

# **66<sup>th</sup> ANNUAL REPORT** **2013-2014**

**Shervani Industrial Syndicate Limited**

# Shervani Industrial Syndicate Limited

CIN - L45202UP1948PLC001891

## BOARD OF DIRECTORS

### CHAIRMAN EMERITUS

Mr. Azher Nisar Shervani

### CHAIRMAN

Dr. Ashutosh Pratap Singh

### MANAGING DIRECTOR

Mr. Saleem Iqbal Shervani

### WHOLE TIME DIRECTOR

Mr. Tahir Hasan

### DIRECTORS

Mr. Saeed Mustafa Shervani

Mr. Kush Bhargava

Mr. Gopal Swarup Chaturvedi

Mr. Raju Verghese

Mr. Mohammad Aslam Sayeed

### COMPANY SECRETARY

### & Sr. ACCOUNTS MANAGER

Mr. Bal Krishna Misra

### AUDITORS

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

Chartered Accountants,

Kanpur

### BANKERS

Union Bank of India

State Bank of India

HDFC Bank Ltd.

ICICI Bank Ltd.

Central Bank of India

### REGISTERED OFFICE

Shervani Nagar,

Sulem Sarai,

Allahabad - 211011

Uttar Pradesh

## Annual Report 2013-2014

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**NOTICE** is hereby given that the sixty sixth Annual General Meeting of the Members of SHERVANI INDUSTRIAL SYNDICATE LIMITED will be held on Tuesday, the 30th September, 2014 at 11.30 A.M. at 2, New Cantonment, Kanpur Road Allahabad to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Azher Nisar Shervani (DIN:00424635) who retires by rotation and being eligible offers himself for re-appointment.
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 appoint Auditors and 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 M/s. P.L. Tandon & Co., Chartered Accountants (ICAI Registration No. 000186C) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be decided by the Board of Directors of the Company."

#### SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Ashutosh Pratap Singh (DIN: 05354321), who was appointed as Director in the Company and has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years up to the conclusion of the seventy first Annual General Meeting of the Company to be held in the calendar year 2019."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other

applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Gopal Swarup Chaturvedi (DIN: 00148434), whose period of office is liable to determination by retirement of Directors by rotation and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years up to the conclusion of the seventy first Annual General Meeting of the Company to be held in the calendar year 2019."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mohammad Aslam Sayeed (DIN:06652348), whose period of office is liable to determination by retirement of Directors by rotation and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years up to the conclusion of the seventy first Annual General Meeting of the Company to be held in the calendar year 2019."

9. To appoint Mr. Kush Bhargava (DIN: 00074004) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Kush Bhargava (DIN: 00074004), whose period of office is liable to determination by retirement of Directors by rotation and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years up to the conclusion of the seventy first Annual

General Meeting of the Company to be held in the calendar year 2019."

10. To consider and, if thought fit, to pass with or without modification(s), if any, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Tahir Hasan (DIN: 00074282), who was appointed as an Additional Director by the Board pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (hereinafter referred to as the 'Act') read with Articles of Association of the Company and who holds office upto the date of the forthcoming Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Companies Act, 2013 (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, the consent of the Company be and is hereby accorded to the appointment of Mr. Tahir Hasan (DIN 00074282) as the Whole-Time Director of the Company for a period of 5 (Five) consecutive years with effect from 14th August, 2014 on the following terms and conditions as approved by the Nomination and Remuneration Committee:-

- a) **Salary** : Rs. 25,000/- (Rupees Twenty five thousand only) per month.
- b) **Perquisites & Allowances** : In addition to Salary the Whole Time Director shall be entitled to the following perquisites:
  - i) **Medi-claim Policy**  
Medi-claim Policy to be taken as per the applicable Rules of the Company.
  - ii) **Personal Accident Insurance**  
Policy to be taken as per the applicable Rules of the Company

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

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

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

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and Articles of Association of the Company and subject to such other approvals as may be required from appropriate authorities, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which expression shall include its duly authorized Committee or any individual Director) in supersession of earlier resolution dated 17.09.1998 passed under section 293 (1) (a) of the Companies Act, 1956 to create security whether by way of charge, mortgage or otherwise on any movable and / or immovable properties of the Company, both present and future including the whole or substantially the whole of the undertaking(s) of the Company in favour of Banks and / or Financial Institutions and / or Corporate Bodies and or any other entity(ies) for securing the Loans or other Borrowings and Financial Assistance of any nature obtained or to be obtained by the Company or by any other Company or entity as a collateral security up to an amount not exceeding aggregate of paid up capital and free reserves together with interest, cost, charges, expenses and any other money payable by the Company and / or the other Company to the said Banks and / or Financial Institutions and / or Corporate Bodies and / or other entities.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute all necessary documents, writings, papers etc. and to do all acts, deeds, matters and things as may be considered necessary for the purpose of giving effect to the above resolution."

By Order of the Board  
For Shervani Industrial Syndicate Limited

B.K. Misra  
Company Secretary

Place : Allahabad  
Date : August 14, 2014



## Notes :

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

Proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

2. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. The Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts in respect of Special Businesses under Item Nos. 6 to 12 as set out above is annexed hereto.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members / Proxies are requested to bring their attendance slip duly filled in along with copy of their Annual Report to the Meeting.
6. In case of Joint Holders attending the Meeting, only such Joint Holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, 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 Wednesday, 24th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive).
9. The dividend, if declared at the meeting, will be paid on or before Thursday, 30th October, 2014 to those members or their mandates :
  - a) whose names appear as Beneficial Owners at the end of business hours on Tuesday, 23rd September, 2014 in the list of Beneficial Owners to be furnished by the Depositories (NSDL and CDSL) in respect of shares held in electronic form ; and
  - b) whose names appear as members on the company's Register of Members after giving effect to valid transfer requests in physical form lodged with the Company or its Registrar and Share Transfer Agents (RTA) on or before Tuesday, 23rd September, 2014 .
10. Pursuant to the provisions of Section 205A(5) and 205C of the companies Act, 1956, the Company has transferred unpaid / unclaimed dividend upto financial year 2005-06 to Investor Education and Protection Fund (IEPF)

established by the Central Government . The unpaid / unclaimed dividend for the financial year 2006-07 and thereafter which remains unpaid / unclaimed for a period of seven years from the date it became due for payment will be transferred by the Company to the IEPF. Members who have not encashed their dividend warrants may approach Company or RTA for obtaining payment thereof.

11. Members holding shares in electronic form are requested to intimate immediately any change in their Address or Bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrar and Transfer Agents (RTA).
12. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Transfer Agents (RTA).
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
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 Sections 107 and 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is providing its members the facility to exercise their right to vote at the meeting by electronic means on any or all of the 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 procedure and instructions for voting through electronic means are as follows:-

- i. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii. Now click on "Shareholders" to cast your votes.
- iii. Now select the Electronic Voting Sequence Number ("EVSN") along with "SHERVANI INDUSTRIAL SYNDICATE LIMITED" from the drop down menu and click on "SUBMIT".

- iv. Shareholders maintaining their holding in Demat form Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on "Login".
- v. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below:-
- vi. Fill up the following details in the appropriate boxes:  
For Members holding Shares in Demat and Physical Form
- PAN** Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- ❖ Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no. in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's after the folio number. e.g. If your name is Ramesh Kumar with folio number 1234 then enter RA12340000 in the PAN field.
- ❖ Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.'
- DOB#** 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.
- ❖ 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 number of shares held by you as on 22nd August, 2014 in the Dividend Bank details field.
- # Please enter any one of the details in order to login.
- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the EVSN 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.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the relevant EVSN on which you choose to vote.
- xi. 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.
- xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii. 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.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- xvii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- xviii. The voting period begins on Wednesday, 24th September, 2014 (9.00 a.m.IST) and ends on Friday, 26th September, 2014 (5.00 p.m.IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). You may also contact at Tel. No. 022- 66069031.
- xx. The Company has appointed Mr. K.O.Siddiqui, Practicing Company Secretary ( Proprietor of M/s Siddiqui and Associates, Company Secretaries) (C.P. No. 1284) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- xxi. A copy of this notice has been placed on the website of the Company and the website of CDSL.

with the depository or Company please enter the number of shares held by you as on 22nd August, 2014 in the Dividend Bank details field.

# Please enter any one of the details in order to login.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the EVSN 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.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the relevant EVSN on which you choose to vote.
- xi. 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.
- xii. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii. 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.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- xvii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- xviii. The voting period begins on Wednesday, 24th September, 2014 (9.00 a.m. IST) and ends on Friday, 26th September, 2014 (5.00 p.m. IST). During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd August

2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). You may also contact at Tel. No. 022- 66069031.
  - xx. The Company has appointed Mr. K.O.Siddiqui, Practicing Company Secretary ( Proprietor of M/s Siddiqui and Associates, Company Secretaries) (C.P. No. 1284) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
  - xxi. A copy of this notice has been placed on the website of the Company and the website of CDSL.
  - xxii. In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, the Chairman of the Company will order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice.
- For abundant clarity, please note that the Members who have exercised their right to vote by electronic means shall not be entitled to vote by way of poll at the Meeting. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
17. In terms of Clause 49 of the Listing Agreement information on Director seeking appointment / re-appointment at this Annual General Meeting is as per annexure.

By Order of the Board  
For Shervani Industrial Syndicate Limited

B.K. Misra  
Company Secretary

Place : Allahabad  
Date : August 14, 2014

## 1. In terms of Clause 49 of the Listing Agreement information on Director seeking appointment / re-appointment at this Annual General Meeting is as under:

Name of Director	Mr. Azhar Nisar Shervani	Mr. Saeed Mustafa Shervani	Dr. Ashutosh Pratap Singh	Mr. Gopal Swarn Chaturvedi	Mr. Mohd. Aslam Sayeed	Mr. Kushi Bhargava	Mr. Tahir Hasan
Date of Birth	15/08/1947	29/05/1959	12/03/1959	23/01/1950	11/03/1954	20/10/1952	21/07/1946
Age	67	55	55	64	60	62	68
Date of Appointment	31/10/2000	09/01/1986	14/08/2012	12/01/2000	06/08/2013	11/07/1981	14/08/2014
Qualification(s)	B.Com.	Diploma in Hotel Management	M.B.B.S., M.D.	B.Sc., LL.B.	B.A., LL.B.	M.A.	B.E., PGDPM
Number of Share held	94855	130310	500	1950	Nil	850	15415
Expertise in specific functional areas	Industrialist	Industrialist	Medical Practitioner	Senior Advocate	Businessman	Company Executive	Industrialist
Other Directorship(s)	Shervani Hospitalities Limited Shervani Enterprises Private Limited Red Leaf Estate Private Limited	Shervani Hospitalities Limited Sherans Infrastructure Pvt Limited Hotel and Restaurant Association of Northern India Federation of Hotel and Restaurant Association of India Institute of Hotel Management and Catering Technology and Applied Nutrition	Nil	Nil	Nil	K.B. Builders Private Limited	Tara Products and Services Private Limited Shervani Hospitalities Limited The Saraswati Sugar Mills Limited ISGEC Heavy Engineering Limited Farco Foods Private Limited
Committee positions in other Public Companies #	Nil	Nil	Nil	Nil	Nil	Nil	Audit Committee The Saraswati Sugar Mills Limited



**ANNEXURE TO NOTICE****STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NOS. 6 TO 9**

As per the provisions of Section 149(5) of the Companies Act, 2013, the Company is required to appoint Independent Directors on the Board within a period of one year from the date of commencement of the said Section and Rules made there under and such Independent Directors shall hold office for a period not exceeding five years at a time and their office shall not be subject to retirement by rotation at the Annual General Meeting. The Company had appointed Dr. Ashutosh Pratap Singh, Mr. Gopal Swarup Chaturvedi, Mr. Mohammad Aslam Sayeed and Mr. Kush Bhargava as Non-Executive Independent Directors in terms of clause 49 of the Listing Agreement with the Stock Exchanges and they are liable to retire by rotation at the Annual General Meeting. The Board of Directors at its Meeting held on 14th August, 2014 recommended re-appointment of the above said Directors as Non-Executive Independent Directors within the meaning of section 149 and 152 of the new Companies Act, 2013 read with Schedule IV thereto and Rules made there under for a term of five consecutive years with effect from the date of this Annual General Meeting until the conclusion of Annual General Meeting of the Company to be held in the calendar year 2019. The Company has received declarations from Dr. Ashutosh Pratap Singh, Mr. Gopal Swarup Chaturvedi, Mr. Mohammad Aslam Sayeed and Mr. Kush Bhargava that they meet the criteria of independence as prescribed under section 149 (6) of the Companies Act, 2013 and also under clause 49 of the Listing Agreement with the stock exchanges. They have further confirmed that they are not disqualified from being appointed as Directors under section 164 of the said Act. The Board of Directors is of the opinion that Dr. Ashutosh Pratap Singh, Mr. Gopal Swarup Chaturvedi, Mr. Mohammad Aslam Sayeed and Mr. Kush Bhargava are persons of integrity and possess relevant expertise and experience and are eligible and fulfill the conditions specified by the Companies Act, 2013 for holding position as Independent Directors of the Company. The Board considers that their association as Directors will be beneficial to and in the interest of the Company. The brief resume of the said Directors, the nature of their expertise in specific functional areas, names of Companies in which they have held directorships, committee memberships/ chairmanships, their shareholding etc. are separately annexed hereto. The Board recommends the resolutions for your approval.

