
SHERVANI INDUSTRIAL SYNDICATE LIMITED

Date ; 17/10/2016

BSE Limited
Listing Department
Department of Corporate Services
P J Towers, Dalal Street, Fort
MUMBAI 400 001

Sub : Annual Report for the year 2015-16 u/s 34(1) of SEBI(LODR) Regulations


Dear Sir,

Please find enclosed herewith the Annual Report of the Company for the year ended on 31/03/2016 pursuant to the compliance of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please take the same on record.

Thanking you,

Your's faithfully
For Shervani Industrial Syndicate Limited


B K Misra
Company Secretary



Encl: As above

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

68th ANNUAL REPORT 2015-2016

Shervani Industrial Syndicate Limited

Shervani Industrial Syndicate Limited

BOARD OF DIRECTORS

CHAIRMAN

Dr. Ashutosh Pratap Singh

MANAGING DIRECTOR

Mr. Saleem Iqbal Shervani

WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER

Mr. Tahir Hasan

DIRECTORS

Mr. Azher Nisar Shervani

Mr. Saeed Mustafa Shervani

Mr. Kush Bhargava

Mr. Gopal Swarup Chaturvedi

Mr. Raju Verghese

Mr. Mohammad Aslam Sayeed

Mrs. Shefali Bansal

COMPANY SECRETARY & Sr. ACCOUNTS MANAGER

Mr. B. K. Misra

AUDITORS

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

Chartered Accountants,

Kanpur

BANKERS

State Bank of India

Union Bank of India

Central Bank of India

ICICI Bank Ltd.

HDFC Bank Ltd.

REGISTERED OFFICE

Shervani Nagar,

Sulem Sarai, Harwara

Allahabad - 211011

Uttar Pradesh

Annual Report 2015-2016

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NOTICE is hereby given that the **68th Annual General Meeting** of the Members of **SHERVANI INDUSTRIAL SYNDICATE LIMITED** will be held on Thursday, the 29th September, 2016 at 11.30 A.M. at 2, New Cantonment, Kanpur Road, Allahabad to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt :
 - (a) the Audited Financial Statements for the Financial Year ended 31st March, 2016 together with the Reports of the Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2016 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Azher Nisar Shervani (DIN: 00424635) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Saeed Mustafa Shervani (DIN: 00024390) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :
 "RESOLVED THAT M/s. P.L. Tandon & Co., Chartered Accountants (ICAI Registration No. 000186C) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be decided by the Board of the Directors of the Company."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 196 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the continuance of office of Mr. Tahir Hasan (DIN:00074282) as a Whole-time Director of the Company, for the remainder term of his office up to 13th August, 2019."

"RESOLVED FURTHER THAT the terms and conditions including remuneration of Mr. Tahir Hasan (DIN: 00074282), Whole-time Director shall remain unaltered as approved by the members by Special Resolution passed at the 66th Annual General Meeting held on 30th September 2014"

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and to take all such steps as may

be necessary, proper or expedient to give effect to this resolution."

6. To accord consent to charge from the members fee for delivery of documents through a particular mode of services and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, whereby a document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member the fee in advance equivalent to the estimated actual expenses of delivery of the documents, pursuant to any request made by the member for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the Member."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to the above resolution."

By Order of the Board
For Shervani Industrial Syndicate Limited

B.K. Misra
Company Secretary

Place : Allahabad
Date : May 28, 2016

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 Nos. 5 and 6 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 Friday, 23rd September, 2016 to Thursday, 29th September, 2016 (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 2007-2008 to Investor Education and Protection Fund (IEPF) established by the Central Government. The unpaid / unclaimed dividend for the financial year 2008-2009 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. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts [as referred to in section 205C (2)] lying with the Company on the website of the Ministry of Corporate Affairs viz. <http://www.iepf.gov.in>. The concerned Members are requested to verify the details of their unclaimed amounts, if any, from the said website and lodge their claim with the Company's Registrar and Transfer Agents (RTA), before the same is due for transfer to the IEPF.
11. Members holding shares in electronic form are requested to intimate immediately any change in their Address or Bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrar and Transfer Agents (RTA).
12. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Transfer Agents (RTA).
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in Form No. SH-13 prescribed under Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014 which can be obtained from the Company or its RTA.
15. Members desirous of obtaining any information / clarifications, intending to raise any query concerning the annual accounts or operations of the Company, are requested to forward the same at least seven days prior to the date of meeting to the Company Secretary at the Registered office of the Company, so that the same may be attended appropriately.
16. In terms of Sections 107 and 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing its members the facility to exercise their right to vote at the meeting by electronic means on 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 Monday, 26th September, 2016 at 10.00 A.M. and ends on Wednesday, 28th September, 2016 at 5.00 P.M. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the 22nd September, 2016 (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.
- (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 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.
Date of Birth	Enter the Date of Birth (DOB) as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

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

then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xviii) Note for Non-Individual Shareholders and Custodians

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

- (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, under help section or write an email to helpdesk.evoting@cdslindia.com.

