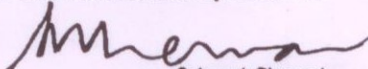
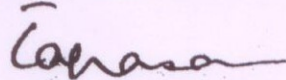
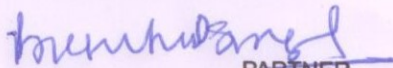
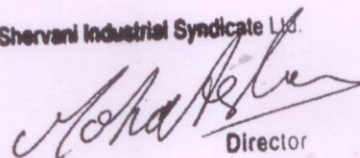


**FORM A**

Format of covering letter of the annual audit report to be filed with the stock exchanges  
(Pursuant to SEBI Circular Mo. 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 2015
3.	Type of Audit Observation	Liability for leave encashment has been provided on the basis of actual liability determined by the management as on 31.03.2015
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>
	Chief Financial Officer	<p>For Shervani Industrial Syndicate Ltd.</p>  <p>Tahir Hasan WTD &amp; Chief Financial Officer</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>

# 67<sup>th</sup> ANNUAL REPORT 2014-2015

**Shervani Industrial Syndicate Limited**

# Shervani Industrial Syndicate Limited

## BOARD OF DIRECTORS

### CHAIRMAN

Dr. Ashutosh Pratap Singh

### MANAGING DIRECTOR

Mr. Saleem Iqbal Shervani

### WHOLETIME DIRECTOR & CHIEF FINANCIAL OFFICER

Mr. Tahir Hasan

### DIRECTORS

Mr. Azher Nisar Shervani

Mr. Saeed Mustafa Shervani

Mr. Kush Bhargava

Mr. Gopal Swarup Chaturvedi

Mr. Raju Verghese

Mr. Mohammad Aslam Sayeed

Mrs. Shefali Bansal

### COMPANY SECRETARY & Sr. ACCOUNTS MANAGER

Mr. B. K. Misra

### AUDITORS

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

Chartered Accountants,

Kanpur

### BANKERS

State Bank of India

Union Bank of India

Central Bank of India

ICICI Bank Ltd.

HDFC Bank Ltd.

### REGISTERED OFFICE

Shervani Nagar,

Sulem Sarai, Harwara

Allahabad - 211011

Uttar Pradesh

## Annual Report 2014-2015

### CONTENTS

NOTICE OF AGM	2
DIRECTORS' REPORT	6
CORPORATE GOVERNANCE REPORT	19
INDEPENDENT AUDITORS' REPORT	24
BALANCE SHEET	27
STATEMENT OF PROFIT AND LOSS	28
CASH FLOW STATEMENT	29
NOTES	30
CONSOLIDATED AUDITORS' REPORT	42
CONSOLIDATED BALANCE SHEET	46
CONSOLIDATED PROFIT AND LOSS	47
CONSOLIDATED CASH FLOW	48
CONSOLIDATED NOTES	49

NOTICE is hereby given that the **67<sup>th</sup> Annual General Meeting** of the Members of SHERVANI INDUSTRIAL SYNDICATE LIMITED will be held on Wednesday, the 30<sup>th</sup> September, 2015 at 11.30 A.M at 2, New Cantonment, Kanpur Road, Allahabad to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt
  - (a) the Audited Financial Statement of the Company for the Financial Year ended March 31, 2015, together with the Reports of the Directors' and Auditors thereon.
  - (b) the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2015 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Tahir Hasan, (DIN 00074282 ) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Raju Verghese, (DIN 01086812) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Statutory 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 Auditor's 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 the Directors of the Company".

**SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Shefali Bansal (DIN: 07090579) who has been appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offers herself for appointment and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of Mrs. Shefali Bansal for the office of

Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

By Order of the Board  
For Shervani Industrial Syndicate Limited

B.K. Misra  
Company Secretary

Place : Allahabad  
Date : August 8, 2015

**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 Business under Item No. 5 as set out above is annexed hereto.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members / Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the Meeting.
6. In case of Joint Holders attending the Meeting, only such Joint Holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Annual General Meeting.
8. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 24<sup>th</sup> September, 2015 to Wednesday, 30<sup>th</sup> September, 2015 (both days inclusive).



9. 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 2006-07 to Investor Education and Protection Fund (IEPF) established by the Central Government. The unpaid / unclaimed dividend for the financial year 2007-08 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.
10. Members holding shares in electronic form are requested to intimate immediately any change in their Address or Bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrar and Transfer Agents (RTA).
11. 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).
12. 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.
13. 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.
14. 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.
15. 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 instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27<sup>th</sup> September 2015 at 10 AM and ends on 29<sup>th</sup> September 2015 at 5 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 23<sup>rd</sup> September 2015 (the cut off date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding Shares in Demat and Physical Form

**PAN** Enter your 10 digit alpha-numeric \*\*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

\*\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.

**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 member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen.

However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the <Shervani Industrial Syndicate Limited> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password &

enter the details as prompted by the system.

(xviii) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

By Order of the Board  
For Shervani Industrial Syndicate Limited

B.K. Misra  
Company Secretary

Place : Allahabad  
Date : August 8, 2015

#### ANNEXURE TO AGM NOTICE

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

Name of the Director	Mr Tahir Hasan	Mr Raju Verghese
Date of Birth	21.07.1946	05.11.1947
Date of appointment	28.06.1979	27.01.2007
Specialised expertise	Industrialist	Finance & Taxation
Qualifications	B.E., PGDM	B.Sc.
Directorship of other Companies as on 31.03.2015	Shervani Hospitalities Ltd ISGEC Heavy Engineering Ltd The Saraswati Sugar Mills Ltd Tara Products & Services Pvt Ltd. Uttar Pradesh Cricket Association	Reed Finance Pvt Ltd. Capon Food Specialities Ltd.
Chairman/Member of other Committees of Companies as on 31.03.2015	Nil	Nil
Shareholding in the Company	0.47%	0.02%

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

Pursuant to provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, every listed company is required to appoint at least one woman director on Board of the Company by 31<sup>st</sup> March, 2015. In compliance thereof, Mrs. Shefali Bansal (DIN: 07090579) was appointed as an Additional Director by the Board of Directors of the Company at their meeting held on 9<sup>th</sup> February, 2015.

In terms of Section 161(1) of the Companies Act, 2013, Mrs. Shefali Bansal holds office as Additional Director only up to the date of the forthcoming Annual General Meeting. The Company has received a notice from a member alongwith the deposit of requisite amount under section 160 of the Act proposing her candidature as a Woman Director under the provisions of Section 149 and 152 of the Companies Act, 2013. Mrs. Shefali Bansal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Resolution seeks the approval of Members for the appointment of Mrs. Shefali Bansal as Woman Director of the Company who is liable to retire by rotation.

Brief profile along with other details of the Director is as under:

Name of the Director	: Mrs. Shefali Bansal
DIN	: 07090579
Date of joining the Board	: 09.02.2015
Profile of the Director	: Mrs. Shefali Bansal aged about 59 years, is a graduate and having considerable exposure of public life.
No of Shares held in the Company	: NIL
Directorship and Committee Membership in other Companies	: NIL

None of the Director or Key Managerial Personnel of the Company and/ or their relatives, except Mrs. Shefali Bansal in her personal capacity for whom the Resolution relates, is interested or concerned in the Resolution.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

By Order of the Board  
For Shervani Industrial Syndicate Limited

Date: August 8, 2015

B. K.Misra  
Company Secretary

**Registered Office**

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

Dear Members,

Your Directors take pleasure in presenting the 67<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2015.

## **1. FINANCIAL RESULTS**

	(Rs. in Lac)
Total Revenue	186
Loss before Depreciation	101
Depreciation	28
Loss after Depreciation before tax	129
Current/Earlier year tax	1
Loss after tax	130

## **2. DIVIDEND**

Due to inadequacy of Profit and the provisions of the Companies Act, 2013, your Directors are not in position to propose any dividend for the year ended on 31<sup>st</sup> March, 2015.

## **3. OPERATIONS REVIEW**

During the year under review, the company commenced the infrastructure development of its real estate project 'Shervani Legacy' as per approved layout plan. This includes construction of roads, pedestrian pathways, sewer, water and electricity lines. The project has received much appreciation from the public but the booking of plots could not reach the expected levels due to a sluggish market and the slow down of the economy in general. The initial development expenses, therefore, are not commensurate with the amount of advance received towards booking of plots. But during the next year, your company hopes to book and sell plots in line with its business plan.

## **4. MANAGEMENT DISCUSSION AND ANALYSIS**

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

While there have been positive signals from the new Government in power, the macro economic recovery is yet to kick in.

Real estate sector has been under economic slowdown for the past year or two that has also had an adverse impact on the sale of plots. As the economy and the real estate business recovers, your company expects the sales to speed up as well.

In second tier cities the real estate business is not as organized as in the metros providing many opportunities to both direct and develop the market by providing value added products. The demand for housing from upper and middle strata of society in such cities is expanding and your Company expects to capitalize on the same by building group housing apartments as planned in the second stage of the Shervani Legacy project.

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

Growing urbanization is lifting the demand in housing sector specially in tier two cities. The high standards of construction adhered to in the previous project has infused trust and had a positive impact on the current

development which is reflected in enquiries from the public for the current Shervani Legacy project. Continuous upward trend in input cost and instability in international money market is a matter of concern for Indian public including real estate industry. Completion of Project in optimal time and according to schedule is key to building strong reputation and maximizing profits. Delays increase the input costs and have adverse impact on project. A significant factor leading to delays both in terms of time, risk and cost is over land acquisition and related legal documentation. In the current project the ready availability of land off sets the risks and concern factor to a great extent.

### **C. Subsidiary Company**

M/s Farco Foods Pvt Limited, the wholly owned subsidiary of your Company has maintained its productivity by manufacturing 5139 MT biscuits of Priyagold Brand on job work basis. We are hopeful that in coming financial year the plant will be upgraded to gas plant which will help to improve the quality of finished product.

### **D. Internal Financial Controls**

The Company has an adequate system of internal control to ensure compliance with policies and procedures. The internal audit is done by an independent firm of Chartered Accountants. The internal audit reports alongwith recommendations contained therein are reviewed by the Audit Committee of the Board.

### **E. Development in Human Resource and Industrial Relation**

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

### **F. Research and Development**

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

## **5. CORPORATE GOVERNANCE**

As per Clause 49 of The Listing Agreement with the Stock Exchange a separate section on the corporate governance practices followed by the Company together with a certificate from the Company's Auditors confirming compliance is separately furnished and forms an integral part of this report.

## **6. EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure -A.

## **7. BOARD MEETINGS**

The calendar of Meetings is prepared and circulated in advance to the Directors. During the year, 4 nos. Board Meetings were convened and details of which are given in the Corporate Governance Report.



**8. DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

**9. DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**10. NOMINATION & REMUNERATION**

The Board on the recommendation of the Nomination & Remuneration Committee, make the appointment of Directors, senior management and fix their remuneration. Key Management Personnel are appointed by the Board after consideration of their qualification and exposure to required fields. The details are stated in the Corporate Governance Report.

**11. AUDITORS REPORT**

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

**12. RELATED PARTY TRANSACTIONS**

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

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

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

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

**14. RISK MANAGEMENT**

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out separately in the Corporate Governance Report.

**15. CORPORATE SOCIAL RESPONSIBILITY**

The provisions of section 148 of the Companies Act, 2013 are not applicable to your company.

**16. BOARD EVALUATION**

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

**17. DIRECTORS**

Mr. Tahir Hasan and Mr. Raju Verghese are the Directors retiring by rotation and, being eligible, offers themselves for re-appointment. In compliance of section 161 of the Companies Act, 2013 and Listing Agreement regarding appointment of woman Director the Board in the meeting held on 9.02.2015 appointed Mrs Shefali Bansal as an Additional Director of the Company till the date of this Annual General Meeting. The Board recommends the appointment of Mrs Shefali Bansal as Director of the Company liable to retire by rotation.

As required by the Listing Agreement with the Stock Exchange the relevant details in respect of the Directors proposed to be appointed / re-appointed have been annexed to the notice of meeting in terms of Section 102(1) of the Companies Act 2013. The Directors recommend all the resolutions placed before the Members relating to Directors for their approval.

**18. STATUTORY AUDITORS**

M/s P.L. Tandon & Co. Chartered Accountants, Kanpur retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility under section 141 of the Companies Act, 2013 and the rules framed thereunder for re-appointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement the Auditors have also confirmed that they hold a valid certificate issued by

the Peer Review Board of the Institute of Chartered Accountants of India.

**19. SECRETARIAL AUDITORS**

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

**20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

**21. SUBSIDIARY COMPANY****FARCO FOODS PRIVATE LIMITED**

During the year under review the subsidiary company has produced 5139 MT biscuits of Priyagold Brand on job work basis. The unit earned a profit of Rs.33.46 lacs.

**22. DEPOSITS**

The Company had discontinued its public deposit scheme in financial year 2014-2015 and paid all the deposit alongwith interest thereon during the financial year. The Company has not accepted or renewed any deposit during the year falling within the ambit of Section 73 of the Companies Act 2013 and the Companies (Acceptance of Deposits) Rules 2014 accordingly no amount was outstanding as on date of the Balance Sheet.

