>st</sup> March, 2018	Upto 1 <sup>st</sup> April, 2018	For the Year	Additions on Amalgamation	Deductions	Upto 31 <sup>st</sup> March, 2019
Freehold Land	-	-	-	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-	-	-	-
Factory Building	35.90	1.99	-	37.89	37.89	2.05	-	-	39.94
Non-Factory Building	59.46	5.64	-	65.10	65.10	6.32	-	-	71.42
Plant and Equipments	141.59	6.56	-	148.15	148.15	7.67	-	-	155.82
Furniture and Fixture	16.19	0.52	-	16.71	16.71	0.53	-	-	17.24
Vehicles (Cars)	91.62	32.65	20.22	104.05	104.05	46.41	-	18.28	132.18
Office Equipments	1.64	0.30	0.61	1.33	1.33	0.35	-	-	1.68
Computers	50.10	0.40	-	50.50	50.50	0.97	-	-	51.47
	<b>396.50</b>	<b>48.06</b>	<b>20.83</b>	<b>423.73</b>	<b>423.73</b>	<b>64.30</b>	<b>-</b>	<b>18.28</b>	<b>469.75</b>
Capital work in progress									
<b>Total</b>	<b>396.50</b>	<b>48.06</b>	<b>20.83</b>	<b>423.73</b>	<b>423.73</b>	<b>64.30</b>	<b>-</b>	<b>18.28</b>	<b>469.75</b>

PARTICULARS	NET BLOCK	
	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Freehold Land	247.20	171.31
Leasehold Land	0.05	0.05
Factory Building	24.10	26.15
Non-Factory Building	386.32	306.56
Plant and Equipments	54.08	61.11
Furniture and Fixture	1.64	2.17
Vehicles (Cars)	294.24	287.13
Office Equipments	0.91	1.27
Computers	4.71	3.95
	<b>1,013.25</b>	<b>859.70</b>
Capital Work In Progress	<b>79.97</b>	<b>-</b>
<b>Total</b>	<b>1,093.22</b>	<b>859.70</b>

**CONSOLIDATED****NOTES**

	<b>As at 31<sup>st</sup> March, 2019</b>	<b>As at 31<sup>st</sup> March, 2018</b> (Rs. In Lakhs)
<b>3 Non Current Investments</b>		
<b>In Associate Companies</b>		
2265750 Star Hotels Ltd. (formerly known as Shervani Hospitalitys Ltd.) (2265750) equity shares of Rs. 10/- each	330.40	305.90
460000 Youngtronics India Private Limited- (460000) 6% Non-Cumulative Redeemable Preference shares of Rs. 10/- each	43.00	43.04
<b>Total (A)</b>	<b>373.40</b>	<b>348.94</b>
<b>Other Investment</b>		
<b>Investment at cost</b>		
<b>Investment in preference shares (Unquoted)</b>		
- 6% Non-Cumulative Preference shares of (80000) India Global Exports Private Ltd. of Rs. 100/- each	-	80.00
<b>Total (B)</b>	<b>-</b>	<b>80.00</b>
<b>Investment in equity instruments (Unquoted)</b>		
500 Shares of Super Bazar Co-Operative Stores Ltd. (500) of Rs. 10/- each	0.05	0.05
<b>Total (C)</b>	<b>0.05</b>	<b>0.05</b>
<b>Total (A+B+C)</b>	<b>373.45</b>	<b>428.99</b>
Aggregate value of Unquoted investment <b>Amount of Investment measured at Cost</b>	<b>373.45</b>	<b>428.99</b>
<b>4 Other Non Current Financial Assets</b>		
Earmarked Balance with Banks	102.45	3.84
Fixed deposit (including pledged in 2018-19 Rs. 6.86 Lakh & in 2017-18 Rs. 48.92 Lakh)	6.86	48.92
Share Application Money India Global Exports Pvt. Limited	-	243.00
<b>Total</b>	<b>109.31</b>	<b>295.76</b>
<b>5 Deferred Tax Assets(Net)</b>		
<b>Deferred Tax Liabilities</b>		
Related to Property, Plant and Equipment	(61.38)	59.37
<b>Deferred Tax Assets</b>		
Related to Property, Plant and Equipment		
MAT Credit Entitlement	59.63	59.63
Other Timing Difference	-	52.25
<b>Total</b>	<b>(1.75)</b>	<b>52.51</b>
<b>CURRENT ASSETS</b>		
<b>6 Inventories</b>		
Work In Progress (Real Estate)	6,214.91	3,817.48
Finished Goods	3.21	3.21
Stock-in-trade (Land and expenses thereon)	8,988.14	10,933.23
<b>Total</b>	<b>15,206.26</b>	<b>14,753.92</b>