General Instructions:

- The facility of voting through ballot paper shall also be made available at the Meeting. Members attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper.
- Members who have cast their vote by remote e-voting prior to the Meeting, may also attend the Meeting, but shall not be entitled to cast their vote again.
- The voting rights of the shareholders (for voting through remote e-voting or by ballot paper at the Meeting) shall be in proportion to their shares of the paid-up equity share capital of the Company as on 22nd September, 2016 (i.e. the "Cut-Off Date").
- A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.
- Any person, who acquires shares of the Company and become member of the Company after 19th August, 2016 i.e. BENPOS date considered for dispatch of the notice and holdings shares as on the cut off date i.e. 22nd September, 2016, may obtain the login id and password by sending a request at helpdesk.evoting@cdslindia.com.
- M/s Sidiqqi & Associates, Practising Company Secretaries (Membership No.FCS-2229 and Certificate of Practice No.-1284) has been appointed as the Scrutinizer by the Company to scrutinize the remote e-voting process in a fair and transparent manner.
- The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer,

- by use of "Ballot Paper/Polling Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- viii. The Scrutinizer shall after the conclusion of voting at the annual general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.
- ix. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.shervaniind.com and on the website of CDSL immediately after the declaration of result by the Chairman. The results shall also be immediately forwarded to Stock Exchanges where the shares of the Company are listed.
17. As required under Listing Regulations and Secretarial Standards-2 on General Meetings, the relevant details in respect of directors seeking re-appointment under Item Nos. 2 and 3 of this Notice are as below:

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

Particulars	Mr. Azher Nisar Shervani	Mr. Saeed Mustafa Shervani
Date of Birth	15 th August, 1947	29 th May, 1959
Date of Appointment	31 st October, 2000	9 th January, 1986
Qualification	B.Com.	Diploma in Hotel Management, Catering and Nutrition
Experience and Expertise in specific functional area	Industrialist	Industrialist
Chairman/ Director of other Companies (excluding foreign Companies)	Shervani Hospitalities Limited Shervani Enterprises Pvt Limited Red Leaf Estate Pvt Limited	Shervani Hospitalities Limited Sherans Infrastructure Pvt Ltd. Hotel and Restaurant Association of Northern India The Federation of Hotel and Restaurant Association of India
Chairman/ Member of Committee of the Board of other Companies of which he is a Director	Nil	Nil
Shareholding in Shervani Industrial Syndicate Limited	94855	130310
No. of Board Meetings attended during the financial year 2015-16	One	One

By Order of the Board
For Shervani Industrial Syndicate Limited

B.K. Misra
Company Secretary

Place : Allahabad
Date : May 28, 2016

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

The Members of the Company had at the 66th Annual General Meeting held on 30th September, 2014 appointed Mr. Tahir Hasan as Whole-time Director of the Company for a period of five years w.e.f 14th August, 2014 and his term of office will expire on 13th August, 2019. Section 196 of the Companies Act, 2013 (the 'Act'), inter-alia, provides that no Company shall appoint or continue the employment of any person as Whole-time Director, who has attained the age of seventy years, unless his appointment is approved by Members by passing a special resolution. Mr. Tahir Hasan attained the age of seventy years on 21st July, 2016, as such, it is intended to seek approval of the Members by way of Special resolution for continuance of his office as Whole-time Director of the Company.

In view of the long term association and the invaluable contribution made by Mr. Tahir Hasan, the Board considered it appropriate to continue to avail his services and recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Except Mr. Tahir Hasan himself, none of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

ITEM No. 6

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any Member by sending it to him by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its Annual General Meeting.