**23. CONSOLIDATED FINANCIAL STATEMENT**

In accordance with the section 129(3) of the Companies Act, 2013 and the accounting standard AS-21 on consolidated

financial statement(s) read with accounting standard AS-23 on accounting for investments in associates, your Company has prepared the consolidated financial statements and the salient features of the financial statements of the subsidiary and associate companies are given in the Notes to Consolidated Financial Statements and annexed here-with in Form AOC-1 as Annexure-C.

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

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

Information required pursuant to section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014 is annexed as Annexure-D.

**25. INDUSTRIAL RELATIONS**

Industrial relations remained satisfactory during the period under review.

**26. ACKNOWLEDGEMENTS**

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

For and on behalf of the Board

Tahir Hasan                      S I Shervani  
Whole-time Director      Managing Director  
& Chief Financial Officer

Place: Allahabad  
Date: August 8, 2015

## FORM No. MGT-9

**Extract of Annual Return  
as on Financial Year ended on 31st March, 2015**

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

**1. REGISTRATION AND OTHER DETAILS**

1	CIN	L45202UP1948PLC001891
2	Registration Date	25 <sup>th</sup> February, 1948
3	Name of the Company	Shervani Industrial Syndicate Limited
4	Sub-Category of the Company	Public Company Limited by Shares
5	Address of the Registered office and contact details	Shervani Nagar, Sulem Sarai, Harwara, Allahabad-211 011 Phone : 0532- 2102306, Fax : 0532-2436928 e-mail : shervaniind@rediffmail.com www.shervaniind.com
6	Whether listed company	Yes
7	Name and Address of Registrar & Transfer Agents, if any	Link Intime India Pvt. Ltd, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai-400078

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

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

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

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

Sl. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Farco Foods Private Limited 332, Shervani Nagar, Sulem Sarai, Harwara, Allahabad	U15111UP1995PTC019155	Subsidiary	100.00%	2(87)
2.	Shervani Hospitalities Limited 11, Sunder Nagar, New Delhi	U74899DL1978PLC009206	Associate	30.02%	2(6)
3.	Mettwa Electricals & Appliances Pvt. Limited B-7/2, Okhla Industrial Area, Phase-II, New Delhi	U36102DL2012PTC234153	Associate	46.33%	2(6)
4.	Youngtronics India Private Limited 332, Shervani Nagar, Sulem Sarai, Harwara, Allahabad	U36931UP2008PTC036318	Associate	45.00%	2(6)

4. **SHARE HOLDING PATTERN ( Equity share Capital break-up as % of Total Equity )**  
 (i) **Category wise share holding**

Category of Share Holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoters</b>									
<b>1 Indian</b>									
a) Individual/ HUF	517975	25870	543845	16.68	543845	-	543845	16.68	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	549340	9290	558630	17.13	550790	7840	558630	17.13	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other / Director Relative	469230	64635	533865	16.37	499545	34320	533865	16.37	-
<b>Sub-Total (A) (1)</b>	<b>1536545</b>	<b>99795</b>	<b>1636340</b>	<b>50.19</b>	<b>1594180</b>	<b>42160</b>	<b>1636340</b>	<b>50.19</b>	<b>Nil</b>
<b>2. Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate (Foreign Promoter)	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter</b>									
<b>A = A (1) + A(2)</b>	<b>1536545</b>	<b>99795</b>	<b>1636340</b>	<b>50.19</b>	<b>1594180</b>	<b>42160</b>	<b>1636340</b>	<b>50.19</b>	<b>Nil</b>
<b>B Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	6040	6040	0.19	-	6040	6040	0.19	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other ( Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B) (1)</b>	<b>-</b>	<b>6040</b>	<b>6040</b>	<b>0.19</b>	<b>-</b>	<b>6040</b>	<b>6040</b>	<b>0.19</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
<b>a) Body Corporate</b>									
i) Indian	450601	2750	453351	13.90	449701	2750	452451	13.88	-0.02
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individual</b>									
i) Individual share holders holding nominal share capital upto Rs 1 lac	255280	209812	465092	14.27	263840	199397	463237	14.21	-0.06
ii) Individual share holders holding nominal share capital in excess of Rs 1 lac	696927	-	696927	21.38	700682	0	700682	21.49	0.11

c) Others (specify)									
a) Non-Resident Indians	120	460	580	0.02	120	460	580	0.02	-
b) Foreign National	1000	920	1920	0.05	0	920	920	0.02	-0.03
c) Clearing Members	-	-	-	-	-	-	-	-	
<b>Sub-Total (B) (2)</b>	<b>1403928</b>	<b>213942</b>	<b>1617870</b>	<b>49.62</b>	<b>1414343</b>	<b>203527</b>	<b>1617870</b>	<b>49.62</b>	<b>Nil</b>
<b>Total Public shareholding</b> <b>B = B (1) + B(2)</b>	<b>1403928</b>	<b>219982</b>	<b>1623910</b>	<b>49.81</b>	<b>1420383</b>	<b>203527</b>	<b>1623910</b>	<b>49.81</b>	<b>Nil</b>
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	
<b>Grand Total</b> <b>(A+B+C)</b>	<b>2940473</b>	<b>319777</b>	<b>3260250</b>	<b>100.00</b>	<b>3014563</b>	<b>245687</b>	<b>3260250</b>	<b>100.00</b>	<b>Nil</b>

**( ii ) Share holding of Promoter**

Sr. No	Share Holder's Name	Shares at the beginning of the year			Shares at the end of the year			% change in share holding during the year
		No. of Share	% of total shares of the Company	% of shares pledged/en cumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/en cumbered to total shares	
1	Mr S I Shervani	318680	9.77	0.00	318680	9.77	0.00	Nil
2	Mr Saeed M Shervani	130310	4.00	0.00	130310	4.00	0.00	Nil
3	Mr A N Shervani	94855	2.91	0.00	94855	2.91	0.00	Nil
4	Mr T Hasan	15415	0.47	0.00	15415	0.47	0.00	Nil
5	Mrs S Hasan	57743	1.77	0.00	57743	1.77	0.00	Nil
6	Mrs R Shervani	66655	2.04	0.00	66655	2.04	0.00	Nil
7	Mr Saad M Shervani	93130	2.86	0.00	93130	2.86	0.00	Nil
8	Mr Mustafa Rashid Shervani	76575	2.35	0.00	76575	2.35	0.00	Nil
9	Ms Ursala F Shervani	87835	2.69	0.00	87835	2.69	0.00	Nil
10	Mrs Z Hasan	87902	2.70	0.00	87902	2.70	0.00	Nil
11	Mrs Z Shervani	14400	0.44	0.00	14400	0.44	0.00	Nil
12	Ms A Kidwai	14580	0.45	0.00	14580	0.45	0.00	Nil
13	Ms Shamsia Fatima Shervani	11790	0.36	0.00	11790	0.36	0.00	Nil
14	Mr Adil M Shervani	7840	0.24	0.00	7840	0.24	0.00	Nil
15	Azhar Family Trust	55065	1.69	0.00	55065	1.69	0.00	Nil
16	Saeed Family Trust	55830	1.71	0.00	55830	1.71	0.00	Nil
17	Salma Zeba Family Trust	61870	1.90	0.00	61870	1.90	0.00	Nil
18	Saleem Family Trust	60985	1.87	0.00	60985	1.87	0.00	Nil
19	Aslam Family Trust	46445	1.42	0.00	46445	1.42	0.00	Nil
20	Waqf Haji Bhikhan	7840	0.24	0.00	7840	0.24	0.00	Nil
21	Shervani Fabrics Pvt Ltd	1450	0.04	0.00	1450	0.04	0.00	Nil
22	Reed Finance Pvt Ltd.	269145	8.26	0.00	269145	8.26	0.00	Nil
	<b>Total</b>	<b>1636340</b>	<b>50.19</b>	<b>0.00</b>	<b>1636340</b>	<b>50.19</b>	<b>0.00</b>	<b>Nil</b>

**(iii) Change in Promoter Share holding**

	Share holding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	No Change in promoter's shareholding during the year			
Date – wise increase /decrease in Promoters share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/bonus/sweat equity etc. )				
At the end of the year				



(iv) **Share holding of top ten share holders  
(other than Directors Promoters and holder's of GDR's and ADR's)**

Sr. No	For each of top ten shareholder	Share holding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Hitesh Ramji Javeri				
	At the beginning of the year	455250	13.96	455250	13.96
	Change during the year	0	0		
2	M/s Frost Traders Pvt. Ltd				
	At the beginning of the year	400602	12.29	400602	12.29
	Change during the year	0	0		
3	Mr. Aslam Qadar Khan				
	At the beginning of the year	107075	3.28	107075	3.28
	Change during the year	0	0		
4	Mr. Imran Hasan				
	At the beginning of the year	35700	1.10	35700	1.10
	Change during the year	0	0		
5	Mr. Arvind Kumar Sancheti				
	At the beginning of the year	32591	1.00	32591	1.00
	Increase in shareholding due to market purchase	1550	0.05	34141	1.05
6	Mr. Arvind Kumar J Sancheti				
	At the beginning of the year	32235	0.99	32235	0.99
	Increase in shareholding due to market purchase	405	0.01	32640	1.00
7	M/s Shri Parasram Holdings Pvt Ltd				
	At the beginning of the year	24519	0.75	24519	0.75
	Change during the year	0	0		
8	Ms. Sarita Arvind Sancheti				
	At the beginning of the year	19376	0.59	19376	0.59
	Increase in shareholding due to market purchase	1800	0.06	21176	0.65
9	Mr. Salahuddin Khan				
	At the beginning of the year	14700	0.45	14700	0.45
	Change during the year	0	0		
10	Mr. Mahendra Mirchandani				
	At the beginning of the year	10000	0.31	10000	0.31
	Change during the year	0	0		
	At the beginning of the year	10000	0.31		

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

Sr.No.	Shareholding of each Director and Key Managerial personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. A P Singh At the beginning of the year Change during the year At the end of the year	500 0 500	0.01 0 0.01	500	0.01
2	Mr. S I Shervani, Managing Director At the beginning of the year Change during the year At the end of the year	318680 0 318680	9.77 0 9.77	318680	9.77
3	Mr. T Hasan, Whole Time Director & Chief Financial Officer At the beginning of the year Change during the year At the end of the year	15415 0 15415	0.47 0 0.47	15415	0.47
4	Mr. A N Shervani At the beginning of the year Change during the year At the end of the year	94855 0 94855	2.91 0 2.91	94855	2.91
5	Mr. S M Shervani At the beginning of the year Change during the year At the end of the year	130310 0 130310	4.00 0 4.00	130310	4.00
6	Mr. K Bhargava At the beginning of the year Change during the year At the end of the year	850 0 850	0.03 0 0.03	850	0.03
7	Mr G S Chaturvedi At the beginning of the year Change during the year At the end of the year	1950 0 1950	0.06 0 0.06	1950	0.06
8	Mr R Verghese At the beginning of the year Change during the year At the end of the year	540 0 540	0.01 0 0.01	540	0.01
9	Mr M. A Sayeed At the beginning of the year Change during the year At the end of the year	0 0 0	0 0 0	0	0
10	Mrs. Shefali Bansal At the beginning of the year Change during the year At the end of the year	0 0 0	0 0 0	0	0
11	Mr. B.K.Misra, Company Secretary At the beginning of the year Change during the year At the end of the year	10 0 10	0 0 0	10	0

**5. INDEBTEDNESS**

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

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	5,82,94,128	-	11,00,000	5,93,94,928
1)Principal	5,82,94,128	-	-	-
2)Interest due but not paid	-	-	-	-
3)Interest accrued but not due	-	-	20,000	20,000
<b>Change in Indebtedness during the financial year</b>				
• Addition	4,84,76,143	-	-	4,84,76,143
• Reduction	-	-	11,00,000	11,00,000
<b>Net Change</b>	4,84,76,143	-	11,00,000	4,73,76,143
Indebtedness at the end of the financial year	10,67,71,071	-	-	10,67,71,071
1)Principal	10,67,71,071	-	-	10,67,71,071
2)Interest due but not paid	-	-	-	-
3)Interest accrued but not due	-	-	-	-
<b>Total ( 1+2+3 )</b>	10,67,71,071	-	-	10,67,71,071

**6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole Time Director and / or Manager**

Sr. No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
		Mr S I Shervani Managing Director	Mr T Hasan Whole-time Director & CFO	
1	Gross Salary (Rs in lac)			
	a) Salary as per provisions of sec. 17(1) of Income Tax Act, 1961	12,00,000	1,89,516	13,89,516
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	39,600	-	39,600
	c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of Profit (1%) others specify	-	-	-
5	Others , please specify Fees for attending Board meeting	16,000	16000	32000
	<b>Total</b>	12,55,600	2,05,516	14,61,116

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

Sr. No	Particulars of Remuneration	Name of Director				Total Amount (Rs.)
1	<b>Independent Director</b>	Dr. A P Singh	Mr. G S Chaturvedi	Mr. K Bhargava	Mr. M A Sayeed	
	Fee for attending Board Meeting	6,000	19,000	3,000	19,000	47,000
	Commission	-	-	-	-	-
	Other ( Specify)	-	-	-	-	-
	Total (1)	6,000	19,000	3,000	19,000	47,000
2	<b>Non-Executive Director</b>	Mr. A N Shervani	Mr. S M Shervani	Mr. R Verghese	Mrs. Shefali Bansal*	
	Fee for attending Board Meeting	10,000	10,000	10,000	-	30,000
	Commission	-	-	-	-	-
	Other ( Specify)	-	-	-	-	-
	Total (2)	10,000	10,000	10,000	-	30,000
	Total B = ( 1+2 )					77,000
	Total Managerial Remuneration**					14,61,116

\*Mrs. Shefali Bansal was appointed as an additional director w.e.f. February 9, 2015.