# CONSOLIDATED

# NOTES

		As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018 (Rs. In Lakhs)
<b>7</b>	<b>Current Investment</b>		
	<b>Investment in Equity Instruments (Quoted)</b>		
	<b>Measured at FVOCI Total</b>		
	<b>Unit</b>		
	1000 Equity Shares of Reliance Infra Limited		
	(1000) of Rs.10/- each	1.37	4.26
	10000 Equity Shares of Cerebra Integrated		
	(10000) Technologies of Rs.10/- each	2.54	4.97
	213 Equity Shares of HDFC Bank Ltd.		
	(-) of Rs.10/- each	4.79	-
	163 Equity Shares of Housing Development		
	(-) Finance Corp. Ltd of Rs.10/- each	3.16	-
	645 Equity Shares of ICICI Bank Ltd		
	(-) of Rs.10/- each	2.41	-
	377 Equity Shares of Infosys Limited		
	(-) of Rs.10/- each	2.69	-
	851 Equity Shares of ITC Limited		
	(-) of Rs.10/- each	2.50	-
	131 Equity Shares of Kotak Mahindra Bank Limited		
	(-) of Rs.10/- each	1.70	-
	122 Equity Shares of Larsen & Toubro Limited		
	(-) of Rs.10/- each	1.69	-
	13 Equity Shares of Maruti Suzuki India Limited		
	(-) of Rs.10/- each	0.87	-
	338 Equity Shares of Reliance Industries Limited		
	(-) of Rs.10/- each	4.39	-
	105 Equity Shares of TCS Limited		
	(-) of Rs.10/- each	2.10	-
	<b>Total Value of Quoted Investment</b>	<b>30.21</b>	<b>9.23</b>
	<b>Investment in Mutual Fund (Unquoted)</b>		
	<b>Unit</b>		
	99255.568 DSP Black Rock Small &		
	(-) Mid Cap Fund	53.80	-
	116133.968 SBI Magnum Midcap Fund (Growth)		
	(116133.968) of Rs.10/- each	86.90	89.83
	325344.271 SBI Magnum Multicap Fund (Growth)		
	(214214.372) of Rs.10/- each	157.31	94.90
	250000 Union Capital Protection		
	(250000) Oriented Fund (Growth) of Rs.10/- each	28.16	26.16
	(-) Birla Sunlife Equity Fund (Growth)		
	(16602.304) of Rs.10/- each	-	111.71
	(-) Mirae Asset India Opportunities Fund		
	(260197.231) (Growth) of Rs.10/- each	-	113.54
	650182.644 DSP BR Equity Fund (Growth)		
	(149170.595) of Rs. 10/- each	253.37	53.84
	(-) DSP BR Opportunities Fund		
	(51421.034) of Rs.10/- each	-	107.40
	190001.634 ABSL Focused Equity Fund (Formerly		
	(190001.634) ABSL Top 100 Fund) of Rs.10/- each	111.00	103.86
	(-) Canara Robeco Equity Diversified Regular		
	(136732.158) (Growth) of Rs.10/- each	-	161.23
	150000 Union Capital Protection Oriented Fund		
	(150000) Series 8-(Growth) of Rs.10/- each	16.00	15.25
	149990 Union PFG-Union Balanced Advantage		
	(149990) Fund (Growth) of Rs.10/- each	15.62	14.77
	1999990 SBI Long Term Advantage Fund		
	(1999990) Series V- Growth of Rs.10/- each	200.98	200.00
	18916.099 Aditya Birla Sun Life Equity Fund		
	(-) Growth - Regular Plan of Rs.10 each	137.10	-