Except these Directors being appointees, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolutions set out at item Nos. 6 to 9.

**ITEM NOS. 10 & 11**

The Board of Directors of the Company at its meeting held on 14th August, 2014, appointed Mr. Tahir Hasan as an Additional Director and subsequently as a Whole-time Director of the Company for a period of five years with effect from 14th August, 2014 on the terms and conditions as set out in the proposed

resolution which are in line with the provisions of Schedule V of the Companies Act, 2013 and have been approved by the Nomination and Remuneration Committee of the Board. In terms of the provisions of Sections 161, 196 and 197 of the Companies Act, 2013 read with Schedule V there to, the appointment of Mr. Tahir Hasan requires approval of the members by way of ordinary and special resolutions as set out in the Notice. Mr. Tahir Hasan has vast experience, expertise and knowledge to discharge his functional duties and his association with the Company will immensely benefit the Company. The Board recommends the resolutions for acceptance.

Except Mr. Tahir Hasan being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested in the said resolution except Mr. Tahir Hasan himself, may be considered as concerned or interested financially or otherwise in the resolution.

**ITEM NO. 12**

In terms of Section 293(1)(a) of the Companies Act, 1956, the Members had passed requisite Resolutions, by way of Ordinary Resolution, at the Annual General Meeting held on 17th September 1998. Since the Companies Act, 2013 has been enacted in place of the Companies Act, 1956 and the provisions of new Act are being effectuated in a phased manner. In terms of Section 180 of the Companies Act, 2013, the authorisation by Members for the aforesaid purposes shall require to be given by way of Special Resolution as opposed to the Ordinary Resolution required under the previous Act.

It has, thus, become necessary for the Company to revalidate the sanctions already given by passing a fresh Resolution by way of Special Resolution to empower the Board of Directors of the Company to provide such securities by creation of charge and/ or mortgage on the movable and/ or immovable assets and of the Company. Therefore it is proposed to have enabling approval from the Members for creation of security on the assets of the Company up to an amount not exceeding the aggregate amount of paid up capital and free reserves of the Company as provided in section 180(1)(c) of the Companies Act, 2013 and no enhancement of limit has been sought at the current juncture.

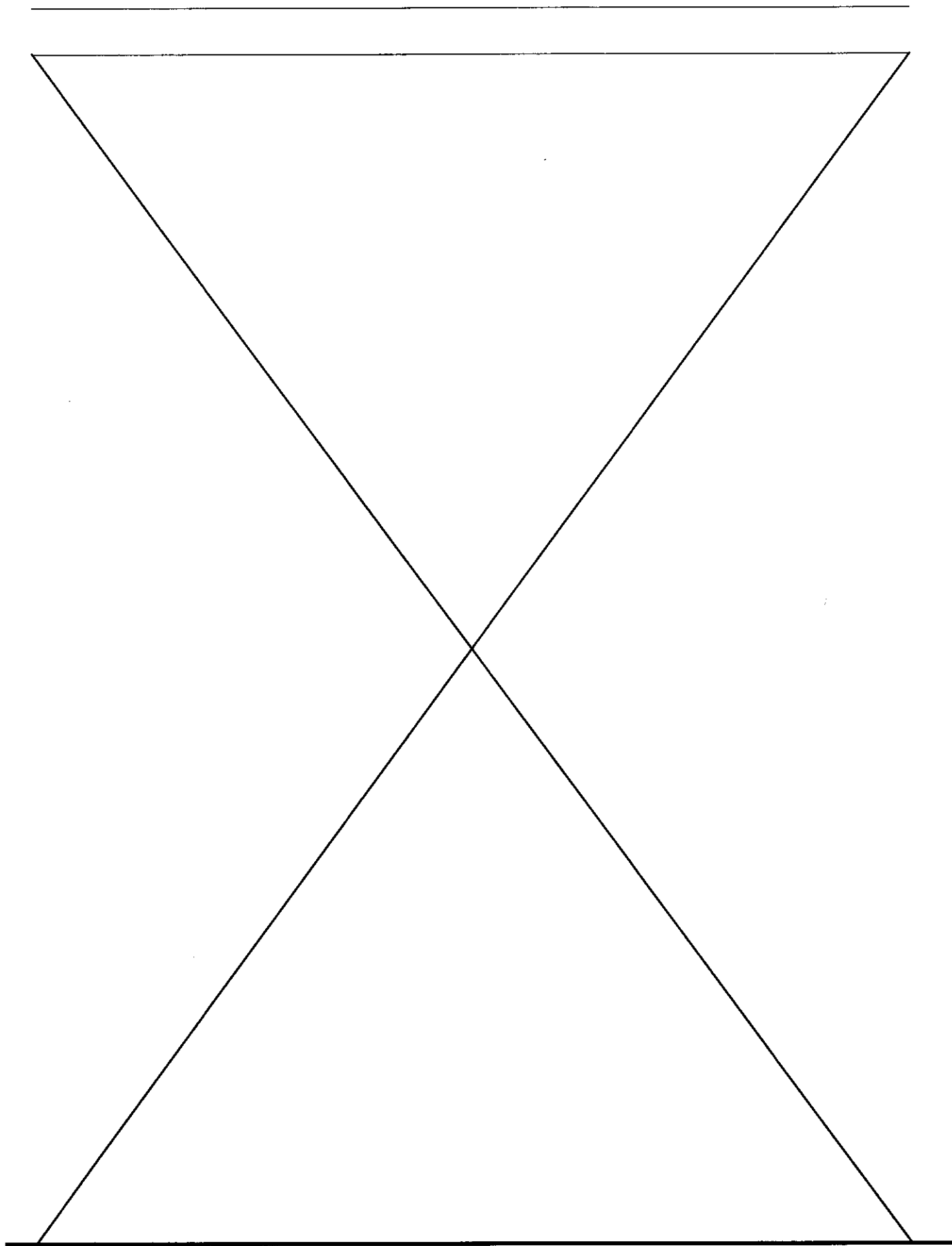
The Board recommends the proposed resolution for acceptance by the Members.

None of the Directors / Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested financially or otherwise in the resolution.

By Order of the Board  
For Shervani Industrial Syndicate Limited

B. K. Misra  
Company Secretary

**Registered Office:**  
Shervani Nagar, Sulem Sarai,  
Harwara, Allahabad - 211011 (U.P.)  
Date: August 14, 2014



Your Directors take pleasure in presenting the 66th Annual Report together with the audited Financial Statements for the year ended 31st March, 2014.

#### FINANCIAL RESULTS

	(Rs. in Lac)
Loss before Depreciation	97
Depreciation	19
Loss after Depreciation & before Tax	116
Current / Earlier Year Tax	1
Loss after Tax	117
Less: Amt. Transferred from General Reserve	200
Add: Unabsorbed Depreciation of previous year	17
Amount available for appropriation	66

#### APPROPRIATION

Proposed Dividend	16
Tax on Dividend	3
Balance carried forward	47

#### DIVIDEND

Your Directors recommend dividend @ 5% for the year 2013-14 payable as under;

	(Rs. in Lacs)
(1) Ordinary Shares @ Re. 0.50 per share	16.30
(2) Deferred Shares @ Rs.1.25 per share	0.10
<b>TOTAL</b>	<b>16.40</b>

#### OPERATIONS REVIEW

During the period under review, the Allahabad Development Authority has sanctioned a plan submitted by the Company to develop a part of its land. The approved lay out plan envisages residential plots, and some limited group housing with fully developed common facilities including roads, pathways, drain, water supply, sewer lines and water harvesting. The project has been given the name of 'Shervani Legacy'. Initial work on the project has started, and detailed working drawings as per the sanctioned plans are being prepared.

#### SUBSIDIARY COMPANY

##### FARCO FOODS PRIVATE LIMITED

During the current year, the subsidiary has again shown considerable improvement by producing 5215 MT biscuits of the "Priyagold" Brand under the jobwork agreement. The unit earned a profit of Rs.68.88 lacs.

#### CONSOLIDATED FINANCIAL STATEMENT

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

#### DIRECTORS

In accordance with the provisions of the Companies Act, 2013 Mr. Azher Nisar Shervani and Mr. Saeed Mustafa Shervani Directors of the Company retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment. The information as required to be disclosed under clause 49 of the Listing Agreement in case of re-appointment of directors is provided in the notice of ensuing annual general meeting.

Pursuant to Section 149(4) of the Companies Act, 2013, every listed company is required to appoint at least one third of directors as Independent Directors. The Board appointed Dr. A.P.Singh, Mr G.S. Chaturvedi, Mr. Mohd. Aslam Sayeed and Mr Kush Bhargava as Independent Director in terms of said provision and Clause 49 of the listing agreement subject to approval of shareholders. Necessary details have been annexed to the notice of the meeting in terms of Section 102(1) of the said Act.

#### AUDITORS

The observations of the Auditors in their report are appropriately dealt with Notes forming part of Financial Statement.

M/s P. L. Tandon & Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received confirmation that their appointment, if made, will be within the limits prescribed under the Companies Act, 2013.

#### CORPORATE GOVERNANCE

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

#### CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE

##### EARNINGS AND OUTGO:

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

#### PARTICULARS OF EMPLOYEES

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

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of the Annual Accounts, the applicable accounting standards had been followed and there is no material departure;
- That the accounting policies selected and applied are consistent and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit or Loss of the Company for that period;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- That the Annual Accounts have been prepared on a going concern basis.

**DEPOSITS**

During the year fixed deposit amounting to Rs. 1 Lac was paid and renewed and no deposit remains unpaid as on 31st March, 2014. Depositors were intimated well in advance regarding the maturity of deposits with requests to claim their deposits on maturity.

**INDUSTRIAL RELATIONS**

Industrial Relations remained satisfactory during the period under review.

**ACKNOWLEDGEMENT**

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

For and on behalf of the Board

Mohd. Aslam Sayeed  
Director

Saleem I. Shervani  
Managing Director

Place : Allahabad

Date : May 23, 2014

**ANNEXURE 'A' TO THE DIRECTORS' REPORT**

Information under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as amended from time to time and forming part of Directors' Report for the year ended 31st March, 2014

**A. CONSERVATION OF ENERGY**

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

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

Foreign Exchange used equivalent to Rs. 6.23 Lac and Foreign Exchange earned Rs. ---NIL.

For and on behalf of the Board

Mohd. Aslam Sayeed  
Director

Saleem I. Shervani  
Managing Director

Place : Allahabad

Date : May 23, 2014

## (Pursuant to clause 49 of the Listing Agreement)

**1. COMPANY'S PHILOSOPHY**

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

**2. BOARD OF DIRECTORS**

The Board comprises independent Non-Executive Chairman, Managing Director and Six Non-executive Directors out of which four Directors are Independent.

During the Financial Year ending 31st March, 2014, Four Board Meetings were held on 20th May, 2013, 6th August, 2013, 13th November, 2013, and 13th February, 2014. The details of attendance of each Director at said meetings, at Annual General Meeting, number of Companies and other Board Committees where he is a director/member or chairman as at 31st March, 2014 are given below:

Director	Category	Attendance Board Meeting	AGM	No. of outside Directorship *	No. of other Board Committees	
					Member	Chairman
Mr. A. N. Shervani	Chairman Emeritus, Non-Executive	x	x	1	Nil	Nil
Dr. A. P. Singh	Chairman, Independent Non Executive	3	✓	Nil	Nil	Nil
Mr. Tahir Hasan**	Wholetime Director, Executive	3	x	3	1	Nil
Mr. S. I. Shervani	Managing Director, Executive	4	x	3	Nil	Nil
Mr. S. M. Shervani	Non Executive	x	x	1	Nil	Nil
Mr Raju Verghese	Independent, Non Executive	x	x	1	Nil	Nil
Mr. Kush Bhargava	Independent, Non Executive	x	x	Nil	Nil	Nil
Mr. G.S.Chaturvedi	Independent, Non Executive	3	✓	Nil	Nil	Nil
Mr. Md.Aslam Sayeed	Independent, Non Executive	3	NA	NA	NA	NA

\*This excludes directorships held in Private Limited Companies.

\*\* Resigned from Directorship w.e.f. 1st January, 2014.

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

**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 |

The terms of reference of the Audit Committee are in conformity with the Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956.

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

The Committee had met on 20th May, 2013, Attended by Mr.G.S Chaturvedi, Chairman, Dr. A. P. Singh, Member and 6th August, 2013, 13th November, 2013 and 13th February, 2014 attended by Mr.Mohammad Aslam Sayeed, Chairman, Dr. A. P. Singh, member.