\*\*Sitting fees are not included in total managerial remuneration.

**C. Remuneration To Key Managerial Personnel Other than Managing Director, Whole Time Director and / or Manager**

Sr. No.	Particulars of Remuneration	Company Secretary
1	Gross Salary (Rs) a) Salary as per provisions of sec. 17(1) of Income Tax Act, 1961 b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	4,30,992 4,650 -
2	Stock Option	-
3	Sweat Equity	-
4	Commission as % of Profit others specify	-
5	Others , please specify	-
	<b>Total</b>	<b>4,35,642</b>

**7. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

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

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**(For the Financial year ended 31st March 2015)**

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

To,

The Members,  
 Shervani Industrial Syndicate Limited  
 Shervani Nagar, Sulem Sarai,  
 Allahabad 211011 Uttar Pradesh

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shervani Industrial Syndicate Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Shervani Industrial Syndicate Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Shervani Industrial Syndicate Limited for the financial year ended on 31<sup>st</sup> March 2015 according to the provisions of:

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

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. The Company has complied with various provisions of Labour Laws, Environmental Laws and related Laws to extent applicable to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. Not Applicable as not notified for 31<sup>st</sup> March 2015.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange and other Stock Exchanges.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

**For Siddiqui & Associates**  
 Company Secretaries

Place: Allahabad  
 Date: July 31, 2015

**K.O.SIDDIQUI**  
 FCS 2229 ; CP 1284



## Annexure - C

## Form AOC-1

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

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

**Part "A": Subsidiaries**

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

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

Reporting Currency	:	INR
Share Capital	:	90,00,000
Reserves and Surplus	:	(4,94,86,427)
Total Assets	:	(2,21,57,386)
Total Liabilities	:	6,78,15,468
Investments	:	NIL
Turnover / Total Income	:	3,84,17,547
Profit Before Tax	:	33,46,747
Provision for Tax	:	NIL
Profit after tax	:	33,46,747
Proposed Dividend	:	NIL
% of Shareholding	:	100%

**Part "B": Associates and Joint Ventures**

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

Sr. No	Name of Associates	Shares of associates held by the company on the year end					Profit/loss for the year			
		Latest audited balance sheet date	No of shares	Amount of investment in Associate	Extend of Holding %	Network attributable to shareholding as per latest balance sheet	Considered in consolidation	Not considered in consolidation	Description of how there is significant influence	Reason why the associates is not consolidated
1	Shervani Hospitalities Limited	31.03.2015	2265750	88143000	30.02%	181091013	-155323	NIL	30.02% Shares held	-
2	Youngtronic India Private Limited	31.03.2015	85000	850000	46.33%	3132697	-219790	NIL	46.33% Shares held	-
3	Mettwa Electrical & Appliances Pvt. Ltd.*	31.03.2014	900000	9000000	45.00%	9384768*	-6555000	1654472	45% shares held	-

\* Based on unaudited Balance Sheet and Profit and Loss account for the year ended 31.03.2015

## Annexure-D

## DETAILS PERTAINING TO REMUNERATION

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl.No.	Name of the Director/ KMP and Designation	Remuneration*** of Director /KMP for financial year 2014-15(Rs. In Lakhs)	% increase in remuneration in the financial year 2014-15	Ratio of remuneration of each Director/ KMP to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1	Mr. Saleem I. Shervani Managing Director	12.00	Nil	2.78	Please refer sub clause (v) of this annexure
2	Mr. Tahir Hasan* Whole-time Director & Chief Financial Officer	1.89	Nil	0.44	
3	Mr. B.K.Misra Company Secretary & Sr. Accounts Manager	4.30	5.36	0.00	

\*Appointed w.e.f. 14<sup>th</sup> August 2014.

\*\*Note: For this purpose, sitting fees paid to the Directors and perks have not been considered in remuneration.

\*\*\*Remuneration for this purpose has been calculated on actual receipt basis and excludes any retirement and other benefit accrued but not paid.

- (ii) The median remuneration of employees of the Company during the financial year was Rs. 4.30 lacs p.a;
- (iii) In the financial year, there was an increase of 5% in the median remuneration of employees;
- (iv) There were 15 permanent employees on the rolls of the Company as on 31st March, 2015;
- (v) Relationship between average increase in remuneration and Company performance: While increase in the remuneration consideration was given to cost of living and inflation.

**Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs.60,00,000/- per annum : NIL**

**Employed for a part of the financial year , were in receipt of remuneration at the rate of not less than Rs.5,00,000/- per month : NIL**

## CORPORATE GOVERNANCE REPORT

### (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. The Company constantly endeavours to enhance the value for its shareholders, other stakeholders and the society at large by adopting better corporate practices in fair and transparent manner. Your Company continues to follow procedures and practices in conformity with the code of corporate governance outlined in the listing agreement.

#### 2. BOARD OF DIRECTORS

The Board comprises of Independent Non-Executive Chairman, Managing Director, Whole-time Director also designated as Chief Financial Officer and seven Non-Executive Directors out of which four are independent.

During the Financial Year ended on 31<sup>st</sup> March, 2015 four Board Meetings were held on 23<sup>rd</sup> May, 2014, 14<sup>th</sup> August, 2014, 14<sup>th</sup> November, 2014 and 9<sup>th</sup> February, 2015. The details of their attendance at Board Meetings, Annual General Meeting, Committee of Board and other Companies where each Director is member or Chairman or interested or associated as on 31<sup>st</sup> March, 2015 is given below. :

Director	Category	Attendance at Board Meeting	AGM	No. of outside Directorship *	No. of other Board Committees	
					Member	Chairman
Dr. A. P. Singh	Chairman, Independent Non Executive	2	✓	Nil	Nil	Nil
Mr. S. I. Shervani	Managing Director, Executive	3	x	2	Nil	Nil
Mr. Tahir Hasan***	Wholetime Director, Executive	3	✓	4	Nil	Nil
Mr. A. N. Shervani	Non-Executive	1	x	1	Nil	Nil
Mr. S. M. Shervani	Non Executive	1	x	1	Nil	Nil
Mr Raju Verghese***	Independent, Non Executive	1	x	1	Nil	Nil
Mr. Kush Bhargava	Independent, Non Executive	1	x	Nil	Nil	Nil
Mr. G.S.Chaturvedi	Independent, Non Executive	4	x	Nil	Nil	Nil
Mr. Md.Asam Sayeed	Independent, Non Executive	4	✓	Nil	Nil	Nil
Mrs. Shefali Bansal**	Independent, Non Executive	x	x	Nil	Nil	Nil

\*This excludes directorship held in Private Companies

\*\* Appointed as Additional Director w.e.f 9<sup>th</sup> February 2015

\*\*\* Particulars of 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 Clause 49 of the Listing Agreement and section 177 of the Companies Act, 2013. The terms of reference inter-alia has responsibility of monitoring financial reporting processes, reviewing the Company's statutory, internal audit activities, review the quarterly and annual financial statements before submission to the Board, ensure compliance of regulatory guidelines, financial policies and practices and review significant related party transactions as per Accounting Standard 18. The Company Secretary of the Company also acts as the Secretary to the Committee.

The Committee Meeting were convened on 23<sup>rd</sup> May, 2014, 14<sup>th</sup> August, 2014, 14<sup>th</sup> November, 2014 and 9<sup>th</sup> February, 2015,

#### 4. NOMINATION & REMUNERATION COMMITTEE

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

In compliance of section 178 of the Companies Act, 2013 the Board has re-named the existing 'Remuneration Committee' as the 'Nomination & Remuneration Committee' and reconstituted the same. The Committee recommends the appointment, re-appointment and remuneration payable to Executive Directors, key managerial personnel and senior management. The Company Secretary of the Company also acts as the Secretary to the Committee.

The Committee Meeting was convened on 14<sup>th</sup> August 2014.

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

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

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

**REMUNERATION TO EXECUTIVE DIRECTOR**

Sl. No.	Name and Designation	Salary	Perquisites	Contribution to PF	Total	Sitting Fee	Total
1	Mr S I Shervani Managing Director	12,00,000	39,600	1,44,000	13,83,600	16,000	13,99,600
2	Mr T Hasan Whole Time Director & Chief Financial Officer	1,89,516	-	-	1,89,516	16,000	2,05,516

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

The Non-Executive Directors were paid sitting fees for attending Board Meetings. The details of payments is furnished hereunder:

Sl. No.	Name	Category	Sitting Fees	Commission	Total	No. of Shares
1	Mr. A P Singh	Independent	6000	Nil	6,000	500
2	Mr. G S Chaturvedi	Independent	19,000	Nil	19,000	1,950
3	Mr. Kush Bhargava	Independent	3,000	Nil	3,000	850
4	Mr. M A Sayeed	Independent	19,000	Nil	19,000	Nil
5	Mr. R Verghese	Non-Executive	10,000	Nil	10,000	540
6	Mr. A N Shervani	Non-Executive	10,000	Nil	10,000	94,855
7	Mr. S M Shervani	Non-Executive	10,000	Nil	10,000	1,30,310
8	Mrs. S. Bansal*	Non-Executive	Nil	Nil	Nil	Nil

\* was appointed w.e.f. 09.02.2015

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

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

In compliance of section 178 of the Companies Act, 2013 and the Listing Agreement the Board has re-named the existing 'Share Holders / Investors Grievance Committee' as the 'Stake Holders Relationship Grievance Committee' and reconstituted the same. The Committee specifically looks into issues relating to investors including share related matters and redressal thereof. Mr B K Misra, Company Secretary is the Compliance Officer and also acts as the Secretary to the Committee.

During the year under review the Company has received One complaint regarding non receipt of dividend and paid the same.

**7. RISK MANAGEMENT COMMITTEE**

- |    |                            |          |   |
|----|----------------------------|----------|---|
| a. | Mr. Tahir Hasan            | Chairman | Whole-time Director and Chief Financial Officer |
| b. | Mr. Mohammad Aslam Sayeed  | Member   | Independent Non-Executive                       |
| b. | Mr Gopal Swarup Chaturvedi | Member   | Independent Non-Executive                       |

In compliance of Clause 49 of the Listing Agreement the Board has constituted the Risk Management Committee. The scope and objectives requires the Committee to identify, evaluate, monitor and mitigate or minimize risks and also identify business opportunities.

**8. GENERAL BODY MEETINGS**

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

Financial Year	Date and Time	Venue	Special Resolutions Passed
2011-12 (64 <sup>th</sup> AGM)	29 <sup>th</sup> Sept., 2012 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad	Appointment u/s 314 of Comp. Act, 56 read with Director's Relatives (Office or Place of Profit), Rules, 2011.
2012-13 (65 <sup>th</sup> AGM)	21 <sup>st</sup> Sept, 2013 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad	No Special Resolution was passed
2013-14 (66 <sup>th</sup> AGM)	30 <sup>th</sup> Sept, 2014 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad	Re-appointment of Mr T Hasan as WTD for 5 years and his remuneration Consent in terms of section 180(1)(a) to the extent of aggregate of paid up capital & free reserve.

All the above resolutions were passed by show of hands except the resolutions passed in 66<sup>th</sup> AGM which were passed by e-voting.

**9. 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.
- The Company had established a vigil mechanism for directors and employees to report concerns about unethical behaviour, fraud or violation of the Company's code of conduct or policy. This mechanism also provides for adequate safeguards against victimisation of director(s)/employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the audit committee in exceptional cases.
- 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 Exchanges.

**10. CODE OF CONDUCT**

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

**11. MEANS OF COMMUNICATION**

- Quarterly, half yearly and annual unaudited and audited results are published in two newspaper namely Aaj (Hindi) & Financial Express.
- Management Discussion and Analysis forms part of Director's Report which is posted to the Shareholders of the Company.

