

# 70<sup>th</sup> ANNUAL REPORT 2017-2018

**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

Allahabad - 211011

Uttar Pradesh

## Annual Report 2017-2018

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NOTICE is hereby given that the 70<sup>th</sup> Annual General Meeting of the Members of Shervani Industrial Syndicate Limited will be held on Saturday, the 29<sup>th</sup> September, 2018 at 11.30 A.M. at 2, New Cantonment, Kanpur Road, Allahabad to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt :
  - (a) the Audited Standalone Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2018 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, 2018 together with the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity and Deferred Shares as final dividend for the financial year ended on 31<sup>st</sup> March, 2018.
3. To appoint a Director in place of Mr. Tahir Hasan (DIN: 00074282) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Saeed Mustafa Shervani (DIN: 00024390) who retires by rotation and being eligible, offers himself for re-appointment.
5. 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

6. To re-appoint Mr. Saleem Iqbal Shervani (DIN:00023909) as Managing 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 provisions of Section 196, 197 and 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 such other approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Mr. Saleem Iqbal Shervani (DIN:00023909) as Managing Director of the Company to exercise Powers of day to day management of affairs of the Company for a period of 5 (Five) years with effect from 3<sup>rd</sup> April, 2018 and his continuance to hold such office even after attaining the age of seventy years, on the following terms and conditions which have been approved by the Board of Directors of the company on the recommendations of the Nomination and Remuneration Committee:

#### Section I

##### Payable when the Company has adequate Profits:

Remuneration by way of salary, perquisites, commission, allowances and other benefits as given in Section II below or as may be revised from time to time subject to the condition that the total remuneration payable to the Managing Director shall not exceed the limits laid down under Section 197 of the Companies Act, 2013.

#### Section II

##### Payable when the Company has no profits or inadequate profits:

(A) **Salary** : Rs.1,00,000/- (Rupees One Lakh only) per month.

(B) **Perquisites** : In addition to Salary as above, the Managing Director shall be entitled to the following perquisites:

#### CATEGORY 'A'

##### Medical Reimbursement

One month's Salary in a year or three month's Salary over a period of three years for self and family.

##### Personal Accident/Mediclaim Insurance

As per rules of the Company.

##### Club Memberships

Subscription or reimbursement of membership fees for clubs in India and / or abroad, including admission and life membership fees.

##### Housing

Unfurnished Residential Accommodation subject to deduction of 15% of his salary towards house rent.

##### Other Benefits

The Managing Director shall be entitled to such other benefits as may be approved by the Nomination & Remuneration Committee from time to time.

#### Explanations

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.

**CATEGORY 'B'**

The Managing Director shall also be entitled to following perquisites as per rules of the Company or as may be approved by the Nomination & Remuneration Committee which will not be included in the computation of the ceiling of remuneration as above:

Contribution to Provident Fund and Annuity Fund to the extent these, either singly or put together are not taxable under the Income-Tax Act, 1961.

Gratuity Payable as per rules of the Company.

Provision of chauffer driven Car or reimbursement of driver's remuneration on Company's business and telephone, telefax, mobile and other communication facilities at residence for official purposes will not be considered as perquisites

**"RESOLVED FURTHER THAT** where in any financial year during the currency of term of Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Managing Director, remuneration by way of salary, commission, perquisites and allowances as specified above as minimum remuneration, subject to the compliance of the provisions of Schedule V and other applicable provisions of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to alter, vary, modify the terms and conditions of appointment including remuneration of Mr. Saleem Iqbal Shervani from time to time during the tenure of his appointment as Managing 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 and Rules framed thereunder."

**"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.

7. To ratify the remuneration of the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2019 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 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) 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, 2019 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."

By Order of the Board  
For Shervani Industrial Syndicate Limited

S. K. Shukla  
Company Secretary

Place : Allahabad  
Date : May 29, 2018

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.6 and 7 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 Sunday, 23<sup>rd</sup> September, 2018 to Saturday, 29<sup>th</sup> September, 2018 (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 2010-2011, 2011-2012, 2013-2014 and 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. aadhaar, voter-id, passport, driving license, any utility bill not older than 3 months).
12. SEBI vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 has come out with SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 (effective date of implementation is 5<sup>th</sup> December, 2018), wherein it has mandated that the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository except in the cases of transmission or transposition of securities. In view of above amended Regulations, 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 Form No. SH-13 prescribed under Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 which can be obtained from the Company or its RTA.
15. Members desirous of obtaining any information / clarifications, intending to raise any query concerning the annual accounts or operations of the Company, are requested to forward the same at least seven days prior to

the date of meeting to the Company Secretary at the Registered office of the Company, so that the same may be attended appropriately.

16. 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:
  - (i) The voting period begins on Wednesday, 26<sup>th</sup> September, 2018 at 10.00 A.M. and ends on Friday, 28<sup>th</sup> September, 2018 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 22<sup>nd</sup> September, 2018 (cut-off date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat 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>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the <Shervani Industrial Syndicate Limited> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** 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.
  - 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 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:**

- i. The facility of voting through ballot paper shall also be made available at the Meeting. Members attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper.
  - ii. Members who have cast their vote by remote e-voting prior to the Meeting, may also attend the Meeting, but shall not be entitled to cast their vote again.
  - iii. The voting rights of the shareholders (for voting through remote e-voting or by ballot paper at the Meeting) shall be in proportion to their shares of the paid-up Equity share capital of the Company as on 22<sup>nd</sup> September, 2018 (the cut-off date).
  - iv. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.
  - v. Any person, who acquires shares of the Company and becomes member of the Company after 17<sup>th</sup> August, 2018 i.e. BENPOS date considered for dispatch of the notice, and holding shares as on the cut off date i.e. 22<sup>nd</sup> September, 2018, may obtain the login Id and password by sending a request at helpdesk.evoting@cdslindia.com.
  - vi. 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.
  - vii. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper/Polling Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
  - viii. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.
  - ix. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.shervaniind.com 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.
  - x. 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, under help section or write an email to helpdesk.evoting@cdslindia.com.
17. As required under Listing Regulations and Secretarial Standards-2 on General Meetings, the relevant details in respect of directors seeking re-appointment under Item Nos. 3,4 and 6 of this Notice are as below:

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

Particulars	Mr. Tahir Hasan	Mr. Saeed Mustafa Shervani	Mr. Saleem Iqbal Shervani
D I N	00074282	00024390	00023909
Date of Birth / Age	21 <sup>st</sup> July, 1946	29 <sup>th</sup> May, 1959	22 <sup>nd</sup> March, 1953
Date of Appointment on the Board	14 <sup>th</sup> August, 2014	9 <sup>th</sup> January, 1986	03 <sup>rd</sup> April, 2013
Qualifications	B E, PGDBM	Diploma in Hotel Management	B. A. (Hons.), AMIMA
Experience and expertise in specific functional area	Engineering and Operations	Industrialist	Industrialist
Remuneration last drawn p.a. (excluding perquisites)	Rs. 3,00,000/-	-	Rs. 12,00,000/-
Directorship in other Companies	M/s Tara Products and Services Pvt Ltd M/s Saraswati Sugar Mills Limited M/s ISGEC Heavy Engineering Ltd M/s Shervani Hospitalities Ltd Uttar Pradesh Cricket Association	M/s Shervani Hospitalities Ltd M/s Sherans Infrastructures Pvt Ltd Hotel and Restaurant Association of Northern India	M/s Capon Food Specialities Limited. M/s Shervani Foods Pvt. Ltd. M/s ATB Cargo Pvt. Ltd. M/s Farco Foods Pvt. Ltd.
Chairman / Member of Committee of the Board of other Companies			
(a) Audit Committee	-	-	-
(b) Stakeholders' Relationship Committee			
Shareholding in Shervani Industrial Syndicate Limited	15,415 Equity shares	1,83,410 Equity shares	4,27,580 Equity Shares
Relationship with other Directors / KMPs	Sisters Husband of Mr Saleem I. Shervani, Mr A. N. Shervani and Mr S. M. Shervani	Brother of Mr. Saleem I. Shervani and Mr A. N. Shervani	Brother of Mr. A. N. Shervani and Mr. S. M. Shervani
No. of Board Meetings held during the tenure and attended by the Director during the Financial year 2017-18	Held – 4 Attended - 4	Held – 4 Attended - 2	Held- 4 Attended- 4

By Order of the Board  
For Shervani Industrial Syndicate Limited

S. K. Shukla  
Company Secretary

Place : Allahabad  
Date : May 29, 2018

## ANNEXURE TO NOTICE

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

**ITEM No. 6**

The members at the 65<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> September, 2013 approved the appointment of Mr. Saleem Iqbal Shervani as Managing Director of the Company for a period of five years w.e.f. 3<sup>rd</sup> April 2013 and his term of office as Managing Director expired on 2<sup>nd</sup> April, 2018. The Board of Directors of the Company recognising his role and invaluable contribution leading to Company's successful diversification in Real Estate Business, in its meeting held on 18<sup>th</sup> January, 2018, upon the recommendations of the Nomination and Remuneration Committee, re-appointed Mr. Saleem Iqbal Shervani as Managing Director of the Company for a further period of five years w.e.f. 3<sup>rd</sup> April, 2018 on the terms and conditions as set out in the resolution which are in accordance with the provisions of Section 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Board recommends the resolution placed at Item No. 6 of the Notice for approval of members.

Except Mr. S. I. Shervani himself and Mr. A. N. Shervani and Mr. S. M. Shervani, Directors being related to him, 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 Special Resolution set out at Item No. 6 of the Notice.

**ITEM NO.7**

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, 2019 on the terms and conditions as set out in the resolution placed at Item No.7 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.7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2019.

The Board recommends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the members.

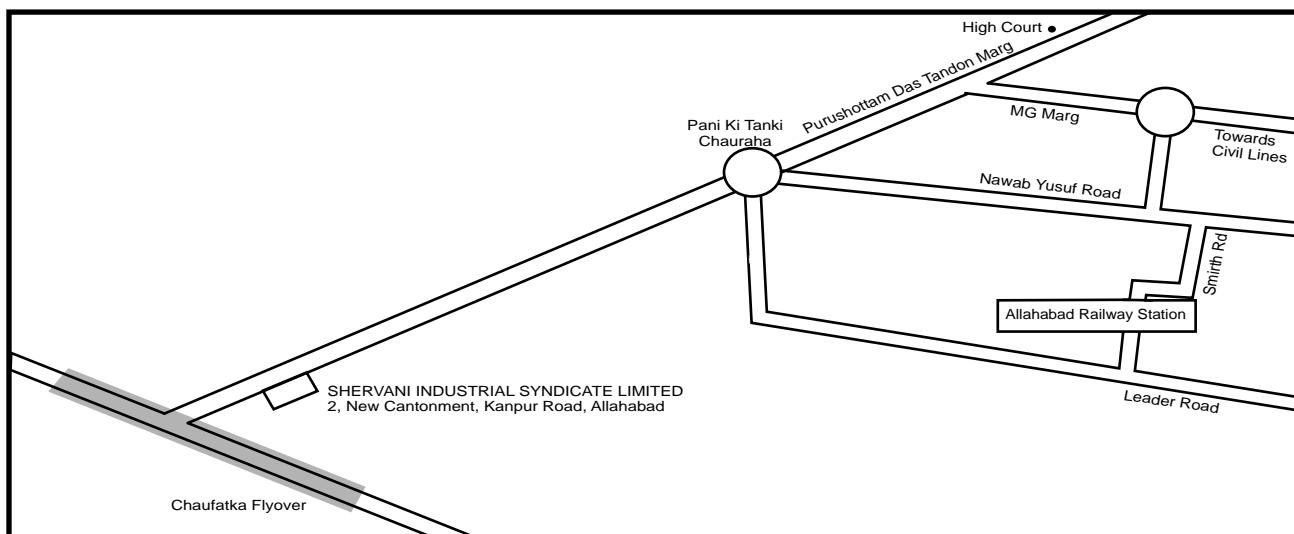
None of the Directors and / or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 7 of the Notice.

By Order of the Board  
For Shervani Industrial Syndicate Limited

S. K. Shukla  
Company Secretary

Place : Allahabad  
Date : May 29, 2018

## LOCATION MAP OF VENUE OF ANNUAL GENERAL MEETING





Dear Members,

Your Director's take pleasure in presenting the 70<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2018.

#### FINANCIAL RESULTS

	(Rs. in Lakh)
Total Revenue	11453
Profit before Depreciation	4676
Depreciation	40
Profit after Depreciation before tax	4636
Tax Expense (including earlier year)	907
Other Comprehensive Income	43
Profit after Tax	3772

The company has adopted Indian Accounting Standards (Ind AS) with effect from 1<sup>st</sup> April 2017 pursuant to Ministry of Corporate Affairs notification of the Companies (Indian Accounting Standard) Rules 2015 and the annual accounts for 2017-18 has been drawn in terms of provisions of the Ind AS.

#### DIVIDEND

In view of the profit accrued during the current year and the consequent fulfillment of the conditions prescribed in section 123(3) of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014, the Board of Directors' announced an interim dividend @ Rs 5 per ordinary share of Rs 10 and Rs 12.50 per deferred share of Rs 25 in January, 2018. The interim dividend absorbed Rs 156.80 Lakh and Rs 31.92 Lakh as tax on dividend. Another interim dividend at the rate of Rs 80 per ordinary share and Rs 200 per deferred share was announced by the Directors after the close of financial year in April, 2018. This has absorbed Rs 2508.81 Lakh and Rs 515.69 Lakh as tax on dividend.

#### OPERATIONS REVIEW

The construction activity of the Group Housing Project is progressing satisfactorily despite facing State wide problems in supply of coarse sand in the preceding past. The availability of coarse sand became better after the 2<sup>nd</sup> quarter of current financial year 2017-2018. The management is making all effort to complete its current project Tara Towers as per schedule and expects to offer the possession of flats to customers by the last quarter of 2018-2019. We have booked more than 75% of the flats and are very thankful for the trust and faith reposed by the customers in the company. At the same time in the context of plots we have executed sale deeds in favour of customers completing their payments. The company is also constructing 120 LIG/EWS flats for the weaker sections of society as per guidelines of the Govt. in this matter.

The company is also finalising the plans for the next phase of Group Housing Project in 'Shervani Legacy' and we expect that the proposal for the same would be submitted in next one or two months.

#### MANAGEMENT DISCUSSION AND ANALYSIS

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

Generally, in a country like ours, we take the growth mode of the real estate business for granted. There is no stopping the rising demand due to combination of factors such as migration of public in search of jobs, better life, and consequent increase in income and aspirations of the middle-income service group. But a few years ago urban housing prices fell. And over the last few years the sector experienced a fall or correction in prices, loss of consumer confidence and continues to be sluggish. But the worst seems to be over. While speculators are out of the market and cautious, prices have corrected and genuine buyers are getting better options. The company feels that its reputation backed by quality construction and value pricing will keep its performance ahead of competition.

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. Another factor that should have a positive influence on demand is the implementation of RERA which should inspire renewed faith and trust in the public.

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

As already explained the real estate industry is showing sign of recovery. However the real estate industry is no exception to risks and threats of business. Among 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. The shortage of sand for instance is a case in point. Another area is the introduction of RERA and its impact on the sector. This, we will know only in the next few years as it is implemented, understood and adopted. A third area of risk are macro economic factors related to money supply, 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 respected 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 manufactured 5052 MT as against the quantity of 5723 MT biscuits in previous year, of Priyagold Brand, on job work basis. The decrease in production is mainly because of adoption of new technical and

efficiency methods which took 3 months to implement consequently lower quantity was produced. However we are very hopeful that the plant will yield higher productivity in coming months.

#### **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 which have been 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 along with a Certificate of Compliance from the Statutory Auditors is attached with the said separate report which forms integral part of this Director's Report.

### **EXTRACT OF ANNUAL RETURN**

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

### **BOARD MEETINGS**

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

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

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

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

### **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 and the approval granted by SEBI, the company placed an offer before the shareholders to buy back the 2,47,400 Ordinary shares through 'Tender Offer Route for Buy Back' mechanism for acquisition of shares through Stock Exchange. Upon close of said buy back offer and the approval granted by SEBI the Company extinguished 1,44,232 nos of Ordinary shares on 27.11.2017. Consequently the Issued, Subscribed and Paidup Equity Share Capital of the Company reduced from 32,60,250 to 31,16,018 shares.

### **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 Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A meeting of the independent Directors was held on 18<sup>th</sup> January 2018.

### **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. There are no changes among the Board of Directors and Key Managerial Personnel of the Company during the year under review.

### **RELATED PARTY TRANSACTIONS**

To provide transparency in management and ensure

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

There were no related party transactions between the Company and the Promoters, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company. All related party transactions that were entered in to during the financial year were in the ordinary course of business and are disclosed at Note No. 34 attached to the standalone balance sheet. None of the Director's has any pecuniary relationship or transaction vis-à-vis the Company.