**4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

The Committee is being headed by Dr. Ashutosh Pratap Singh. The other members of the Committee are Mr. Gopal Swarup Chaturvedi and Mr. Mohammad Aslam Sayeed.

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

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

**5. REMUNERATION COMMITTEE**

The Board has constituted Remuneration Committee comprising following members in compliance of the provisions of Companies Act, 2013 and Clause 49 of the listing agreement with the Stock Exchanges.

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

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

Directors' remuneration details for the year ended 31st March 2014 are as under:

Name of Director	Salary	Perquisites (including retirement benefits)	Total
Mr.S. I. Shervani	12,00,000	2,27,758	14,27,758
Mr.Tahir Hasan	1,08,000	24,258	1,32,258

#### 6. GENERAL BODY MEETINGS

AGM/EGM	Date	Time	Venue
AGM (2010-2011)	30/09/2011	11.00 A. M.	2, New Cantonment Kanpur Road, Allahabad-211001
AGM(2011-2012)	29/09/2012	11.30 A.M.	Same as above
AGM (2012-2013)	21/09/2013	11.30 A. M.	Same as above

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

#### 7. DISCLOSURES

There was no transaction of material nature with the directors or management or their relatives during the year. There was no non-compliance by the Company on any matter related to Capital Market.

#### 8. MEANS OF COMMUNICATIONS

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

The Company's website is [www.shervaniind.com](http://www.shervaniind.com)

The Company's Corporate Identity Number is L45202UP1948PLC001891

#### 9. CEO/CFO CERTIFICATION

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

#### 10. SHAREHOLDERS INFORMATION

##### Annual General Meeting

DATE	: September 30, 2014
DAY	: Tuesday
TIME	: 11.30 A. M.
VENUE	: 2, New Cantonment, Kanpur Road, Allahabad-211001, U. P.

##### Financial Calendar

Financial reporting for the Financial year	: April—March
Quarter ending June 30, 2014	: 14 <sup>th</sup> August, 2014
Half year ending September 30, 2014	: 14 <sup>th</sup> November, 2014
Quarter ending December 31, 2014	: 14 <sup>th</sup> February, 2015
Quarter ending March 31, 2015	: 30 <sup>th</sup> May, 2015

**Date of Book Closure** : 24th September, 2014 to 30th September, 2014 (both days inclusive)

##### Listing on Stock Exchanges & Stock Code

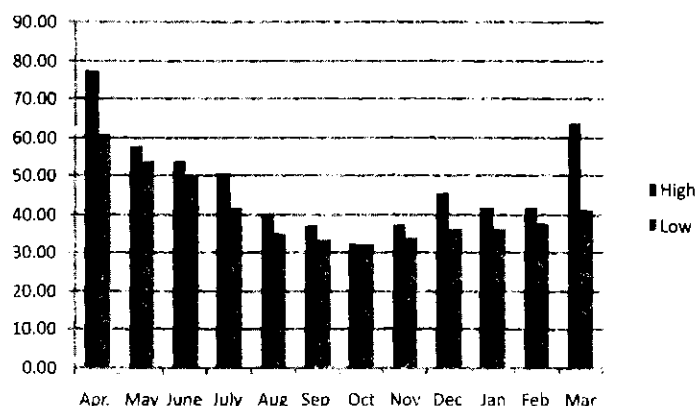
1. Bombay Stock Exchange Limited, Mumbai : 526117
2. Delhi Stock Exchange Ltd. New Delhi : 3079
3. The U.P. Stock Exchange Association Ltd. Kanpur : -



**Market Price Data (Financial Year 2013-2014)**

The detail of share price movement is as under:

	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
High	77.00	57.55	53.60	50.40	39.90	36.75	32.00	37.00	45.55	41.60	41.45	63.40
Low	60.50	53.60	49.60	41.55	34.75	33.30	32.00	33.60	36.00	35.95	37.65	41.00

**REGISTRAR**

: Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup (W),  
Mumbai- 400 078

**Share Transfer System**

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

**Shareholding Pattern and Distribution of Shares as on 31<sup>st</sup> March, 2014**

SHAREHOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING		
Category	No. of Shares	%	No. of Shares	No. of Shareholders	Shares
Promoters, Directors & Relatives	16,36,340	50.19	1-500	1,103	1,33,122
Nationalised Bank	6,040	0.19	501-1000	93	72,951
Bodies Corporate	4,58,006	14.05	1001-2000	49	72,514
Public	11,57,364	35.49	2001-3000	21	50,971
Others (Foreign Nationals)	1,920	0.06	3001-4000	10	34,479
NRIs/OCBs	580	0.02	4001-5000	8	36,576
			5001-10000	25	1,81,495
			10001 and above	40	26,78,142
<b>Total</b>	<b>32,60,250</b>	<b>100.00</b>		<b>1,349</b>	<b>32,60,250</b>

**Dematerialisation of Shares**

The shares of the Company are fully under the category of compulsory delivery in dematerialised mode by all categories of investors. The Company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2014 about 90 % of the share of the Company are dematerialised.

**Location :**

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

**Address for Correspondence:**

**SHERVANI INDUSTRIAL SYNDICATE LIMITED**

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

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

E-mail: shervaniind@rediffmail.com

Website: www.shervaniind.com

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

Inflationary trend continued and had adverse impact on economic growth. The real estate sector was particularly hit by this inflationary trend. However the demand for good quality apartments in tier two cities witnessed an increase and the company has planned the "Shervani Legacy" project to capitalise this demand.

**Outlook on Opportunities, Threats, Risks and Concern**

Growing urbanisation is surging the demand in housing sector and the excellent public response to the high standards of construction adhered to in the previous project have encouraged the taking up of the next project.

Completion of project in minimum time as per schedule is the key to upkeep of profit since escalation of costs can be prohibitive.

The size of the city and its growth is a constraining factor and can have adverse effect on the execution of project. However the positive factor is that the expense on acquisition of land in our case is negligible.

**Financial Performance**

Company has incurred loss due to delay in sanctioning of next project.

**Subsidiary Company**

M/s Farco Foods Pvt Ltd the wholly owned subsidiary of your company has again shown considerable improvement and produced 5215 Mt of biscuits on job work basis. Keeping in view the market share of the "Priyagold" Brand and plant performance management has decided to upgrade from diesel to gas based plant, which will improve the quality of finished product.

**Internal Control Systems and Adequacy**

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

**Human Resource**

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

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

We have examined the compliance of conditions of Corporate Governance by SHERVANI INDUSTRIAL SYNDICATE LIMITED as at 31<sup>st</sup> March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For P.L. TANDON & CO.,**  
Chartered Accountants  
Firm's Registration No.000186C

**RAJENDRA GUPTA**  
Partner  
Membership No.073250

Place : Allahabad  
Date : May 23, 2014

## TO THE MEMBERS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED

**Report on the Financial Statements**

We have audited the accompanying financial statements of Shervani Industrial Syndicate Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

However liability for leave encashment and gratuity have been provided on the basis of actual liability determined by the management as on 31.03.2014.

- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956

**For P.L. TANDON & CO.,**  
Chartered Accountants  
Firm's Registration No.000186C

**RAJENDRA GUPTA**  
Partner  
Membership No. 073250

Place : Allahabad  
Date : May 23, 2014

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) In respect of its Fixed Assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - 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.
  - The company has not disposed of fixed assets during the year.
- (ii) In respect of its Inventories:
- As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
  - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on verification between physical stocks and the book records were not material.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to or from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, according to the information and explanations given to us :
- The Company has / had granted loan to two Parties. The maximum amount involved during the year was Rs. 739.73 Lacs and the year end balance of such loan granted was Rs. 739.73 Lacs.
  - In our opinion, the rate of interest and other terms and conditions are not prima facie, prejudicial to the interest of the company.
  - Mettwa Electricals & Appliances Pvt. Limited an associate company and Farco Foods Private Limited a subsidiary company have not repaid the principal and interest.
  - There is no term of repayment in respect of Loan to wholly owned subsidiary company.
- (e) The Company has not taken any Loan from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As the Company has not taken any Loans, Secured or Unsecured, from parties listed in the register maintained under section 301 of the Companies Act, 1956, the provisions of clause 4(iii)(f) and (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
- According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. five Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regards to deposit accepted from the Public.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (ix) According to the information and explanations given to us, in respect of statutory and other dues:
- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, services tax, customs and excise duty were in arrear as at 31st March, 2014 for a period more than six months from the date they became payable.
- (c) According to the records of the company, there is no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. Further, the company has incurred cash losses during the financial year covered by our audit but has not incurred cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank.
- (xii) As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- (xiii) The nature of company's business / activities during the year is such that the provisions of Clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) In our opinion, the terms and conditions on which the company has given guarantee for loan taken by an associate company from bank are not prejudicial to the interest of the company.
- (xvi) The company has not obtained any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) As the company has no debenture outstanding at any time during the year, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are therefore, not applicable to the company.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For P.L. TANDON & Co.**  
Chartered Accountants  
Firm's Registration Number: 000186C

**(Rajendra Gupta)**  
(Partner)  
Membership No.: 073250

Place : Allahabad  
Date: May 23, 2014

**66<sup>TH</sup> ANNUAL REPORT (2013-2014)****BALANCE SHEET****BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

		<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
	<b>Note No.</b>	<b>Rs.</b>	<b>Rs.</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders Funds</b>			
Share Capital	2	3,28,02,500	3,28,02,500
Reserves and Surplus	3	<u>1,86,87,11,834</u>	<u>1,88,23,45,260</u>
		<b><u>1,90,15,14,334</u></b>	<b><u>1,91,51,47,760</u></b>
<b>Non-Current Liabilities</b>			
Long term Borrowings	4	34,80,183	15,00,000
Other Long-term Liabilities	5	3,83,809	1,03,63,809
Long-term Provisions	6	<u>5,18,211</u>	<u>4,71,451</u>
		<b><u>43,82,203</u></b>	<b><u>1,23,35,260</u></b>
<b>Current Liabilities</b>			
Short term Borrowings	7	5,36,01,990	-
Trade Payables	8	9,74,220	21,68,450
Other Current Liabilities	9	1,28,89,777	1,02,93,843
Short term Provisions	10	<u>4,19,18,265</u>	<u>4,00,00,000</u>
		<b><u>10,93,84,252</u></b>	<b><u>5,24,62,293</u></b>
<b>Total</b>		<b><u>2,01,52,80,789</u></b>	<b><u>1,97,99,45,313</u></b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	11	5,35,58,673	4,92,19,108
Capital Work in Progress		98,53,987	-
Non-current Investments	12	11,16,98,000	10,86,98,000
Long-term Loans and Advances	13	<u>1,52,443</u>	<u>1,52,443</u>
		<b><u>17,52,63,103</u></b>	<b><u>15,80,69,551</u></b>
<b>Current Assets</b>			
Current Investments	14	6,71,96,063	6,79,01,767
Inventories	15	1,59,19,08,106	1,55,17,61,075
Trade Receivables	16	17,006	40,26,006
Cash and Cash Equivalents	17	12,69,52,321	14,55,78,394
Short-term Loans and Advances	18	4,99,05,961	4,82,77,010
Other Current Assets	19	<u>40,38,229</u>	<u>43,31,510</u>
		<b><u>1,84,00,17,686</u></b>	<b><u>1,82,18,75,762</u></b>
<b>TOTAL</b>		<b><u>2,01,52,80,789</u></b>	<b><u>1,97,99,45,313</u></b>

**Significant Accounting Policies and Notes on Financial Statement** 1-39

As per our report of even date attached

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

Chartered Accountants

**Rajendra Gupta**  
Partner**B.K. Misra**  
Company Secretary & Sr. Accounts Manager**Mohd. Aslam Sayeed**  
Director**Saleem I. Shervani**  
Managing Director**Place : Allahabad****Date : May 23, 2014**



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014Year ended  
March 31, 2014Year ended  
March 31, 2013

PARTICULARS	NOTE NO.	Rs.	Rs.
<b>Revenue From Operations</b>			
Revenue from Operations	20	6,25,000	8,60,41,380
Other Income	21	1,70,69,609	1,59,05,533
<b>Total Revenue</b>		<b>1,76,94,609</b>	<b>10,19,46,913</b>
<b>Expenses</b>			
Cost of Construction & Development Expenses	22	3,99,41,655	5,67,92,000
Changes in Inventory of Finished Goods / WIP	23	(3,99,41,655)	-
Employees' Benefit Expense	24	97,94,129	82,40,551
Finance Costs	25	13,89,653	3,11,213
Depreciation and Amortization Expense		18,79,409	16,73,083
Other Expenses	26	1,62,35,579	1,40,71,291
<b>Total Expenses</b>		<b>2,92,98,770</b>	<b>8,10,88,138</b>
<b>(Loss) / Profit Before Exceptional Item and Tax</b>		<b>(1,16,04,161)</b>	<b>2,08,58,775</b>
Exceptional Items	27	-	(25,05,64,000)
<b>Loss after Exceptional Item before Tax</b>		<b>(1,16,04,161)</b>	<b>(22,97,05,225)</b>
<b>Tax Expense:</b>			
Current Tax		(1,11,000)	(70,000)
Earlier Years Tax		-	41,17,684
<b>Loss for the year from Continuing Operations</b>		<b>(1,17,15,161)</b>	<b>(22,56,57,541)</b>
<b>Loss for the year</b>		<b>(1,17,15,161)</b>	<b>(22,56,57,541)</b>
<b>Earning Per Equity Share</b>			
Basic		(3.57)	(68.79)
Diluted		(3.57)	(68.79)

Significant Accounting Policies, and Notes on Financial Statement 1-39

As per our report of even date attached

For P.L. Tandon &amp; Co.