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

Day, date and time	Wednesday, 30th September 2015 at 11.30 AM
Venue	2, New Cantonment, Kanpur Road, Allahabad (U.P.)-211001

**Financial Calendar**

Financial reporting period	: April - March
1 <sup>st</sup> Quarter ending June 30, 2015	: On or before 14 <sup>th</sup> August 2015
2 <sup>nd</sup> Quarter ending September 30, 2015	: On or before 14 <sup>th</sup> November 2015
3 <sup>rd</sup> Quarter ending December 31, 2015	: On or before 14 <sup>th</sup> February 2016
4 <sup>th</sup> Quarter ending March 31, 2016	: On or before 30 <sup>th</sup> May 2016

**Date of Book Closure** : 24th September 2015 to 30th September 2015  
(both days inclusive)

**Listing on Stock Exchange**

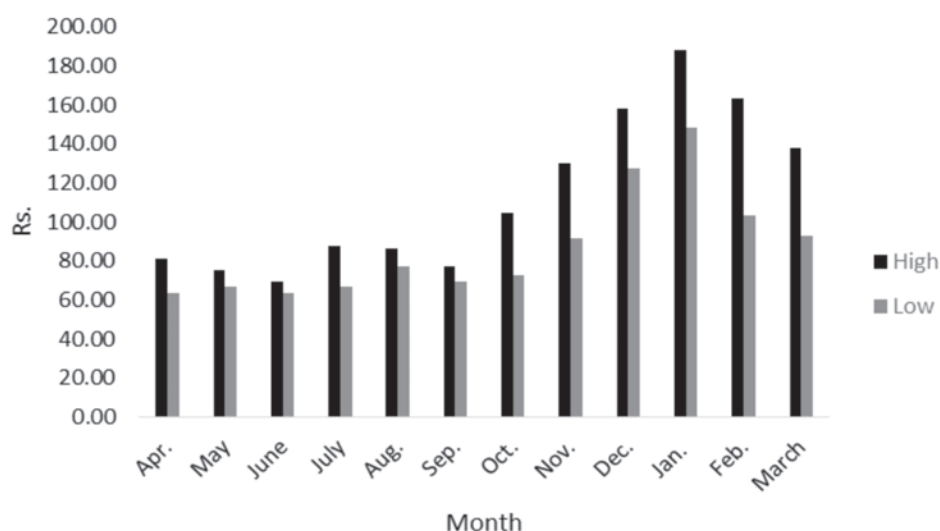
Company's Equity Shares are listed on The Bombay Stock Exchange Ltd. (BSE) and Company's Scrip code is 526117 and ISIN is INE011D01013



**Market Price Data** (Financial Year 2014-2015)

The detail of share price movement is as under:

	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
High	81.35	75.40	69.15	87.90	86.40	76.95	104.40	130.20	158.00	187.95	163.50	138.00
Low	63.25	66.80	63.80	66.50	77.25	69.50	72.75	91.70	127.70	148.65	103.20	93.10

**REGISTRAR & TRANSFER AGENT**

: **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 stated above, as Registrar for demat as well as for physical segment, which provides all related services within the period prescribed under law and the Listing Agreements with the Stock Exchange.

**SHAREHOLDING PATTERN AND DISTRIBUTION OF SHARES AS ON 31<sup>ST</sup> MARCH 2015**

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	1,098	1,28,495
Nationalised Bank	6,040	0.18	501-1000	91	69,706
Bodies Corporate	4,52,451	13.88	1001-2000	49	71,958
Public	11,63,919	35.70	2001-3000	14	33,422
Others (Foreign Nationals)	920	0.03	3001-4000	13	44,096
NRIs/OCBs	580	0.02	4001-5000	9	41,135
			5001-10000	23	1,72,075
			10001 and above	36	26,99,363
Total	32,60,250	100.00		1333	32,60,250

**DEMATERIALISATION OF SHARES**

The shares of the Company are fully under the category of compulsory delivery in dematerialised mode by all categories of investors. The Company has signed agreements with both the depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2015 about 92% of the shares of the Company are dematerialised.

**Address for Correspondence:**

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

**Auditor's Certificate on Corporate Governance**

TO THE MEMBERS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED

We have examined the compliance of condition of Corporate Governance by SHERVANI INDUSTRIAL SYNDICATE LIMITED for the year ended 31<sup>st</sup> March, 2015, 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 implementation 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 based on 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 clause 49 of the above mentioned Listing Agreement.

We State that such compliance is neither an assurance as to the future viability of the company nor of 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

**P.P. SINGH**

Partner  
Membership No. 072754

Place : Allahabad  
Date : August 8, 2015

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

We have audited the accompanying standalone financial statements of SHERVANI INDUSTRIAL SYNDICATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give

a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub - section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except liability for leave encashment is accounted for on the basis of actual liability determined by the management at the date of the balance sheet.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from

being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements - Refer Note 33 to the financial statements
- (ii) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- (iii). There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**P.P. SINGH**  
Partner  
Membership No. 072754

Place : Allahabad  
Date : August 8, 2015

### **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

**The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2015,**

we report that :

- (i) In respect of its Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

- (ii) In respect of its Inventories:

- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and discrepancies noticed on verification between physical stocks and the book records were not material.

- (iii) In respect of loans, secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained under section 189 of

the Companies Act 2013, according to the information and explanations given to us :

- (a) The Company had granted Unsecured Loans to Two Companies.
- (b) Mettwa Electrical & Appliances Private Limited an associate company and Farco Foods Private Limited a subsidiary company have not repaid the principal
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system 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 our opinion and according to information and explanations given to us, the company has complied with the provisions of sections 73 to 76 or any other provisions of the Companies Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the Central Government, for maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima-facie the prescribed accounts and records have been maintained.
- (vii) According to the information and explanations given to us, in respect of statutory and other dues:

- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material Statutory dues were in arrear as at 31<sup>st</sup> March, 2015 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there were no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty or value added tax and cess which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us, the amount which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- (viii) The accumulated losses of the company are not more than fifty percent of its net worth at the end of the financial year. Further the company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- (x) In our opinion, the terms and conditions on which the company has given guarantee for loan taken by an associate company and others from banks are not prejudicial to the interest of the company.
- (xi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xii) 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

**(P.P.SINGH)**

(Partner)

Membership No.: 072754

Place : Allahabad

Date: August 8, 2015



BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

	Note No.	As at 31.03.2015 Rs.	As at 31.03.2014 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	1,85,46,36,503	1,86,87,11,834
		<u>1,88,74,39,003</u>	<u>1,90,15,14,334</u>
<b>Non-Current Liabilities</b>			
Long term Borrowings	4	14,12,834	34,80,183
Other Long-term Liabilities	5	38,32,037	3,83,809
Long-term Provisions	6	4,98,550	5,18,211
		<u>57,43,421</u>	<u>43,82,203</u>
<b>Current Liabilities</b>			
Short term Borrowings	7	10,42,63,295	5,36,01,990
Trade Payable	8	4,13,11,096	9,74,220
Other Current Liabilities	9	1,19,12,142	1,28,89,777
Short term Provision	10	4,00,00,000	4,19,18,265
		<u>19,74,86,533</u>	<u>10,93,84,252</u>
<b>Total</b>		<u>2,09,06,68,957</u>	<u>2,01,52,80,789</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	6,21,06,841	5,35,58,673
Capital Work in Progress		-	98,53,987
Non-Current Investment	12	12,03,63,000	11,16,98,000
Long-term Loans and Advances	13	1,16,443	1,52,443
		<u>18,25,86,284</u>	<u>17,52,63,103</u>
<b>Current Assets</b>			
Current Investment	14	4,59,65,250	6,71,96,063
Inventories	15	1,64,63,00,810	1,59,19,08,106
Trade Receivables	16	-	17,006
Cash and Cash Equivalent	17	16,69,47,568	12,69,52,321
Short-term Loans and Advances	18	4,44,05,736	4,99,05,961
Other Current Assets	19	44,63,309	40,38,229
		<u>1,90,80,82,673</u>	<u>1,84,00,17,686</u>
<b>TOTAL</b>		<u>2,09,06,68,957</u>	<u>2,01,52,80,789</u>

## 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

P.P.Singh  
PartnerB.K. Misra  
Company Secretary &  
Sr. Accounts ManagerTahir Hasan  
Whole Time Director &  
Chief Financial OfficerSaleem I. Shervani  
Managing Director

Place : Allahabad

Date : August 8, 2015

# 67<sup>TH</sup> ANNUAL REPORT (2014-2015) STATEMENT OF PROFIT & LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Year ended  
March 31, 2015

Year ended  
March 31, 2014

PARTICULARS	Note No.	Rs.	Rs.
<b>Revenue from Operations</b>			
Revenue from Operations	20	-	4,45,000
Other Income	21	1,86,07,133	1,72,49,609
<b>Total Revenue</b>		<b>1,86,07,133</b>	<b>1,76,94,609</b>
<b>Expenses</b>			
Cost of Construction & Development Expenses	22	5,43,60,337	3,99,41,655
Changes in Inventory of Finished Goods / WIP	23	(5,43,60,337)	(3,99,41,655)
Employees' Benefit Expense	24	92,17,502	97,94,129
Finance Cost	25	49,24,103	13,89,653
Depreciation and Amortization Expense		28,04,425	18,79,409
Other Expenses	26	1,45,29,005	1,62,35,579
<b>Total Expenses</b>		<b>3,14,75,035</b>	<b>2,92,98,770</b>
<b>Loss Before Tax</b>		1,28,67,902	1,16,04,161
<b>Tax Expense:</b>			
Current Tax		87,500	1,11,000
Earlier Years Tax		32,884	-
<b>Loss for the year</b>		<b>1,29,88,286</b>	<b>1,17,15,161</b>
Earning Per Equity Share			
Basic		(3.96)	(3.57)
Diluted		(3.96)	(3.57)

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

As per our report of even date attached

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

Chartered Accountants

**P.P.Singh**  
Partner

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

**Tahir Hasan**  
Whole Time Director &  
Chief Financial Officer

**Saleem I. Shervani**  
Managing Director

Place : Allahabad

Date : August 8, 2015

	Year Ended 31.03.2015		Year Ended 31.03.2014	
	Rs.	Rs.	Rs.	Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) Before Tax		(1,28,67,902)		(1,16,04,161)
Adjustment for				
Depreciation	28,04,425		18,79,409	
Loss /(Profit) on sale of assets	1,69,199		7,16,134	
Interest Paid	49,24,103		13,89,653	
Interest Received	(1,15,02,407)		(1,18,37,726)	
Dividend Received	(7,500)		(72,375)	
(Profit)/Loss on Sale of Investments	(62,27,405)		(25,49,885)	
Diminution in the value of Investments no longer required	-		(24,00,346)	
Diminution in the value of current investment	-	(98,39,585)	5,54,174	(1,23,20,961)
Operating Profit before Working Capital Changes		(2,27,07,487)		(2,39,25,122)
Adjustment for				
(Increase)/Decrease in Trade and other receivable	66,94,287		36,54,000	
(Increase)/Decrease in Inventories	(5,43,92,704)		(4,01,47,031)	
Increase/(Decrease) in Trade Payable	4,40,25,620		(1,07,35,290)	
		(36,72,796)		(4,72,28,322)
Cash generated / (used) in operation		(2,63,80,283)		(7,11,53,444)
Add/(Deduct) for				
Direct tax (Paid) /Refund of earlier years	(12,61,441)		(13,84,951)	
<b>Net Cash (used in)/from operating activities (Total – A)</b>		<b>(2,76,41,724)</b>		<b>(7,25,38,395)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investment in Capital Work In Progress		-		(98,53,987)
Purchase of Fixed Assets		(30,32,945)		(79,42,306)
Sale of Fixed Assets		2,78,095		10,07,201
Sale of Current Investments (Net of Purchase)		2,74,58,219		21,01,758
Purchase of Investment in Associate Company		(86,65,000)		-
Dividend Received		7,500		72,375
Interest received		1,10,77,327		1,21,31,007
<b>Net Cash (used in)/from investing activities (Total - B)</b>		<b>2,71,23,196</b>		<b>(24,83,953)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Loans & Borrowing		4,73,76,143		5,77,94,928
Interest paid		(49,44,103)		(13,98,653)
Dividend paid		(19,18,265)		-
<b>Net Cash (used in)/from financing activities (Total – C)</b>		<b>4,05,13,775</b>		<b>5,63,96,275</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>3,99,95,247</b>		<b>(1,86,26,073)</b>
<b>Add : Cash and Cash Equivalents</b>		<b>12,69,52,321</b>		<b>14,55,78,394</b>
<b>Closing Cash and Cash Equivalent</b>		<b>16,69,47,568</b>		<b>12,69,52,321</b>

As per our report of even date attached

For P.L. Tandon &amp; Co.

Chartered Accountants

P.P.Singh  
PartnerB.K. Misra  
Company Secretary &  
Sr. Accounts ManagerTahir Hasan  
Whole Time Director &  
Chief Financial OfficerSaleem I. Shervani  
Managing Director

Place : Allahabad

Date : August 8, 2015

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

- a) The Financial Statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles and the Companies Act, 2013 as adopted consistently by the company.
- b) The company generally follows mercantile systems of accounting and recognizes significant items of income and expenditure on accrual basis.

**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 the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

**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.

**4. Inventories**

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

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

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

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

**5. Revenue Recognition**

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

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

which such estimates are determined.