**CONSOLIDATED****NOTES**

	<b>As at 31<sup>st</sup> March, 2019</b>	<b>As at 31<sup>st</sup> March, 2018</b>
		(Rs. In Lakhs)
97862.679 Union Corporate Bond Fund	10.37	-
(-) Regular Plan Growth of Rs.10 each		
99990 Union Arbitrage Fund Regular Plan Growth	10.05	-
(-) of Rs.10 each		
<b>Total Value of Unquoted Investment</b>	<b>1,080.66</b>	<b>1,092.49</b>
<b>Total aggregate value of Investment measured at FVOCI</b>	<b>1,110.87</b>	<b>1,101.73</b>
Investment measured at FVOCI	1,110.87	1,101.73
Total value of Unquoted Investment at FVOCI	1,080.66	1,092.49
Total value of Quoted Investment at FVOCI	30.21	9.24
<b>8 Trade Receivables</b>		
Unsecured, Considered Good	287.52	41.55
<b>Total</b>	<b>287.52</b>	<b>41.55</b>
<b>9 Cash and Cash Equivalent</b>		
Balance With Banks		
In Current Account	996.50	822.36
In Fixed Deposit (Pledged)	137.42	135.36
Cash on Hand	20.39	28.20
<b>Total</b>	<b>1,154.31</b>	<b>985.92</b>
<b>10 Other Bank Balances</b>		
In Fixed Deposit(Pledged with bank Rs. 1,059.83 (Previous Year: Rs. 964.76 ) against Overdraft facility (Refer Note No.17)	2,809.32	3,557.57
<b>Total</b>	<b>2,809.32</b>	<b>3,557.57</b>
<b>11 Other Financial Assets</b>		
Interest accrued on FDR with Bank	54.36	48.98
<b>Total</b>	<b>54.36</b>	<b>48.98</b>
<b>12 Other Current Assets</b>		
<b>Unsecured Considered Good</b>		
Security deposit	7.01	7.02
Prepaid expenses	4.57	3.06
GST recoverable	129.69	70.53
Advance to others	167.72	281.69
<b>Total</b>	<b>308.99</b>	<b>362.30</b>
<b>EQUITY</b>		
<b>13 Share Capital</b>		
<b>Authorised</b>		
6280000 Equity shares of Rs. 10/- each	628.00	628.00
20000 Cumulative Redeemable Preference shares of Rs. 100/- each	20.00	20.00
8000 Deferred shares of Rs. 25/- each	2.00	2.00
<b>Total</b>	<b>650.00</b>	<b>650.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>		
3116018 Equity shares of Rs. 10/- each fully paid up	311.60	311.60
8000 Deferred shares of Rs. 25/- each fully paid up	2.00	2.00
<b>Total</b>	<b>313.60</b>	<b>313.60</b>

# CONSOLIDATED

# NOTES

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018 (Rs. In Lakhs)
<b>Reconciliation of number of shares outstanding at the beginning and end of the year</b>		
<b>Particulars</b>		
At the beginning of the year	31.24	32.68
Changes during the year (Shares bought back during the year)	-	1.44
At the end of the year	31.24	31.24
<b>14 Other Equity</b>		
<b>Security Premium Reserve</b>		
Balance at the beginning of the year	-	38.41
Utilised for Buyback of Equity Shares	-	38.41
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Capital Subsidy Reserve</b>		
Balance at the beginning of the year	19.27	19.27
<b>Balance at the end of the year</b>	<b>19.27</b>	<b>19.27</b>
<b>General Reserve</b>		
Balance at the beginning of the year	5,046.86	5,289.13
Utilised for Buyback of Equity Shares	-	(242.85)
Transfer to Capital Redemption Reserve	-	(14.42)
Transfer from Retained Earnings	-	15.00
<b>Balance at the end of the year</b>	<b>5,046.86</b>	<b>5,046.86</b>
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	34.42	20.00
Transfer from General Reserve	-	14.42
<b>Balance at the end of the year</b>	<b>34.42</b>	<b>34.42</b>
<b>Capital Reserve on Revaluation on Land</b>		
Balance at the beginning of the year	11,220.19	14,582.16
Less Transfer to profit and loss statement	2,420.16	3,361.97
<b>Balance at the end of the year</b>	<b>8,800.03</b>	<b>11,220.19</b>
<b>Retained Earnings</b>		
<b>Balance at the beginning of the year</b>	<b>678.35</b>	<b>(598.39)</b>
Adjustment on account of Ind AS 115	-	(1,038.70)
<b>Net Profit for the year</b>	<b>3,405.69</b>	<b>3,765.01</b>
Adjustment on account of Ind AS 115	-	(1,245.85)
	<b>4,084.04</b>	<b>882.07</b>
Less Interim Dividend Paid	2,508.81	156.80
Less Tax on Interim Dividend	515.70	31.92
Less Transfer to General reserve	-	15.00
<b>Balance at the end of the year</b>	<b>1,059.53</b>	<b>678.35</b>
<b>Other Comprehensive Income (OCI)</b>		
As per last balance sheet	56.41	12.92
Add Movement in OCI (Net of Tax) during the year	11.65	43.49
Less Reclassified to profit/(loss) on disposal	45.39	-
<b>Closing balance at the end of the year</b>	<b>22.67</b>	<b>56.41</b>
<b>Total Other Equity</b>	<b>14,982.78</b>	<b>17,055.50</b>