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

There is nothing to report about the conservation of energy and technology absorption during the year. Foreign exchange earning was Nil while outgo was Rs. 8.59 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 was held on 8<sup>th</sup> January 2018, 18<sup>th</sup> January 2018 and 20<sup>th</sup> March 2018 and as prescribed in section 135(5) of the Companies Act, 2013 a budget of Rs. 10 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.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the section 152 of the Companies Act, 2013, Mr. Tahir Hasan (DIN:00074282) and Mr. Saeed Mustafa Shervani (DIN:00024390) Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief resume of the Directors seeking re-appointment along with other details as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Section 102(1) of the Companies Act 2013 are provided in the Notice convening the Annual General Meeting.

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

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

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

#### **STATUTORY AUDITORS**

In terms of provisions of section 139 and 142 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 2017-18 is annexed herewith as Annexure-C in Form MR-3 and forms integral part of this Report.

#### **INTERNAL AUDITOR**

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 applicable accounting standard on consolidated financial statement(s) read with 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. 60,00,000/- per annum or Rs. 5,00,000/- per month during the financial year under review.

Disclosure required under section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014 has been annexed as Annexure E.

**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 upto 2009-2010 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.

**GENERAL**

There were no significant material orders passed by the regulators or courts which would impact the going concern status of the Company and its future operations.

There was no change in the nature of business of the company during the year.

**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

Place : Allahabad

Date : May 29, 2018

**FORM No. MGT-9****Extract of Annual Return****as on Financial Year ended on 31<sup>st</sup> March, 2018**

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

## 1. REGISTRATION AND OTHER DETAILS

1.	CIN	L45202UP1948PLC001891
2.	Registration Date	25 <sup>th</sup> February 1948
3.	Name of the Company	Shervani Industrial Syndicate Limited
4.	Sub-Category of the Company	Public Company Limited by Shares
5.	Address of the Registered office and contact details	Shervani Nagar, Sulem Sarai, Harwara, Allahabad-211011, (U.P.) Phone: 0532- 2102306, Fax: 0532-2436928 E-mail: shervaniind@rediffmail.com www.shervaniind.com
6.	Whether listed company	Yes
7.	Name and Address of Registrar & Transfer Agents, if any	Link Intime India Pvt. Ltd C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 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, Allahabad	U15111UP1995PTC019155	Subsidiary	100.00	2(87)
2.	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, Allahabad	U36931UP2008PTC036318	Associate	46.33	2(6)

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

## (i) Category wise share holding

Category of Share Holders	No. of Shares held at the beginning of the year*				No. of Shares held at the end of the year \$				% change during the year#
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1 Indian</b>									
a) Individual/ HUF	598645	-	598645	18.36	760645	-	760645	24.41	4.97
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	550790	7840	558630	17.13	558630	-	558630	17.93	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other/Director Relative	629075	14690	643765	19.75	629185	14580	643765	20.66	-
<b>Sub-Total (A) (1)</b>	<b>1778510</b>	<b>22530</b>	<b>1801040</b>	<b>55.24</b>	<b>1948460</b>	<b>14580</b>	<b>1963040</b>	<b>63.00</b>	<b>4.97</b>
<b>2. Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate (Foreign Promoter)	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)-	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter</b>									
<b>A = A (1) + A (2)</b>	<b>1778510</b>	<b>22530</b>	<b>1801040</b>	<b>55.24</b>	<b>1948460</b>	<b>14580</b>	<b>1963040</b>	<b>63.00</b>	<b>4.97</b>
<b>B Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	6040	6040	0.19	-	6040	6040	0.19	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>-</b>	<b>6040</b>	<b>6040</b>	<b>0.19</b>	<b>-</b>	<b>6040</b>	<b>6040</b>	<b>0.19</b>	<b>-</b>
<b>2.Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	450659	2750	453409	13.91	443550	2750	446300	14.32	(0.22)
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individual</b>									
i) Individual Shareholders holding nominal share capital up to Rs 1 lac	237851	195044	432895	13.28	258744	191464	450208	14.45	0.53
ii) Individual Shareholders holding nominal share capital in excess of Rs 1 lac	565366	-	565366	17.34	248155	-	248155	7.96	(9.73)
<b>c) Others (specify)</b>									
a) Non-Resident Indians	120	460	580	0.02	895	460	1355	0.04	0.02
b) Foreign National	0	920	920	0.02	0	920	920	0.03	-
c) Clearing Members	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (2)</b>	<b>1253996</b>	<b>199174</b>	<b>1453170</b>	<b>44.57</b>	<b>951344</b>	<b>195594</b>	<b>1146938</b>	<b>36.81</b>	<b>(9.40)</b>
<b>Total Public Shareholding</b>									
<b>B = B (1) + B (2)</b>	<b>1253996</b>	<b>205214</b>	<b>1459210</b>	<b>44.76</b>	<b>951344</b>	<b>201634</b>	<b>1152978</b>	<b>37.00</b>	<b>(9.40)</b>
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>3032506</b>	<b>227744</b>	<b>3260250</b>	<b>100.00</b>	<b>2899804</b>	<b>216214</b>	<b>3116018</b>	<b>100.00</b>	<b>(4.43)</b>

\* Total No. of Issued Equity Shares at the beginning of the year was 3260250.

\$ Total No. of Issued Equity Shares at the end of the year was 3116018 after buyback of 144232 Equity Shares in November 2017.

# % change during the year is calculated on the basis of outstanding issued shares i.e. 3260250 Equity Shares on the date of major change in shareholding.

## (ii) Shareholding of Promoter

Sr. No	Share Holder's Name	Shares at the beginning of the year 01.04.2017*			Shares at the end of the year 31.03.2018 \$			% change in share holding during the year #
		No. of Share	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1.	Mr S. I. Shervani	318680	9.77	0.00	427580	13.72	0.00	3.34
2.	Mr Saeed M. Shervani	130310	4.00	0.00	183410	5.89	0.00	1.63
3.	Mr A. N. Shervani	149655	4.59	0.00	149655	4.80	0.00	-
4.	Mr T. Hasan	15415	0.47	0.00	15415	0.49	0.00	-
5.	Mrs S. Hasan	110943	3.40	0.00	110943	3.56	0.00	-
6.	Mrs R. Shervani	66655	2.04	0.00	66655	2.14	0.00	-
7.	Mr Saad M. Shervani	96130	2.95	0.00	96130	3.09	0.00	-
8.	Mr Mustafa Rashid Shervani	76575	2.35	0.00	76575	2.46	0.00	-
9.	Mrs. Ursala F. Shervani	87835	2.69	0.00	87835	2.82	0.00	-
10.	Mrs Z. Hasan	141602	4.34	0.00	141602	4.54	0.00	-
11.	Mrs Z. Shervani	14400	0.44	0.00	14400	0.46	0.00	-
12.	Ms A. Kidwai	14580	0.45	0.00	14580	0.47	0.00	-
13.	Ms Shamsia Fatima Shervani	11790	0.36	0.00	11790	0.38	0.00	-
14.	Mr Adil M. Shervani	7840	0.24	0.00	7840	0.25	0.00	-
15.	Azhar Family Trust	55065	1.69	0.00	55065	1.77	0.00	-
16.	Saeed Family Trust	55830	1.71	0.00	55830	1.79	0.00	-
17.	Salma Zeba Family Trust	61870	1.90	0.00	61870	1.99	0.00	-
18.	Saleem Family Trust	60985	1.87	0.00	60985	1.96	0.00	-
19.	Aslam Family Trust	46445	1.42	0.00	46445	1.49	0.00	-
20.	Waqf Haji Bhikkan	7840	0.24	0.00	7840	0.25	0.00	-
21.	Shervani Fabrics Pvt. Ltd.	1450	0.04	0.00	1450	0.05	0.00	-
22.	Reed Finance Pvt. Ltd.	269145	8.26	0.00	269145	8.64	0.00	-
	Total	1801040	55.24		1963040	63.00		4.97

\* Total No. of Issued Equity Shares at the beginning of the year was 3260250.

\$ Total No. of Issued Equity Shares at the end of the year was 3116018 after buyback of 144232 Equity Shares in November 2017.

# % change during the year is calculated on the basis of outstanding issued shares i.e. 3260250 Equity Shares on the date of major change in shareholding.

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

	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*
Mr. Saleem I. Shervani	318680	9.77	18-04-2017	108900	3.34	427580	13.72
Mr. Saeed Mustafa Shervani	130310	4.00	18-04-2017	53100	1.63	183410	5.89

\*Percentage calculated on 3116018 ordinary shares

# During the year, Company has bought back 1,44,232 Equity Shares and relinquished the same on 27th November 2017. The outstanding issued Equity Shares after buyback is 3116018. Accordingly the percentage of purchases of shares during the year have been calculated on the basis of outstanding issued shares as on date of purchase and percentage change of cumulative shareholding is on the basis of post buyback outstanding shares.

## (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	12.29 - 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	3.43 - 3.59	111948	3.59
3.	Imran Hasan At the beginning of the year Change during the year At the end of the year	35700 - 35700	1.10 - 1.15	35700	1.15
4.	Arvind Kumar Sancheti At the beginning of the year Increase during the year At the end of the year	34141 550 34691	1.05 0.02 1.11	34691	1.11
5.	Hitesh Ramji Javeri At the beginning of the year Decrease during the year 18.04.2017 21.04.2017 24.04.2017 25.04.2017 26.04.2017 At the end of the year	311261 (162000) (22000) (14000) (15300) (97711) 250	9.55 (4.97) (0.67) (0.43) (0.47) (3.00) 0.01	149261 127261 113261 97961 250	(4.58) (3.90) (3.47) (3.00) 0.01
6.	Arvind Kumar J Sancheti At the beginning of the year Increase during the year At the end of the year	28740 3300 32040	0.88 0.11 1.03	32040	1.03
7.	Shri Parasram Holdings Pvt Ltd At the beginning of the year Change during the year At the end of the year	24519 - 24519	0.75 - 0.79	24519	0.79
8.	Sarita Arvind Sancheti At the beginning of the year Decrease during the year At the end of the year	20376 (1300) 19076	0.62 0.04 0.61	19076	0.61
9.	Salahuddin Khan At the beginning of the year Change during the year At the end of the year	14700 - 14700	0.45 - 0.47	14700	0.47
10.	Mahendra Mirchandani At the beginning of the year Change during the year At the end of the year	10000 - 10000	0.31 - 0.32	10000	0.32
11.	Hemraj Chaturbhuj Asher At the beginning of the year Change during the year At the end of the year	- 9722 9722	- 0.30 0.31	9722	0.31

# During the year, Company has bought back 1,44,232 Equity Shares and relinquished the same on 27th November 2017. The outstanding issued Equity Shares after buyback is 3116018. Accordingly, the percentage of increase/decrease of shares during the year have been calculated on the basis of outstanding issued shares as on date of increase/decrease and percentage change of cumulative shareholding is on the basis of post buyback outstanding shares.



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

Sl.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 - 0.02	500	0.02
2.	Mr. S. I. Shervani, Managing Director At the beginning of the year Increase during the year (18-04-2017) At the end of the year	318680 108900 427580	9.77 3.34 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	0.47 - 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	4.59 - 4.80	149655	4.80
5.	Mr. S M Shervani At the beginning of the year Increase during the year (18-04-2017) At the end of the year	130310 53100 183410	4.00 1.63 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 Decrease during the year 05.01.2018 08.01.2018 09.01.2018 At the end of the year	1950 (200) (750) (200) 800	0.06 (0.01) (0.02) (0.01) 0.03	1750 1000 800	0.06 0.03 0.03
8.	Mr R. Verghese At the beginning of the year Change during the year At the end of the year	540 - 540	0.01 - 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. B. K. Misra, Company Secretary At the beginning of the year Change during the year At the end of the year	20 - 20	- - -	20	-

# During the year, Company has bought back 1,44,232 Equity Shares and relinquished the same on 27th November 2017. The outstanding issued Equity Shares after buyback is 3116018. Accordingly, the percentage of increase/decrease of shares during the year have been calculated on the basis of outstanding issued shares as on date of increase/decrease and percentage change of cumulative shareholding is on the basis of post buyback outstanding shares.

**(vi) INDEBTEDNESS**

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

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	1,00,55,355	-	-	1,00,55,355
1)Principal	1,00,55,355	-	-	1,00,55,355
2)Interest due but not paid	-	-	-	-
3)Interest accrued but not due	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	5,81,55,647	-	-	5,81,55,647
• Reduction	-	-	-	-
<b>Net Change</b>		-	-	
Indebtedness at the end of the financial year	6,82,11,002	-	-	6,82,11,002
1)Principal	6,82,11,002	-	-	6,82,11,002
2)Interest due but not paid	-	-	-	-
3)Interest accrued but not due	-	-	-	-
<b>Total (1+2+3)</b>	6,82,11,002	-	-	6,82,11,002

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

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. S. I. Shervani Managing Director	Mr. T. Hasan Whole-time Director & CFO	
1.	Gross Salary (Rs in lac)			
	a) Salary as per provisions of sec. 17(1) of Income Tax Act, 1961	12,00,000	3,00,000	15,00,000
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	39,600	-	39,600
	c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission -- as % of Profit (1%) -- others specify	-	-	-
5.	Others, please specify Fees for attending Board meeting	40,000	40,000	80,000
	<b>Total</b>	12,79,600	3,40,000	16,19,600

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

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount (Rs.)
		Dr. A. P. Singh	Mr. G. S. Chaturvedi	Mr. K. Bhargava	Mr. M. A. Sayeed	
1.	<b>Independent Director</b>					
	Fee attending Board /Committee Meeting	30,000	40,000	20,000	40,000	1,30,000
	Commission	-	-	-	-	-
	Other (Specify)	-	-	-	-	-
	Total (1)	30,000	40,000	20,000	40,000	1,30,000
2.	<b>Other Non-Executive Director</b>	Mr. A N Shervani	Mr. S M Shervani	Mr. Raju Verghese	Mrs. Shefali Bansal	
	Fee attending Board Committee Meeting	20,000	20,000	10,000	10,000	60,000
	Commission	-	-	-	-	-
	Other (Specify)	-	-	-	-	-
	Total (2)	20,000	20,000	10,000	10,000	60,000
	Total B = (1+2)					1,90,000

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

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

Sl. 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 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	5,69,038 1,27,254 23,00,000 -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission -- as % of Profit (1%) -- others specify	-
5.	Others, please specify	-
	<b>Total</b>	29,96,292

**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 RESPONSIBILITIES ( CSR)  
ACTIVITIES FOR THE FINANCIAL YEAR 2017-2018**

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. 464 Lakh. Accordingly Company is liable to spent @ 2% of average net profit i.e. Rs. 9.28 Lakh.
5. Fund allocated, as per section 135 of the Companies Act, 2013, for the purpose of CSR activities is Rs. 10 Lakh for the financial year 2017-2018.
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 aided college by the Govt. of Uttar Pradesh during the financial year 2017-18.
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 2018

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

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

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

Based on our verification of Shervani Industrial Syndicate Limited books, papers, 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 2018 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 2018 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;
  - d. The Securities and Exchange Board of India (Share Based employee benefits) Regulations, 2014;

- 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
- 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. 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 bought back 1,44,232 Equity Shares of the Company representing 4.42% of the Total Equity Shares of the Company, accordingly 1,44,232 Equity Shares of the Company have been extinguished on 28<sup>th</sup> November 2017.

For Siddiqui & Associates  
Company Secretaries

Place : New Delhi  
Date : May 29, 2018

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 in Rs.)

Name of Subsidiary - Farco Foods Private Limited

Reporting Currency	:	INR
Share Capital	:	90,00,000
Reserves and Surplus	:	(3,59,45,744)
Total Assets	:	4,26,50,259
Total Liabilities	:	6,95,96,003
Investments	:	NIL
Turnover / Total Income	:	4,06,61,845
Profit Before Tax	:	39,26,825
Provision for Tax	:	14,00,104
Profit after Tax	:	25,26,721
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	Extent of Holding %	Net worth attributable to shareholding as per latest Balance Sheet	Considered in consolidation	Not considered in consolidation	Description of how there is significant influence	Reason why associate is not considered
1.	Shervani Hospitalities Ltd	31.03.2018	2265750	88143000	35.40%	71837174	2032242	Nil	35.40% Shares Held	NA
2.	Youngtronics India Private Limited	31.03.2018	85000	850000	46.33%	(459715)	(942329)	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 (KMP) during the Financial Year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the company are as under:

Sl. No.	Name of the Director/ KMP and Designation	Remuneration* of Director/KMP for the financial year 2017-18 (Rs. in Lakh)	% increase in remuneration in the financial year 2017-18	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	2.44	Please refer serial no. (5) of this annexure
2.	Mr Tahir Hasan Whole Time Director & Chief Financial Officer	3.00	Nil	0.61	
3.	Mr B. K. Misra Company Secretary & Dy. General Manager(F&A)	5.69	9.00	1.16	

\*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. 4.92 Lakh p.a.
- (3) In the financial year there was an increase of 6.50 % in the median remuneration of employees.
- (4) There were 21 no. of permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2018.
- (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. 60,00,000/- 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. 5,00,000/- 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 31.03.2018**

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 2018 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.