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

**6. Use of Estimates**

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

**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.

**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 31.03.2015		As at 31.03.2014	
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	
		<b>6,50,00,000</b>		<b>6,50,00,000</b>	
Issued, Subscribed and Paid Up		Number		Number	
		Rs.		Rs.	
Ordinary Shares					
Balance as on 01.04.2014		32,60,250	3,26,02,500	32,60,250	3,26,02,500
Balance as at 31.03.2015		32,60,250	3,26,02,500	32,60,250	3,26,02,500
		<b>3,26,02,500</b>		<b>3,26,02,500</b>	
Deferred Shares					
Balance as on 01.04.2014		8,000	2,00,000	8,000	2,00,000
Balance as at 31.03.2015		8,000	2,00,000	8,000	2,00,000
		<b>2,00,000</b>		<b>2,00,000</b>	
<b>Grand Total</b>		<b>3,28,02,500</b>		<b>3,28,02,500</b>	
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)					
Mr. Hitesh Ramji Javeri		4,55,250	4,55,250	4,55,250	4,55,250
M/s Frost Traders Pvt Ltd.		4,00,602	4,00,602	4,00,602	4,00,602
Mr. Saleem Iqbal Shervani		3,18,680	3,18,680	3,18,680	3,18,680
M/s 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		53,00,00,000	55,00,00,000	53,00,00,000	55,00,00,000
Less : Amount adjusted during the year (Refer note no. 30)		10,87,044	-	-	-
Less : Transferred to Surplus		-	52,89,12,956	2,00,00,000	53,00,00,000
<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		(18,80,95,942)	(19,44,62,516)	(18,80,95,942)	(19,44,62,516)
Balance in the statement of Profit and Loss		(1,29,88,286)	(1,17,15,161)	(1,29,88,286)	(1,17,15,161)
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		-	(20,10,84,228)	2,78,140	(18,80,95,942)
		<b>(1,85,46,36,503)</b>		<b>1,86,87,11,834</b>	



NOTE No.		As at 31.03.2015	As at 31.03.2014
<b>4</b>	<b>Long Term Borrowing</b>	<b>Rs.</b>	<b>Rs.</b>
	<b>Secured Loan</b>		
	Vehicle Loan	14,12,834	33,80,183
	Maturity Profile	<u>14,12,834</u>	<u>33,80,183</u>
	Year	Amount Payable	
	2016-17	12,16,081	
	2017-18	1,96,753	
	<b>Unsecured Loan</b>		
	Deposits	-	1,00,000
		<u>-</u>	<u>1,00,000</u>
		<u>14,12,834</u>	<u>34,80,183</u>
<b>5</b>	<b>Other Long-term Liabilities</b>		
	Security Deposit	38,32,037	3,83,809
		<u>38,32,037</u>	<u>3,83,809</u>
<b>6</b>	<b>Long-term Provisions</b>		
	Provision for Employees Benefit	4,98,550	5,18,211
		<u>4,98,550</u>	<u>5,18,211</u>
<b>7</b>	<b>Short-term Borrowing</b>		
	Secured Loan from Banks		
	Overdraft from Union Bank of India	5,15,30,728	5,36,01,990
	(Secured by hypothecation of fixed deposits)		-
	Overdraft from State Bank of India	5,27,32,567	
	(Secured by Mortgage of Company's Land)	<u>10,42,63,295</u>	<u>5,36,01,990</u>
<b>8</b>	<b>Trade Payable</b>		
	Sundry Creditors	8,69,556	9,74,220
	Advance from customer	4,04,41,540	-
		<u>4,13,11,096</u>	<u>9,74,220</u>
<b>9</b>	<b>Other Current Liabilities</b>		
	Current Maturity of Long Term Borrowing - Secured	10,94,942	13,12,755
	Current Maturity of Long Term Borrowing - Unsecured	-	10,00,000
	Interest accrued but not due	-	20,000
	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	6,33,499	6,35,225
	Temporary Book Over Draft	-	13,846
	Other Payable	1,01,83,701	99,07,951
	(includes employees liabilities, statutory liabilities etc.)	<u>1,19,12,142</u>	<u>1,28,89,777</u>
<b>10</b>	<b>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>4,00,00,000</u>	<u>4,19,18,265</u>

## 11 Non Current Assets - Fixed Assets

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

	As at 01.04.2014	Addition	Deletion	As at 31.03.2015
Freehold Land	1,64,64,413	-	-	1,64,64,413
Leasehold Land	5,179	-	-	5,179
Non-factory Building	2,63,54,915	1,11,11,418	-	3,74,66,333
Plant and Equipments	34,35,888	18,300	-	34,54,188
Furniture and Fixture	14,56,592	-	-	14,56,592
Vehicle	1,62,29,084	17,02,214	13,82,474	1,65,48,824
Office Equipments	65,000	55,000	-	1,20,000
Computers	50,29,402	-	-	50,29,402
<b>Total</b>	<b>6,90,40,473</b>	<b>1,28,86,932</b>	<b>13,82,474</b>	<b>8,05,44,931</b>
Previous Year	6,47,25,990	79,42,306	36,27,823	6,90,40,473

**Depreciation Block**

Freehold Land	-	-	-	-
Leasehold Land	-	-	-	-
Non-factory Building	33,42,584	4,39,037	-10,38,176	48,19,797
Plant and Equipments	17,31,182	3,25,777	-3,18,161	23,75,120
Furniture and Fixture	10,63,381	49,182	-25,290	11,37,853
Vehicle	46,46,738	19,22,280	12,98,067	52,70,951
Office Equipments	10,515	58,569	-	69,084
Computers	46,87,400	9,580	-68,305	47,65,285
<b>Total</b>	<b>1,54,81,800</b>	<b>28,04,425</b>	<b>-1,51,865</b>	<b>1,84,38,090</b>
Previous Year	1,55,06,880	18,79,409	19,04,488	1,54,81,800

**Net Block**

	As at 31.03.2015	As at 31.03.2014
Freehold Land	1,64,64,413	1,64,64,413
Leasehold Land	5,179	5,179
Non-factory Building	3,26,46,536	2,30,12,331
Plant and Equipments	10,79,068	17,04,706
Furniture and Fixture	3,18,739	3,93,211
Vehicle	1,12,77,873	1,15,82,346
Office Equipments	50,916	54,485
Computers	2,64,117	3,42,002
<b>Total</b>	<b>6,21,06,841</b>	<b>5,35,58,673</b>

Capital work in progress (Building)

-

98,53,987

NOTE No.	As at 31.03. 2015		As at 31.03. 2014	
	Rs.	Rs.	Rs.	Rs.
<b>12 Non Current Investment: ( At Cost)</b>				
(Long Term Investment)				
Trade Investment (unquoted)				
Investment In Equity Instruments				
<b>Subsidiary Company</b>				
900000 Equity Shares of Rs.10/- each	27,00,000		27,00,000	
(900000) of Farco Foods Pvt. Ltd.				
<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.	8,50,000		8,50,000	
(85000) of Rs.10/- each				
900000 Mettwa Electricals & Appliances Pvt. Ltd.	90,00,000		90,00,000	
(900000) of Rs. 10/- each				
86650 9% Cumulative Redeemable Preference Shares of	86,65,000		-	
( - ) Rs. 100/- each of Mettwa Electricals &				
Appliances Pvt. Ltd.				
<b>Other Investments (in Equity Shares- Unquoted Fully Paid Up)</b>				
500 Shares of Super Bazar Cooperative	5,000		5,000	
(500) Stores Ltd. of Rs.10/- each				
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	12,03,63,000	30,00,000	11,16,98,000
		<b>12,03,63,000</b>		<b>11,16,98,000</b>
<b>13 Long Term Loans and Advances</b>				
(Unsecured Considered good unless otherwise stated)				
Security Deposit		1,16,443		1,52,443
		<b>1,16,443</b>		<b>1,52,443</b>

		As at 31.03. 2015		As at 31.03. 2014	
NOTE No.					
14	Current Investments				
		Rs.	Rs.	Rs.	Rs.
	Other Investment				
	In Equity Shares-Quoted Fully Paid Up				
	- Bombay Dyeing and Manufacturing Co. Ltd.	-		5,71,810	
(5000)	of Rs. 2/- each				
	- DLF Limited of Rs.2/- each	-		2,87,833	
(500)					
	- I.D.B.I. Bank Limited of Rs.10/- each	-		7,24,567	
(6000)					
	- Firstsource Solutions Limited of	-		2,21,198	
(3100)	Rs.10/- each				
	- India Cements Limited of Rs.10/- each	-		2,87,987	
(1000)					
	- India Infoline Limited of Rs.10/- each	-		1,44,816	
(1100)					
	- Schrader Duncan Limited	-		3,20,873	
(848)	of Rs. 10/- each				
1000	Reliance Infra Limited of Rs.10/- each	16,23,450		16,23,450	
(1000)					
	- Networth Stock Broking Limited	-		2,45,449	
(2000)	of Rs.10/- each				
	- Power Grid Corporation of India Ltd.	-		3,02,456	
(2000)	of Rs.10/- each				
	- Kirloskar Ferrous Industries Limited	-		2,11,129	
(4000)	of Rs.5/- each				
	- Aries Agro Ltd. of Rs.10/- each	-		2,62,871	
(2000)					
	- Fortis Healthcare Ltd. of Rs.10/- each	-		4,53,424	
(3000)					
10000	Cerebra Integrated Technologie	2,87,936		2,87,936	
(10000)	of Rs. 10/- each				
	- Finolex Cables Limited of Rs.10/- each	-		5,87,776	
(10000)					
	- Essar Oil Limited of Rs.10/- each	-		6,61,234	
(5000)					
	- LIC Housing and Finance Ltd.	-		9,75,610	
(5000)	of Rs. 2/- each				
	- Karur Vysya Bank of Rs. 10/- each	-		3,25,216	
(1000)					
	- Escorts Limited of Rs. 10/- each	-		5,93,324	
(5000)					
	- Mcleod Russel Limited of Rs. 10/- each	-		5,06,330	
(2000)					
	Total carried over		19,11,386		95,95,289

		As at 31.03. 2015		As at 31.03.2014	
		Rs.	Rs.	Rs.	Rs.
<b>Total brought forward</b>			<b>19,11,386</b>		<b>95,95,289</b>
<b>In Mutual Fund Units-unquoted</b>					
13144.263	Mirae Asset Ultra Short Term Bond Fund (Growth)	1,52,81,521		-	
(-)	of Rs. 10/- Each				
-	Birla Sunlife Frontline Equity Fund (Growth)	-		73,70,361	
(72764.941)	of Rs.10/- each				
-	SBI Emerging Business Fund Regular (Growth)	-		39,99,900	
(70471.519)	of Rs.10/- each				
-	Morgan Stanley A.C.E. Fund (Growth)	-		49,98,000	
(302170.696)	of Rs.10/- each				
-	Mirae Asset Emerging Bluechip Fund	-	-	64,99,900	
437998.652	(Growth) of Rs.10/- each				
-	Mirae Asset India Opportunities Fund	-		64,99,900	
321458.952	(Growth) of Rs.10/- each				
		<b>1,52,81,521</b>		<b>2,93,68,061</b>	
Less : Provision for diminution of Current Investment		<b>(13,24,135)</b>		<b>(40,87,961)</b>	
HDFC AMC Real Estate -1		-	<b>7,00,478</b>	-	<b>14,24,674</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.		-	2,93,96,000	15,00,000	3,08,96,000
<b>Total Current Investments</b>		<b>4,59,65,250</b>		<b>6,71,96,063</b>	

	As at 31.03. 2015	As at 31.03. 2014
<b>NOTE No.</b>		
<b>15 Inventories</b>	<b>Rs.</b>	<b>Rs.</b>
(Stock as valued and Certified by Managing Director)		
Work In Progress (Real Estate)	9,43,01,992	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	2,68,703	2,36,336
	<u>1,64,63,00,810</u>	<u>1,59,19,08,106</u>
<b>16 Trade Receivable</b>		
(Unsecured considered good unless otherwise stated)		
Over Six Month	-	17,006
Others	-	-
	<u>-</u>	<u>17,006</u>
<b>17 Cash &amp; Cash Equivalents</b>		
<b>Balance with Banks</b>		
In Fixed Deposit (Pledged with Bank)		
Maturity with more than 12 months	10,97,77,220	52,02,110
Others	49,02,110	10,94,94,104
<b>In Current Accounts</b>		
Earmarked Balance with Banks	6,46,591	6,45,243
Others	5,13,13,448	1,12,74,590
<b>Cash on Hand</b>	3,08,199	3,36,274
	<u>16,69,47,568</u>	<u>12,69,52,321</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	30,57,796	64,60,599
Unsecured considered doubtful	19,55,64,000	19,55,64,000
<b>Loan to Related Parties</b>		
Unsecured Considered Doubtfull	4,50,00,000	4,50,00,000
Unsecured Considered Good	2,57,22,861	2,89,72,861
Advance Income Tax (Net of provision)	88,58,388	76,84,447
Balances with Central Excise Department	80,169	68,648
Mat Credit Entitlement	66,86,522	67,19,406
	<u>28,49,69,736</u>	<u>29,04,69,961</u>
Less: Provision for Doubtful Advances	24,05,64,000	24,05,64,000
	<u>4,44,05,736</u>	<u>4,99,05,961</u>
<b>19 Other Current Assets</b>		
Interest Receivable	44,63,309	40,38,229
	<u>44,63,309</u>	<u>40,38,229</u>