14.1 Capital Subsidy Reserve is the amount of subsidy received towards capital investment.

14.2 General Reserve is the free reserve arising out of profit earned by the company after appropriation till date.

14.3 Capital Redemption Reserve was created in earlier years at the time of redemption of Redeemable Preference shares and Buyback of Equity Shares. This reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

14.4 Capital Reserve on Revaluation of land was created at the time of revaluation of land (stock in trade). This reserve is utilized at the time of sale of land under Income Tax Act.

14.5 Retained Earnings is the amount of cumulative profits of the company and effect of re-measurement defined obligations. This Reserve can be utilized in accordance with the provision of the Companies Act, 2013.

14.6 Other Comprehensive Income (OCI) represents the fair value changes of specified items which will be reclassified to profit or loss in future years.

**CONSOLIDATED****NOTES**

	<b>As at 31<sup>st</sup> March, 2019</b>	<b>As at 31<sup>st</sup> March, 2018</b> (Rs. In Lakhs)
<b>NON CURRENT LIABILITIES</b>		
<b>15 Borrowings</b>		
Secured Loan		
Vehicle Loans (Secured by hypothecation of vehicle)	123.47	129.56
<b>Total</b>	<b>123.47</b>	<b>129.56</b>
<b>16 Provisions</b>		
Provision for employees benefit	12.10	8.79
<b>Total</b>	<b>12.10</b>	<b>8.79</b>
<b>CURRENT LIABILITIES</b>		
<b>17 Borrowings</b>		
Secured Loan From Banks		
Overdraft from Union Bank of India (Secured by hypothecation of fixed deposit)	543.77	513.80
<b>Total</b>	<b>543.77</b>	<b>513.80</b>
<b>18 Trade Payables</b>		
To Micro Enterprises & Small Enterprises	-	-
To others	206.28	54.89
<b>Total</b>	<b>206.28</b>	<b>54.89</b>
<b>19 Other Financial Liabilities</b>		
Current Maturity of long term debt	52.70	38.76
Unpaid dividend	102.34	3.74
Temporary Book overdraft	3.76	0.37
<b>Total</b>	<b>158.80</b>	<b>42.87</b>
<b>20 Other Current Liabilities</b>		
Advance from Customer	5,910.95	4,662.69
Security Deposits	53.12	8.82
GST Payable	7.31	6.45
Other Payables*	346.06	138.36
<b>Total</b>	<b>6,317.44</b>	<b>4,816.32</b>
*Other payables includes statutory liability, employee liability etc.		
<b>21 Provisions</b>		
Provision for employees benefit	0.18	0.13
<b>Total</b>	<b>0.18</b>	<b>0.13</b>
	<b>Year Ended March 31, 2019</b>	<b>Year Ended March 31, 2018</b>
<b>22 REVENUE FROM OPERATIONS</b>		
Sale of Plot (Including transfer from revaluation reserve Rs. 2420.16 Previous year Rs. 3361.97)	7,307.97	8,729.00
Sale of product (Job Charges)	544.30	386.99
<b>Total</b>	<b>7,852.27</b>	<b>9,115.99</b>
<b>23 OTHER INCOME</b>		
Interest Income	174.68	146.84
Dividend Income	0.36	0.09
Excise Duty Refund	-	4.97
Other Non-Operating Income		
Rent	2.69	3.18
Provision of Liability no longer required	0.44	0.62
Profit on Sale of Investments (Net)	122.10	6.99
Miscellaneous Receipts	39.73	6.98
<b>Total</b>	<b>340.00</b>	<b>169.67</b>