**(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 03.04.2013.

**(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 and his tenure has been extended upto 14.08.2019.

**(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 29.09.2016.



**(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.

**(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.

**(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.

**(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 S I Shervani as Managing Director of the Company for a term of five years starting from the expiry of current term.

Directors were re-appointed on the basis of rotation in accordance with the Memorandum and Articles of Association of the Company.

**2.5 Board Meetings**

During the Financial Year ended on 31<sup>st</sup> March, 2018 four Board Meetings were held on 30<sup>th</sup> May 2017, 14<sup>th</sup> August 2017, 05<sup>th</sup> December 2017, and 18<sup>th</sup> January, 2018. 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, 2018 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	3	x	Nil	Nil	Nil	-	500
Mr S. I. Shervani	Managing Director	Executive	4	X	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	2	X	1	Nil	Nil	Brother of Mr. S. I. Shervani & Mr. A. N. Shervani	1,83,410
Mr Raju Verghese	Director	Independent Non-Executive	1	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	4	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 18<sup>th</sup> January, 2018 to review the working of the Non-Independent Directors, Executive Directors and the Board as a whole by considering the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably discharge its duties.

**Agenda and Information to the Board**

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

**Invitees & Proceedings**

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

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.

**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 30<sup>th</sup> May 2017, 14<sup>th</sup> August 2017, 05<sup>th</sup> December 2017 and 18<sup>th</sup> January 2018.

**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.

The Committee Meetings were convened on 30<sup>th</sup> May 2017 and 18<sup>th</sup> January 2018.

**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-18 transactions with related parties have been furnished under Note No. 34 of Notes to the Accounts of the Financial Statements.

**REMUNERATION TO EXECUTIVE DIRECTORS**

Sl. No.	Name and Designation	Salary	Perquisites to PF & other funds	Contribution	Total	Sitting Fee	Total
1.	Mr. S. I. Shervani Managing Director	12,00,000	39,600	1,44,000	13,83,600	40,000	14,23,600
2.	Mr. T. Hasan Whole Time Director & Chief Financial Officer	3,00,000	-	-	3,00,000	40,000	3,40,000

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

The Non-Executive Directors were paid sitting fees for attending Board Meetings. No sitting fee is paid to the Directors for attending the Committee meetings. The details of payment made towards sitting fees along with respective shareholding of each director is furnished hereunder:

S.No.	Name	Category	Sitting Fees	Commission	Total	No. of Shares
1.	Dr. A. P. Singh	Independent	30,000	Nil	30,000	500
2.	Mr. G. S. Chaturvedi	Independent	40,000	Nil	40,000	800
3.	Mr. Kush Bhargava	Independent	20,000	Nil	20,000	850
4.	Mr. M. A. Sayeed	Independent	40,000	Nil	40,000	Nil
5.	Mr. A. N. Shervani	Non-Executive	20,000	Nil	20,000	1,49,655
6.	Mr. S. M. Shervani	Non-Executive	20,000	Nil	20,000	1,83,410
7.	Mr. R. Verghese	Non - Executive	10,000	Nil	10,000	540
8.	Mrs. Shefali Bansal	Non-Executive	10,000	Nil	10,000	Nil

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

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

The Committee specifically looks into issues / grievances relating to investors including share related matters and redressal thereof. The 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 were reported and the same were addressed to the satisfaction of Members.

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

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

The terms of reference decided by the Board for the Corporate Social Responsibility Committee are the following:

- Promotion of Education
- Promoting Gender Equality and empowering women
- Eradicating Extreme Hunger & 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

During the year CSR committee meeting was held on, 8<sup>th</sup> January 2018, 18<sup>th</sup> January 2018 and 20<sup>th</sup> March 2018. As prescribed in section 135(5) of the Companies Act, 2013 a budget of Rs 10 Lakh was allocated for purpose of CSR and a report on the activities during the current year is attached as Annexure-B 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
2014-15 (67 <sup>th</sup> AGM)	30 <sup>th</sup> Sept, 2015 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad	No Special Resolution was passed
2015-16 (68 <sup>th</sup> AGM)	29 <sup>th</sup> Sept., 2016 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad	<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	No Special Resolution was passed

No resolution was put for voting through postal ballot.

### (1) Extra Ordinary General Meeting

No Extra Ordinary General Meetings was held during the year.

### (2) Special Resolutions

One Special Resolution in respect of re-appointment of Mr. S.I. Shervani as Managing Director for a period of five years is proposed in the ensuing Annual General Meeting.

## 9. DISCLOSURES

- There was no transaction of material nature with the Directors or management or their relatives during the year.
- 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.
- 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.
- The Company has obtained the CEO/CFO certificate on the financial results and placed the same before the Board.
- 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.
- 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



**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, 2018**

Shareholding Pattern			Distribution of Shareholding		
Category	No. of Shares	%	No. of Shares	No. of Shareholders	Shares
Promoters, Directors & Relatives	1963040	63.00	1-500	1507	137477
Nationalised Bank	6040	0.19	501-1000	92	68351
Bodies Corporate	446300	14.33	1001-2000	52	74132
Public	698363	22.41	2001-3000	16	38846
Others (Foreign Nationals)	920	0.03	3001-4000	11	37808
NRIs/OCBs	1355	0.04	4001-5000	8	36563
			5001-10000	20	149195
			10001 and above	35	2573646
<b>Total</b>	<b>31,16,018</b>	<b>100.00</b>		<b>1741</b>	<b>31,16,018</b>

**DEMATERIALISATION OF SHARES**

The shares of the Company are fully under the category of compulsory delivery in dematerialised mode by all categories of investors. The Company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2018 about 93.06 % of the shares of the Company are dematerialised.

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

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

**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 ALLAHABAD**

1. The Corporate Governance Report prepared by SHERVANI INDUSTRIAL SYNDICATE LIMITED ("the Company"), contains details as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditors' judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

**Other Matters and Restriction on Use**

10. This Certificate 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.
11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

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

Rajendra Gupta  
(Partner)  
Membership Number : 073250

Place : Kanpur  
Date : May 29, 2018

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

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of SHERVANI INDUSTRIAL SYNDICATE LIMITED (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management’s Responsibility for the standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. This responsibility also includes 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 judgements 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

standalone Ind AS financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company’s preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 principle generally accepted in India including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1- As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2- As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on



record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 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, in our opinion and to the best of our information and according to the explanations given to us:
- I. There was no pending litigation which would impact the financial position of the company.
- II. The company does 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.

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

Rajendra Gupta  
(Partner)  
Membership Number: 073250

Place : KANPUR  
Date : May 29, 2018

**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, 2018, we report that:**

- i. In respect of its Fixed Assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the Company.
- ii. In respect of its Inventories:
- As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and discrepancies noticed on verification between physical stocks and the book records were not material.
- iii. In respect of loans, secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013, according to the information and explanations given to us:
- (a) The Company had granted Unsecured Loan to a wholly owned subsidiary Company. The terms and conditions of such loan are not prejudicial to the interest of the company.
- (b) There are no stipulations for the repayment of loan.
- (c) There is no overdue amount of loan.
- iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. In our opinion and according to information and explanations given to us, the company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Therefore, the provisions of paragraph (v) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.
- vi. In our opinion and according to the information and explanations given to us the maintenance of cost records under sub-section (1) of section 148 the Companies Act, 2013 are not applicable to the company.
- vii. According to the information and explanations given to us, in respect of statutory and other dues:
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were in arrear as at 31<sup>st</sup> March, 2018 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, transactions 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 into 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 29, 2018

**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 2018 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 2018, 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 29, 2018

# 70<sup>TH</sup> ANNUAL REPORT (2017-2018)

# BALANCE SHEET

		<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 01<sup>st</sup> April, 2016</b>
	Note No.	Rs.	Rs.	Rs.
<b>ASSETS</b>				
Non-Current Assets:				
Property, Plant and Equipment	2	7,76,50,286	5,92,70,878	6,04,55,141
Financial Assets				
Investments	3	10,42,98,000	10,42,98,000	10,72,98,000
Other Financial Assets	4	2,95,76,263	2,96,73,437	2,97,37,375
Deffered tax assets (Net)	5	57,16,185	63,70,211	62,34,474
Total Non Current Assets		<u>21,72,40,734</u>	<u>19,96,12,526</u>	<u>20,37,24,990</u>
Current Assets:				
Inventories	6	90,44,60,666	1,33,95,03,040	1,51,63,14,623
Financial Assets				
Investments	7	11,01,72,842	9,13,12,009	1,69,80,400
Trade Receivables	8	35,79,02,119	23,51,57,545	11,73,65,310
Cash and Cash Equivalents	9	8,01,06,977	7,06,48,693	4,61,51,824
Other Bank Balances	10	34,73,68,235	11,35,73,444	11,00,22,378
Loans	11	4,89,72,861	4,89,72,861	1,89,72,861
Other Financial Assets	12	39,78,740	27,38,232	35,49,691
Other Current Assets	13	3,57,00,113	1,41,36,967	18,15,350
Total Current Assets		<u>1,88,86,62,553</u>	<u>1,91,60,42,791</u>	<u>1,83,11,72,437</u>
<b>TOTAL ASSETS</b>		<u><b>2,10,59,03,287</b></u>	<u><b>2,11,56,55,317</b></u>	<u><b>2,03,48,97,427</b></u>
<b>EQUITY AND LIABILITIES</b>				
Equity:				
Equity Share Capital	14	3,13,60,180	3,28,02,500	3,28,02,500
Other Equity	15	1,94,91,85,679	1,95,51,46,066	1,85,64,48,888
Total Equity		<u>1,98,05,45,859</u>	<u>1,98,79,48,566</u>	<u>1,88,92,51,388</u>
Liabilities:				
Non-Current Liabilities:				
Financial Liabilities				
Borrowings	16	1,29,54,683	6,74,479	10,88,752
Provisions	17	8,79,226	8,12,379	6,30,172
Total Non Current liability		<u>1,38,33,909</u>	<u>14,86,858</u>	<u>17,18,924</u>
Current Liabilities:				
Financial Liabilities				
Borrowings	18	5,13,80,430	89,66,604	7,66,74,445
Trade Payables	19	40,34,275	23,43,001	6,65,870
Other Financial Liabilities	20	42,87,416	8,85,638	19,44,961
Other Current Liabilities	21	3,64,44,563	8,26,83,218	3,11,49,105
Provisions	22	13,275	43,738	9,587
Current Tax liability (Net)		1,53,63,560	3,12,97,694	3,34,83,147
Total current liability		<u>11,15,23,519</u>	<u>12,62,19,893</u>	<u>14,39,27,115</u>
<b>TOTAL EQUITY AND LIABILITY</b>		<u><b>2,10,59,03,287</b></u>	<u><b>2,11,56,55,317</b></u>	<u><b>2,03,48,97,427</b></u>

Significant Accounting Policies & Notes to  
Financial Statements

1-43

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 : Allahabad  
Date : May 29, 2018

# 70<sup>TH</sup> ANNUAL REPORT (2017-2018) STATEMENT OF PROFIT & LOSS

PARTICULARS	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
REVENUE FROM OPERATIONS		Rs.	Rs.
Revenue from Operations	23	1,13,03,11,622	41,75,65,460
Other Income	24	1,50,04,315	1,66,55,832
<b>TOTAL REVENUE</b>		<b>1,14,53,15,937</b>	<b>43,42,21,292</b>
EXPENSES:			
Construction and Development Expenses	25	19,53,99,816	9,61,98,878
Changes in Inventories of Finished Goods			
Stock-in-Trade and Work-in-Progress	26	42,86,01,649	18,30,40,056
Employee Benefits Expense	27	1,95,22,126	95,50,492
Finance Costs		9,08,508	19,88,398
Depreciation and Amortisation Expense		39,80,378	29,19,120
Other Expenses	28	3,33,65,143	2,55,75,281
<b>TOTAL EXPENSES</b>		<b>68,17,77,620</b>	<b>31,92,72,225</b>
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS:		46,35,38,317	11,49,49,067
Exceptional items (Provision for doubtful loan written back)		-	3,52,84,000
PROFIT BEFORE TAX:		46,35,38,317	15,02,33,067
Tax Expense:			
Current Tax	29	9,00,00,000	-
Deferred Tax		2,47,033	-
Income Tax of Earlier Year		4,06,993	(1,35,737)
<b>PROFIT FOR THE YEAR</b>		<b>37,28,84,291</b>	<b>15,03,68,804</b>
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to Profit or Loss:			
Fair Value change on Equity Instrument through other comprehensive Income(Net of Tax)		43,49,425	12,91,609
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>37,72,33,716</b>	<b>15,16,60,413</b>
Earnings per equity share (face value of Rs. 10/- each)			
Basic and Diluted	31	118.90	45.84
Significant Accounting Policies & Notes to Financial Statements	1-43		

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 : Allahabad  
Date : May 29, 2018

# 70<sup>TH</sup> ANNUAL REPORT (2017-2018)

Statements of changes in Equity for the year ended 31<sup>st</sup> March, 2018

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 31st March, 2017	3,28,02,500	-	3,28,02,500
For the year ended 31st March, 2018	3,28,02,500	(14,42,320)	3,13,60,180

Reserve	Reserve and Surplus							(Amount in Rs.) Total
	Securities Premium Reserve	Capital Subsidy Reserve	General Reserve	Capital Redemption Reserve	Capital Reserve on Revaluation of Land	Retained Earnings	Other Comprehensive Income	
Balance as at 1 <sup>st</sup> April, 2016	38,40,909	19,26,616	52,89,12,956	20,00,000	1,51,11,79,180	(19,14,10,773)	-	1,85,64,48,888
Profit for the year	-					15,03,68,804		15,03,68,804
Movement in OCI During the Year							12,91,609	12,91,609
Transfer to Profit and Loss statement					(5,29,63,235)			(5,29,63,235)
Balance as at 31 <sup>st</sup> March, 2017	38,40,909	19,26,616	52,89,12,956	20,00,000	1,45,82,15,945	(4,10,41,969)	12,91,609	1,95,51,46,066
Profit for the year						37,28,84,291		37,28,84,291
Movement in OCI During the Year							43,49,425	43,49,425
Transfer to Profit and Loss statement					(33,61,96,573)			(33,61,96,573)
Transfer from Retained earnings			15,00,000			(15,00,000)		-
Utilised for bought back of equity shares	(38,40,909)		(2,42,84,331)					(2,81,25,240)
Transfer to Capital Redemption Resrve			(14,42,320)	14,42,320				-
Interim Dividend Paid						(1,56,80,090)		(1,56,80,090)
Tax on Dividend						(31,92,200)		(31,92,200)
Balance as at 31 <sup>st</sup> March, 2018	-	19,26,616	50,46,86,305	34,42,320	1,12,20,19,372	31,14,70,032	56,41,034	1,94,91,85,679

# 70<sup>TH</sup> ANNUAL REPORT (2017-2018)

# CASH FLOW STATEMENT

	2017-2018		2016-2017		2015-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>						
Profit/(Loss) Before Tax		46,35,38,317		15,02,33,067		(1,16,04,161)
Adjustment For :						
Exceptional item (Provision for Doubtful Loan written back)	-		(3,52,84,000)			
Transfer from Capital Reserve on revaluation of land	(33,61,96,573)		(5,29,63,235)			
Depreciation	39,80,378		29,19,120		18,79,409	
(Profit)/Loss on sale of assets	7,71,589		1,05,105		7,16,134	
Interest Paid	9,08,508		19,88,398		13,89,653	
Interest Received	(1,32,22,492)		(1,28,33,413)		(1,18,37,726)	
Dividend Received	(9,000)		(8,500)		(72,375)	
(Profit)/Loss on Sale of Investments	(6,99,278)	(34,44,66,868)	(32,62,341)	(9,93,38,866)	(25,49,885)	
Diminution in the value of Investments no longer required	-		-		(24,00,346)	
Diminution in the value of current investment	-		-		5,54,174	(1,23,20,962)
Operating Profit before Working Capital Changes		<u>11,90,71,449</u>		<u>5,08,94,201</u>		<u>(2,39,25,123)</u>
Adjustment For :						
(Increase)/Decrease in Non Current Other Financial Assets	97,174		63,938			
(Increase)/Decrease in Trade and other receivables	(14,43,07,720)		(12,48,29,853)		36,54,000	
(Increase)/Decrease in Inventories	43,50,42,374		17,68,11,583		(4,01,47,031)	
Increase/(Decrease) in Trade and Other Payables	(4,45,70,836)	24,62,60,992	5,33,66,794	10,54,12,462	(1,07,35,290)	(4,72,28,321)
Cash generated in operation		<u>36,53,32,441</u>		<u>15,63,06,663</u>		<u>(7,11,53,444)</u>
Add/(Deduct) For :						
Income tax paid	(10,59,34,135)		(21,85,452)		(13,84,951)	
Net Cash generated from operating activities (Total – A)		<u>25,93,98,306</u>		<u>15,41,21,211</u>		<u>(7,25,38,395)</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>						
Movement in Fixed Deposits (Net)	(23,37,94,791)		(35,51,066)		(98,53,987)	
Purchase of Fixed Assets	(2,39,72,653)		(20,30,438)		(79,42,306)	
Sale of Fixed Assets	8,41,278		1,90,476		10,07,201	
(Purchase)/Sale of Current Investments (Net of Sale / Purchases )	(1,38,12,129)		(7,08,45,659)		21,01,758	
Sale of other Investments	-		40,68,000			
Dividend Received	9,000		8,500		72,375	
Interest received	1,19,81,984		1,36,44,872		1,21,31,007	
Net Cash used in investing activities (Total - B)		<u>(25,87,47,311)</u>		<u>(5,85,15,315)</u>		<u>(24,83,953)</u>

	2017-2018		2016-2017		2015-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
C) CASH FLOW FROM FINANCING ACTIVITIES						
Buy Back of Equity shares		(2,95,67,560)		-		
Receipt/(repayment) of loans		5,81,55,647		(6,91,20,629)		5,77,94,928
Interest paid		(9,08,508)		(19,88,398)		(13,98,653)
Dividend paid		(1,56,80,090)		-		-
Tax On dividend		(31,92,200)				
Net Cash (used in)/from						
Financing Activities (Total – C)		<u>88,07,289</u>		<u>(7,11,09,027)</u>		<u>5,63,96,275</u>
Net Increase / (Decrease) in Cash						
and Cash Equivalents (A+B+C)		<u>94,58,284</u>		<u>2,44,96,869</u>		<u>(1,86,26,073)</u>
Add : Cash and Cash Equivalents						
at the beginning		<u>7,06,48,693</u>		<u>4,61,51,824</u>		<u>14,55,78,394</u>
Closing Cash and Cash Equivalent		<u>8,01,06,977</u>		<u>7,06,48,693</u>		<u>12,69,52,321</u>

## 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 : Allahabad  
Date : May 29, 2018



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

Shervani Industrial Syndicate Limited (the "Company") is a listed entity and 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, Allahabad- 211 011.