Chartered Accountants

Rajendra Gupta  
PartnerB.K. Misra  
Company Secretary & Sr. Accounts ManagerMohd. Aslam Sayeed  
DirectorSaleem I. Shervani  
Managing Director

Place : Allahabad

Date : May 23, 2014

	Year Ended 31.03.2014		Year Ended 31.03.2013	
	Rs.	Rs.	Rs.	Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) Before Tax		(1,16,04,161)		(22,97,05,225)
Adjustment For				
Loss on Sale of Long Term Investment		-	9,50,00,000	
Depreciation	18,79,409		16,73,083	
Loss /(Profit) on sale of assets	7,16,134		(3,13,967)	
Interest Paid	13,89,653		3,11,213	
Interest Received	(1,18,37,726)		(1,05,47,082)	
Dividend Received	(72,375)		(74,219)	
(Profit)/Loss on Sale of Investments	(25,49,885)		51,33,289	
Diminution in the value of Investments no longer required	(24,00,346)		(67,34,705)	
Diminution in the value of current investment	5,54,174	(1,23,20,961)	13,81,154	8,58,28,766
Operating Profit before Working Capital Changes		<u>(2,39,25,122)</u>		<u>(14,38,76,459)</u>
Adjustment For				
(Increase)/Decrease in Trade and other receivables	36,54,000		16,10,80,808	
(Increase)/Decrease in Inventories	(4,01,47,031)		3,55,90,647	
Increase/(Decrease) in Trade Payables	(1,07,35,290)		(4,09,57,649)	
		<u>(4,72,28,322)</u>		<u>15,57,13,806</u>
Cash generated / (used) in operation		<u>(7,11,53,444)</u>		<u>1,18,37,347</u>
Add/(Deduct) For				
Direct tax (Paid) /Refund of earlier years	(13,84,951)		27,90,408	
<b>Net Cash (used in)/from operating activities (Total - A)</b>		<u>(7,25,38,395)</u>		<u>1,46,27,755</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investment in Capital Work In Progress		(98,53,987)		-
Purchase of Fixed Assets		(79,42,306)		(6,38,471)
Sale of Fixed Assets		10,07,201		8,37,685
Sale of Current Investments		2,05,02,038		2,61,46,344
Purchase of Investments		(1,84,00,280)		(2,81,30,541)
Dividend Received		72,375		74,219
Interest received		1,21,31,007		2,49,86,566
<b>Net Cash (used in)/from investing activities (Total - B )</b>		<u>(24,83,953)</u>		<u>2,32,75,802</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend paid		-		(38,12,390)
Loans & Borrowings		5,77,94,928		(38,79,983)
Interest Paid		(13,98,653)		(8,97,654)
<b>Net Cash (used in)/from financing activities (Total - C)</b>		<u>5,63,96,275</u>		<u>(85,90,027)</u>
<b>Net Increase / (Decrease)in Cash and Cash Equivalents (A+B+C)</b>		<u>(1,86,26,073)</u>		<u>2,93,13,530</u>
<b>Add : Cash and Cash Equivalents</b>		<u>14,55,78,394</u>		<u>11,62,64,864</u>
<b>Closing Cash and Cash Equivalent</b>		<u>12,69,52,321</u>		<u>14,55,78,394</u>

As per our report of even date attached

For P.L. Tandon &amp; Co.

Chartered Accountants

Rajendra Gupta  
PartnerB.K. Misra  
Company Secretary & Sr. Accounts ManagerMohd. Aslam Sayeed  
DirectorSaleem I. Shervani  
Managing Director

Place : Allahabad

Date : May 23, 2014

**NOTES ON FINANCIAL STATEMENTS****NOTE No.****1. ACCOUNTING POLICIES****1.1 Basis of Preparation of Financial Statement**

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

**1.2 Fixed Assets and Depreciation**

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

**1.3 Investments**

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

**1.4. Inventories**

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

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

Completed real estate 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 materials, services and other related overheads.

**1.5 Revenue Recognition**

Revenue from project is recognized on the basis of the percentage of completion method, revenue is recognized to sale/booked area only on the basis of percentage of cumulative actual cost incurred thereon including cost of

land as against the total estimated cost of the project under execution subject to such cumulative actual cost being 25% or more of the total estimated cost.

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

In case of cancellation of booking the revenue and cost recognized earlier in respect of such area is reversed in the year in which such cancellation has taken place.

**1.6 Use of Estimates**

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

**1.7 Income Tax**

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

**1.8 Retirement Benefit to employee**

Company's contribution to Provident Fund is charged to Profit and Loss Account. Liability of Gratuity & Leave Encashment is accounted for on the basis of actual liability determined by the management on the date of Balance Sheet.

## NOTE No.

2 Share Capital		As at 31.03.2014		As at 31.03.2013	
Authorised		Rs.		Rs.	
20,000 Cumulative Redeemable Preference Shares of Rs. 100/- Each		20,00,000		20,00,000	
62,80,000 Ordinary Shares of Rs. 10/- Each		6,28,00,000		6,28,00,000	
8,000 Deferred Shares of Rs. 25/- Each		2,00,000		2,00,000	
		<u>6,50,00,000</u>		<u>6,50,00,000</u>	
Issued, Subscribed and Paid Up		Number		Number	
		Rs.		Rs.	
Ordinary Shares					
Balance as on 01.04.2013		32,60,250	3,26,02,500	32,60,250	3,26,02,500
Balance as at 31.03.2014		32,60,250	3,26,02,500	32,60,250	3,26,02,500
		<u>3,26,02,500</u>		<u>3,26,02,500</u>	
Deferred Shares					
Balance as on 01.04.2013		8,000	2,00,000	8,000	2,00,000
Balance as at 31.03.2014		8,000	2,00,000	8,000	2,00,000
		<u>2,00,000</u>		<u>2,00,000</u>	
<b>Grand Total</b>		<u><b>3,28,02,500</b></u>		<u><b>3,28,02,500</b></u>	
Reconciliation of number of shares		Nos.		Nos.	
Outstanding is set out Below					
Equity Shares at the beginning of the year		32,68,250		32,68,250	
Equity Shares at the close of the year		32,68,250		32,68,250	
Details of Shareholders holding more than 5 percent Shares (Equity Shares in nos. of Rs. 10/- Each)					
Hitesh Ramji Javeri		4,55,250	4,55,250	4,55,250	4,55,250
Frost Traders Pvt Ltd.		4,00,602	4,00,602	4,00,602	4,00,602
Saleem Iqbal Shervani		3,18,680	3,18,680	3,18,680	3,18,680
Reed Finance Pvt Ltd.		2,69,145	14,43,677	2,69,145	14,43,677
		<u>14,43,677</u>		<u>14,43,677</u>	
3 Reserves & Surplus		Rs.		Rs.	
General Reserve					
As Per Last Balance Sheet		55,00,00,000	55,00,00,000	55,00,00,000	55,00,00,000
Less : Transferred to Surplus		<u>2,00,00,000</u>	<u>53,00,00,000</u>	<u>-</u>	<u>55,00,00,000</u>
<b>Capital Subsidy Reserve</b>					
As per last Balance Sheet		19,26,616	19,26,616	19,26,616	19,26,616
<b>Share Premium Account</b>					
As per last Balance Sheet		38,40,909	38,40,909	38,40,909	38,40,909
<b>Capital Redemption Reserve</b>					
As per last Balance Sheet		20,00,000	20,00,000	20,00,000	20,00,000
<b>Capital Reserve On Revaluation of Land</b>		1,51,90,40,251	1,51,90,40,251	1,51,90,40,251	1,51,90,40,251
<b>Surplus</b>					
As per last Balance Sheet		(19,44,62,516)	3,11,95,025	(19,44,62,516)	3,11,95,025
Balance in the statement of Profit and Loss		(1,17,15,161)	(22,56,57,541)	(1,17,15,161)	(22,56,57,541)
Transferred from General Reserve		2,00,00,000	-	2,00,00,000	-
<b>Appropriations:</b>					
Proposed Dividend		16,40,125	-	16,40,125	-
Tax on Proposed Dividend		<u>2,78,140</u>	<u>-</u>	<u>2,78,140</u>	<u>-</u>
		<u>(18,80,95,942)</u>		<u>(18,80,95,942)</u>	
		<u><b>1,86,87,11,834</b></u>		<u><b>1,86,87,11,834</b></u>	

		As at 31.03.2014	As at 31.03.2013
NOTE No.			
<b>4 Long Term Borrowing</b>		<b>Rs.</b>	<b>Rs.</b>
<b>Secured Loan</b>			
Vehicle Loan		33,80,183	-
Maturity Profile		<u>33,80,183</u>	<u>-</u>
Year	Amount Payable		
2015-16	14,89,911		
2016-17	16,55,448		
2017-18	2,34,823		
<b>Unsecured Loan</b>			
Deposits		1,00,000	15,00,000
Maturity Profile		<u>1,00,000</u>	<u>15,00,000</u>
Year	Amount Payable		
2016-17	1,00,000		
		<u>34,80,183</u>	<u>15,00,000</u>
<b>5 Other long-term liabilities</b>			
Security Deposit		3,83,809	1,03,63,809
		<u>3,83,809</u>	<u>1,03,63,809</u>
<b>6 Long-term Provisions</b>			
Provision for Employees Benefit		5,18,211	4,71,451
		<u>5,18,211</u>	<u>4,71,451</u>
<b>7 Short-term Borrowing</b>			
<b>Secured Loans from Bank</b>			
Overdraft		5,36,01,990	-
(Secured by hypothecation of fixed deposits)		<u>5,36,01,990</u>	<u>-</u>
<b>8 Trade Payables</b>			
Sundry Creditors		9,74,220	21,68,450
		<u>9,74,220</u>	<u>21,68,450</u>
<b>9 Other Current Liabilities</b>			
Current Maturity of Long Term Borrowing - Secured			
Secured		13,12,755	-
Current Maturity of Long Term Borrowing - Unsecured			
Unsecured		10,00,000	1,00,000
Interest accrued but not due		20,000	29,000
Investor Education & Protection Fund shall be credited by the following (Amounts to be transferred to the said fund shall be determined on the respective due date)			
Unpaid Dividend		6,35,225	7,43,247
Temporary Book Over Draft		13,846	-
Other Payable		99,07,951	94,21,596
(includes employees liabilities, statutory liabilities etc.)		<u>1,28,89,777</u>	<u>1,02,93,843</u>
<b>10 Short-term Provisions</b>			
Provision for tax		4,00,00,000	4,00,00,000
Proposed Dividend		16,40,125	-
Tax payable on Dividend		2,78,140	-
		<u>4,19,18,265</u>	<u>4,00,00,000</u>

## 11 Non Current Assets - Fixed Assets

**Tangible Assets****Gross Block**

	As at 01.04.2013	Addition	Deletion	As at 31.03.2014
Freehold land	1,64,64,413	-	-	1,64,64,413
Leasehold land	5,179	-	-	5,179
Non-factory building	2,63,54,915	-	-	2,63,54,915
Plant and Equipments	34,05,488	30,400	-	34,35,888
Furniture and Fixture	14,56,592	-	-	14,56,592
Vehicles	1,19,69,601	78,87,306	36,27,823	1,62,29,084
Office Equipments	65,000	-	-	65,000
Computers	50,04,802	24,600	-	50,29,402
<b>Total</b>	<b>6,47,25,990</b>	<b>79,42,306</b>	<b>36,27,823</b>	<b>6,90,40,473</b>
Previous Year	6,49,78,278	6,38,471	8,90,759	6,47,25,990

**Depreciation block**

Freehold land	-	-	-	-
Leasehold land	-	-	-	-
Non-factory building	29,12,999	4,29,585	-	33,42,584
Plant and Equipments	16,03,983	1,27,199	-	17,31,182
Furniture and Fixture	10,14,544	48,837	-	10,63,381
Vehicles	53,14,901	12,36,325	19,04,488	46,46,738
Office Equipments	7,427	3,088	-	10,515
Computers	46,53,026	34,375	-	46,87,400
<b>Total</b>	<b>1,55,06,880</b>	<b>18,79,409</b>	<b>19,04,488</b>	<b>1,54,81,800</b>
Previous Year	1,42,00,839	16,73,084	3,67,041	1,55,06,882