NOTE No.	Year ended March 31, 2015		Year ended March 31, 2014	
	Rs.	Rs.	Rs.	Rs.
<b>20 Revenue From Operations</b>				
Other Operating Revenues				
Transfer Fee		-		4,45,000
		<u>-</u>		<u>4,45,000</u>
<b>21 Other Income</b>				
Interest Received		1,15,02,407		1,18,37,726
Dividend Received		7,500		72,375
Rent		70,488		70,488
Miscellaneous Receipts		3,47,895		2,09,131
Profit on Sale of Assets		3,62,138		6,63,832
Diminution in Value of Current Investment		(2,300)		(5,54,174)
Diminution in Value of Investment no longer required		91,600		24,00,346
Profit / (Loss) on Sale of Investments (net)				
Current Investment	62,27,740		25,49,933	
Security Transaction Tax on above	<u>(335)</u>	<u>62,27,405</u>	<u>(48)</u>	<u>25,49,885</u>
		<u>1,86,07,133</u>		<u>1,72,49,609</u>
<b>22 Cost of Construction &amp; Development Expenses</b>		<u>5,43,60,337</u>		<u>3,99,41,655</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)		3,99,41,655		-
		<u>4,02,62,770</u>		<u>3,21,115</u>
<b>Stock at Close</b>				
Finished Goods		3,21,115		3,21,115
Work in Progress (Real Estate)		9,43,01,992		3,99,41,655
		<u>9,46,23,107</u>		<u>4,02,62,770</u>
		<u>(5,43,60,337)</u>		<u>(3,99,41,655)</u>
<b>24 Employee Benefit Expense</b>				
Salary & Wages		86,81,617		94,45,482
Contribution to Provident and Other Fund		3,71,860		2,26,824
Staff Welfare Expenses		1,64,025		1,21,823
		<u>92,17,502</u>		<u>97,94,129</u>
<b>25 Finance Costs</b>				
Interest to Bank & Others		49,24,103		13,89,653
		<u>49,24,103</u>		<u>13,89,653</u>

		Year ended March 31, 2015		Year ended March 31, 2014	
NOTE No.		Rs.	Rs.	Rs.	Rs.
26	<b>Other Expenses</b>				
	<b>Administrative Expense</b>				
	Rent		2,21,061		2,18,400
	Repair buildings		6,69,939		13,61,866
	Insurance		2,55,539		2,65,593
	Rates and Taxes		1,54,443		1,49,192
	Electricity expenses		21,21,673		16,61,458
	Safety & Protection		8,26,824		12,62,837
	Vehicle Maintenance		13,26,034		13,50,272
	Retainership		5,33,980		16,61,646
	Professional Charges		32,26,177		20,26,183
	Travelling and Conveyance expenses (including Rs.37613 Paid to Auditors)		4,04,914		3,77,881
	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		1,09,000		48,000
	Loss on Sale of Assets (net)		1,69,199		7,16,134
	Miscellaneous expenses		34,89,521		49,56,341
	<b>Total</b>		<u><b>1,36,88,080</b></u>		<u><b>1,62,35,579</b></u>
	<b>Selling Expenses</b>				
	Advertisement		8,40,925		-
	<b>Total</b>		<u><b>1,45,29,005</b></u>		<u><b>1,62,35,579</b></u>

## NOTE No.

27 Investments and Loans outstanding in subsidiary company; (Amount in Rs.)

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

The Company holds undernoted 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

28 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.

29 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.

30 The useful life of fixed assets have been revised in accordance with Schedule II of the Companies Act, 2013. The assets whose useful life is already exhausted as on 01.04.2014, depreciation amounting to Rs. 10,87,044 has been adjusted to General Reserve.

31 **Related Party Disclosures**

## Relationship

A. Wholly Owned Subsidiary Company

Farco Foods Private Ltd.

B Associate Companies

Shervani Hospitalities Limited

Youngtronics India Private Limited

Mettwa Electricals &amp; Appliances Pvt. Ltd.

C Key Management Personnel

Mr. S.I. Shervani Managing Director

Mr. Tahir Hasan Whole Time Director &amp;

Chief Financial Officer

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 31.03.2015	Year ended 31.03.2014
	Rs.	Rs.
D Nature and volume of transactions		
(i) Remuneration		
Paid to Key management personnel	16,72,814	15,60,016
Paid to Relatives	17,77,300	12,00,000
(ii) Rent		
Key management personnel (Paid)	98,661	96,000
Associate Company (Received)	70,488	70,488
(iii) Hire charges of Assets		
Paid to relatives	-	95,000
(iv) Interest Received		
Associate Company	7,30,110	7,13,219

	Year ended 31.03.2015	Year ended 31.03.2014
	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. (Loan)	67,50,000	1,00,00,000
(vi) Investment in Equity Shares of Mettwa Electricals & Appliances Pvt. Ltd.	90,00,000	90,00,000
(vii) Share application money to Mettwa Electricals & Appliances Pvt. Ltd.	-	15,00,000
(viii) Investment in 9% Cumulative Redeemable Preference Shares of Rs. 100/- each of Mettwa Electrical & Appliances Pvt. Ltd.	86,65,000	-
32 Earning per share	<b>31.03.2015</b>	<b>31.03.2014</b>
(a) Net Profit / (Loss) available for Equity Share holders (numerator used for calculation)	(1,29,88,286)	(1,17,15,161)
(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.)	(3.96)	(3.57)
(Equity Shares of face value of Rs. 10/- each)		
33 Contingent liabilities not provided for :		
(a) Claims against the company not acknowledged as debts	Amount indeterminate	
(b) In respect of guarantee given by Company in favour of HDFC Bank Limited on behalf of Shervani Hospitalities Limited, (an Associate Company) for credit facility extended to them	1,00,00,000	1,00,00,000
(c) In respect of guarantee given by Company in favour of Union Bank of India on behalf of Omnitel Technologies Private Limited for credit facility extended to them	10,00,00,000	10,00,00,000
34. Miscellaneous expenses includes		
Advertisement	2,23,132	2,31,171
Telephone expenses	5,41,884	5,14,893
Legal expenses	75,745	1,17,995
Service Tax	14,128	4,64,948
Entertainment expenses	1,78,936	1,96,301
Freight and other handling charges	2,40,845	1,73,235
Garden Maintainence	1,57,561	1,63,602
General Charges	1,17,815	2,77,073
Gift & Presentation	1,52,651	1,78,589
Repairs Electrical	3,93,985	3,43,055
Repairs Machinery	2,66,687	2,30,066
Sanitation expenses	3,50,536	3,17,961
Printing & Stationery	1,58,304	1,59,241
Sterling Apartment expenses	4,527	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 (a) Expenditure in Foreign Currency	This Year	Previous Year
Others	-	6,22,760
(b) Earning in Foreign Exchange	Nil	Nil
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.		

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

We have audited the accompanying consolidated financial statements of SHERVANI INDUSTRIAL SYNDICATE LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiary together referred to as "the Group") and its associate entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

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

**Auditor's Responsibility**

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate entity as at 31<sup>st</sup> March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

**Other Matters**

- (a) The consolidated financial statements also include the Group's share of net loss of Rs.1,55,323 for the year ended 31<sup>st</sup> March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of

this associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

- (b) The consolidated financial statements also include the Group's share of net loss of Rs.65,55,000 for the year ended 31<sup>st</sup> March, 2015, as considered in the consolidated financial statements, in respect of one associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements.

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

**Report on Other Legal and Regulatory Requirements**

- 1 As required by the companies (Auditors Report) order 2015, (The order) issued by the Central Government of India in terms of Subsection (11) of section 143 of the Act, based on the comments in Auditors report of the Holding Company, subsidiary company and a associate company we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said order to extent applicable.
- 2 As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated

Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except liability for leave encashment is accounted for on the basis of actual liability determined by the management at the date of the balance sheet in holding company and liability for gratuity and leave encashment is accounted for on payment basis in subsidiary company.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2015 and taken on record by the Board of Directors of the Holding Company, none of the directors of the holding company is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position. (Refer Note "27" to the consolidated financial statements).
  - (ii) The Group, and its associate entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

**P. P. SINGH**  
(Partner)  
Membership No.: 072754

Place: Allahabad  
Date : August 8, 2015



**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Consolidated Financial statements for the year ended 31<sup>st</sup> March, 2015, we report that:

Our reporting on the CARO includes of holding company, a subsidiary company and a associate company.

In respect of the fixed assets of holding company, subsidiary company and a associate company incorporated in India :

- (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the respective entities and the nature of their assets. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
- i. In respect of the inventories of holding company, subsidiary company and associate company:
    - (a) As explained to us and reported by other auditors, inventories have been physically verified during the year by the management at reasonable intervals.
    - (b) In our opinion and in the opinion of other auditors 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 respective entities and the nature of their business.
    - (c) In our opinion and in the opinion of other auditors and according to the information and explanations given to us, the respective entities have maintained proper records of its inventories and discrepancies noticed on verification between physical stocks and the book records were not material.
  - ii. In respect of loans, secured or unsecured, granted by the holding company, subsidiary company and associate company to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013, according to the information and explanations given to us :
    - (a) The Holding Company has only granted unsecured loans to one associate company.
    - (b) Associate company has not repaid the principal.
  - iii. In our opinion and the opinion of other auditors and according to the information and explanations given to us, there are adequate internal control system in holding company, subsidiary company and a associate company commensurate with the size of the respective entities and the nature of their 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 and other auditor's audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the respective entities.

- iv. In our opinion and in the opinion of other auditors and according to information and explanations given to us, the holding company which has accepted public deposits, has complied with the provisions of sections 73 to 76 or any other provisions of the Companies Act and the rules framed there under.
- v. In our opinion and in the opinion of other auditors and according to the information and explanation given to us, the holding company has prima- facie maintained the prescribed cost records, pursuant to the rules made by the Central Government, for maintenance of cost records under sub- section (1) of section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vi. According to the information and explanations given to us, in respect of statutory and other dues of the holding company, subsidiary company and associate company :
  - (a) The respective entities are generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom , Duty of Excise, Value Added Tax , Cess and any other statutory dues applicable to it.

According to the information and explanations given to us and other auditors, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrear as at 31<sup>st</sup> March, 2015 for a period more than six months from the date they became payable.

  - (b) According to the information and explanations given to us and other auditors, there were no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax and Cess which have not been deposited on account of any dispute.
  - (c) According to the information and explanations given to us and other auditors , the amount which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

(vii) The company does not have accumulated losses more than fifty percent of its net worth at the end of the financial year on consolidated basis. Further the company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year on consolidated basis .

(ix) In our opinion and in the opinion of other auditors and according to the information and explanations given, the holding company, subsidiary company and associate company have not defaulted in repayment of dues to Banks.

(x) In our opinion, the terms and conditions on which the holding company has given guarantee for loan taken by an associate company and others from banks are not prejudicial to the interest of the company.

(xi) In our opinion and in the opinion of other auditors, the term loans have been applied for the purpose for which

they were raised by holding company and associate company.

(xii) According to the information and explanations given to us and other auditors, no fraud on holding company, subsidiary company and associate company or by the holding company, subsidiary company and associate company has been noticed or reported during the course of our audit and of other auditors.

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

**P. P. SINGH**  
(Partner)  
Membership No.: 072754

Place: Allahabad  
Date : August 8, 2015

**CONSOLIDATED****BALANCE SHEET****BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015**

	Note No.	As at 31.03.2015 Rs.	As at 31.03.2014 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	1,84,95,19,961	1,86,71,78,658
		<u>1,88,23,22,461</u>	<u>1,89,99,81,158</u>
<b>Non-Current Liabilities</b>			
Long term Borrowings	4	14,12,834	34,80,183
Other Long-term Liabilities	5	43,32,037	8,83,809
Long-term Provisions	6	4,98,550	5,18,211
		<u>62,43,421</u>	<u>48,82,203</u>
<b>Current Liabilities</b>			
Short term Borrowings	7	10,42,63,295	5,36,01,990
Trade Payables	8	4,24,14,668	20,86,327
Other Current Liabilities	9	1,41,51,177	1,50,83,193
Short term Provisions	10	4,00,00,000	4,19,18,265
		<u>20,08,29,140</u>	<u>11,26,89,775</u>
<b>Total</b>		<u><b>2,08,93,95,022</b></u>	<u><b>2,01,75,53,136</b></u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	7,05,30,422	6,46,01,021
Capital Work in Progress		-	98,53,987
Goodwill on Consolidation		6,69,09,204	-
Non-current Investments	12	4,38,23,679	10,89,98,000
Long-term Loans and Advances	13	4,50,073	6,80,750
		<u>18,17,13,378</u>	<u>18,41,33,758</u>
<b>Current Assets</b>			
Current Investments	14	4,59,65,250	6,71,96,063
Inventories	15	1,64,63,00,811	1,59,19,08,106
Trade Receivables	16	20,66,497	32,00,547
Cash and Cash Equivalents	17	18,18,20,151	13,42,21,695
Short-term Loans and Advances	18	2,65,03,359	3,25,44,759
Other Current Assets	19	50,25,576	43,48,208
		<u>1,90,76,81,644</u>	<u>1,83,34,19,378</u>
<b>Total</b>		<u><b>2,08,93,95,022</b></u>	<u><b>2,01,75,53,136</b></u>