**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.

For all periods up to and including the year ended 31<sup>st</sup> March 2017, the Company prepared its financial statements in accordance with Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and in accordance with companies (Accounting Standards), Rules 2006 (erstwhile - Indian GAAP). These financial statements for the year ended 31<sup>st</sup> March 2018 are the first financial statements of the Company prepared in accordance with Ind AS.

**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 counterparty, 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 Sales revenue**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- (a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 straight line 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 expense as incurred except where they are directly attributable to the acquisition, construction or production of qualifying assets i.e. the assets that necessarily take 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 expense 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 expense as the related service is provided. The company has following defined contribution plans:

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

The company's 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 shares 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.

**1.14.2.3 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.

**1.14.2.4 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.

**1.14.2.5 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.

**Transition in Ind AS**

The company has adopted Ind AS with effect from 1st April, 2017 with comparatives being restated. Accordingly, the impact of transition has been provided in the opening reserve as at 1st April, 2016. The figures for the previous periods have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

**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

Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018

## 2. PROPERTY, PLANT AND EQUIPMENT:

PARTICULARS	GROSS BLOCK						
	As at 1 <sup>st</sup> April, 2016	Additions	Deductions/ Adjustments	As at 31 <sup>st</sup> March, 2017	Additions	Deductions/ Adjustments	As at 31 <sup>st</sup> March, 2018
Freehold Land	1,64,64,413	-	-	1,64,64,413	-	-	1,64,64,413
Leasehold Land	5,179	-	-	5,179	-	-	5,179
Non-Factory Building	3,71,66,333	-	-	3,71,66,333	-	-	3,71,66,333
Plant and Equipments	40,52,538	1,94,250	-	42,46,788	10,28,060	-	52,74,848
Furniture and Fixture	14,90,592	-	-	14,90,592	-	-	14,90,592
Vehicles (Cars)	1,69,04,655	17,14,763	5,27,855	1,80,91,563	2,28,78,033	36,31,244	3,73,38,352
Office Equipments	1,20,000	63,425	-	1,83,425	66,560	65,000	1,84,985
Computers	50,29,402	58,000	-	50,87,402	-	-	50,87,402
	<u>8,12,33,112</u>	<u>20,30,438</u>	<u>5,27,855</u>	<u>8,27,35,695</u>	<u>2,39,72,653</u>	<u>36,96,244</u>	<u>10,30,12,104</u>

PARTICULARS	DEPRECIATION AND AMORTIZATION						
	Upto 1 <sup>st</sup> April, 2016	For The Year	Deductions	Upto 31 <sup>st</sup> March, 2017	For The Year	Deductions	Upto 31 <sup>st</sup> March, 2018
Freehold Land	-	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-	-
Non-Factory Building	53,82,429	5,63,882	-	59,46,311	5,63,882	-	65,10,193
Plant and Equipments	26,64,377	2,72,607	-	29,36,984	2,60,094	-	31,97,078
Furniture and Fixture	11,88,650	52,412	-	12,41,062	52,412	-	12,93,474
Vehicles (Cars)	66,88,200	19,98,542	2,32,274	84,54,468	30,55,830	20,21,627	94,88,671
Office Equipments	79,450	14,235	-	93,685	29,793	61,750	61,728
Computers	47,74,865	17,442	-	47,92,307	18,367	-	48,10,674
	<u>2,07,77,971</u>	<u>29,19,120</u>	<u>2,32,274</u>	<u>2,34,64,817</u>	<u>39,80,378</u>	<u>20,83,377</u>	<u>2,53,61,818</u>

PARTICULARS	NET BLOCK		
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Freehold Land	1,64,64,413	1,64,64,413	1,64,64,413
Leasehold Land	5,179	5,179	5,179
Non-Factory Building	3,06,56,140	3,12,20,022	3,17,83,904
Plant and Equipments	20,77,770	13,09,804	13,88,161
Furniture and Fixture	1,97,118	2,49,530	3,01,942
Vehicles (Cars)	2,78,49,681	96,37,095	1,02,16,455
Office Equipments	1,23,257	89,740	40,550
Computers	2,76,728	2,95,095	2,54,537
	<u>7,76,50,286</u>	<u>5,92,70,878</u>	<u>6,04,55,141</u>

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016		
3	Non Current Investments				
	Investment in Equity Instrument (Unquoted)				
	Investments Measured at Cost				
	In Subsidiary Company				
	900000	Farco Foods Private Limited	27,00,000	27,00,000	27,00,000
	(900000)	equity shares of Rs. 10/- each			
	((900000))				
	<u>Total (A)</u>	<u>27,00,000</u>	<u>27,00,000</u>	<u>27,00,000</u>	<u>27,00,000</u>
	In Associate Companies :				
	2265750	Shervani Hospitalities Limited	8,81,43,000	8,81,43,000	8,81,43,000
	(2265750)	equity shares of Rs. 10/- each			
	((2265750))				
	85000	Youngtronics India Private limited	8,50,000	8,50,000	8,50,000
	(85000)	equity shares of Rs. 10/- each			
	((85000))				
	460000	6% Non-Cumulative Redeemable Preference	46,00,000	46,00,000	46,00,000
	(460000)	Shares of Rs. 10/- each of Youngtronics			
	((460000))	India Pvt. Ltd.			
	<u>Total (B)</u>	<u>9,35,93,000</u>	<u>9,35,93,000</u>	<u>9,35,93,000</u>	<u>9,35,93,000</u>
	Other Investment				
	Investment at cost				
	Investment in Preference Shares (Unquoted)				
	80000	6% Non-cumulative Preference Shares of India	80,00,000	80,00,000	80,00,000
	(80000)	Global Exports Pvt. Ltd. Of Rs. 100/- each			
	((80000))				
	<u>Total (C)</u>	<u>80,00,000</u>	<u>80,00,000</u>	<u>80,00,000</u>	<u>80,00,000</u>
	Investment in equity instruments (Unquoted)				
	500	Shares of Super Bazar Co-Operative Stores Ltd.	5,000	5,000	5,000
	(500)	of Rs. 10/- each			
	((500))				
	-	Equity Shares of Shervani Sugar Syndicate Ltd.	-	-	30,00,000
	(-)	of Rs. 10/- each			
	((300000))				
	<u>Total (D)</u>	<u>5,000</u>	<u>5,000</u>	<u>30,05,000</u>	<u>30,05,000</u>
	<u>Total (A+B+C+D)</u>	<u>10,42,98,000</u>	<u>10,42,98,000</u>	<u>10,72,98,000</u>	<u>10,72,98,000</u>
	Aggregate value of Unquoted investment	10,42,98,000	10,42,98,000	10,72,98,000	10,72,98,000
	Amount of Investment measured at Cost	10,42,98,000	10,42,98,000	10,72,98,000	10,72,98,000
4	Other Financial Assets				
	Unpaid Dividend	3,84,153	4,81,327	5,45,265	5,45,265
	Fixed Deposit (Pledged )	48,92,110	48,92,110	48,92,110	48,92,110
	Share Application Money India Global Exports Pvt. Limited	2,43,00,000	2,43,00,000	2,43,00,000	2,43,00,000
	<u>Total</u>	<u>2,95,76,263</u>	<u>2,96,73,437</u>	<u>2,97,37,375</u>	<u>2,97,37,375</u>

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
5	Deferred Tax Assets (Net):		
	Deferred Tax Liabilities:		
	Related to property plant and equipment	54,72,383	-
	Deferred Tax Assets:		
	Mat Credit entitlement	59,63,218	63,70,211
	Timing Difference	52,25,350	-
	<b>Total</b>	<b>57,16,185</b>	<b>62,34,474</b>
6	Inventories		
	Work In Progress(Real Estate)	15,45,12,185	22,78,14,979
	Finished Goods	3,21,115	3,21,115
	Stock-in-trade (Land and expenses thereon)	74,96,27,366	1,10,49,26,221
	Store & Spares	-	1,94,766
	Construction material at site	-	62,45,959
	<b>Total</b>	<b>90,44,60,666</b>	<b>1,51,63,14,623</b>
7	Current Investment		
	Investment in Equity Instruments (Quoted)		
	Measured at FVOCI		
	1000 Equity Shares of Reliance Infra Limited	4,26,750	5,65,471
	(1000) of Rs.10/- Each,		
	((1000))		5,33,600
	10000 Equity Shares of Cerebra Integrated	4,97,218	3,86,962
	(10000) Technologies of Rs.10/- Each,		
	((10000))		1,59,000
	<b>Total value of Quoted Investment</b>	<b>9,23,968</b>	<b>6,92,600</b>
	Investment in Mutual Fund (Unquoted)		
	- SBI Bluechip Fund Regular (Growth) of	-	-
	(-) Rs.10/- Each		
	((217658.177))		61,07,900
	- SBI Small & Midcap Fund Regular (Growth)	-	-
	(-) of Rs.10/- Each		
	((334356.474))		1,01,79,900
	116133.968 SBI Magnum Midcap Fund	89,82,842	85,46,732
	(116133.968) (Growth) of Rs.10/- Each		
	((-))		-
	214214.372 SBI Magnum Multicap Fund	94,90,084	86,33,034
	(214214.372) (Growth) of Rs.10/- Each		
	((-))		-
	250000 Union Capital Protection Oriented	26,15,903	24,98,016
	(250000) Fund (Growth) of Rs.10/- Each		
	((-))		-
	- SBI Savings Fund (Growth) of Rs.10/- Each	-	1,49,92,095
	(594552.279)		
	((-))		-
	- Birla Sunlife Cash Manager Fund (Growth) of	-	2,00,04,143
	(51276.141) Rs.10/- Each		
	((-))		-



		As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
16602.304 (16602.304) (-)	Birla Sunlife Equity Fund (Growth) of Rs.10/- Each	1,11,71,437	1,03,43,867	-
- (976060.334) (-)	Canara Robeco Yield Advantage Fund (Growth) of Rs.10/-Each	-	1,50,16,550	-
260197.231 (260197.231) (-)	Mirae Asset India Opportunities Fund (Growth) of Rs.10/-Each	1,13,53,759	1,03,25,139	-
149170.595 (-) (-)	DSP BR Equity Fund (Growth) of Rs. 10/-each	53,84,097	-	-
51421.034 (-) (-)	DSP BR Equity Opportunities Fund of Rs.10/- each	1,07,39,639	-	-
190001.634 (-) (-)	BSL Top 100 Fund of Rs.10/- Each	1,03,85,917	-	-
136732.158 (-) (-)	Canara Robeco Equity Diversified Regular (Growth) of Rs.10/- Each	1,61,22,621	-	-
150000 (-) (-)	Union Capital Protection Oriented Fund -Series 8-(Growth) of Rs.10/- Each	15,25,273	-	-
149990 (-) (-)	Union PFG-Union Balanced Advantage Fund (Growth) of Rs.10/- each	14,77,402	-	-
1999990 (-) (-)	SBI Long term Advantage Fund Series V- Frowth of Rs.10/- each	1,99,99,900	-	-
	* () for 31 <sup>st</sup> March, 2017			
	* () for 1 <sup>st</sup> April, 2016			
	Total value of Unquoted Investment	<u>10,92,48,874</u>	<u>9,03,59,576</u>	<u>1,62,87,800</u>
	TOTAL AGGREGATE VALUE OF INVESTMENT MEASURED AT FVOCI	<u>11,01,72,842</u>	<u>9,13,12,009</u>	<u>1,69,80,400</u>
	Investment measured at FVOCI	11,01,72,842	9,13,12,009	1,69,80,400
	Total Value of Unquoted Investment	10,92,48,874	9,03,59,576	1,62,87,800
	Aggregate amount of Impairment in value of Investment	-	-	12,18,785
8	Trade Receivables			
	Unsecured, considered good-Unbilled Revenue	<u>35,79,02,119</u>	<u>23,51,57,545</u>	<u>11,73,65,310</u>
	Total	<u>35,79,02,119</u>	<u>23,51,57,545</u>	<u>11,73,65,310</u>
9	Cash and Cash Equivalents			
	Balance With Banks			
	In current account	7,70,62,275	5,31,17,365	4,59,30,229
	In fixed deposit (Pledged )	3,58,795	3,35,110	-
	Cash on Hand	26,85,907	1,71,96,218	2,21,595
	Total	<u>8,01,06,977</u>	<u>7,06,48,693</u>	<u>4,61,51,824</u>
10	Other Bank Balances			
	In Fixed Deposit (Pledged with Bank Rs. 9,64,75,598 (F.Y. 16-17: Rs. 9,60,22,442, F.Y. 15-16: Rs. 10,91,31,905) against overdraft facilities	<u>34,73,68,235</u>	<u>11,35,73,444</u>	<u>11,00,22,378</u>
	Total	<u>34,73,68,235</u>	<u>11,35,73,444</u>	<u>11,00,22,378</u>

# 70<sup>TH</sup> ANNUAL REPORT (2017-2018)

# NOTES

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
11			
Loans			
Loans to related parties:			
Unsecured, Considered good	4,89,72,861	4,89,72,861	1,89,72,861
Doubtful	<u>1,50,00,000</u>	<u>1,50,00,000</u>	<u>4,50,00,000</u>
	6,39,72,861	6,39,72,861	6,39,72,861
Less:- Allowance for bad and doubtful debts	<u>1,50,00,000</u>	<u>1,50,00,000</u>	<u>4,50,00,000</u>
Total	<u>4,89,72,861</u>	<u>4,89,72,861</u>	<u>1,89,72,861</u>
12			
Other Financial Assets			
Interest accrued on FDR with Bank	<u>39,78,740</u>	<u>27,38,232</u>	<u>35,49,691</u>
Total	<u>39,78,740</u>	<u>27,38,232</u>	<u>35,49,691</u>
13			
Other Current Assets			
Unsecured Considered good :			
Security deposit	4,61,359	4,61,359	1,60,273
Prepaid expenses	2,86,781	2,75,888	1,16,307
Balance with central excise department	-	7,96,436	1,07,819
GST Input Credit	70,53,278	-	-
Advance to others :	2,78,98,695	1,26,03,284	14,30,951
Doubtful	<u>-</u>	<u>-</u>	<u>19,55,64,000</u>
	3,57,00,113	1,41,36,967	19,73,79,350
Less:- Allowance for bad and doubtful debts	<u>-</u>	<u>-</u>	<u>19,55,64,000</u>
Total	<u>3,57,00,113</u>	<u>1,41,36,967</u>	<u>18,15,350</u>
14			
Share Capital			
Authorised:			
6280000 Equity shares of Rs. 10/- each	6,28,00,000	6,28,00,000	6,28,00,000
20000 Cumulative Redeemable Preference shares of Rs. 100/- each	20,00,000	20,00,000	20,00,000
8,000 Deferred shares of Rs. 25/- each	<u>2,00,000</u>	<u>2,00,000</u>	<u>2,00,000</u>
	6,50,00,000	6,50,00,000	6,50,00,000
Issued, Subscribed and Fully Paid Up:			
3116018 Equity shares of Rs. 10/- each fully paid up	3,11,60,180	3,26,02,500	3,26,02,500
8000 Deferred shares of Rs. 25/- each fully paid up	<u>2,00,000</u>	<u>2,00,000</u>	<u>2,00,000</u>
Total	<u>3,13,60,180</u>	<u>3,28,02,500</u>	<u>3,28,02,500</u>

14.1 The company has bought back its 1,44,232 no. of equity shares during the year @ of Rs. 205/- per share ( face value of Rs 10/- each fully paid up ) through tender offer as approved by Board of Directors in 308<sup>th</sup> Meeting held on 14<sup>th</sup> August 2017. Post such buy back the number of equity share as on 31<sup>st</sup> March 2018 stands at 31,16,018.