**Net Block**

	As at 31.03.2014	As at 31.03.2013
Freehold land	1,64,64,413	1,64,64,413
Leasehold land	5,179	5,179
Non-factory building	2,30,12,331	2,34,41,916
Plant and Equipments	17,04,706	18,01,504
Furniture and Fixture	3,93,211	4,42,048
Vehicles	1,15,82,346	66,54,700
Office Equipments	54,485	57,572
Computers	3,42,002	3,51,776
<b>Total</b>	<b>5,35,58,673</b>	<b>4,92,19,108</b>

Capital work in progress (building)

98,53,987

-



NOTE No.		As at 31.03. 2014		As at 31.03. 2013	
12	Non Current Investment: ( At Cost) (Long Term Investment) Trade Investment (unquoted)	Rs.	Rs.	Rs.	Rs.
<b>Investment In Equity Instruments</b>					
<b>I Subsidiary Company</b>					
900000	9,00,000 Equity Shares of Rs.10/- each	27,00,000		27,00,000	
(900000)	of Farco Foods Pvt. Ltd.				
<b>II Associate Company</b>					
2265750	Shervani Hospitalities Ltd. of Rs. 10/-				
(2265750)	each (including 730000 Equity Shares	8,81,43,000		8,81,43,000	
	at a Premium of Rs.90/- per share and				
	21450 Bonus Shares)				
85000	Youngtronics India Private Ltd.	8,50,000		8,50,000	
(85000)	of Rs.10/- each				
900000	Metiwa Electricals & Appliances Pvt. Ltd.	90,00,000		60,00,000	
(600000)	of Rs. 10/- each				
<b>Other Investments (in Equity Shares- Unquoted Fully Paid Up)</b>					
500	Shares of Super Bazar Cooperative	5,000		5,000	
(500)	Stores Ltd. of Rs.10/- each				
80000	6% Non Cumulative Pref. Shares of	80,00,000		80,00,000	
(80000)	India Global Exports Pvt. Ltd. of Rs.100/- each				
300000	Shares of Rs.10/- each of Shervani				
(300000)	Sugar Syndicate Ltd.	30,00,000	11,16,98,000	30,00,000	10,86,98,000
			11,16,98,000		10,86,98,000
13	Long Term Loans and Advances (Unsecured Considered good unless otherwise stated) Security Deposits				
		1,52,443		1,52,443	
		1,52,443		1,52,443	

NOTE NO.		As at 31.03. 2014		As at 31.03. 2013	
14	Current Assets - Current Investments				
		Rs.	Rs.	Rs.	Rs.
	Other Investment				
	In Equity Shares-Quoted fully paid up				
	5000 Bombay Dyeing And Manufacturing Co. Ltd.	5,71,810		5,71,810	
	(5000) of Rs. 2/- each				
	500 DLF Limited of Rs.2/- each	2,87,833		2,87,833	
	(500)				
	6000 I.D.B.I. Bank Limited of Rs.10/- each	7,24,567		7,24,567	
	(6000)				
	- Idea Cellular Limited of Rs.10/- each	-		4,89,676	
	(3800)				
	3100 Firstsource Solutions Limited of	2,21,198		2,21,198	
	(3100) Rs. 10/- each				
	1000 India Cements Limited of Rs.10/- each	2,87,987		2,87,987	
	(1000)				
	1100 India Infoline Limited of Rs.10/- each	1,44,816		1,44,816	
	(1100)				
	848 Schrader Duncan Limited	3,20,873		3,20,873	
	(848) of Rs.10/- each				
	1000 Reliance Infra Limited of Rs.10/- each	16,23,450		16,23,450	
	(1000)				
	2000 Networth Stock Broking Limited	2,45,449		2,45,449	
	(2000) of Rs.10/- each				
	2000 Power Grid Corporation of India Ltd.	3,02,456		3,02,456	
	(2000) of Rs.10/- each				
	4000 Kirloskar Ferrous Industries Limited	2,11,129		2,11,129	
	(4000) of Rs.5/- each				
	2000 Aries Agro Ltd. of Rs.10/- each	2,62,871		2,62,871	
	(2000)				
	3000 Fortis Healthcare Ltd. of Rs.10/- each	4,53,424		4,53,424	
	(3000)				
	10000 Cerebra Integrated Technologie	2,87,936		2,87,936	
	(10000) of Rs.10/- each				
	- V-guard Industries Ltd.	-		9,98,268	
	(5000) of Rs.10/- each				
	- Hathway Cable And Datacom Ltd.	-		10,34,039	
	(5000) of Rs.10/- each				
	10000 Finolex Cables Limited of Rs.10/- each	5,87,776		5,87,776	
	(10000)				
	5000 Essar Oil Limited of Rs.10/- each	6,61,234		6,61,234	
	(5000)				
	5000 LIC Housing And Finance Ltd.	9,75,610		-	
	(-) of Rs. 2/- each				
	1000 Karur Vysya Bank of Rs. 10/- each	3,25,216		-	
	(-)				
	5000 Escorts Limited of Rs. 10/- each	5,93,324		-	
	(-)				
	2000 Mcleod Russel Limited of Rs. 10/- each	5,06,330		-	
	(-)				
	0 RDB Reality & Infrastructure Ltd.	-		-	
	(5) of Rs.10/- each Alloted due to merger				
	Total carried over	95,95,289		97,16,792	

		As at 31.03. 2014		As at 31.03.2013	
		Rs.	Rs.	Rs.	Rs.
<b>Total Brought Forward</b>			95,95,289		97,16,792
<b>In Mutual Fund Units-unquoted</b>					
-	HSBC MiP-regular Plan (growth)	-		43,00,312	
(233219.564)	of Rs.10/- each				
-	DSP BR MiP Fund Regular Plan (growth)	-		39,21,968	
(182949.797)	of Rs.10/- each				
72764.941	Birla Sunlife Frontline Equity Fund (growth)	73,70,361		73,70,361	
(72764.941)	of Rs.10/- each				
70471.519	SBI Emerging Businesses Fund Regular (growth)	39,99,900		39,99,900	
(70471.519)	of Rs.10/- each				
302170.696	Morgan Stanley A.C.E. Fund (growth)	49,98,000		49,98,000	
(302170.696)	of Rs.10/- each				
-	JM Multi Strategy Fund(growth)	-		50,28,264	
(355467.397)	of Rs. 10/- each				
437990.652	Mirae Asset Emerging Bluechip Fund	64,99,900		-	
(-)	(Growth) of Rs.10/- each				
321458.952	Mirae Asset India Opportunities Fund	64,99,900		-	
(-)	(Growth) of Rs.10/- each				
		<b>2,93,68,061</b>		<b>2,96,18,805</b>	
	Less : Provision for diminution of Current Investment	<b>(40,87,961)</b>		<b>(59,34,132)</b>	
	HDFC AMC Real Estate -1	-	<b>14,24,674</b>	-	<b>26,04,302</b>
<b>Share Application Money</b>					
	India Global Exports Pvt. Limited	2,43,00,000		2,43,00,000	
	Youngtronics India Pvt. Ltd.	50,96,000		50,96,000	
	Mettwa Electricals & Appliances Pvt. Ltd.	15,00,000	3,08,96,000	25,00,000	3,18,96,000
	<b>Total Current Investments</b>	<b>6,71,96,063</b>		<b>6,79,01,767</b>	
	<b>Total Investments</b>	<b>6,71,96,063</b>		<b>6,79,01,767</b>	

NOTE No.	As at 31.03. 2014	As at 31.03. 2013
<b>15 Inventories</b>	<b>Rs.</b>	<b>Rs.</b>
(Stock as valued and certified by Managing Director)		
Work In Progress (Real Estate)	3,99,41,655	-
Finished Goods	3,21,115	3,21,115
Stock in Trade (Land and expenses thereon)	1,55,14,09,000	1,55,14,09,000
Stores & Spares	2,36,336	30,960
	<u>1,59,19,08,106</u>	<u>1,55,17,61,075</u>
<b>16 Trade Receivables</b>		
(Unsecured considered good unless otherwise stated)		
Over Six Month	17,006	17,006
Others	-	40,09,000
	<u>17,006</u>	<u>40,26,006</u>
<b>17 Cash &amp; Cash Equivalents</b>		
<b>Balance With Banks</b>		
<b>In Fixed Deposits</b>		
Maturity with more than 12 months	52,02,110	3,10,000
Others (Pledged with Bank)	10,94,94,104	14,04,90,040
<b>In Current Accounts</b>		
Earmarked Balance with Banks	6,45,243	7,53,872
Others	1,12,74,590	36,92,664
<b>Cash on Hand</b>	3,36,274	3,31,818
	<u>12,69,52,321</u>	<u>14,55,78,394</u>
<b>18 Short Term Loans &amp; Advances</b>		
(Unsecured considered good unless otherwise stated)		
Advances Recoverable in cash or in kind for the value to be received	64,60,599	1,34,96,548
Unsecured considered doubtful	24,05,64,000	24,05,64,000
Advance to Related Party	-	23,07,946
<b>Loans to Related Parties</b>		
- Unsecured Considered Good	2,89,72,961	1,89,72,861
Advance Income Tax (Net of provision)	76,84,447	64,10,496
Balances with Central Excise Department	68,648	3,69,753
Mat Credit Entitlement	67,19,406	67,19,406
	<u>29,04,69,961</u>	<u>28,88,41,010</u>
Less: Provision for Doubtful Advances	24,05,64,000	24,05,64,000
	<u>4,99,05,961</u>	<u>4,82,77,010</u>
<b>19 Other Current Assets</b>		
Interest Receivable	40,38,229	43,31,510
	<u>40,38,229</u>	<u>43,31,510</u>

NOTE No.	Year ended March 31, 2014		Year ended March 31, 2013	
	Rs.	Rs.	Rs.	Rs.
<b>20 Revenue From Operations</b>				
Revenue from Real Estate		-		8,48,31,380
<b>Other Operating Revenues</b>				
Transfer Fee		4,45,000		10,30,000
Miscellaneous Receipts		1,80,000		1,80,000
		<u>6,25,000</u>		<u>12,10,000</u>
		<b>6,25,000</b>		<b>8,60,41,380</b>
<b>21 Other Income</b>				
Interest Received		1,18,37,726		1,05,47,082
Dividend Received		72,375		74,219
Rent		70,488		2,72,500
Miscellaneous Receipts		29,131		20,32,246
Provision of Liability no longer required		6,63,832		24,45,257
Profit on Sale of Assets		-		3,13,967
Diminution in the Value of Current Investments		(5,54,174)		(13,81,154)
Diminution in Value of Investment no longer required		24,00,346		67,34,705
Profit/(loss) on Sale of Investments (net)		-		-
Current Investment	25,49,933		5,83,812	
Long Term Investment	-		(56,69,461)	
Security Transaction Tax on above	(48)	25,49,885	(47,640)	(51,33,289)
		<u>1,70,69,609</u>		<u>1,59,05,533</u>
<b>22 Cost of Construction &amp; Development Expenses</b>		<b>3,99,41,655</b>		<b>5,67,92,000</b>
<b>23 Changes in Inventories of Finished Goods &amp; WIP</b>				
<b>Stock at Commencement</b>				
Finished Goods		3,21,115		3,21,115
		<u>3,21,115</u>		<u>3,21,115</u>
<b>Stock at Close</b>				
Finished Goods		3,21,115		3,21,115
Work in Progress (Real Estate)		3,99,41,655		-
		<u>4,02,62,770</u>		<u>3,21,115</u>
		<u>(3,99,41,655)</u>		<u>-</u>
<b>24 Employees Benefit Expense</b>				
Salary & Wages		94,45,482		78,59,903
Contribution to Provident and Other Fund		2,26,824		2,75,377
Staff Welfare Expenses		1,21,823		1,05,271
		<u>97,94,129</u>		<u>82,40,551</u>
<b>25 Finance Costs</b>				
Interest to Bank & Others		13,89,653		3,11,213
		<u>13,89,653</u>		<u>3,11,213</u>

NOTE No.	Year ended March 31, 2014		Year ended March 31, 2013	
	Rs.	Rs.	Rs.	Rs.
<b>26 Other Expenses</b>				
<b>Administrative Expense</b>				
Rent		2,18,400		2,66,800
Repair buildings		13,61,866		7,53,234
Insurance		2,65,593		1,98,439
Rates and Taxes		1,49,192		3,09,137
Electricity expenses		16,61,458		17,41,091
Safety & Protection		12,62,837		11,32,601
Vehicle Maintenance		13,50,272		13,64,876
Retainership		16,61,646		13,93,604
Professional Charges		20,26,183		18,62,904
Travelling and Conveyance expenses (including Rs.35711 Paid to Auditors)		3,77,881		4,94,780
Payments to the Auditors (including Service Tax)				
As Auditor	1,23,596		1,23,596	
For Other Services	<u>56,180</u>	1,79,776	<u>56,180</u>	1,79,776
Directors' Sitting Fee		48,000		45,000
Loss on Sale of Assets (net)		7,16,134		-
Miscellaneous expenses		49,56,341		37,59,049
<b>Total</b>		<u>1,62,35,579</u>		<u>1,35,01,291</u>
<b>Selling and Distribution Expenses</b>				
Selling Expenses		-		5,70,000
<b>Total</b>		<u>1,62,35,579</u>		<u>1,40,71,291</u>
<b>27 Exceptional Items</b>				
Loss on Sale of Long Term Investments in Associate Company		-		(9,50,00,000)
Provision for doubtful loan to Associate Company		-		(15,55,64,000)
<b>Total</b>		<u>-</u>		<u>(25,05,64,000)</u>



**NOTE No.**

28 Investments and Loans outstanding in subsidiary company;

(Amount in Rs.)