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

1 - 31

As per our report of even date attached

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

Chartered Accountants

**P.P.Singh**

Partner

**B.K. Misra**Company Secretary &  
Sr. Accounts Manager**Tahir Hasan**Whole Time Director &  
Chief Financial Officer**Saleem I. Shervani**

Managing Director

Place : Allahabad

Date : August 8, 2015

**CONSOLIDATED****STATEMENT OF PROFIT & LOSS****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**

PARTICULARS	Note No.	Year ended March 31, 2015	Year ended March 31, 2014
		Rs.	Rs.
<b>Revenue from Operations</b>			
Revenue from Operations	20	3,77,31,383	3,85,19,288
Other Income	21	1,92,93,297	1,74,93,482
<b>Total Revenue</b>		<b>5,70,24,680</b>	<b>5,60,12,770</b>
<b>Expenses</b>			
Cost of Construction & Development Expenses	22	5,43,60,336	3,99,41,655
Changes in Inventory of Finished Goods & WIP	23	(5,43,60,336)	(3,99,41,655)
Employees Benefit Expense	24	2,17,37,667	2,05,04,481
Finance Costs	25	49,24,103	13,89,653
Depreciation and Amortization Expense		55,00,010	27,50,508
Other Expenses	26	3,43,84,056	3,60,87,650
<b>Total Expenses</b>		<b>6,65,45,836</b>	<b>6,07,32,292</b>
<b>Profit / (Loss) Before Tax and Share of Loss in Associate Companies</b>		(95,21,156)	(47,19,522)
Share of Loss in Associate Companies		(69,30,113)	-
<b>Profit / (Loss) before Tax and after share of Loss in Associate Companies</b>		<b>(1,64,51,269)</b>	<b>(47,19,522)</b>
<b>Tax Expense</b>			
Current Tax		87,500	(1,11,000)
Earlier Years Tax		32,884	-
Tax for Earlier Year		-	(3,550)
Profit (Loss) For the year		<b>(1,65,71,653)</b>	<b>(48,26,972)</b>
<b>Loss for the year</b>		<b>1,65,71,653</b>	<b>48,26,972</b>
Earning Per Equity Share of Rs. 10/- each			
Basic		(5.08)	(1.47)
Diluted		(5.08)	(1.47)
<b>Significant Accounting Policies and Notes on Financial Statement</b>	<b>1 - 31</b>		

As per our report of even date attached

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

Chartered Accountants

P.P.Singh  
PartnerB.K. Misra  
Company Secretary &  
Sr. Accounts ManagerTahir Hasan  
Whole Time Director &  
Chief Financial OfficerSaleem I. Shervani  
Managing Director

Place : Allahabad

Date : August 8, 2015

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

	Year ended 31.03.2015	Year ended 31.03.2014
Rs.	Rs.	Rs.
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Tax	(95,21,156)	(47,19,522)
Adjustment For :		
Depreciation	55,00,010	27,50,508
Loss /(Profit) on sale of assets	1,69,199	7,16,134
Interest paid	49,24,103	13,89,653
Interest Received	(1,21,85,037)	(1,22,41,999)
Dividend Received	(7,500)	(72,375)
(Profit)/Loss on Sale of Investments	(62,27,405)	(25,49,885)
Diminution in the value of Investments no longer required	-	(24,00,346)
Diminution in the value of Current Investment	-	(1,18,54,136)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>(1,73,47,786)</b>	<b>(1,65,73,658)</b>
Adjustment For :		
(Increase)/Decrease in Trade and other receivables	79,28,707	-
(Increase)/Decrease in Inventories	(5,43,92,704)	(4,01,47,031)
Increase/(Decrease) in Trade Payables	4,40,62,703	(99,52,026)
	(24,01,293)	4,92,27,226
<b>Cash generated / (used) in operation</b>	<b>(1,97,49,079)</b>	<b>(6,58,00,884)</b>
Add / (Deduct) for :		
Direct tax (paid) /Refund of earlier years	(6,42,963)	(16,48,674)
<b>Net Cash /(used in) /from operating activities (Total – A)</b>	<b>(2,03,92,042)</b>	<b>(6,74,49,558)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Capital Work in Progress	-	(98,53,987)
Purchase of Fixed Assets	(31,09,760)	(97,93,067)
Sale of Fixed Assets	2,78,095	10,07,201
Sale of Current Investments (net of purchase)	2,74,58,219	2,05,02,041
Sale of Investments in Associate Companies (Net of Purchase)	(86,65,000)	-
Dividend Received	7,500	72,375
Interest Received	1,15,07,669	1,25,15,916
Purchase of Investment in Associates	-	(30,00,000)
Purchase of Investment (Net)	-	(1,54,00,280)
<b>Net Cash /(used in) from investing activities (Total - B )</b>	<b>2,74,76,723</b>	<b>(39,49,801)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans and Borrowings	4,73,76,143	5,58,94,928
Dividend paid	(19,18,265)	-
Interest Paid	(49,44,103)	(13,98,653)
<b>Net Cash /(used in) from financing activities (Total – C)</b>	<b>4,05,13,775</b>	<b>5,44,96,275</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>4,75,98,456</b>	<b>(1,69,03,084)</b>
Add : Opening Cash and Cash Equivalents	13,42,21,695	15,11,24,779
<b>Closing Cash and Cash Equivalent</b>	<b>18,18,20,151</b>	<b>13,42,21,695</b>

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

**P.P.Singh**  
Partner

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

**Tahir Hasan**  
Whole Time Director &  
Chief Financial Officer

**Saleem I. Shervani**  
Managing Director

Place : Allahabad  
Date : August 8, 2015

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

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

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

Name of the company	Country of Incorporation	Holding as on 31.03.2015
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 Financial Statements of one Associate Company as on 31.03.2015 have not yet been finalised, therefore, loss for the year has been considered in the Consolidated Financial Statements on the basis of unaudited financial statements.



NOTE No.

2 Share Capital		As at 31.03.2015		As at 31.03.2014	
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	Rs.	Number	Rs.
Ordinary Shares					
Balance as on 01.04.2014		32,60,250	3,26,02,500	32,60,250	3,26,02,500
Balance as at 31.03.2015		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 01.04.2014		8,000	2,00,000	8,000	2,00,000
Balance as at 31.03.2015		8,000	2,00,000	8,000	2,00,000
			<u>2,00,000</u>		<u>2,00,000</u>
Grand Total			<u>3,28,02,500</u>		<u>3,28,02,500</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)					
Mr. Hitesh Ramji Javeri		4,55,250		4,55,250	
M/s Frost Traders Pvt Ltd.		4,00,602		4,00,602	
Mr. Saleem Iqbal Shervani		3,18,680		3,18,680	
M/s 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		53,00,00,000		55,00,00,000	
Less : Adjustment during the year (Refer Note No. 30)		10,87,044		-	
Less : Transferred to surplus		<u>-</u>	52,89,12,956	<u>2,00,00,000</u>	53,00,00,000
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		(19,59,29,118)		(20,91,83,881)	
Add : Balance in the statement of Profit and Loss		(1,65,71,653)		(48,26,972)	
Transferred from General Reserve		-		2,00,00,000	
Appropriations					
Proposed Dividend		-		16,40,125	
Tax on proposed Dividend		-	(21,25,00,771)	2,78,140	(19,59,29,118)
			<u>1,84,95,19,961</u>		<u>1,86,71,78,658</u>

		As at 31.03.2015	As at 31.03.2014
NOTE No.			
4	<b>Long Term Borrowing</b>	<b>Rs.</b>	<b>Rs.</b>
	<b>Secured Loan</b>		
	Vehicle Loan	14,12,834	33,80,183-
	Maturity Profile	<u>14,12,834</u>	<u>33,80,183</u>
	Year		
	2016-2017	12,16,081	
	2017-2018	1,96,753	
	<b>Unsecured Loan</b>		
	Deposits	-	1,00,000
		<u>-</u>	<u>1,00,000</u>
	<b>Total long term borrowing</b>	<u>14,12,834</u>	<u>34,80,183</u>
5	<b>Other long-term Liabilities</b>		
	Security Deposit	43,32,037	8,83,809
		<u>43,32,037</u>	<u>8,83,809</u>
6	<b>Long-term Provisions</b>		
	Provision for Employees' Benefit	4,98,550	5,18,211
		<u>4,98,550</u>	<u>5,18,211</u>
7	<b>Short-term Borrowings</b>		
	<b>Secured Loans from Banks</b>		
	Overdraft from Union Bank of India	5,15,30,728	5,36,01,990
	(Secured by hypothecation of fixed deposits )		
	Overdraft from State Bank of India	5,27,32,567	-
	(Secured by mortgage of company land)		
		<u>10,42,63,295</u>	<u>5,36,01,990</u>
8	<b>Trade Payables</b>		
	Sundry Creditors	19,73,128	20,86,327
	Advance from Customer Interest Free	4,04,41,540	-
		<u>4,24,14,668</u>	<u>20,86,327</u>
9	<b>Other Current Liabilities</b>		
	Current Maturity of long term Borrowing-Secured	10,94,942	13,12,755
	Current Maturity of long term Borrowing-Unsecured	-	10,00,000
	Interest accrued but not due	-	20,000
	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	6,33,499	6,35,225
	Temporary Book Over Draft	-	13,846
	Other Payable	1,24,22,736	1,21,01,367
	(Includes Employees Liabilities, Statutory Liabilities etc.)	<u>1,41,51,177</u>	<u>1,50,83,193</u>
10	<b>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>4,00,00,000</u>	<u>4,19,18,265</u>

**11 Non Current Assets - Fixed Assets**
**Tangible Assets**
**Gross Block**

	As at 01.04.2014	Addition	Deletion	As at 31.03.2015
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	1,11,11,418	-	3,74,66,333
Plant and Equipments	1,61,35,414	91,600	-	1,62,27,014
Furniture and Fixture	18,53,801	-	-	18,53,801
Vehicles	1,80,05,403	17,05,729	13,82,474	1,83,28,658
Office equipments	1,38,780	55,000	-	1,93,780
Computers	52,57,470	-	-	52,57,470
<b>Total</b>	<b>9,09,10,904</b>	<b>1,29,63,747</b>	<b>13,82,474</b>	<b>10,24,92,177</b>
Previous Year	8,47,45,660	97,93,067	36,27,823	9,09,10,904

**Depreciation Block**

Freehold land	-	-	-	-
Leasehold land	-	-	-	-
Factory building	30,09,949	1,93,375	-	32,03,324
Non-factory building	33,42,584	14,77,212	-	48,19,796
Plant and Equipments	89,75,349	28,07,857	-	1,17,83,206
Furniture and Fixture	13,54,061	1,61,139	-	15,15,200
Vehicles	47,28,374	17,68,174	9,35,180	55,61,368
Office Equipments	55,486	83,690	-	1,39,176
Computers	48,44,080	95,605	-	49,39,685
<b>Total</b>	<b>2,63,09,883</b>	<b>65,87,052</b>	<b>9,35,180</b>	<b>3,19,61,755</b>
Previous Year	2,54,63,864	27,50,509	19,04,488	2,63,09,883

**Net Block**

	As at 31.03.2015	As at 31.03.2014
Freehold land	1,71,31,323	1,71,31,323
Leasehold land	5,179	5,179
Factory building	28,25,295	30,18,670
Non-factory building	3,26,46,537	2,30,12,331
Plant and Equipments	44,43,808	71,60,065
Furniture and Fixture	3,38,601	4,99,740
Vehicles	1,27,67,290	1,32,77,029
Office equipments	54,604	83,294
Computers	3,17,785	4,13,390
<b>Total</b>	<b>7,05,30,422</b>	<b>6,46,01,021</b>

Capital work in progress (Building)	-	98,53,987
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		As at 31.03. 2015		As at 31.03. 2014	
NOTE No.					
12	<b>Non Current Investment (At Cost)</b>				
	(Long Term Investment)	Rs.	Rs.	Rs.	Rs
	<b>Trade Investment (unquoted)</b>				
	<b>Investment In Equity Instruments</b>				
	<b>Associate Company</b>				
	2265750 Shervani Hospitalities Ltd. of Rs. 10/-				
	(2265750) each (including 730000 Equity Shares	2,36,87,675		8,81,43,000	
	at a Premium of Rs.90/- per share and				
	21450 Bonus Shares)				
	85000 Youngtronics India Private Ltd. of	4,66,004		8,50,000	
	(85000) Rs.10/- each				
	900000 Mettwa Electricals and Appliances Pvt. Ltd.	-		90,00,000	
	(900000) of Rs.10/- each				
	86650 9% Cumulative Redeemable Preference Shares of				
	(-) Rs. 100/- each of Mettwa Electricals and Appliances Pvt. Ltd.	86,65,000			
	<b>Other Investments (in Equity Shares- Unquoted Fully Paid Up)</b>				
	500 Shares of Super Bazar Cooperative	5,000		5,000	
	(500) Stores Ltd., of Rs. 10/- each				
	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	-	30,00,000	-
	(300000) Syndicate Ltd.	<u>4,38,23,679</u>		<u>10,89,98,000</u>	
		-			
13	<b>Long Term Loans and Advances</b>				
	(Unsecured considered good unless otherwise stated)				
	Security Deposits		4,50,073		6,80,750
			<u>4,50,073</u>		<u>6,80,750</u>