The reconciliation of the number of Equity shares outstanding is set out below:

Particulars	As at 31 <sup>st</sup> March, 2018 No. of Shares	As at 31 <sup>st</sup> March, 2017 No. of Shares	As at 1 <sup>st</sup> April, 2016 No. of Shares
At the beginning of the year	32,60,250	32,60,250	32,60,250
Changes during the year	(1,44,232)	-	-
At the end of the year	31,16,018	32,60,250	32,60,250

The details of Shareholders holding more than 5% shares:

Name of Shareholder	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	No. of Shares	% Held	No. of Shares	% Held	No. of Shares	% Held
Equity Shares In Nos. of Rs. 10/- each						
Mr. Saleem Iqbal Shervani	427580	13.72	3,18,680	9.77	3,18,680	9.77
Mr. Saeed Mustafa Shervani	183410	5.89	-	-	-	-
Mr. Hitesh Ramji Javeri	-	-	3,11,261	9.55	4,55,250	13.96
Reed Finance Private Limited	269145	8.64	2,69,145	8.26	2,69,145	8.26
Frost Traders Private Limited	400602	12.86	4,00,602	12.29	4,00,602	12.29

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
15			
Other Equity			
Security Premium Reserve			
Balance at the beginning of the year	38,40,909	38,40,909	38,40,909
Utilised for buy back of Equity Shares	<u>(38,40,909)</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>-</u>	<u>38,40,909</u>	<u>38,40,909</u>
Capital Subsidy Reserve			
Balance at the beginning of the year	<u>19,26,616</u>	<u>19,26,616</u>	<u>19,26,616</u>
Balance at the end of the year	<u>19,26,616</u>	<u>19,26,616</u>	<u>19,26,616</u>
General Reserve			
Balance at the beginning of the year	52,89,12,956	52,89,12,956	52,89,12,956
Utilised for buy back of Equity Shares	(2,42,84,331)	-	-
Transfer to Capital Redemption Reserve	(14,42,320)	-	-
Transfer from Retained Earnings	15,00,000	-	-
Balance at the end of the year	<u>50,46,86,305</u>	<u>52,89,12,956</u>	<u>52,89,12,956</u>
Capital Redemption Reserve			
Balance at the beginning of the year	20,00,000	20,00,000	20,00,000
Transfer from General Reserve	14,42,320	-	-
Balance at the end of the year	<u>34,42,320</u>	<u>20,00,000</u>	<u>20,00,000</u>
Capital Reserve on Revaluation of Land			
Balance at the beginning of the year	1,45,82,15,945	1,51,11,79,180	1,51,11,79,180
Less:- Transfer to Profit and loss statement	<u>33,61,96,573</u>	<u>5,29,63,235</u>	<u>-</u>
Balance at the end of the year	<u>1,12,20,19,372</u>	<u>1,45,82,15,945</u>	<u>1,51,11,79,180</u>
Retained Earnings			
Balance at the beginning of the year	(4,10,41,969)	(19,14,10,773)	(19,14,10,773)
Add:- Net Profit for the year	<u>37,28,84,291</u>	<u>15,03,68,804</u>	<u>-</u>
	<u>33,18,42,322</u>	<u>(4,10,41,969)</u>	<u>(19,14,10,773)</u>
Less: Interim Dividend Paid	(1,56,80,090)	-	-
Less: Tax on Interim Dividend	(31,92,200)	-	-
Less: Transfer to reserve	(15,00,000)	-	-
Balance at the end of the year	<u>31,14,70,032</u>	<u>(4,10,41,969)</u>	<u>(19,14,10,773)</u>
Other Comprehensive Income(OCI)			
As per last balance sheet	12,91,609	-	-
Add:- Movement in OCI(Net of Tax) during the year	<u>43,49,425</u>	<u>12,91,609</u>	<u>-</u>
Closing balance at the end of the year	<u>56,41,034</u>	<u>12,91,609</u>	<u>-</u>
Total	<u>1,94,91,85,679</u>	<u>1,95,51,46,066</u>	<u>1,85,64,48,888</u>
16			
Borrowings			
Secured Loan			
Vehicle Loans(Secured by hypothecation of vehicle)	<u>1,29,54,683</u>	<u>6,74,479</u>	<u>10,88,752</u>
Total	<u>1,29,54,683</u>	<u>6,74,479</u>	<u>10,88,752</u>
17			
Provisions			
Provision for employees benefit	<u>8,79,226</u>	<u>8,12,379</u>	<u>6,30,172</u>
Total	<u>8,79,226</u>	<u>8,12,379</u>	<u>6,30,172</u>



	Year ended March 31, 2018	Year ended March 31, 2017
23 REVENUE FROM OPERATIONS:		
Sale of Plot ( Including transfer from revaluation reserve Rs. 336196573 Previous year 52963235)	87,28,99,778	41,75,65,460
Provisional Sale of Plot and Flat	25,74,11,844	
TOTAL	<u>1,13,03,11,622</u>	<u>41,75,65,460</u>
24 OTHER INCOME:		
Interest Income	1,32,22,492	1,28,33,413
Dividend Income	9,000	8,500
Other Non-Operating Income:		
Rent	3,18,069	87,120
Provision of Liability No Longer Required	61,956	87,908
Profit on Sale of Investments (Net)	6,99,278	32,62,341
Miscellaneous Receipts	6,93,520	3,76,550
TOTAL	<u>1,50,04,315</u>	<u>1,66,55,832</u>
25 COST OF CONSTRUCTION AND DEVELOPMENT EXPENSES	<u>19,53,99,816</u>	<u>9,61,98,878</u>
TOTAL	<u>19,53,99,816</u>	<u>9,61,98,878</u>
26 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:		
Inventories (at close):		
Finished Goods	3,21,115	3,21,115
Stock in trade(Real Estate)	74,96,27,366	1,10,49,26,221
Work-in-Progress	15,45,12,185	22,78,14,979
TOTAL	<u>90,44,60,666</u>	<u>1,33,30,62,315</u>
Inventories(at commencement):		
Finished Goods	3,21,115	3,21,115
Stock in trade(Real Estate)	1,10,49,26,221	1,36,90,46,132
Work-in-Progress	22,78,14,979	14,67,35,124
	<u>1,33,30,62,315</u>	<u>1,51,61,02,371</u>
TOTAL	<u>42,86,01,649</u>	<u>18,30,40,056</u>
27 EMPLOYEE BENEFIT EXPENSE:		
Salaries and Wages	1,86,33,854	88,20,149
Contribution to Provident and Other Funds	5,38,326	4,82,783
Staff Welfare Expenses	3,49,946	2,47,560
TOTAL	<u>1,95,22,126</u>	<u>95,50,492</u>

	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>	
28 OTHER EXPENSES:			
Establishment Expenses:			
Rent	1,10,400	1,42,400	
Repair Buildings	7,93,622	5,01,128	
Insurance	3,54,773	3,18,801	
Rates and Taxes	1,70,956	2,01,329	
Vehicle Maintenance	15,14,473	14,97,592	
Professional Charges	59,00,250	38,36,230	
Travelling and Conveyance Expenses	14,11,082	5,17,652	
Safety & Protection		11,02,601	
Payment To The Auditors :			
As Auditor	1,50,000	1,50,000	
For Other Services	86,000	95,800	
Directors' Sitting Fee	2,70,000	2,10,000	
Loss on Sale of Assets (Net)	7,71,589	1,05,105	
Sundry Balances Written off	-	24,314	
Electricity expenses		22,96,139	
CSR Expenses	10,00,000	-	
Share Buyback Expenses	15,62,602	-	
Miscellaneous Expenses	1,08,03,696	64,76,653	
TOTAL (A)	<u>2,48,99,443</u>	<u>1,74,75,744</u>	
Selling and Distribution Expenses:			
Brokerage	84,65,700	64,54,600	
Marketing Expenses		16,44,937	
TOTAL (B)	<u>84,65,700</u>	<u>80,99,537</u>	
TOTAL (A+B)	<u>3,33,65,143</u>	<u>2,55,75,281</u>	
29 Tax expenses :			
Amount recognised in Profit and Loss :	2017-18	2016-17	
Current Tax:			
Income tax for the year	9,00,00,000	-	
Adjustment/(credits) related to previous year -Net	4,06,993	(1,35,737)	
Total Current Tax	<u>9,04,06,993</u>	<u>(1,35,737)</u>	
Deferred Tax :			
Deferred Tax for the year	(2,47,033)	-	
Adjustment/(credits) related to previous year -Net	-	-	
Total Deferred Tax	<u>(2,47,033)</u>	<u>-</u>	
Total Tax Expense	<u>9,01,59,960</u>	<u>(1,35,737)</u>	
30 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 2018 is Rs. 9.28 Lakh.			
b. Amount spent during the year on:	Rs. Paid in cash:	Yet to be paid in cash	Total
Promoting Education	10,00,000	NIL	10,00,000

		Year ended March 31, 2018	Year ended March 31, 2017
31	Earning Per Share		
	Net profit available for equity shareholders (Numerator used for calculation)	37,28,84,291	15,03,68,804
	Number of equity shares (Used as Denominator for calculating EPS)	31,36,018	32,80,250
	Basic and Diluted Earning per share of Rs. 10/-	118.90	45.84
32	Investments and Loans outstanding in subsidiary company:		Amount in Rs.
	Name of Company	% of Shareholding	Investment in Shares
	Farco Foods Pvt. Ltd.	100	27,00,000
		Loan Balance Outstanding	Provision Made
		6,39,72,861	1,50,00,000
	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. 1,50,00,000 till further improvement.		
33.	Employee Benefits:		
	A. Gratuity		
	Amounts in Balance Sheet	Increase/(Decrease)	Year ended 31.3.2017
			Year ended 31.3.2018
	Defined Benefit Obligation	3,20,349	16,41,072
	Fair Value of Plan Assets	1,65,090	21,58,035
	Funded Status-(Surplus)/Deficit	1,55,259	(51,69,63)
	Unrecognized Past Service Cost/(Credit)		
	Unrecognized Asset due to Limit in Para 64(b)		
	Liability/(Asset) recognised in the Balance Sheet	1,55,259	(5,16,963)
		7,95,957	2,76,5181
			3,60,1138
	[Reference: Ind AS 19 para 120A (f)]		
	Amount Recognised in the Statement of Profit & Loss		
	Current Service Cost	15,277	1,18,006
	Interest Cost	(3,89,14)	1,21,329
	Expected Return on Plan Assets	34,606	(1,54,501)
	Past Service Cost	4,47,145	4,47,145
	(Gain) Loss due to settlements/Curtailments/Acquisitions/Divestitures		
	Total Expense/(Income) included in "Employee Benefit Expense"	4,58,114	84,834
	[Reference: Ind AS 19 para 120A (g)]		
	* No expenses charged to employee benefit expenses as fair value of plan assets are more than defined obligation.		
	Amount recognised in Other Comprehensive Income(OCI)		
	Amount recognized in OCI, Beginning of Period	(1,73,760)	(1,73,760)
	Remeasurments due to :		
	Effect of Change in financial assumptions(C)	(57,874)	(57,874)
	Effect of Change in demographic assumptions(D)		
	Effect of experience adjustments ( E )	(1,20,828)	(1,63,792)
	Actuarial(Gains)/ Losses (C+D+E)	(1,78,702)	(1,63,792)
	Return on Plan Assets(excluding interest)	35,227	9,968
	Total remeasurments recognized in OCI	(2,13,929)	(1,73,760)
	Amount recognized in OCI, End of Period	(3,87,689)	(1,73,760)
	[Reference: Ind AS 19 para 120A (i)]		
	Actual Return on Plan Assets		
	Interest Income Plan Assets	(34,606)	1,54,501
	Actuarial Gains/(Losses) on Plan Assets	35,227	9,968
	Actual Return on Plan Assets	621	1,64,469
	[Reference: Ind AS 19 para 120A (m)]		

Change in Present Value of Benefit Obligation during the Period	Increase/(Decrease)	Year ended 31.3.2017	Year ended 31.3.2018
Defined Benefit Obligation, Beginning of Period	75,542	15,65,530	16,41,072
Current Service Cost	15,277	1,18,006	1,33,283
Interest Cost	(38,914)	1,21,329	82,415
Actual Plan Participants Contributions			
Actuarial (Gains)/Losses	(1,78,702)	(1,63,792)	(3,42,494)
Acquisition/Business Combination/Divestiture			
Actual Benefits Paid			
Past Service Cost	4,47,145		4,47,145
Changes in Foreign Currency Exchange Rates			
Loss/(Gains) on Curtailments			
Liabilities Extinguished on Settlements			
Defined Benefit Obligation, End of Period [Reference: Ind AS 19 para 120A (c)]	3,20,348	16,41,073	19,61,421
Change in Fair Value of Plan Assets during the Period			
Fair value of Plan Assets, Beginning of Period	1,64,469	19,93,566	21,58,035
Interest Income Plan Asset	(34,606)	1,54,501	1,19,895
Actual Enterprise's Contributions			
Actual Plan Participants Contributions			
Actual Benefits Paid			
Actuarial Gains/(Losses)	35,227	9,968	45,195
Acquisition/Business Combination/Divestiture			
Change In Foreign Currency Exchange Rates			
Liabilities Extinguished on Settlements			
Fair value of Plan Assets, End of Period [Reference: Ind AS 19 para 120A (e)]	1,65,090	21,58,035	23,23,125
Current/ Non Current Benefit Obligation			
Current Liability			
Non Current Liability	1,55,259	(5,16,963)	(3,61,704)
Liability/(Asset) Recognised in the Balance Sheet [Reference: Revised Companies' Schedule IV]	1,55,259	(5,16,963)	(3,61,704)
<b>B. Leave Salary</b>			
Change in Present Value of Benefit Obligation during the Period	Increase/(Decrease)	Year ended 31.3.2017	Year ended 31.3.2018
Defined Benefit Obligation, Beginning of Period	2,16,358	6,39,759	8,56,117
Current Service Cost	5,312	1,73,948	1,79,260
Interest Cost	10,772	48,289	59,061
Actual Plan Participants' Contributions			
Actuarial (Gains)/Losses	(1,46,444)	27,463	(1,18,981)
Acquisition/Business Combination/Divestiture			
Actual Benefits Paid	(49,614)	(33,342)	(82,956)
Past Service Cost			
Change in Foreign Currency Exchange Rates			
Loss/ (Gains) on Curtailments			
Liabilities Extinguished on Settlements			
Defined Benefit Obligation, End of Period [Reference : Ind AS19 para 120A (C)]	36,384	8,56,117	8,92,501



Current/ Non Current Benefit Obligation	Increase/(Decrease)	Year ended	Year ended
		31.3.2017	31.3.2018
Current Liability	(30,463)	43,738	13,275
Non Current Liability	66,847	8,12,379	8,79,226
Liability/(Asset) Recognised in the Balance Sheet	36,384	8,56,117	8,92,501
[Reference: Revised Companies' Schedule IV]			

## 34 Related party disclosures as required under INDAS-24 are given below:

## Wholly Owned Subsidiary Company:

Farco Foods Private Limited

## Associate Companies:

Shervani Hospitalities Limited

Youngtronics India Private Limited

Key Managerial Personnel (KMP):

Mr. Saleem Iqbal Shervani

Managing Director

Mr. Tahir Hasan

Whole-time Director &amp; C.F.O.