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

The Company holds undernoted provision for possible losses on loans given (to under noted Company):

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

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

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

31 **Related Party Disclosures**

Relationship

A. Wholly Owned Subsidiary Company

Farco Foods Private Ltd.

B Associate Companies

Shervani Hospitalities Limited

Youngtronics India Private Limited

Meltwa Electricals &amp; Appliances Pvt. Ltd.

C Key Management Personnel

Mr. S.I. Shervani

Managing Director

Mr. Tahir Hasan

Vice Chairman

and their relatives

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

	Year ended 31.03.2014	Year ended 31.03.2013
	Rs.	Rs.
D Nature and volume of transactions		
(i) Remuneration		
Paid to Key management personnel	15,60,016	15,67,328
Paid to Relatives	12,00,000	12,00,000
(ii) Rent		
Key management personnel (Paid)	96,000	3,27,000
Associate Company (Received)	70,488	72,500
(iii) Hire charges of Assets		
Key management personnel (Paid)	95,000	1,20,000
Associate/Subsidiary Companies (Received)	-	2,00,000
(iv) Interest Received		
Associate Company	7,13,219	33,584

	Year ended 31.03.2014	Year ended 31.03.2013
	Rs.	Rs.
(v) Closing Balance at the end of the year		
<b>Subsidiary Company</b>		
Farco Foods Private Limited	6,39,72,861	6,39,72,861
Provision for doubtful loan	(4,50,00,000)	(4,50,00,000)
<b>Associate Companies</b>		
Mettwa Electrical & Appliances Pvt. Ltd.	1,00,00,000	-
(vi) Investment in Equity Shares of Mettwa Electricals & Appliances Pvt. Ltd.	90,00,000	60,00,000
(vii) Share application money paid to Mettwa Electricals & Appliances Pvt. Ltd.	15,00,000	25,00,000
(viii) Share application money paid to Youngtronics India Pvt. Ltd.	-	38,000
32 Earning per share	31.03.2014	31.03.2013
(a) Net Profit available for Equity Share holders (numerator used for calculation)	(1,17,15,161)	(22,56,57,541)
(b) Weighted Average No. Equity Share used as denominator for calculating EPS	32,80,250	32,80,250
(c) Basic and Diluted Earning per share (Rs.)	(3.57)	(68.79)
(Equity Shares of face value of Rs.10/- each)		
33 Contingent liabilities not provided for :	As at 31.03.2014	As at 31.03.2013
	Rs.	Rs.
(a) Claims against the company not acknowledged as debts		Amount indeterminate
(b) In respect of guarantee given by Company in favour of HDFC Bank Limited on behalf of Shervani Hospitalities Limited, (an Associate Company) for credit facility extended to them	1,00,00,000	1,00,00,000
(c) In respect of guarantee given by Company in favour of Union Bank of India on behalf of Omnite! Technologies Private Limited for credit facility extended to them	10,00,00,000	-
34. Miscellaneous expenses includes	31.3.2014	31.3.2013
Advertisement	2,31,171	2,16,490
Telephone expenses	5,14,893	5,29,797
Legal expenses	1,17,995	2,47,157
Service Tax	4,64,948	-
Entertainment expenses	1,96,301	1,69,648
Freight and other handling charges	1,73,235	2,22,095
Garden Maintenance	1,63,602	1,50,140
General Charges	2,77,073	2,94,938
Gift & Presentation	1,78,589	1,47,830
Repairs Electrical	3,43,055	5,46,176
Repairs Machinery	2,30,066	2,11,991
Sanitation expenses	3,17,961	2,89,696
Printing & Stationery	1,59,241	2,02,351
Sterling Apartment expenses	9,93,496	-
35 Value of Imports on C.I.F. basis:	Nil	Nil
36 Value of Imported and indigeneous Stores and Spare Parts and Raw material Consumed.	Nil	Nil
37 Expenditure in Foreign Currency	This Year (Rs.)	Previous Year (Rs.)
Others	6,22,760	-
38 Based on the information available with the Company there are no dues payable to suppliers under the Micro Small and Medium Enterprises Development Act 2006.		
39 The figures of the previous year have been regrouped/rearranged wherever necessary.		

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Rs. In Thousand)

<b>I. Registration Details</b>		
Registration No.	1891	State code
Balance Sheet Date	31-03-2014	20
<b>II Capital Raised During the year</b>	Public Issue	Right Issue
	Nil	Nil
	Bonus Issue	Private Placement
	Nil	Nil
<b>III Position of Mobilisation and Deployment of Funds</b>		
Sources of Funds	Total Liabilities	Total Assets
	19,04,994	19,04,994
	Paid-up Capital	Reserve & Surplus
	32,803	18,68,711
	Secured Loans	Unsecured Loans
	3,380	100
Application of Funds	Net Fixed Assets	Investments
	53,558	67,196
	Net Current Assets	Miscellaneous Expenditure
	17,84,240	NIL
	Accumulated Losses	
	NIL	
<b>IV. Performance of the Company</b>	Turn over	Total Expenditure
	-	29,299
	Profit/(Loss) Before Tax	Profit/(Loss) After Tax
	(11,604)	(11,715)
	Earning Per Share in Rs.	Dividend Rate
	(3.57)	5%
<b>V. Generic Names of Three Principal Products/Services of the Company</b>	Product Description (ITC Code)	Item Code No.
	-	-

**SALEEM I. SHERVANI**  
Managing Director

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary : Farco Foods Pvt. Limited  
 Financial Year of the Company : 1st April 2013 to 31st March 2014

Shares held in the subsidiary company at the end of financial year of the subsidiary	9,00,000 Equity Shares of Rs.10/- Each, fully paid-up
Extent of Holding	100%
Changes in the interest of the Company at the end of financial year of the Subsidiary Company and 31st March, 2014. (No. of Shares acquired)	Nil
The net aggregate of Profit/(Loss) of the Subsidiary Company so far as it concerns the members of the Company	
(A) Dealt with in the Accounts of the Company for the year ended 31st March, 2014.	Nil
(B) Not dealt with in the Accounts of the Company for the year ended 31st March, 2014	Rs. 68,88,189
The net aggregate of Profits/(Losses) of the Subsidiary Company for previous financial years so far as it concerns the members of the Company	
(A) Dealt with in the Accounts of the Company for the year ended 31st March, 2014.	Nil
(B) Not dealt with in the Accounts of the Company for the year ended 31st March, 2014	(Rs. 5,28,33,174)
Material changes between the end of the financial year of the Subsidiary Company and 31st March, 2014	
a) Fixed assets	N.A.
b) Investments	N.A.
c) Moneys lent by the Subsidiary Company	N.A.
d) Moneys borrowed by the Subsidiary Company other than for meeting Current Liabilities	N.A.

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

We have audited the accompanying consolidated financial statements of Shervani Industrial Syndicate Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India including Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For P.L. TANDON & CO.,**  
Chartered Accountants  
Firm's Registration No.000186C

**RAJENDRA GUPTA**  
(Partner)  
Membership No.: 073250

Place : Allahabad  
Date : May 23, 2014

**CONSOLIDATED****BALANCE SHEET****BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

	Note No.	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders Funds</b>			
Share Capital	2	3,28,02,500	3,28,02,500
Reserves and Surplus	3	1,86,71,78,658	1,87,39,23,895
		<u>1,89,99,81,158</u>	<u>1,90,67,26,395</u>
<b>Non-current Liabilities</b>			
Long term Borrowings	4	34,80,183	15,00,000
Other Long-term Liabilities	5	8,83,809	1,08,63,809
Long-term Provisions	6	5,18,211	4,71,451
		<u>43,82,203</u>	<u>1,28,35,260</u>
<b>Current Liabilities</b>			
Short term Borrowings	7	5,36,01,990	19,00,000
Trade Payables	8	20,86,327	32,64,113
Other Current Liabilities	9	1,50,83,193	1,17,20,438
Short term Provisions	10	4,19,18,265	4,00,00,000
		<u>11,26,89,775</u>	<u>5,68,84,551</u>
<b>Total</b>		<u>2,01,75,53,136</u>	<u>1,97,64,46,206</u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Asstes	11	6,46,01,021	5,92,81,796
Capital Work in Progress		98,53,987	-
Non-current Investments	12	10,89,98,000	10,59,98,000
Long-term Loans And Advances	13	6,80,750	6,01,443
		<u>18,41,33,758</u>	<u>16,58,81,239</u>
<b>Current Assets</b>			
Current Investments	14	6,71,96,063	6,79,01,767
Inventories	15	1,59,19,08,106	1,55,17,61,075
Trade Receivables	16	32,00,547	67,40,734
Cash and Cash Equivalents	17	13,42,21,695	15,11,24,779
Short-term Loans and Advances	18	3,25,44,759	2,84,14,487
Other Current Assets	19	43,48,208	46,22,125
		<u>1,83,34,19,378</u>	<u>1,81,05,64,967</u>
<b>Total</b>		<u>2,01,75,53,136</u>	<u>1,97,64,46,206</u>

**Significant Accounting Policies and Notes on Financial Statement**

1-27

As per our report of even date attached

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

Chartered Accountants

**Rajendra Gupta**

Partner

**B.K. Misra**

Company Secretary &amp; Sr. Accounts Manager

**Mohd. Aslam Sayeed**

Director

**Saleem I. Shervani**

Managing Director

Place : Allahabad

Date : May 23, 2014

**CONSOLIDATED****STATEMENT OF PROFIT & LOSS****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

PARTICULARS	NOTE	Year ended March 31, 2014	Year ended March 31, 2013
		Rs.	Rs.
<b>Revenue From Operations</b>			
Revenue From Operations	20	3,85,19,288	11,70,66,236
Other Income	21	1,74,93,482	1,62,44,582
<b>Total Revenue</b>		<b>5,60,12,770</b>	<b>13,33,10,818</b>
<b>Expenses</b>			
Cost of Construction & Development Expenses	22	3,99,41,655	5,67,92,000
Changes in Inventory of Finished Goods	23	(3,99,41,655)	-
Employees Benefit Expense	24	2,05,04,481	1,68,49,541
Finance Costs	25	13,89,653	3,11,213
Depreciation and Amortization Expense		27,50,508	24,87,895
Other Expenses	26	3,60,87,650	3,09,92,913
<b>Total Expenses</b>		<b>6,07,32,292</b>	<b>10,74,33,562</b>
<b>(Loss)/Profit Before Exceptional Items and Tax</b>		<b>(47,19,522)</b>	<b>2,58,77,256</b>
Exceptional Items	27	-	(25,05,64,000)
<b>Loss after Exceptional Items before Tax</b>		<b>(47,19,522)</b>	<b>(22,46,86,744)</b>
<b>Tax Expense</b>			
Current Tax		(1,11,000)	(1,91,000)
Earlier Years Tax		-	41,17,684
<b>MAT Credit Entitlement</b>			
Current Year		-	1,17,450
Tax for Earlier Year		(3,550)	-
<b>Loss for the Year from continuing operations</b>		<b>(48,26,972)</b>	<b>(22,06,42,610)</b>
<b>Loss for the year</b>		<b>(48,26,972)</b>	<b>(22,06,42,610)</b>
<b>Earning Per Equity Share</b>			
Basic		(1.47)	(67.26)
Diluted		(1.47)	(67.26)
<b>Significant Accounting Policies and Notes on Financial Statement</b>	1-27		

As per our report of even date attached  
**For P.L. Tandon & Co.**  
Chartered Accountants