NOTE No.	As at 31.03.2015		As at 31.03.2014	
	Rs.	Rs.	Rs.	Rs.
<b>14 CURRENT INVESTMENTS</b>				
<b>Other Investment</b>				
<b>In Equity Shares-Quoted Fully Paid Up</b>				
- Bombay Dyeing and Manufacturing Co. Ltd.	-		5,71,810	
(5000) of Rs.2/- each				
- DLF Limited of Rs.2/- each	-		2,87,833	
(500)				
- I.D.B.I. Bank Limited of Rs. 10/- each	-		7,24,567	
(6000)				
- Firstsource Solutions Limited	-		2,21,198	
(3100) of Rs.10/- each				
- India Cements Limited of Rs.10/- each	-		2,87,987	
(1000)				
- India Infoline Limited of Rs.10/- each	-		1,44,816	
(1100)				
- Schrader Duncan Limited	-		3,20,873	
(848) of Rs.10/- each				
1000 Reliance Infra Limited of Rs.10/- each	16,23,450		16,23,450	
(1000)				
- Networth Stock Broking Limited	-		2,45,449	
(2000) of Rs.10/- each				
- Power Grid Corporation of India Ltd.	-		3,02,456	
(2000) of Rs.10/- each				
- Kirloskar Ferrous Industries Limited	-		2,11,129	
(4000) of Rs.5/- each				
- Aries Agro Ltd. of Rs.10/- each	-		2,62,871	
(2000)				
- Fortis Healthcare Ltd. of Rs.10/- each	-		4,53,424	
(3000)				
10000 Cerebra Integrated Technologie	2,87,936		2,87,936	
(10000) of Rs.10/- each				
- Finolex Cables Limited of Rs.10/- each	-		5,87,776	
(10000)				
- Essar Oil Limited of Rs.10/- each	-		6,61,234	
(5000)				
- LIC Housing and Finance Ltd.	-		9,75,610	
(5000) of Rs.10/- each				
- Karur Vysya Bank	-		3,25,216	
(1000) of Rs.10/- each				
- Escorts Limited	-		5,93,324	
(5000) of Rs.10/- each				
- Mcleod Russel Limited	-		5,06,330	
(2000) of Rs.10/- each				
Total carried forward	19,11,386		95,95,289	

		As at 31.03. 2015		As at 31.03. 2014	
		Rs.	Rs.	Rs.	Rs.
<b>Total brought forward</b>			<b>19,11,386</b>		<b>95,95,289</b>
<b>IN MUTUAL FUND UNITS-UNQUOTED</b>					
13144.263	Mirae Asset Ultra Short Term Bond Fund (Growth)	1,52,81,521	-		
(-)	of Rs. 10/- each				
-	Birla Sunlife Frontline Equity Fund (Growth)	-	73,70,361		
(72764.941)	of Rs.10/- each				
-	SBI Emerging Business Fund Regular (Growth)	-	39,99,900		
(70471.519)	of Rs.10/- each				
-	Morgan Stanley A.C.E. Fund (Growth)	-	49,98,000		
(302170.696)	of Rs.10/- each				
-	Mirae Asset Emerging Bluechip Fund	-	64,99,900		
(437998.652)	(Growth) of Rs. 10/- each		-		
-	Mirae Asset India Opportunities Fund	-	64,99,900		
(321458.952)	(Growth) of Rs. 10/- each				
		<b>1,52,81,521</b>	<b>-</b>	<b>2,93,68,061</b>	
Less: Provision for Diminution of Current Investment		-	(13,24,135)	-	(40,87,961)
HDFC AMC Real Estate -1		-	7,00,478	-	14,24,674
<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.		-	2,93,96,000	15,00,000	3,08,96,000
<b>Total Current Investments</b>		<b>4,59,65,250</b>		<b>6,71,96,063</b>	



	As at 31.03. 2015	As at 31.03. 2014
<b>NOTE No.</b>		
<b>15 Inventories</b>	<b>Rs.</b>	<b>Rs.</b>
(Stock as valued and Certified by Managing Director)		
Work In Progress ( Real Estate )	9,43,01,992	3,99,41,655
Finished Goods	3,21,115	3,21,115
Stock In Trade (Land )	1,55,14,09,000	1,55,14,09,000
Stores & Spares	2,68,704	2,36,336
	<b><u>1,64,63,00,811</u></b>	<b><u>1,59,19,08,106</u></b>
<b>16 Trade Receivables</b>		
(Unsecured considered good unless otherwise stated)		
Over Six Month	20,66,497	17,006
Others	-	31,83,541
	<b><u>20,66,497</u></b>	<b><u>32,00,547</u></b>
<b>17 Cash &amp; Cash Equivalents</b>		
<b>Balance with Banks</b>		
In Fixed Deposits		
Maturity with more than 12 months	11,00,15,141	54,40,031
Others (Pledged with Bank)	1,40,40,118	11,33,09,447
<b>In Current Accounts</b>		
Earmarked Balance with Banks	6,46,591	6,45,243
Others	5,67,22,984	1,39,46,017
<b>Cash on Hand</b>	3,95,317	8,80,957
	<b><u>18,18,20,151</u></b>	<b><u>13,42,21,695</u></b>
<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	33,08,919	66,34,420
Unsecured Considered Doubtful	19,55,64,000	19,55,64,000
<b>Loans to Related Parties</b>		
- Unsecured Considered Good	67,50,000	1,00,00,000
Advance Income Tax (Net of Provision)	96,77,117	91,21,653
Balances With Central Excise Department	80,801	69,280
MAT Credit Entitlement	66,86,522	67,19,406
	<b><u>22,20,67,359</u></b>	<b><u>22,81,08,759</u></b>
Less: Provision for Doubtful Advances	19,55,64,000	19,55,64,000
	<b><u>2,65,03,359</u></b>	<b><u>3,25,44,759</u></b>
<b>19 Other Current Assets</b>		
Interest Receivable	50,25,576	43,48,208
	<b><u>50,25,576</u></b>	<b><u>43,48,208</u></b>

NOTE No.	Year ended March 31, 2015		Year ended March 31, 2014	
	Rs.	Rs.	Rs.	Rs.
<b>20 Revenue from Operations</b>				
Sale of Services		3,76,84,751		3,76,56,543
		<u>3,76,84,751</u>		<u>3,76,56,543</u>
<b>Other Operating Revenues</b>				
Transfer Fee		-		4,45,000
Misc. Receipts/ Compensation		46,632		4,17,745
		<u>46,632</u>		<u>8,62,745</u>
		<u>3,77,31,383</u>		<u>3,85,19,288</u>
<b>21 Other Income</b>				
Interest received		1,21,85,037		1,22,41,999
Dividend received		7,500		72,375
Rent		70,488		70,488
Miscellaneous receipts		3,47,895		38,731
Provision of Liability no longer required		3,65,672		6,73,832
Profit on Sale of Current Investments		-		(5,54,174)
Diminution in the value of current investments		(2,300)		24,00,346
Diminution in value of investment no longer required		91,600		-
Profit on sale of investments (Including Security Transaction Tax)		62,27,405		25,49,885
		<u>1,92,93,297</u>		<u>1,74,93,482</u>
<b>22 Cost of Construction &amp; Development Expenses</b>		<u>5,43,60,336</u>		<u>3,99,41,655</u>
		<u>5,43,60,336</u>		<u>3,99,41,655</u>
<b>23 Changes In Inventories of Finished Goods</b>				
<b>Stock at Commencement</b>				
Finished Goods		3,21,115		3,21,115
Work in Process		3,99,41,655		-
		<u>4,02,62,770</u>		<u>3,21,115</u>
<b>Stock at Close</b>				
Finished Goods		3,21,115		3,21,115
Work in Process (Real Estate)		9,43,01,991		3,99,41,655
		<u>9,46,23,106</u>		<u>4,02,62,770</u>
		<u>(5,43,60,336)</u>		<u>(3,99,41,655)</u>
<b>24 Employees' Benefit Expense</b>				
Salary & Wages		2,08,72,282		1,98,86,154
Contribution to provident and other fund		4,92,705		3,58,603
Staff Welfare expenses		3,72,680		2,59,724
		<u>2,17,37,667</u>		<u>2,05,04,481</u>
<b>25 Finance Costs</b>				
Interest to Bank & Others		49,24,103		13,89,653
		<u>49,24,103</u>		<u>13,89,653</u>

		Year ended March 31, 2015		Year ended March 31, 2014	
NOTE No.		Rs.	Rs.	Rs.	Rs.
<b>26</b>	<b>Other Expenses</b>				
	<b>Manufacturing Expenses</b>				
	Power & Fuel		1,55,94,933		1,55,98,960
	Repairs to Building		1,59,563		35,507
	Repairs to Plant & Machinery		13,75,926		9,81,921
	Other Manufacturing Expenses		91,698		1,15,007
			<u>1,72,22,120</u>		<u>1,67,31,395</u>
	<b>Administrative Expenses</b>				
	Rent		8,96,061		14,18,400
	Repairs building		6,69,939		13,61,866
	Insurance		2,55,539		2,65,593
	Rates and Taxes		1,54,443		1,49,192
	Electricity Expenses		21,21,673		16,61,458
	Safety & Protection		8,26,825		12,62,837
	Vehicle Maintenance		13,26,034		13,50,272
	Retainership		5,33,980		16,61,646
	Professional Charges		32,26,177		20,26,183
	General Expenses		2,59,229		2,59,185
	Travelling and Conveyance expenses (Including Rs. 35608 (35711) paid to Auditors)		4,04,914		3,77,881
	Payments to the Auditors (Including Service Tax)				
	As Auditor	1,57,304		1,46,068	
	For Other Services	<u>56,180</u>	2,13,484	<u>56,180</u>	2,02,248
	Directors' Sitting Fee		1,09,000		48,000
	Loss on sale of assets (net)		1,69,199		7,16,134
	Sundry Balances Written Off		2,39,467		3,08,676
	Miscellaneous expenses		49,15,047		62,86,684
	<b>Total</b>		<u>1,63,21,011</u>		<u>1,93,56,255</u>
	<b>Selling and Distribution Expenses</b>				
	Selling expenses		8,40,925		
	<b>Total</b>		<u>3,43,84,056</u>		<u>3,60,87,650</u>
<b>27</b>	<b>Contingent liabilities not provided for :</b>				
(a)	Claims against the company not acknowledged as debts		Amount indeterminate		
(b)	In respect of guarantee given by Company in favour of HDFC Bank Limited on behalf of Shervani Hospitalities Limited, (an Associate Company) for credit facility extended to them	1,00,00,000		1,00,00,000	
(c)	In respect of guarantee given by Company in favour of Union Bank of India on behalf of Omnitel Technologies Private Limited for credit facility extended to them	10,00,00,000		10,00,00,000	

**28 :-Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary**

Name of Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss	
	As % of consolidated Net Assets	Amount in Rs	As % of consolidated Profit or Loss	Amount in Rs
<b>Parent</b> Shervani Industrial Syndicate Limited	102.14%	1,88,70,76,115	134.70%	(1,29,88,285)
<b>Subsidiaries</b> Farco Foods Private Limited	(2.14%)	4,04,86,427	(34.70%)	33,46,747
<b>TOTAL</b>	<b>100%</b>	<b>1,92,75,62,542</b>	<b>100.00%</b>	<b>(96,41,538)</b>

**29. Salient Features of Financial Statements of Subsidiaries as per Companies Act, 2013**
**Name of Subsidiary Company - Farco Foods Private Limited**

Reporting Currency	:	INR
Share Capital	:	90,00,000
Reserves and Surplus	:	(4,94,86,427)
Total Assets	:	(2,21,57,386)
Total Liabilities	:	6,78,15,468
Investments	:	NIL
Turnover / Total Income	:	3,84,17,547
Profit Before Tax	:	33,46,747
Provision for Tax	:	NIL
Profit after tax	:	33,46,747
Proposed Dividend	:	NIL
% of Shareholding	:	100%

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

Sr. No	Name of Associates	Shares of associates held by the company on the year end					Profit/loss for the year			
		Latest audited balance sheet date	No of shares	Amount of investment in Associate	Extend of Holding %	Networth attributable to shareholding as per latest balance sheet	Considered in consolidation	Not considered in consolidation	Description of how there is significant influence	Reason why the associates is not consolidated
1	Shervani Hospitalities Limited	31.03.2015	2265750	88143000	30.02%	181091013	-155323	NIL	30.02% Shares held	-
2	Youngtronic India Private Limited	31.03.2015	85000	850000	46.33%	3132697	-219790	NIL	46.33% Shares held	-
3	Mettwa Electrical & Appliances Pvt. Ltd.*	31.03.2014	900000	9000000	45.00%	9384768*	-6555000	1654472	45% shares held	-

\* Based on unaudited Balance Sheet and Profit and Loss account for the year ended 31.03.2015

31 The useful life of fixed assets have been revised in accordance with Schedule II of the Companies Act, 2013. The assets whose useful life is already exhausted as on 01.04.2014, depreciation amounting to Rs. 10,87,044 has been adjusted to General Reserve.

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