**CONSOLIDATED****NOTES**

	Year ended March 31, 2019	Year ended March 31, 2018 (Rs. In Lakhs)
<b>24 COST OF CONSTRUCTION AND DEVELOPMENT EXPENSES</b>		
Total	<u>2,951.31</u>	<u>1,954.00</u>
<b>25 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Inventories (at close)</b>		
Finished Goods	3.21	3.21
Stock in Trade (Real Estate)	8,988.14	7,496.27
Add: Ind AS Adjustments in respect of Ind AS 115	-	3,436.96
Work-in-Progress	-	1,545.12
Add: Ind AS Adjustments in respect of Ind AS 115	6,214.91	2,272.35
	<u>15,206.26</u>	<u>14,753.91</u>
<b>Inventories (at commencement)</b>		
Finished Goods	3.21	3.21
Stock in Trade (Real Estate) (opening)	10,933.23	11,049.26
Add: Ind AS Adjustment in respect of Ind AS 115	-	3,847.93
Work-in-Progress (opening)	3,817.47	2,278.15
Add: Ind AS Adjustment in respect of Ind AS 115	-	533.10
	<u>14,753.91</u>	<u>17,711.65</u>
<b>Total</b>	<u>(452.35)</u>	<u>2,957.74</u>
<b>26 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries and Wages	385.36	316.56
Contribution to Provident and Other Funds	10.58	7.48
Staff Welfare expenses	5.26	4.91
<b>Total</b>	<u>401.20</u>	<u>328.95</u>
<b>27 OTHER EXPENSES</b>		
Establishment Expenses		
Rent	5.21	4.58
Power & Fuel	207.50	145.69
Repair to Buildings	7.51	10.19
Repair to Plant & Machinery	10.92	11.04
Other Manufacturing Expenses	2.62	1.43
Insurance	5.24	3.55
Rates and Taxes	1.41	1.71
Vehicle Maintenance	20.45	15.14
Professional Charges	90.79	96.64
Travelling and Conveyance Expenses	6.10	14.11
Safety & Protection		
<b>Payments To The Auditors</b>		
As Auditor	1.80	1.80
For Other Services	0.86	0.86
Directors' Sitting Fee	8.75	4.30
Loss on Sale of Assets (Net)	8.86	7.71
Sundry balances written off		
Electricity expenses		
CSR Expenses	27.00	10.00
Share Buyback Expenses	16.55	15.63
Miscellaneous Expenses	143.47	129.97
<b>Goat Farming Expenses</b>		
Medicine Expenses	0.17	-
Cartage & Other expenses	0.13	-
Fooding expenses	2.15	-
<b>Total (A)</b>	<u>567.49</u>	<u>474.35</u>

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**CONSOLIDATED****NOTES**

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	Year ended March 31, 2019	Year ended March 31, 2018 (Rs. In Lakhs)
<b>Selling and Distribution Expenses</b>		
Brokerage	83.32	84.66
<b>Total (B)</b>	<u>83.32</u>	<u>84.66</u>
<b>Total (A+B)</b>	<u>650.81</u>	<u>559.01</u>
<b>28 Exceptional Items</b>		
Investment Written Off	<u>(331.07)</u>	<u>-</u>
	<u>(331.07)</u>	<u>-</u>

29 Previous year's figures have been regrouped/reclassified and restated wherever necessary to correspond with the current year's classification/disclosure.