**Rajendra Gupta**  
Partner

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

**Mohd. Aslam Sayeed**  
Director

**Saleem I. Shervani**  
Managing Director

**Place : Allahabad**  
**Date : May 23, 2014**

# CONSOLIDATED

# CASH FLOW STATEMENT

	Year ended 31.03.2014	Year ended 31.03.2013
Rs.	Rs.	Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Tax	(47,19,522)	(22,46,86,744)
Adjustment For :		
Depreciation	27,50,508	24,87,895
(Profit)/Loss on sale of assets	7,16,134	(3,13,967)
Loss on sale of investment in associate	-	9,50,000
Interest paid	13,89,653	3,11,213
Interest Received	(1,22,41,999)	(1,08,69,991)
Dividend Received	(72,375)	(74,219)
(Profit)/Loss on Sale of Investments	(25,49,885)	51,33,289
Diminuation in value of investment written back	(24,00,346)	(67,34,705)
Dimunition in the value of current investment	5,54,174	13,81,154
	<u>(1,65,73,658)</u>	<u>(13,83,66,075)</u>
<b>Operating Profit/(Loss) before Working Capital Changes</b>		
Adjustment For :		
(Increase)/Decrease in Trade and other receivables	8,71,832	15,89,95,747
(Increase)/Decrease in Inventories	(4,01,47,031)	3,55,90,647
Increase/(Decrease) in Trade Payables	(99,52,026)	(4,08,81,505)
<b>Cash generated used in operation</b>	<b>(6,58,00,884)</b>	<b>1,53,38,814</b>
Direct tax (paid) /Refund of earlier years	(16,48,674)	21,41,793
<b>Net Cash generated from/(used in) operating activities (Total - A)</b>	<b>(6,74,49,558)</b>	<b>1,74,80,607</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(97,93,067)	(6,91,141)
Sale of Fixed Assets	10,07,201	8,37,686
Sale of Investments (net)	2,05,02,041	2,61,46,344
Purchase of Investments in associate	(30,00,000)	-
Purchase of Investments (net)	(1,54,00,280)	(2,81,30,541)
Investment in CWIP	(98,53,987)	-
Dividend Received	72,375	74,219
Interest Received	1,25,15,916	2,50,18,860
<b>Net Cash generated from/(used in) investing activities (Total - B )</b>	<b>(39,49,801)</b>	<b>2,32,55,427</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(32,80,250)
Dividend tax paid	-	(5,32,140)
Bank Borrowings	5,81,94,928	(38,79,983)
Unsecured Loans	(23,00,000)	(14,00,000)
Interest Paid	(13,98,653)	(8,97,654)
<b>Net Cash generated from/(used in) financing activities (Total - C)</b>	<b>5,44,96,275</b>	<b>(99,90,027)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,69,03,084)</b>	<b>3,07,46,007</b>
Add : Opening Cash and Cash Equivalents	15,11,24,779	12,03,78,772
<b>Closing Cash and Cash Equivalent</b>	<b>13,42,21,695</b>	<b>15,11,24,779</b>

As per our report of even date attached

For P.L. Tandon & Co.

Chartered Accountants

Rajendra Gupta  
Partner

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

Mohd. Aslam Sayeed  
Director

Saleem I. Shervani  
Managing Director

Place : Allahabad

Date : May 23, 2014



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****Note No.****1 Principles of Consolidation****1.1 The consolidated financial statements of the Group have been prepared on the following basis.**

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

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

Name of the company	Country of Incorporation	Holding as on 31.03.2014
Farco Foods Pvt. Limited	India	100%

**1.3 Other Significant Accounting Policies**

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

**1.4 Associate Companies Financial Statements as on 31.03.2014 have not yet been finalised, therefore, investments are shown at book value and Profit or Loss, if any, has not been considered while preparing Consolidated Financial Statements of the Group.**

# CONSOLIDATED

# NOTES

## NOTE No.

### 2 Share Capital

#### Authorised

20,000 Cumulative Redeemable Preference Shares  
of Rs. 100/- each  
62,80,000 Ordinary Shares of Rs. 10/- each  
8,000 Deferred Shares of Rs. 25/- each

As at 31.03.2014

Rs.

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

As at 31.03.2013

Rs.

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

#### Issued, Subscribed and Paid Up

Number

Rs.

Number

Rs.

#### Ordinary Shares

Balance as on 01.04.2013

32,60,250

3,26,02,500

32,60,250

3,26,02,500

Balance as at 31.03.2014

32,60,250

3,26,02,500

32,60,250

3,26,02,500

3,26,02,500

3,26,02,500

#### Deferred Shares

Balance as on 01.04.2013

8,000

2,00,000

8,000

2,00,000

Balance as at 31.03.2014

8,000

2,00,000

8,000

2,00,000

2,00,000

2,00,000

#### Grand Total

3,28,02,500

3,28,02,500

#### Reconciliation of Number of Shares

Nos.

Nos.

#### Outstanding is set out below

Equity Shares at the beginning of the year

32,68,250

32,68,250

Equity Shares at the close of the year

32,68,250

32,68,250

#### Details of shareholders holding more than 5 Percent

#### Shares ( Equity Shares in Nos. of Rs. 10/- each)

Hitesh Ramji Javeri

4,55,250

4,55,250

Frost Traders Pvt Ltd.

4,00,602

4,00,602

Saleem Iqbal Shervani

3,18,680

3,18,680

Reed Finance Pvt Ltd.

2,69,145

14,43,677

2,69,145

14,43,677

### 3 Reserves & Surplus

Rs.

Rs.

#### General Reserve

As per last Balance Sheet

55,00,00,000

55,00,00,000

Less : Transferred to surplus

2,00,00,000

53,00,00,000

-

55,00,00,000

#### Capital Subsidy Reserve

As per last Balance Sheet

19,26,616

19,26,616

#### Share Premium Account

As per last Balance Sheet

38,40,909

38,40,909

#### Capital Redemption Reserve

As per last Balance Sheet

20,00,000

20,00,000

Capital Reserve on Revaluation of Land

1,51,90,40,251

1,51,90,40,251

Capital Reserve on Consolidation

63,00,000

63,00,000

#### Surplus

As per last Balance Sheet

(20,91,83,881)

1,14,58,729

Balance in the statement of Profit and Loss

(48,26,972)

(22,06,42,610)

Transferred from General Reserve

2,00,00,000

-

#### Appropriations

Proposed Dividend

16,40,125

-

Tax on proposed Dividend

2,78,140

-

(19,59,29,118)

(20,91,83,881)

1,86,71,78,658

1,87,39,23,895

# CONSOLIDATED

# NOTES

		As at 31.03.2014	As at 31.03.2013
NOTE No.			
4	<b>Long Term Borrowing</b>	Rs.	Rs.
	<b>Secured Loan</b>		
	Vehicle Loan	33,80,183	-
	Maturity Profile	<u>33,80,183</u>	<u>-</u>
	Year	Amount Payable	
	2015-2016	14,89,911	
	2016-2017	16,55,448	
	2017-2018	2,34,824	
	<b>Unsecured Loan</b>		
	Deposits	1,00,000	15,00,000
	Maturity Profile	<u>1,00,000</u>	<u>15,00,000</u>
	Year	Amount Payable	
	2016-2017	1,00,000	
	<b>Total long term borrowing</b>	<u>34,80,183</u>	<u>15,00,000</u>
5	<b>Other long-term Liabilities</b>		
	Security Deposit	8,83,809	1,08,63,809
		<u>8,83,809</u>	<u>1,08,63,809</u>
6	<b>Long-term Provisions</b>		
	Provision for Employees' Benefit	5,18,211	4,71,451
		<u>5,18,211</u>	<u>4,71,451</u>
7	<b>Short-term Borrowings</b>		
	<b>Secured Loans from Banks</b>		
	Overdraft	5,36,01,990	-
	(Secured by hypothecation of fixed deposits )		
	Unsecured Loan from Related Party	-	19,00,000
		<u>5,36,01,990</u>	<u>19,00,000</u>
8	<b>Trade Payables</b>		
	Sundry Creditors	20,86,327	32,64,113
		<u>20,86,327</u>	<u>32,64,113</u>
9	<b>Other Current Liabilities</b>		
	Current Maturity of long term Borrowing-Secured	13,12,755	1,00,000
	Current Maturity of long term Borrowing-Unsecured	10,00,000	-
	Interest accrued but not due	20,000	29,000
	Investor Education & Protection Fund shall be credited by the following: (amounts to be transferred to the said fund shall be determined on the respective due date)		
	Unpaid Dividends	6,35,225	7,43,247
	Temporary Book Over Draft	13,846	-
	Other Payable	1,21,01,367	1,08,48,191
	(Includes Employees Liabilities, Statutory Liabilities etc.)	<u>1,50,83,193</u>	<u>1,17,20,438</u>

# CONSOLIDATED

# NOTES

## 10 Short-term Provisions

Provision for tax	4,00,00,000	4,00,00,000
Proposed Dividend	16,40,125	-
Tax payable on Dividend	2,78,140	-
	<u>4,19,18,265</u>	<u>4,00,00,000</u>

## 11 Non Current Assets - Fixed Assets

### Tangible Assets

Gross Block	As at 01.04.2013	Addition	Deletion	As at 31.03.2014
Freehold land	1,71,31,323	-	-	1,71,31,323
Leasehold land	5,179	-	-	5,179
Factory building	60,28,619	-	-	60,28,619
Non-factory building	2,63,54,915	-	-	2,63,54,915
Plant and Equipments	1,60,35,186	1,00,228	-	1,61,35,414
Furniture and Fixture	18,53,801	-	-	18,53,801
Vehicles	1,20,40,287	95,92,939	36,27,823	1,80,05,403
Office equipments	1,38,780	-	-	1,38,780
Computers	51,57,570	99,900	-	52,57,470
<b>Total</b>	<b>8,47,45,660</b>	<b>97,93,067</b>	<b>36,27,823</b>	<b>9,09,10,904</b>
Previous Year	8,49,45,279	6,91,141	8,90,760	8,47,45,660

### Depreciation Block

Freehold land	-	-	-	-
Leasehold land	-	-	-	-
Factory building	28,08,593	2,01,356	-	30,09,949
Non-factory building	29,12,999	4,29,585	-	33,42,584
Plant and Equipments	82,60,761	7,14,588	-	89,75,349
Furniture and Fixture	12,84,459	69,603	-	13,54,061
Vehicles	53,42,366	12,90,496	19,04,488	47,28,374
Office Equipments	48,893	6,593	-	55,486
Computers	48,05,793	38,288	-	48,44,080
<b>Total</b>	<b>2,54,63,864</b>	<b>27,50,509</b>	<b>19,04,488</b>	<b>2,63,09,883</b>
Previous Year	2,33,43,009	24,87,896	3,67,041	2,54,63,864

### Net Block

	As at 31.03.2014	As at 31.03.2013
Freehold land	1,71,31,323	1,71,31,323
Leasehold land	5,179	5,179
Factory building	30,18,670	32,20,026
Non-factory building	2,30,12,331	2,34,41,916
Plant and Equipments	71,60,065	77,74,425
Furniture and Fixture	4,99,740	5,69,342
Vehicles	1,32,77,029	66,97,921
Office equipments	83,294	89,887
Computers	4,13,390	3,51,777
<b>Total</b>	<b>6,46,01,021</b>	<b>5,92,81,796</b>

Capital work in progress

98,53,987

# CONSOLIDATED

# NOTES

NOTE No.		As at 31.03. 2014		As at 31.03. 2013	
12	<b>Non Current Investment (At Cost)</b>				
	(Long Term Investment)	Rs.	Rs.	Rs.	Rs
	Trade Investment (unquoted)				
	<b>Investment in Equity Instruments</b>				
	<b>Associate Company</b>				
	2265750 Shervani Hospitalities Ltd. of Rs. 10/-				
	(2265750) each (including 730000 Equity Shares	8,81,43,000		8,81,43,000	
	at a Premium of Rs.90/- per share and				
	21450 Bonus Shares)				
	85000 Youngtronics India Private Ltd. of	8,50,000		8,50,000	
	(85000) Rs.10/- each				
	900000 Mettwa Electricals and Appliances Pvt. Ltd.	90,00,000		60,00,000	
	(600000) of Rs.10/- each				
	<b>Other Investments (in Equity Shares- Unquoted Fully Paid Up)</b>				
	500 Shares of Super Bazar Cooperative	5,000		5,000	
	(500) Stores Ltd., of Rs. 10/- each				
	80000 6% Non Cumulative Pref. Shares of	80,00,000		80,00,000	
	(80000) India Global Exports Pvt. Ltd. of Rs.100/- each				
	300000 Shares of Rs.10/- each of Shervani Sugar	30,00,000	10,89,98,000	30,00,000	10,59,98,000
	(300000) Syndicate Ltd.(associate Company)				
		<u>10,89,98,000</u>		<u>10,59,98,000</u>	
13	<b>Long Term Loans and Advances</b>				
	(Unsecured considered good unless otherwise stated)				
	Security Deposits	6,80,750		6,01,443	
		<u>6,80,750</u>		<u>6,01,443</u>	