Mr. B. K. Misra

Company Secretary, (upto 23.04.2018)

Mr. S. K. Shukla

Company Secretary, (w.e.f. 24.04.2018)

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 Non Executive

Mrs. Shefali Bansal

Director Non Executive

## Related parties with whom transactions have taken place:

	KMP and Other Directors	Relative of KMP	Associate Companies	Subsidiary Company
Remuneration including retirement benefit				
Current Year	49,91,125	32,02,874	-	-
(Previous Year)	(26,72,787)	(30,46,319)	-	-
Rent paid				
Current Year	1,02,000	-	-	-
(Previous Year)	(96,000)	-	-	-
Rent received				
Current Year	-	-	87,120	-
(Previous Year)	-	-	(87,120)	-
Sitting Fee				
Current Year	2,70,000	-	-	-
(Previous Year)	(2,10,000)	-	-	-
Loans:				
Balance(Net of Provision) at the beginning and at the end of the year:				
Current Year	-	-	-	4,89,72,861
(Previous Year)	-	-	(84,521)	(4,89,72,861)

Previous year figures are in brackets.

- 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 "Ind AS 101 (First-Time Adoption of Indian Accounting Standards) provides a suitable point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the opening Balance Sheet as per Ind AS as of 1<sup>st</sup> April, 2016 (the transition date) by:"
- (i) recognizing all assets and liabilities whose recognition is required by Ind AS.
- (ii) not recognizing items of assets or liabilities which are not permitted by Ind AS.
- (iii) reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required Under Ind AS, and
- (iv) applying Ind AS in measurement of recognized assets and liabilities.
- 39 Effect of Ind AS adoption on the standalone Balance sheet as 31<sup>st</sup> March 2017

ASSETS	Previous GAAP Rs.	As at 31 <sup>st</sup> March, 2017	
		Effect of Transition To IND AS Rs.	As per IND AS Balance Sheet Rs.
Non-Current Assets:			
Property, Plant and Equipment	5,92,70,878	-	5,92,70,878
Financial Assets			
Investments	10,42,98,000	-	10,42,98,000
Other Financial Assets	2,96,73,437	-	2,96,73,437
Deffered tax assets (Net)	63,70,211	-	63,70,211
Total Non Current Assets	<u>19,96,12,526</u>	<u>-</u>	<u>19,96,12,526</u>
Current Assets:			
Inventories	1,33,95,03,040	-	1,33,95,03,040
Financial Assets			
Investments	9,00,20,400	12,91,609	9,13,12,009
Trade Receivables	23,51,57,544	-	23,51,57,545
Cash and Cash Equivalents	7,06,48,693	-	7,06,48,693
Other Bank Balances	11,35,73,444	-	11,35,73,444
Loans	4,89,72,861	-	4,89,72,861
Other Financial Assets:	27,38,232	-	27,38,232
Other Current Assets	2,28,39,272	-	1,41,36,967
Total Current Assets	<u>1,92,34,53,486</u>	<u>12,91,609</u>	<u>1,91,60,42,791</u>
TOTAL ASSETS	<u>2,12,30,66,013</u>	<u>12,91,609</u>	<u>2,11,56,55,317</u>
EQUITY AND LIABILITIES			
Equity:			
Equity Share Capital	3,28,02,500	-	3,28,02,500
Other Equity	1,95,38,54,457	12,91,609	1,95,51,46,066
Total Equity	<u>1,98,66,56,957</u>	<u>12,91,609</u>	<u>1,98,79,48,566</u>
Liabilities:			
Non-Current Liabilities:			
Financial Liabilities			
Borrowings	6,74,479	-	6,74,479
Provisions	8,12,379	-	8,12,379
Total Non Current liability	<u>14,86,858</u>	<u>-</u>	<u>14,86,858</u>

	Previous GAAP Rs.	As at 31 <sup>st</sup> March, 2017 Effect of Transition To Ind AS Rs.	As per Ind AS Balance Sheet Rs.
Current Liabilities:			
Financial Liabilities			
Borrowings	89,66,604	-	89,66,604
Trade Payables	23,43,001	-	23,43,001
Other Financial Liabilities	8,85,638	-	8,85,638
Other Current Liabilities	8,26,83,218	-	8,26,83,218
Provisions	43,738	-	43,738
Current Tax liability (Net)	4,00,00,000	-	3,12,97,694
Total current liability	<u>13,49,22,199</u>	<u>-</u>	<u>12,62,19,893</u>
Total Equity and Liability	<u>2,12,30,66,014</u>	<u>12,91,609</u>	<u>2,11,56,55,317</u>

\*The previous GAAP figures have been reclassified to confirm to IND AS presentation requirement for the purpose of this note.

40	Reconciliation of Equity reported under previous GAAP is summarized below:	As At 31 <sup>st</sup> March, 2017
	Equity as reported under previous GAAP	1,95,38,54,457
	Impact of measuring investment through OCI ( net of tax )	12,91,609
	Equity as reported under Ind AS	1,95,51,46,066
41	Reconciliation of total comprehensive income for the year ended 31st March 2017 is summarised below :	
	Profit after tax as reported under previous GAAP	15,03,68,804
	Impact of measuring investment through OCI ( net of tax )	12,91,609
	Profit after tax as reported under Ind AS	15,16,60,413
42	CONTINGENT LIABILITIES AND COMMITMENTS:	
	Guarantee given by Company in favour of HDFC Bank Ltd. on behalf of Shervani Hospitalities Ltd. ( an Associate Company) for credit facility extended to them.	-
	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.1,00,00,000/- Rs.9,00,00,000/-
43	EVENTS AFTER THE REPORTING PERIOD:	
	After the reporting date, the following dividends are proposed by the Board of Directors and have not been recognised as liabilities and there are no tax consequences.	Amount in Rs.
	Proposed Interim Dividend for the year ended 31 <sup>st</sup> March, 2018 is Rs. 80/- per Equity Share and Rs. 200/- per Deferred Share	25,08,81,440
	Dividend Distribution Tax	5,15,69,500

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

We have audited the accompanying consolidated Ind AS financial statements of SHERVANI INDUSTRIAL SYNDICATE LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate entities, comprising the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, Consolidated Statement of changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated

financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and its associate entities, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the group, its associates as at March 31, 2018, their consolidated profit (including other comprehensive income), their consolidated cash flow and consolidated statement of changes in equity for the year ended on that date.

**Other Matters**

(a) The consolidated financial statements also include the Group's share of net Profit of Rs.10,89,913 (net) for the year ended 31<sup>st</sup> March, 2018, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the reports of the other auditors.

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

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of associates, as noted in the 'other matter' paragraph, 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, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity 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 Indian 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 31<sup>st</sup> March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associates incorporated in India, none of the Directors of the Group Companies incorporated in India is disqualified as on 31<sup>st</sup> March 2018 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 Holding

Company and its subsidiary company incorporated in India 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the associate entity, as noted in the 'Other matter' paragraph:
  - (i) There was no pending litigation which would impact the financial position of the company.
  - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31<sup>st</sup> March 2018.
  - (iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company, its subsidiary and associates incorporated in India during the year ended 31<sup>st</sup> March 2018.

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

Rajendra Gupta  
(Partner)  
Membership Number: 073250

Place : KANPUR  
Date : May 29, 2018

**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 31<sup>st</sup> March, 2018, 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 authorisation 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<sup>st</sup> March 2018, 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 29, 2018

**CONSOLIDATED****BALANCE SHEET**

	Note No.	As at 31 <sup>st</sup> March, 2018 Rs.	As at 31 <sup>st</sup> March, 2017 Rs.	As at 01 <sup>st</sup> April, 2016 Rs.
<b>ASSETS</b>				
Non-Current Assets:				
Property, Plant and Equipment	2	8,59,70,185	6,56,47,386	6,77,42,791
Financial Assets				
Financial Assets	3	4,28,99,149	4,18,09,236	4,31,55,632
Other Financial Assets	4	2,95,76,263	2,96,73,437	2,97,37,375
Deferred Tax Assets (Net)	5	52,51,286	72,39,056	62,34,474
Goodwill on Consolidation (Net)		5,81,64,204	5,81,64,204	5,81,64,204
Current Assets:				
Inventories	6	90,44,60,666	1,33,95,03,040	1,51,63,14,623
Financial Assets				
Investments	7	11,01,72,842	9,13,12,009	1,69,80,400
Trade Receivables	8	36,20,57,379	23,86,17,088	11,78,60,306
Cash and Cash Equivalents	9	9,85,92,194	8,99,43,328	5,22,07,667
Other Bank Balances	10	35,57,56,785	12,01,73,328	12,53,01,600
Other Financial Assets	11	48,97,757	36,10,884	43,82,290
Other Current Assets	12	3,62,30,043	1,46,30,841	25,92,474
<b>TOTAL ASSETS</b>		<b>2,09,40,28,753</b>	<b>2,10,03,23,837</b>	<b>2,04,06,73,836</b>
<b>EQUITY AND LIABILITIES</b>				
Equity:				
Equity Share Capital	13	3,13,60,180	3,28,02,500	3,28,02,500
Other Equity	14	1,93,40,05,286	1,93,63,49,039	1,85,93,67,014
Liabilities:				
Non-Current Liabilities:				
Financial Liabilities				
Borrowings	15	1,29,54,683	6,74,479	10,88,752
Provisions	16	8,79,226	8,12,379	6,30,172
Current Liabilities:				
Financial Liabilities				
Borrowings	17	5,13,80,430	89,66,604	7,66,74,445
Trade Payables	18	54,88,821	43,41,584	17,75,227
Other Financial Liabilities	19	42,87,416	8,85,638	19,44,961
Other Current Liabilities	20	4,01,48,260	8,51,50,547	3,36,79,343
Provisions	21	13,275	43,738	9,587
Current Tax Liabilities(Net)		1,35,11,176	3,02,97,329	3,27,01,835
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,09,40,28,753</b>	<b>2,10,03,23,837</b>	<b>2,04,06,73,836</b>
Significant Accounting Policies & Notes on Financial Statements	1-39			

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 : Allahabad  
Date : May 29, 2018

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

PARTICULARS	Note No.	Year ended	Year ended
		March 31, 2018	March 31, 2017
REVENUE FROM OPERATIONS		Rs.	Rs.
Revenue From Operations	22	1,16,90,10,488	46,08,19,248
Other Income	23	1,69,67,294	1,80,86,888
<b>TOTAL REVENUE</b>		<b>1,18,59,77,782</b>	<b>47,89,06,136</b>
EXPENSES:			
Cost of Construction & Development Expenses	24	19,53,99,816	9,61,98,878
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	25	42,86,01,649	18,30,40,056
Employee benefit expenses	26	3,28,95,446	2,27,95,881
Finance costs		9,08,508	19,88,398
Depreciation and amortization expense		48,06,586	42,45,352
Other expenses	27	5,59,00,635	4,99,26,106
<b>TOTAL EXPENSES</b>		<b>71,85,12,640</b>	<b>35,81,94,671</b>
Profit before tax and exceptional items		46,74,65,142	12,07,11,465
Exceptional items (Provision for doubtful loan written back)		-	3,52,84,000
Profit before tax and share of profit in Associate Companies		46,74,65,142	15,59,95,465
Share of profit in Associate Companies		10,89,913	16,53,604
Profit before tax after share of profit in Associate Companies		<b>46,85,55,055</b>	<b>15,76,49,069</b>
Tax expense:			
Current Tax	28	9,00,66,360	-
Deffered Tax		15,80,777	(8,68,845)
Income Tax of Earlier Year		4,06,993	(1,35,737)
<b>PROFIT FOR THE YEAR</b>		<b>37,65,00,925</b>	<b>15,86,53,651</b>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Fair Value change on Equity Instrument through other Comprehensive Income (Net of Tax)		43,49,425	12,91,609
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>38,08,50,350</b>	<b>15,99,45,260</b>
Earnings per equity share (face value of Rs. 10/- each)	30		
Basic and Diluted		120.06	48.37
Significant Accounting Policies & Notes to Financial Statements	1-39		

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 : Allahabad  
Date : May 29, 2018



# CONSOLIDATED

## Statements of changes in Equity for the year ended 31<sup>st</sup> March, 2018

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, 2017	3,28,02,500	-	3,28,02,500
For the year ended 31 <sup>st</sup> March, 2018	3,28,02,500	(14,42,320)	3,13,60,180

	Reserve and Surplus							(Amount in Rs.) Total
	Securities Premium Reserve	Capital Subsidy Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Capital Reserve on Revaluation of Land	Other Comprehensive Income	
As on 31 <sup>st</sup> MARCH 2017								
Balance as at the beginning of the reporting period i.e. 1 <sup>st</sup> April, 2016	38,40,909	19,26,616	52,89,12,956	20,00,000	(18,84,92,647)	1,51,11,79,180	-	1,85,93,67,014
Movement in OCI during the year	-	-	-	-	-	-	12,91,609	12,91,609
Transfer to profit and loss statement	-	-	-	-	-	(5,29,63,235)	-	(5,29,63,235)
Profit for the year	-	-	-	-	15,86,53,651	-	-	15,86,53,651
Provision made against loan to subsidiary company written back during the year	-	-	-	-	(3,00,00,000)	-	-	(3,00,00,000)
Balance at the end of the reporting period i.e. 31 <sup>st</sup> March, 2017	38,40,909	19,26,616	52,89,12,956	20,00,000	(5,98,38,996)	1,45,82,15,945	12,91,609	1,93,63,49,039
As on 31 <sup>st</sup> MARCH 2018								
Balance at the beginning of the reporting period i.e. 1 <sup>st</sup> April, 2017	38,40,909	19,26,616	52,89,12,956	20,00,000	(5,98,38,996)	1,45,82,15,945	12,91,609	1,93,63,49,039
Movement in OCI during the year	-	-	-	-	-	-	43,49,425	43,49,425
Utilised for Buyback of Equity shares	(38,40,909)	-	(2,42,84,331)	-	-	-	-	(2,81,25,240)
Transfer to Capital Redemption Reserve	-	-	(14,42,320)	14,42,320	-	-	-	-
Transfer to/from profit and loss statement	-	-	-	-	-	(33,61,96,573)	-	(33,61,96,573)
Net Profit for the year	-	-	-	-	37,65,00,925	-	-	37,65,00,925
Interim Dividend Paid during year	-	-	-	-	(1,56,80,090)	-	-	(1,56,80,090)
Tax on Interim Dividend	-	-	-	-	(31,92,200)	-	-	(31,92,200)
Transfer to General Reserve	-	-	15,00,000	-	(15,00,000)	-	-	-
Balance at the end of the reporting period i.e. 31 <sup>st</sup> March, 2018	-	19,26,616	50,46,86,305	34,42,320	29,62,89,639	1,12,20,19,372	56,41,034	1,93,40,05,286

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

	2017-2018		2016-2017		2015-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>						
Profit/(Loss) Before Tax		46,85,55,056		15,76,49,069		(1,16,04,161)
Adjustment For :						
Share of Profit in Associate Companies	(10,89,913)		(16,53,604)			
Exceptional item (Provision for Doubtful Loan written back)	-		(3,52,84,000)			
Transfer from Capital Reserve on revaluation of land	(33,61,96,573)		(5,29,63,235)			
Depreciation	48,06,586		42,45,351		18,79,409	
Loss /(Profit) on sale of assets	7,71,589		1,05,105		7,16,134	
Interest Paid	9,08,508		19,88,398		13,89,653	
Interest Received	(1,46,83,844)		(1,42,34,459)		(1,18,37,726)	
Dividend Received	(9,000)		(8,500)		(72,375)	
Sundry Balance written off	-		4,94,996			
(Profit)/Loss on Sale of Investments	<u>(6,99,278)</u>	<u>(34,61,91,925)</u>	<u>(32,62,341)</u>	<u>(10,05,72,289)</u>	<u>(25,49,885)</u>	<u>(1,04,74,790)</u>
Diminution in the value of Investments no longer required					(24,00,346)	
Diminution in the value of current investment					5,54,174	(1,23,20,961)
Operating Profit before Working Capital Changes		<u>12,23,63,131</u>		<u>5,70,76,780</u>		<u>(2,39,25,122)</u>
Adjustment For :						
(Increase)/Decrease in Trade and other receivables	(14,50,39,495)		(12,80,06,142)		36,54,000	
(Increase)/Decrease in Other Non current Financial Assets	97,174		63,938			
(Increase)/Decrease in Inventories	43,50,42,374		17,68,11,582		(4,01,47,031)	
Increase/(Decrease) in Trade Payables	<u>(4,38,78,505)</u>	<u>24,62,21,548</u>	<u>5,41,93,110</u>	<u>10,30,62,488</u>	<u>(1,07,35,290)</u>	<u>(4,72,28,322)</u>
Cash generated in operation		<u>36,85,84,679</u>		<u>16,01,39,268</u>		<u>(7,11,53,444)</u>
Add/(Deduct) For :						
Direct tax paid	(10,68,52,513)		(24,04,505)		(13,84,951)	
Net Cash from operating activities (Total – A)		<u>26,17,32,166</u>		<u>15,77,34,763</u>		<u>(7,25,38,395)</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>						
Investment in Capital Work In Progress		-		-		(98,53,987)
Purchase of Fixed Assets	(2,67,42,252)		(24,45,529)		(79,42,306)	
Sale of Fixed Assets	8,41,278		1,90,476		10,07,201	
Purchase of Current Investments (Net of Sales)	(1,38,12,129)		(7,08,45,659)		21,01,758	
Movement in Fixed Deposits	(23,55,83,457)		51,28,272		-	
Sale of Other Investments	-		40,68,000		-	
Dividend Received	9,000		8,500		72,375	
Interest received	1,33,96,971		1,50,05,865		1,21,31,007	
Net Cash used in investing activities (Total - B)		<u>(26,18,90,589)</u>		<u>(4,88,90,075)</u>		<u>(24,83,953)</u>

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

	2017-2018		2016-2017		2015-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
C) CASH FLOW FROM FINANCING ACTIVITIES						
Buy back of Equity Shares		(2,95,67,560)		-		
Loans & Borrowings		5,81,55,647		(6,91,20,629)		5,77,94,928
Interest Paid		(9,08,508)		(19,88,398)		(13,98,653)
Dividend Paid		(1,56,80,090)		-		-
Tax on Dividend		(31,92,200)		-		-
Net Cash (used in)/from						
Financing Activities (Total – C)		<u>88,07,289</u>		<u>(7,11,09,027)</u>		<u>5,63,96,275</u>
Net Increase / (Decrease)in Cash						
and Cash Equivalents (A+B+C)		<u>86,48,866</u>		<u>3,77,35,661</u>		<u>(1,86,26,073)</u>
Add : Cash and Cash Equivalents		8,99,43,328		5,22,07,667		14,55,78,394
Closing Cash and Cash Equivalent		<u>9,85,92,194</u>		<u>8,99,43,328</u>		<u>12,69,52,321</u>

## 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 : Allahabad  
Date : May 29, 2018

**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, Allahabad-211011.

**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.

Upto the year ended March 31, 2017, the Group has prepared its consolidated financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP".