	2018-19	2017-18
<b>30 Earning Per Share</b>		
Net profit available for equity shareholders (Numerator used for calculation)	3,405.68	2,519.16
Weighted Average No. of equity shares (Used as Denominator for calculating EPS)	31.36	31.36
Basic and Diluted Earning per share of Rs. 10/-	108.60	80.33

31 Related party disclosures as required under Ind AS-24 are given below  
**Wholly Owned Subsidiary Company**  
Farco Foods Private Limited

**Associate Companies**

Star Hotels Ltd. (formerly known as Shervani Hospitality Ltd.)  
Youngtronics India Private Limited

**Key Managerial Personnel (KMP)**

Mr. Saleem Iqbal Shervani, Managing Director  
Mr. Tahir Hasan, Whole-time Director & C.F.O.  
Mr. Shrawan K. Shukla, Company Secretary  
Mrs. Salma Hasan (Relative)  
Mr. Mustafa Rashid Shervani (Relative)  
Mr. Yasser Niaz Hasan (Relative)

**Non Executive Directors**

Dr. A.P. Singh, Chairman, Independent Non Executive  
Mr. A.N. Shervani, Director Non Executive  
Mr. S.M. Shervani, Director Non Executive  
Mr. G.S. Chaturvedi, Director Independent Non Executive  
Mr. Kush Bhargava, Director Independent Non Executive  
Mr. Raju Verghese, Director Independent Non Executive  
Mrs. Shefali Bansal, Director Independent Non Executive  
Mr. Mohd. Aslam Sayeed, Director Independent Non Executive  
Mr. Syed Zafar Subhan, Director Non Executive  
Mr. T. Nadesan, Director Non Executive  
and their relatives

(Rs. In Lakhs)

Related parties with whom transactions have taken place	KMP and Other Directors	Relative of KMP	Associate Companies
<b>Short Term Benefits (Remuneration)</b>			
<b>Current Year</b>	20.78	39.22	-
(Previous Year)	(49.21)	(31.21)	-
<b>Employees Benefit Expenses</b>			
Current Year	0.58	1.19	-
(Previous Year)	(0.70)	(0.82)	-
<b>Director's Commission</b>			
Current Year	67.00	-	-
(Previous Year)	(-)	(-)	-
<b>Rent paid</b>			
Current Year	5.13	-	-
(Previous Year)	(4.50)	-	-
<b>Rent received</b>			
Current Year	-	-	0.89
(Previous Year)	-	-	(0.87)
<b>Sitting Fee</b>			
Current Year	8.75	-	-
(Previous Year)	(4.30)	-	-
<b>Loans</b>			
Balance (Net of Provision) at the beginning and at the end of the year			
Current Year	-	-	-
(Previous Year)	-	-	-
32	Contingent Liabilities and Commitments	As at 31 <sup>st</sup> , March, 2019	As at 31 <sup>st</sup> , March, 2018
(A)	Guarantee given by Company in favour of Union Bank of India on behalf of Omnitel Technologies Private Limited for credit facility extended to them	Rs. 900.00	Rs. 1,000.00

**33 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	Rs. in Lakhs	As % of consolidated Profit or Loss	Rs. in Lakhs
<b>Parent</b>				
Shervani Industrial Syndicate Limited	102.00%	15,605.30	99.00%	3,366.79
<b>Subsidiaries</b>				
Farco Foods Private Limited	(2.00%)	(308.92)	1.00%	50.54
<b>TOTAL</b>	<u>100%</u>	<u>15,296.38</u>	<u>100.00%</u>	<u>3,417.33</u>

\*Excluding the Share of Profit of Associate Companies

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

(Rs. In Lakhs)

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit Before taxation	Provision for Taxation (Including Deferred Tax)	Profit After Taxation	Proposed Dividend	% of Shareholding
1	Farco Foods Private Limited	INR	90.00	(308.92)	503.59	722.51	-	557.95	68.25	17.71	50.54	-	100%

**35 Statement pursuant to section 129(3) of the Companies Act 2013 related to Associate Companies**

Sr No	Name of Associates	Shares of associates held by the company on year end					Profit/loss for the year			
		Latest Audited Balance Sheet date	No of shares	Amount of investment in Associate	Extend 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 the associates is not consolidated
1	Star Hotels Ltd. (Formerly known as Shervani Hospitalities Ltd.)	31.03.2019	2265750	881.43	35.40%	740.25	24.50	NIL	35.40% Shares Held	-
2	Youngtronic India Private Limited	31.03.2019	85000	8.50	46.33%	4.55	(0.05)	NIL	46.33% Shares Held	-



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