NOTE NO.	As at 31.03.2014		As at 31.03.2013	
	Rs.	Rs.	Rs.	Rs.
<b>14 CURRENT ASSETS</b>				
<b>CURRENT INVESTMENTS</b>				
<b>Other Investment</b>				
<b>In Equity Shares-Quoted fully paid up</b>				
5000 Bombay Dyeing and Manufacturing Co. Ltd.	5,71,810		5,71,810	
(5000) of Rs.2/- each				
500 DLF Limited of Rs.2/- each	2,87,833		2,87,833	
(500)				
6000 I.D.B.I. Bank Limited of Rs.10/- each	7,24,567		7,24,567	
(6000)				
- Idea Cellular Limited of Rs.10/- each	-		4,89,676	
(3800)				
3100 Firstsource Solutions Limited	2,21,198		2,21,198	
(3100) of Rs.10/- each				
1000 India Cements Limited of Rs.10/- each	2,87,987		2,87,987	
(1000)				
1100 India Infoline Limited of Rs.10/- each	1,44,816		1,44,816	
(1100)				
848 Schrader Duncan Limited	3,20,873		3,20,873	
(848) of Rs.10/- each				
1000 Reliance Infra Limited of Rs.10/- each	16,23,450		16,23,450	
(1000)				
2000 Networth Stock Broking Limited	2,45,449		2,45,449	
(2000) of Rs.10/- each				
2000 Power Grid Corporation of India Ltd.	3,02,456		3,02,456	
(2000) of Rs.10/- each				
4000 Kirloskar Ferrous Industries Limited	2,11,129		2,11,129	
(4000) of Rs.5/- each				
2000 Aries Agro Ltd. of Rs.10/- each	2,62,871		2,62,871	
(2000)				
3000 Fortis Healthcare Ltd. of Rs.10/- each	4,53,424		4,53,424	
(3000)				
10000 Cerebra Integrated Technologie	2,87,936		2,87,936	
(10000) of Rs.10/- each				
- V-guard Industries Ltd. of	-		9,98,268	
(5000) Rs.10/- each				
- Hathway Cable And Datacom Ltd.	-		10,34,039	
(5000) of Rs.10/- each				
10000 Finolex Cables Limited of Rs.10/- each	5,87,776		5,87,776	
(10000)				
5000 Essar Oil Limited of Rs.10/- each	6,61,234		6,61,234	
(5000)				
5000 LIC Housing and Finance Ltd.	9,75,610		-	
(-) of Rs.10/- each				
1000 Karur Vysya Bank	3,25,216		-	
(-) of Rs.10/- each				
5000 Escorts Limited	5,93,324		-	
(-) of Rs.10/- each				
2000 Mcleod Russel Limited	5,06,330		-	
(-) of Rs.10/- each				
5 Rdb Reality & Infrastructure Ltd.	-	95,95,289	-	97,16,792
(5) of Rs.10/- each allotted due to demerger				

# CONSOLIDATED

# NOTES

		As at 31.03. 2014		As at 31.03. 2013	
		Rs.	Rs.	Rs.	Rs.
<b>Total Brought Forward</b>			<b>95,95,289</b>		<b>97,16,792</b>
<b>IN MUTUAL FUND UNITS-UNQUOTED</b>					
-	HSBC MIP-Regular Plan (growth)	-		43,00,312	
(233219.564)	of Rs.10/- each				
-	DSP BR MIP Fund Regular Plan (growth)	-		39,21,968	
(182949.797)	of Rs.10/- each				
72764.941	Birla Sunlife Frontline Equity Fund (growth)	73,70,361		73,70,361	
(72764.941)	of Rs.10/- each				
70471.519	SBI Emerging Businesses Fund Regular	39,99,900		39,99,900	
(70471.519)	of Rs.10/- each				
302170.696	Morgan Stanley A.C.E. Fund (growth)	49,98,000		49,98,000	
(302170.696)	of Rs.10/- each				
-	JM Multi Strategy Fund(growth)	-		50,28,264	
(355467.397)	of Rs.10/- each				
437998.652	Mirae Asset Emerging Bluechip Fund	64,99,900		-	
(-)	(Growth) of Rs. 10/- each				
321458.952	Mirae Asset India Opportunities Fund	64,99,900		-	
(-)	(Growth) of Rs. 10/- each				
			<b>2,93,68,061</b>		<b>2,96,18,805</b>
	Less: Provision for Diminution of Current Investment	-	(40,87,961)	-	(59,34,132)
	HDFC AMC Real Estate -1	-	14,24,674	-	26,04,302
<b>Share Application Money</b>					
	India Global Exports Pvt. Limited	2,43,00,000		2,43,00,000	
	Youngtronics India Pvt. Ltd.	50,96,000		50,96,000	
	Mettwa Electricals and Appliances Pvt. Ltd.	15,00,000	3,08,96,000	25,00,000	3,18,96,000
	<b>Total Current Investments</b>		<b>6,71,96,063</b>		<b>6,79,01,767</b>
	<b>Total Investments</b>		<b>6,71,96,063</b>		<b>6,79,01,767</b>

# CONSOLIDATED

# NOTES

NOTE No.	As at 31.03. 2014	As at 31.03. 2013
<b>15 Inventories</b>	<b>Rs.</b>	<b>Rs.</b>
(Stock as valued and certified by Managing Director)		
Work In Progress ( Real Estate )	3,99,41,655	-
Finished Goods	3,21,115	3,21,115
Stock In Trade (Land and expenses thereon)	1,55,14,09,000	1,55,14,09,000
Stores & Spares	2,36,336	30,960
	<u>1,59,19,08,106</u>	<u>1,55,17,61,075</u>
<b>16 Trade Receivables</b>		
(Unsecured considered good unless otherwise stated)		
Over Six Month	17,006	17,006
Others	31,83,541	67,23,728
	<u>32,00,547</u>	<u>67,40,734</u>
<b>17 Cash &amp; Cash Equivalents</b>		
<b>Balance With Banks</b>		
<b>In Fixed Deposits</b>		
Maturity with more than 12 months	54,40,031	3,10,000
Others (Pledged with Bank)	11,33,09,447	14,39,90,040
<b>In Current Accounts</b>		
Earmarked Balance with Banks	6,45,243	7,53,872
Others	1,39,46,017	57,23,051
<b>Cash on Hand</b>	8,80,957	3,47,816
	<u>13,42,21,695</u>	<u>15,11,24,779</u>
<b>18 Short Term Loans &amp; Advances</b>		
(Unsecured considered good unless otherwise stated)		
Advances Recoverable In Cash or in kind for the value to be received	66,34,420	1,37,44,267
Unsecured Considered Doubtful	19,55,64,000	19,55,64,000
<b>Loan to Related Parties</b>		
- Unsecured Considered Good	1,00,00,000	-
Advance Income Tax (Net of Provision)	91,21,653	74,62,979
Balances With Central Excise Department	69,280	3,70,385
MAT Credit Entitlement	67,19,406	68,36,856
	<u>22,81,08,759</u>	<u>22,39,78,487</u>
Less: Provision for Doubtful Advances	19,55,64,000	19,55,64,000
	<u>3,25,44,759</u>	<u>2,84,14,487</u>
<b>19 Other Current Assets</b>		
Interest Receivable	43,48,208	46,22,125
	<u>43,48,208</u>	<u>46,22,125</u>



# CONSOLIDATED

# NOTES

NOTE No.	Year ended March 31, 2014		Year ended March 31, 2013	
	Rs.	Rs.	Rs.	Rs.
<b>20 Revenue from Operations</b>				
Revenue From Real Estate		-		8,48,31,380
Sale of Services		3,76,56,543		3,08,15,969
<b>Other Operating Revenues</b>				
Transfer Fee		4,45,000		10,30,000
Misc. Receipts		4,17,745		3,88,887
		<u>8,62,745</u>		<u>14,18,887</u>
		<u>3,85,19,288</u>		<u>11,70,66,236</u>
<b>21 Other income</b>				
Interest received		1,22,41,999		1,08,69,991
Dividend received		72,375		74,219
Rent		70,488		2,72,500
Miscellaneous receipts		38,731		20,46,786
Provision of Liability no longer required		6,73,832		24,46,857
Profit on Sale of Assets		-		3,13,967
Diminution in the value of current investments		(5,54,174)		(13,81,154)
Diminution in value of investment no longer required		24,00,346		67,34,705
Profit/(loss) on sale of investments (net)		-		-
Current Investment	25,49,933		5,83,812	
Long Term Investment	-		(56,69,461)	
Security Transaction Tax on above	(48)	25,49,885	(47,640)	(51,33,289)
		<u>1,74,93,482</u>		<u>1,62,44,582</u>
<b>22 Cost of Construction &amp; Development Expenses</b>		<u>3,99,41,655</u>		<u>5,67,92,000</u>
<b>23 Changes In Inventories of Finished Goods &amp; WIP</b>				
<b>Stock at Commencement</b>				
Finished Goods		3,21,115		3,21,115
Work in Progress (Real Estate)		-		-
		<u>3,21,115</u>		<u>3,21,115</u>
<b>Stock at Close</b>				
Finished Goods		3,21,115		3,21,115
Work in Progress (Real Estate)		3,99,41,655		-
		<u>4,02,62,770</u>		<u>3,21,115</u>
		<u>(3,99,41,655)</u>		<u>-</u>
<b>24 Employees' Benefit Expense</b>				
Salary & Wages		1,98,86,154		1,62,70,861
Contribution to provident and other fund		3,58,603		3,86,054
Staff Welfare expenses		2,59,724		1,92,626
		<u>2,05,04,481</u>		<u>1,68,49,541</u>
<b>25 Finance Costs</b>				
Interest to Bank & Others		13,89,653		3,11,213
		<u>13,89,653</u>		<u>3,11,213</u>

# CONSOLIDATED

# NOTES

NOTE No.		Year ended March 31, 2014		Year ended March 31, 2013	
		Rs.	Rs.	Rs.	Rs.
<b>26</b>	<b>Other Expenses</b>				
	<b>Manufacturing Expenses</b>				
	Power & Fuel		1,55,98,960		1,35,32,769
	Repairs to Building		35,507		8,50,005
	Repairs to Plant & Machinery		9,81,921		15,88,754
	Other Manufacturing Expenses		1,15,007		3,39,975
			<u>1,67,31,395</u>		<u>1,63,11,503</u>
	<b>Administrative Expense</b>				
	Rent		14,18,400		2,66,800
	Repairs building		13,61,866		-
	Insurance		2,65,593		1,98,439
	Rates and Taxes		1,49,192		3,09,137
	Electricity Expenses		16,61,458		17,41,091
	Safety & Protection		12,62,837		11,32,601
	Vehicle Maintenance		13,50,272		13,64,876
	Retainership		16,61,646		13,93,604
	Professional Charges		20,26,183		18,62,904
	General Expenses		2,59,185		-
	Travelling and Conveyance expenses (Including Rs. 35711 paid to Auditors)		3,77,881		4,94,780
	Payments to the Auditors (Including Service Tax)				
	As Auditor	1,46,068		1,46,068	
	For Other Services	<u>56,180</u>	2,02,248	<u>56,180</u>	2,02,248
	Directors' Sitting Fee		48,000		45,000
	Loss on sale of assets (net)		7,16,134		-
	Sundry Balances Written Off		3,08,676		-
	Miscellaneous expenses		62,86,684		50,99,930
	<b>Total</b>		<u>1,93,56,255</u>		<u>1,41,11,410</u>
	<b>Selling and Distribution Expenses</b>				
	Selling expenses		-		5,70,000
			<u>3,60,87,650</u>		<u>3,09,92,913</u>
<b>27</b>	<b>Exceptional Items</b>				
	Loss on Sale of Long Term Investments In Associate Company		-		(9,50,00,000)
	Provision for Doubtful Loan In Associate Company		-		(15,55,64,000)
	<b>Total</b>		<u>-</u>		<u>(25,05,64,000)</u>

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## **SHERVANI INDUSTRIAL SYNDICATE LIMITED**

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

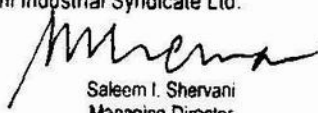
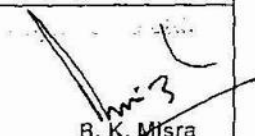
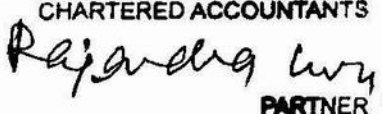
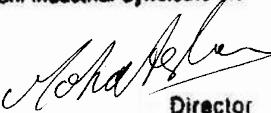
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[www.shervaniind.com](http://www.shervaniind.com)

# FORM A

Format of Covering Letter of the Annual Audit Report to be filed with the Stock- Exchanges  
( Pursuant to SEBI Circular No. CIR/CFD/DIL/7/2012 Dated 13.08.2012)

1.	Name of the Company	SHERVANI INDUSTRIAL SYNDICATE LIMITED
2.	Annual Financial Statements for the Year ended	31 <sup>ST</sup> MARCH, 2014
3.	Type of Audit Observation	Liability for Leave Encashment & Gratuity have been provided on the basis of actual liability determined by the management as on 31.03.2014
4.	Frequency of Observation	Since 2008-2009
5.	Signatories	Signatures
Managing Director		<p>For Shervani Industrial Syndicate Ltd.</p>  <p>Saleem I. Shervani Managing Director</p>
CFO/ Company Secretary		<p>For Shervani Industrial Syndicate Ltd.</p>  <p>B. K. Misra Company Secretary</p>
Statutory Auditors		<p>FOR P. L. TANDON &amp; Co. CHARTERED ACCOUNTANTS</p>  <p>PARTNER</p>
Chairman – Audit Committee		<p>For Shervani Industrial Syndicate Ltd.</p>  <p>Director</p>