These consolidated financial statements are the Groups first Ind AS consolidated financial statements. The figures for the previous year have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

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

**(ii) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements related to Shervani Industrial Syndicate Limited ('the Company'), 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 like 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:

Name of the Company	Country of Incorporation	Holding as on 31 <sup>st</sup> March, 2018
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, 2018
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**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2018

## 2. PROPERTY, PLANT AND EQUIPMENT:

PARTICULARS	GROSS BLOCK						
	As at 1 <sup>st</sup> April, 2016	Additions	Deductions /Adjustments	As at 31 <sup>st</sup> March, 2017	Additions	Deductions/ Adjustments	As at 31 <sup>st</sup> March, 2018
Freehold Land	1,71,31,323	-	-	1,71,31,323	-	-	1,71,31,323
Leasehold Land	5,179	-	-	5,179	-	-	5,179
Factory Building	60,28,619	-	-	60,28,619	3,75,570	-	64,04,189
Non-Factory Building	3,71,66,333	-	-	3,71,66,333	-	-	3,71,66,333
Plant and Equipments	1,70,24,305	5,99,740	-	1,76,24,045	33,02,089	-	2,09,26,134
Furniture and Fixture	18,87,801	-	-	18,87,801	-	-	18,87,801
Vehicles (Cars)	1,86,84,489	17,14,762	5,27,855	1,98,71,396	2,28,78,033	36,31,244	3,91,18,185
Office Equipments	1,93,780	63,425	-	2,57,205	66,560	65,000	2,58,765
Computers	52,57,470	67,600	-	53,25,070	1,20,000	-	54,45,070
	<u>10,33,79,299</u>	<u>24,45,527</u>	<u>5,27,855</u>	<u>10,52,96,971</u>	<u>2,67,42,252</u>	<u>36,96,244</u>	<u>12,83,42,979</u>

PARTICULARS	DEPRECIATION AND AMORTIZATION						
	Upto 1 <sup>st</sup> April, 2016	For The Year	Deductions	Upto 31 <sup>st</sup> March, 2017	For The Year	Deductions	Upto 31 <sup>st</sup> March, 2018
Freehold Land	-	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-	-
Factory Building	33,96,699	1,93,375	-	35,90,074	1,99,321	-	37,89,395
Non-Factory Building	53,82,428	5,63,882	-	59,46,310	5,63,882	-	65,10,192
Plant and Equipments	1,29,79,811	11,79,261	-	1,41,59,072	6,56,150	-	1,48,15,222
Furniture and Fixture	15,65,997	52,412	-	16,18,409	52,412	-	16,70,821
Vehicles (Cars)	71,87,409	22,07,332	2,32,274	91,62,467	32,64,621	20,21,627	1,04,05,461
Office Equipments	1,49,541	14,235	-	1,63,776	29,793	61,750	1,31,819
Computers	49,74,623	34,854	-	50,09,477	40,407	-	50,49,884
	<u>3,56,36,508</u>	<u>42,45,351</u>	<u>2,32,274</u>	<u>3,96,49,585</u>	<u>48,06,586</u>	<u>20,83,377</u>	<u>4,23,72,794</u>

PARTICULARS	NET BLOCK		
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
Freehold Land	1,71,31,323	1,71,31,323	1,71,31,323
Leasehold Land	5,179	5,179	5,179
Factory Building	26,14,794	24,38,545	26,31,920
Non-Factory Building	3,06,56,141	3,12,20,023	3,17,83,905
Plant and Equipments	61,10,912	34,64,973	40,44,494
Furniture and Fixture	2,16,980	2,69,392	3,21,804
Vehicles (Cars)	2,87,12,724	1,07,08,929	1,14,97,080
Office Equipments	1,26,946	93,429	44,239
Computers	3,95,186	3,15,593	2,82,847
	<u>8,59,70,185</u>	<u>6,56,47,386</u>	<u>6,77,42,791</u>

# CONSOLIDATED

# NOTES

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>NON CURRENT ASSETS</b>			
3 Non Current Investments			
In Associate Companies :			
2265750 Shervani Hospitalities Limited	3,05,90,007	2,85,57,765	2,67,88,380
(2265750) equity shares of Rs. 10/- each			
((2265750))			
- Youngtronics India Private	-	6,46,471	7,62,252
(85000) Limited equity shares of Rs. 10/- each			
((85000))			
460000 6% Non-Cumulative Redeemable	43,04,142	46,00,000	46,00,000
(460000) Preference shares of Rs. 10/- each			
((460000)) of Youngtronics India Private Ltd.			
Total (A)	<u>3,48,94,149</u>	<u>3,38,04,236</u>	<u>3,21,50,632</u>
Other Investment			
Investment at cost			
Investment in preference shares (Unquoted)			
80000 6% non-cumulative preference shares of	80,00,000	80,00,000	80,00,000
(80000) India Global Exports Private Ltd.			
((80000)) of Rs. 100/- each			
Total (B)	<u>80,00,000</u>	<u>80,00,000</u>	<u>80,00,000</u>
Investment in equity instruments (Unquoted)			
500 Shares of Super Bazar Co-operative	5,000	5,000	5,000
(500) Stores Ltd. of Rs. 10/- each			
((500))			
- Equity shares of Shervani Sugar	-	-	30,00,000
(-) Syndicate Ltd. of Rs. 10/- each			
((300000))			
Total (C)	<u>5,000</u>	<u>5,000</u>	<u>30,05,000</u>
Total (A+B+C)	<u>4,28,99,149</u>	<u>4,18,09,236</u>	<u>4,31,55,632</u>
Aggregate value of Unquoted investment	4,28,99,149	4,18,09,236	4,31,55,632
Amount of Investment measured at Cost	4,28,99,149	4,18,09,236	4,31,55,632
4 Other Non Current Financial Assets			
Unpaid Dividend	3,84,153	4,81,327	5,45,265
Fixed Deposit (Pledged)	48,92,110	48,92,110	48,92,110
Share Application Money India Global Exports Pvt. Limited	2,43,00,000	2,43,00,000	2,43,00,000
Total	<u>2,95,76,263</u>	<u>2,96,73,437</u>	<u>2,97,37,375</u>
5 Deffered Tax Assets(Net)			
Deferred Tax Liabilities:			
Related to Property, Plant and Equipment	59,37,282	-	-
Deferred Tax Assets:			
Related to Property, Plant and Equipment	-	8,68,845	-
Mat Credit Entitlement	59,63,218	63,70,211	62,34,474
Timing Difference	52,25,350	-	-
Total	<u>52,51,286</u>	<u>72,39,056</u>	<u>62,34,474</u>
<b>CURRENT ASSETS</b>			
6 Inventories			
Work In Progress (Real Estate)	15,45,12,185	22,78,14,979	14,67,35,124
Finished Goods	3,21,115	3,21,115	3,21,115
Stock-in-trade (Land and expenses thereon)	74,96,27,366	1,10,49,26,221	1,36,90,46,132
Store & Spares	-	1,94,766	2,12,252
Construction material at site	-	62,45,959	-
Total	<u>90,44,60,666</u>	<u>1,33,95,03,040</u>	<u>1,51,63,14,623</u>

**CONSOLIDATED****NOTES**

	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 01<sup>st</sup> April, 2016</b>
7 Current Investment			
Investment in Equity Instruments (Quoted)			
Measured at FVOCI			
1000 Equity Shares of Reliance Infra Limited	4,26,750	5,65,471	5,33,600
(1000) of Rs.10/- Each,			
((1000))			
10000 Equity Shares of Cerebra Integrated	4,97,218	3,86,962	1,59,000
(10000) Technologies of Rs.10/- Each,			
((10000))			
Total value of Quoted Investment	<u>9,23,968</u>	<u>9,52,433</u>	<u>6,92,600</u>
Investment in Mutual Fund (Unquoted)			
- SBI Bluechip Fund Regular (Growth) of	-	-	61,07,900
(-) Rs.10/- Each			
((217658.177))			
- SBI Small & Midcap Fund Regular (Growth)	-	-	1,01,79,900
(-) of Rs.10/- Each			
((334356.474))			
116133.968 SBI Magnum Midcap Fund	89,82,842	85,46,732	-
(116133.968) (Growth) of Rs.10/- Each			
((-))			
214214.372 SBI Magnum Multicap Fund	94,90,084	86,33,034	-
(214214.372) (Growth) of Rs.10/- Each			
((-))			
250000 Union Capital Protection Oriented	26,15,903	24,98,016	-
(250000) Fund (Growth) of Rs.10/- Each			
((-))			
- SBI Savings Fund (Growth) of Rs.10/- Each	-	1,49,92,095	-
(594552.279)			
((-))			
- Birla Sunlife Cash Manager Fund (Growth) of	-	2,00,04,143	-
(51276.141) Rs.10/- Each			
((-))			
16602.304 Birla Sunlife Equity Fund (Growth)	1,11,71,437	1,03,43,867	-
(16602.304) of Rs.10/- Each			
((-))			
- Canara Robeco Yield Advantage	-	1,50,16,550	-
(976060.334) Fund (Growth) of Rs.10/-Each			
((-))			
260197.231 Mirae Asset India Opportunities	1,13,53,759	1,03,25,139	-
(260197.231) Fund (Growth) of Rs.10/-Each			
((-))			
149170.595 DSP BR Equity Fund (Growth)	53,84,097	-	-
(-) of Rs. 10/-each			
((-))			
51421.034 DSP BR Equity Opportunities Fund	1,07,39,639	-	-
(-) of Rs.10/- each			
((-))			
190001.634 BSL Top 100 Fund of Rs.10/-	1,03,85,917	-	-
(-) Each			
((-))			

# CONSOLIDATED

# NOTES

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
136732.158 Canara Robeco Equity Diversified (-) Regular (Growth) of Rs.10/- Each (-)	1,61,22,621	-	-
150000 Union Capital Protection Oriented (-) Fund -Series 8-(Growth) of Rs.10/- Each (-)	15,25,273	-	-
149990 Union PFG-Union Balanced (-) Advantage Fund (Growth) of Rs.10/- each (-)	14,77,402	-	-
1999990 SBI Long term Advantage Fund (-) Series V- Growth of Rs.10/- each (-)	1,99,99,900	-	-
* () for 31 <sup>st</sup> March, 2017 * () for 1 <sup>st</sup> April, 2016			
Total value of Unquoted Investment	<u>10,92,48,874</u>	<u>9,03,59,576</u>	<u>1,62,87,800</u>
<b>TOTAL AGGREGATE VALUE OF INVESTMENT MEASURED AT FVOCI</b>	<u>11,01,72,842</u>	<u>9,13,12,009</u>	<u>1,69,80,400</u>
Investment measured at FVOCI	11,01,72,842	9,13,12,009	1,69,80,400
Total Value of Unquoted Investment	10,92,48,874	9,03,59,576	1,62,87,800
Aggregate amount of Impairment in value of Investment	-	-	12,18,785
<b>8 Trade Receivables</b>			
Unsecured, considered good-Unbilled Revenue	<u>36,20,57,379</u>	<u>23,86,17,088</u>	<u>11,78,60,306</u>
Total	<u>36,20,57,379</u>	<u>23,86,17,088</u>	<u>11,78,60,306</u>
<b>9 Cash and Cash Equivalent</b>			
Balance With Banks			
In current account	8,22,36,225	6,09,09,614	5,18,87,790
In Fixed Deposit (Pledged)	1,35,36,221	1,18,30,610	-
Cash In Hand	28,19,748	1,72,03,104	3,19,877
Total	<u>9,85,92,194</u>	<u>8,99,43,328</u>	<u>5,22,07,667</u>
<b>10 Other Bank Balances</b>			
In Fixed Deposit (Pledged with bank Rs. 9,64,75,598) (F.Y. 16-17: Rs. 9,60,22,442; F.Y. 15-16: Rs. 10,91,31,905) against Over draft facilities	<u>35,57,56,785</u>	<u>12,01,73,328</u>	<u>12,53,01,600</u>
Total	<u>35,57,56,785</u>	<u>12,01,73,328</u>	<u>12,53,01,600</u>
<b>11 Other Financial Assets</b>			
Interest accrued on FDR with Bank	<u>48,97,757</u>	<u>36,10,884</u>	<u>43,82,290</u>
Total	<u>48,97,757</u>	<u>36,10,884</u>	<u>43,82,290</u>
<b>12 Other Current Assets</b>			
Unsecured Considered Good			
Security deposit	7,01,359	7,01,359	4,98,932
Prepaid expenses	3,06,316	2,97,273	1,39,798
Balance with central excise department	-	7,96,436	1,08,451
GST Input Credit	70,53,278	-	-
Advance to others :			
Good	2,81,69,090	1,28,35,773	18,45,293
Doubtful	-	-	19,55,64,000
	<u>3,62,30,043</u>	<u>1,46,30,841</u>	<u>19,81,56,474</u>
Less:- Allowance for bad and doubtful debts	-	-	19,55,64,000
Total	<u>3,62,30,043</u>	<u>1,46,30,841</u>	<u>25,92,474</u>



# CONSOLIDATED

# NOTES

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>EQUITY</b>			
13 Share Capital			
Authorised:			
6280000 Equity Shares of Rs. 10/- each	6,28,00,000	6,28,00,000	6,28,00,000
20000 Cumulative Redeemable Preference Shares of Rs. 100/- each	20,00,000	20,00,000	20,00,000
8,000 Deferred Shares of Rs. 25/- each	2,00,000	2,00,000	2,00,000
Total	<u>6,50,00,000</u>	<u>6,50,00,000</u>	<u>6,50,00,000</u>
Issued, Subscribed & Paid Up			
3116018 Equity Shares of Rs. 10/- each fully paid up	3,11,60,180	3,26,02,500	3,26,02,500
8000 Deferred Shares of Rs. 25/- each fully paid up	2,00,000	2,00,000	2,00,000
Total	<u>3,13,60,180</u>	<u>3,28,02,500</u>	<u>3,28,02,500</u>
<p>The company has bought back its 1,44,232 no. of equity shares during the year @ of Rs. 205 per share ( face value of Rs 10/- each fully paid up) through tender offer as approved by Board of Directors in 308<sup>th</sup> Meeting held on 14.08.2017. Post such buy back the number of equity share as on 31.3.2018 stands at 31,16,018.</p>			
<p>The Reconciliation of number of shares outstanding at the beginning and end of the year:</p>			
Particulars	No. of Shares	No. of Shares	No. of Shares
Equity			
At the beginning of the year	32,60,250	32,60,250	32,60,250
Changes during the year (Shares bought back during the year)	(1,44,232)	-	-
At the end of the year	31,16,018	32,60,250	32,60,250
Deferred			
At the beginning of the year	8,000	8,000	8,000
Changes during the year	-	-	-
At the end of the year	8,000	8,000	8,000
14 Other Equity			
Security Premium Reserve			
Balance at the beginning of the year	38,40,909	38,40,909	38,40,909
Utilised for buy back of Equity Shares	(38,40,909)	-	-
Balance at the end of the year	<u>-</u>	<u>38,40,909</u>	<u>38,40,909</u>
Capital Subsidy Reserve			
Balance at the beginning of the year	19,26,616	19,26,616	19,26,616
Balance at the end of the year	<u>19,26,616</u>	<u>19,26,616</u>	<u>19,26,616</u>
General Reserve			
Balance at the beginning of the year	52,89,12,956	52,89,12,956	52,89,12,956
Utilised for buy back of Equity Shares	(2,42,84,331)	-	-
Transfer to Capital Redemption Reserve	(14,42,320)	-	-
Transfer from Retained Earnings	15,00,000	-	-
Balance at the end of the year	<u>50,46,86,305</u>	<u>52,89,12,956</u>	<u>52,89,12,956</u>
Capital Redemption Reserve			
Balance at the beginning of the year	20,00,000	20,00,000	20,00,000
Transfer from General Reserve	14,42,320	-	-
Balance at the end of the year	<u>34,42,320</u>	<u>20,00,000</u>	<u>20,00,000</u>
Capital Reserve on Revaluation of Land			
Balance at the beginning of the year	1,45,82,15,945	1,51,11,79,180	1,51,11,79,180
Less:- Transfer to profit and loss statement	33,61,96,573	5,29,63,235	-
Balance at the end of the year	<u>1,12,20,19,372</u>	<u>1,45,82,15,945</u>	<u>1,51,11,79,180</u>

**CONSOLIDATED****NOTES**

	<b>As at 31<sup>st</sup> March, 2018</b>	<b>As at 31<sup>st</sup> March, 2017</b>	<b>As at 01<sup>st</sup> April, 2016</b>
Retained Earnings			
Balance at the beginning of the year	(5,98,38,996)	(18,84,92,647)	(18,84,92,647)
Add:- Net Profit for the year	<u>37,65,00,925</u>	<u>15,86,53,651</u>	<u>-</u>
	<u>31,66,61,929</u>	<u>(2,98,38,996)</u>	<u>(18,84,92,647)</u>
Less: Provision made against loan to Subsidiary			
Company written back during the year	-	(3,00,00,000)	-
Interim Dividend Paid	(1,56,80,090)	-	-
Tax on Interim Dividend	(31,92,200)	-	-
Transfer to General Reserve	<u>(15,00,000)</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>29,62,89,639</u>	<u>(5,98,38,996)</u>	<u>(18,84,92,647)</u>
Other Comprehensive Income(OCI)			
As per last Balance Sheet	12,91,609	-	-
Add:- Movement in OCI (Net of Tax) during the year	43,49,425	12,91,609	-
Closing balance at the end of the year	<u>56,41,034</u>	<u>12,91,609</u>	<u>-</u>
Total	<u>1,93,40,05,286</u>	<u>1,93,63,49,039</u>	<u>1,85,93,67,014</u>
<b>NON CURRENT LIABILITIES</b>			
15 Borrowings			
Secured Loan			
Vehicle Loans(Secured by hypothecation of vehicle)	1,29,54,683	6,74,479	10,88,752
Total	<u>1,29,54,683</u>	<u>6,74,479</u>	<u>10,88,752</u>
16 Provisions			
Provision for employees benefit	8,79,226	8,12,379	6,30,172
Total	<u>8,79,226</u>	<u>8,12,379</u>	<u>6,30,172</u>
<b>CURRENT LIABILITIES</b>			
17 Borrowings			
Secured Loan From Banks			
Overdraft from Union Bank of India (Secured by hypothecation of fixed deposit)	5,13,80,430	89,66,604	6,49,68,438
Overdraft from State Bank of India (Secured by Equitable Mortgage of immovable property situated at villages Sulem Sarai, Jairampur and Harwara and also guaranteed by Managing Director of the Company)	-	-	1,17,06,007
Total	<u>5,13,80,430</u>	<u>89,66,604</u>	<u>7,66,74,445</u>
18 Trade Payables	54,88,821	43,41,584	17,75,227
Total	<u>54,88,821</u>	<u>43,41,584</u>	<u>17,75,227</u>
19 Other Financial Liabilities			
Current Maturity of long term debt	38,75,890	4,14,273	14,12,788
Unpaid dividend	3,74,256	4,71,365	5,32,173
Temporary Book overdraft	<u>37,270</u>	<u>-</u>	<u>-</u>
Total	<u>42,87,416</u>	<u>8,85,638</u>	<u>19,44,961</u>
20 Other current Liabilities			
Advance from customer	2,47,86,130	7,72,18,865	11,68,105
Security Deposits	8,81,857	10,89,998	27,74,961
GST Payable	6,44,646	-	-
Other Payables*	<u>1,38,35,627</u>	<u>68,41,684</u>	<u>2,97,36,277</u>
Total	<u>4,01,48,260</u>	<u>8,51,50,547</u>	<u>3,36,79,343</u>
*Other paybles includes statutory liability , employee liability etc.			
21 Provisions			
Provision For Employees Benefit	13,275	43,738	9,587
Total	<u>13,275</u>	<u>43,738</u>	<u>9,587</u>

**CONSOLIDATED****NOTES**

	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
22 REVENUE FROM OPERATIONS:		
Sale of Plot ( Including transfer from revaluation reserve Rs. 33,61,96,573 Previous year 5,29,63,235)	87,28,99,778	41,75,65,460
Sale of product (Job Charges)	3,86,98,866	4,32,12,150
Provisional Sale of Plot and Flat	25,74,11,844	-
Other Operating Revenues:		
Compensation	-	41,638
Total	<u>1,16,90,10,488</u>	<u>46,08,19,248</u>
23 OTHER INCOME:		
Interest Income	1,46,83,844	1,42,34,459
Dividend Income	9,000	8,500
Excise Duty Refund	4,96,905	-
Other Non-Operating Income		
Rent	3,18,069	87,120
Provision of Liability No Longer Required	61,956	87,908
Profit on Sale of Investments (Net)	6,99,278	32,62,341
Miscellaneous Receipts	6,98,242	4,06,560
Total	<u>1,69,67,294</u>	<u>1,80,86,888</u>
24 COST OF CONSTRUCTION AND DEVELOPMENT EXPENSES	<u>19,53,99,816</u>	<u>9,61,98,878</u>
Total	<u>19,53,99,816</u>	<u>9,61,98,878</u>
25 CHANGE IN INVENTORIES OF FINISHED GOODS WORK IN PROGRESS AND STOCK IN TRADE:		
Inventories (at close):		
Finished Goods	3,21,115	3,21,115
Stock in trade(Real Estate)	74,96,27,366	1,10,49,26,221
Work-in-Progress	15,45,12,185	22,78,14,979
	<u>90,44,60,666</u>	<u>1,33,30,62,315</u>
Inventories(at commencement):		
Finished Goods	3,21,115	3,21,115
Stock in trade(Real Estate)	1,10,49,26,221	1,36,90,46,132
Work-in-Progress	22,78,14,979	14,67,35,124
Total	<u>1,33,30,62,315</u>	<u>1,51,61,02,371</u>
Total	<u>42,86,01,649</u>	<u>18,30,40,056</u>
26 EMPLOYEE BENEFIT EXPENSE:		
Salaries and Wages	3,16,56,447	2,16,59,398
Contribution to provident and other funds	7,47,975	6,50,449
Staff Welfare Expenses	4,91,024	4,86,034
Total	<u>3,28,95,446</u>	<u>2,27,95,881</u>

**CONSOLIDATED****NOTES**

	2017-18	2016-17
27 OTHER EXPENSES:		
Establishment Expenses:		
Rent	4,58,400	4,46,400
Power and Fuel	1,45,69,428	1,68,66,741
Repair Buildings	10,19,199	5,88,903
Repair to Plant & Machinery	11,03,566	9,81,842
Other Manufacturing Expenses	1,42,751	2,25,714
Insurance	3,54,773	3,18,801
Rates and Taxes	1,70,956	2,01,329
Vehicle Maintenance	15,14,473	14,97,592
Professional Charges	96,63,650	73,04,230
Travelling and Conveyance Expenses	14,11,082	5,17,652
Safety and Protection	-	11,02,601
Payment To The Auditors :		
As Auditor	1,79,500	1,78,750
For Other Services	86,000	95,800
Directors' Sitting Fee	4,30,000	3,40,000
Loss on Sale of Assets (Net)	7,71,589	1,05,105
Sundry Balances Written off	-	5,23,785
Electricity expenses	-	22,96,139
CSR Expenses	10,00,000	-
Share Buyback Expenses	15,62,602	-
Miscellaneous Expenses	1,29,96,966	82,35,185
Total (A)	<u>4,74,34,935</u>	<u>4,18,26,569</u>
Selling and Distribution Expenses:		
Brokerage	-	64,54,600
Marketing Expenses	84,65,700	16,44,937
Total (B)	<u>84,65,700</u>	<u>80,99,537</u>
Total (A+B)	<u>5,59,00,635</u>	<u>4,99,26,106</u>
28 Tax expenses :		
Amount recognised in Profit and Loss :		
Current Tax:		
Income tax for the year	9,00,66,360	-
Adjustment/(credits) related to previous year -Net	4,06,993	(1,35,737)
Total Current Tax (A)	<u>9,04,73,353</u>	<u>(1,35,737)</u>
Deferred Tax:		
Deferred Tax for the year	15,80,777	(8,68,845)
Adjustment/(credits) related to previous year -Net	-	-
Total Deferred Tax (B)	<u>15,80,777</u>	<u>(8,68,845)</u>
Total Tax Expense (A+B)	<u>9,20,54,130</u>	<u>(10,04,582)</u>
29 Previous year's figures have been regrouped/reclassified and restated wherever necessary to correspond with the current year's classification/disclosure.		

# CONSOLIDATED

# NOTES

	2017-18	2016-17	
30 Earning Per Share			
Net profit available for equity shareholders (Numerator used for calculation)	37,65,00,925	15,86,53,651	
Weighted Average No. of equity shares (Used as Denominator for calculating EPS)	31,36,018	32,80,250	
Basic and Diluted Earning per share of Rs. 10/-	120.06	48.37	
31 Related party disclosures as required under Ind AS-24 are given below:			
Wholly Owned Subsidiary Company:			
Farco Foods Private Limited			
Associate Companies:			
Shervani Hospitalities Limited			
Youngtronics India Private Limited			
Key Managerial Personnel (KMP):			
Mr. Saleem Iqbal Shervani	Managing Director		
Mr. Tahir Hasan	Whole-time Director & C.F.O.		
Mr. B. K. Misra	Company Secretary (upto 23.04.2018)		
Mr. S. K. Shukla	Company Secretary (w.e.f. 24.04.2018)		
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		
Mr. Mohd. Aslam Sayeed	Director Independent Non Executive		
Mrs. Shefali Bansal and their relatives	Director Independent Non Executive		
Related parties with whom transactions have taken place:	KMP and Other Directors	Relative of KMP	Associate Companies
Remuneration			
Current Year	26,52,224	32,67,836	-
(Previous Year)	(26,72,787)	(30,46,319)	-
Rent paid			
Current Year	1,02,000	-	-
(Previous Year)	(96,000)	-	-
Rent received			
Current Year	-	-	87,120
(Previous Year)	-	-	(87,120)
Sitting Fee			
Current Year	4,30,000	-	-
(Previous Year)	(3,40,000)	-	-
Loans:			
Balance(Net of Provision) at the beginning and at the end of the year:			
Current Year	-	-	-
(Previous Year)	-	-	(84,521)

- 32 "Ind AS 101 (First-Time Adoption of Indian Accounting Standards) provides a suitable point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. The Company has prepared the opening Balance Sheet as per Ind AS as of 1<sup>st</sup> April, 2016 (the transition date) by:"
- (i) recognizing all assets and liabilities whose recognition is required by Ind AS.
  - (ii) not recognizing items of assets or liabilities which are not permitted by Ind AS.
  - (iii) reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and
  - (iv) applying Ind AS in measurement of recognized assets and liabilities.

- 33 Effect of Ind AS adoption on the Consolidated Balance sheet as at 31<sup>st</sup> March, 2017.

	Previous GAAP *	As at 31 <sup>st</sup> March, 2017 Effect of Transition To Ind AS	(Amount in Rs.) As per Ind AS Balance Sheet
<b>ASSETS</b>			
Non-Current Assets:			
Property, Plant and Equipment	6,56,47,386	-	6,56,47,386
Financial Assets:			
Investments	4,18,09,236	-	4,18,09,236
Other Financial Assets	2,96,73,437	-	2,96,73,437
Deffered Tax Assets (Net)	72,39,056	-	72,39,056
Goodwill on Consolidation(Net)	5,81,64,204	-	5,81,64,204
Total Non Current Assets	<u>20,25,33,319</u>	<u>-</u>	<u>20,25,33,319</u>
Current Assets:			
Inventories	1,33,95,03,040	-	1,33,95,03,040
Financial Assets:			
Investments	9,00,20,400	12,91,609	9,13,12,009
Trade Receivables	23,86,17,088	-	23,86,17,088
Cash and Cash Equivalents	8,99,43,328	-	8,99,43,328
Other Bank Balances	12,01,73,328	-	12,01,73,328
Other Financial Assets:	36,10,884	-	36,10,884
Other Current Assets	1,46,30,841	-	1,46,30,841
Total Current Assets	<u>1,89,64,98,909</u>	<u>12,91,609</u>	<u>1,89,77,90,518</u>
<b>TOTAL ASSETS</b>	<u>2,09,90,32,228</u>	<u>12,91,609</u>	<u>2,10,03,23,837</u>
<b>EQUITY AND LIABILITIES</b>			
Equity:			
Equity Share Capital	3,28,02,500	-	3,28,02,500
Other Equity	1,93,50,57,430	12,91,609	1,93,63,49,039
Total Equity	<u>1,96,78,59,930</u>	<u>12,91,609</u>	<u>1,96,91,51,539</u>
Liabilities:			
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	6,74,479	-	6,74,479
Provisions	8,12,379	-	8,12,379
Total Non Current Liability	<u>14,86,858</u>	<u>-</u>	<u>14,86,858</u>
Current Liabilities:			
Financial Liabilities			
Borrowings	89,66,604	-	89,66,604
Trade Payables	43,41,584	-	43,41,584
Other Financial Liabilities	8,85,638	-	8,85,638
Other Current Liabilities	8,51,50,547	-	8,51,50,547
Provisions	43,738	-	43,738
Current Tax liability (Net)	3,02,97,329	-	3,02,97,329
Total Current Liability	<u>12,96,85,440</u>	<u>-</u>	<u>12,96,85,440</u>
<b>TOTAL EQUITY AND LIABILT</b>	<u>2,09,90,32,228</u>	<u>12,91,609</u>	<u>2,10,03,23,837</u>

\*The previous GAAP fgures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note.

34	Reconciliation of Equity reported under previous GAAP is summarized below:		As at 31 <sup>st</sup> , March, 2017
	Equity as reported under previous GAAP (Excluding Capital Reserve on Consolidation)	1,96,78,59,930	
	Impact of measuring investment through OCI ( Net of tax )	12,91,609	
	Equity as reported under Ind AS	<u>1,96,91,51,539</u>	1,96,91,51,539
35	Reconciliation of Total Comprehensive Income for the year ended 31 <sup>st</sup> March 2017 is summarised below:		
	Profit after tax as reported under previous GAAP	15,86,53,651	
	Impact of measuring investment through OCI ( Net of tax )	12,91,609	
	Profit after tax as reported under Ind AS	<u>15,99,45,260</u>	15,99,45,260
36	Contingent Liabilities and Commitments:	As At 31st, March, 2018	As At 31st, March, 2017
(A)	Guarantee given by Company in favour of HDFC Bank Ltd. on behalf of Shervani Hospitalities Ltd. ( an Associate Company) for credit facility extended to them.	-	Rs.1,00,00,000/-
(B)	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.9,00,00,000/-	Rs.10,00,00,000/-
37	Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary		

Name of Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or Loss	
	As % of consolidated Net Assets	Amount in Rs.	As % of consolidated Profit or Loss	Amount in Rs.
Parent				
Shervani Industrial Syndicate Limited	102.00%	2,00,13,11,210	99.00%	37,28,84,291
Subsidiaries				
Farco Foods Private Limited	<u>(2.00%)</u>	<u>(3,59,45,744)</u>	<u>1.00%</u>	<u>25,26,721</u>
TOTAL	<u>100.00%</u>	<u>1,96,53,65,466</u>	<u>100.00%</u>	<u>37,54,11,012</u>

\*Excluding the Share of Profit of Associate Companies

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

Amount in Rs.

Sl. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & Surplus	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	90,00,000	(3,59,45,744)	4,26,50,259	6,95,96,003	-	4,06,61,845	39,26,825	14,00,104	25,26,721	-	100%

39. Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies

Sl 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 %	Networth 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	Shervani Hospitalities Limited	31.03.2018	2265750	88143000	35.40%	71837174	2032242	NIL	35.40% Shares Held	NIL	
2	Youngtronic India Private Limited	31.03.2018	85000	850000	46.33%	(459715)	(942329)	NIL	46.33% Shares Held	NIL	



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