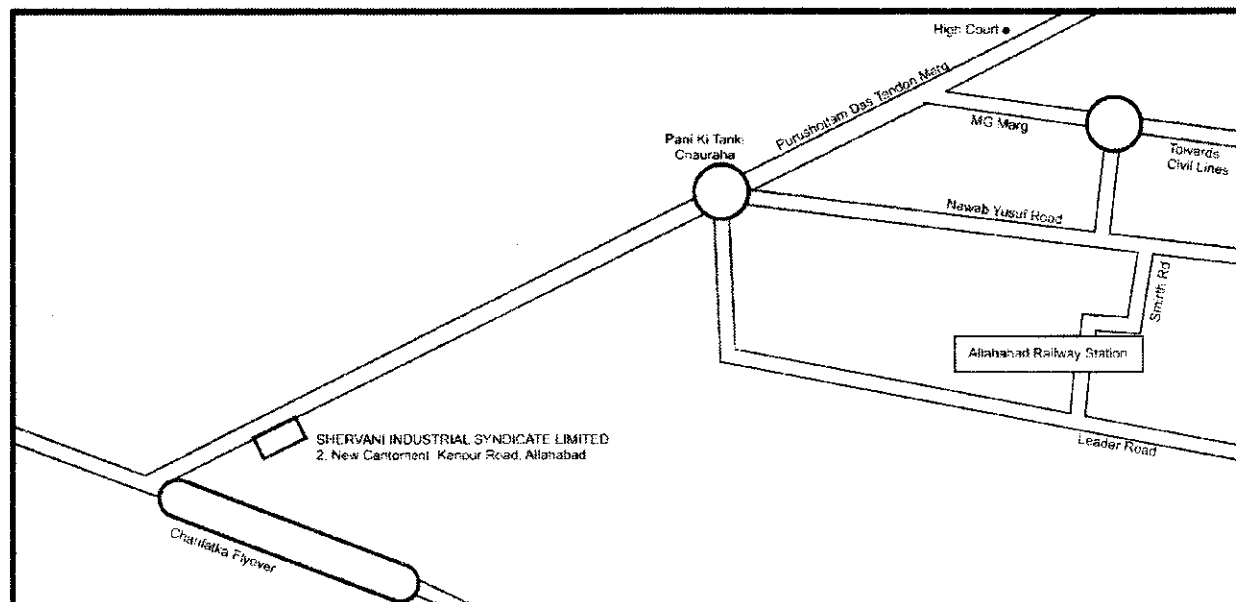
Accordingly, it is proposed to seek approval of Members to empower the Directors or Key Managerial Personnel to fix the fee in the Special Resolution set out at Item No. 6 of the Notice for approval by the Shareholders.

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

By Order of the Board
For Shervani Industrial Syndicate Limited

B. K. Misra
Company Secretary

Place : Allahabad
Date : May 28, 2016

LOCATION MAP OF VENUE OF ANNUAL GENERAL MEETING

Dear Members,

Your Directors' take pleasure in presenting the 68th Annual Report together with the Audited Financial Statements for the year ended on 31st March, 2016.

FINANCIAL RESULTS

	(Rs. in Lac)
Total Revenue	2944
Profit before Depreciation	61
Depreciation	30
Profit after Depreciation before tax	31
Current/Earlier year tax	13
Profit after tax	18

DIVIDEND

Due to inadequacy of Profit and the provisions of the Companies Act, 2013, your Directors are not in a position to propose any dividend for the year that ended on 31st March, 2016.

OPERATIONS REVIEW

During the year under review the development of infrastructure facilities of the 'Shervani Legacy' project as sanctioned in the 'Layout Plan' is completed. The entire area under the project 'Shervani Legacy' has been landscaped to provide greenery and a clean environment for healthy living. All infrastructure facilities have been completed within the scheduled time frame. The Allahabad Development Authority has also issued the 'Completion Certificate' for the layout of 'Shervani Legacy Project'. Subsequent to the receipt of said certificate and in the case of customers completing their payment schedule we have started the execution of the conveyance deed.

Encouraged by the public enquiries the Company decided to initiate the next phase for construction of group housing and sale of residential apartments. We are pleased to inform you that the Allahabad Development Authority has sanctioned the plans for construction of two ten storey towers comprising of 160 apartments plus a community centre. Each tower has 80 flats with 40 Nos. 2BHK and 40 Nos. 3BHK apartments. The construction work, namely, excavation of earth for piling of pillars has started. The company is planning to launch booking of flats within next three months.

MANAGEMENT DISCUSSION AND ANALYSIS

A. Business Overview, Industry Structure and Development

During the year under review the Indian economy remained sluggish and the real estate sector continued to suffer from economic slow-down. Hence the sale of plots did not go according to plan. However, following the period under review, the monsoon is expected to be good and it is also expected that Seventh Pay Commission Report will be implemented shortly. This leads one to hope for recovery of the economy and consequently the real estate sector in the medium term.

B. Outlook on Opportunities, Threats, Risks and Concern

In search of opportunities for better life, people continue to migrate from villages to cities. This is bound to have a positive impact on the demand for housing

in urban areas specially in B-Class cities. Thus over a period of time despite some periods of slowdown, the growth in the construction industry is assured. The infrastructure facilities already developed at 'Shervani Legacy' promise a green and healthy environment, which together with the high construction standards adopted by our projects should result in good sales in the years to come. However, the inflationary market trends can increase input costs, which are a matter of concern for both buyers and sellers. Increases in input costs have negative impact on project costs, margins and the trust of public in the project. Your company is planning better management of raw material and optimization of operating efficiency to overcome external risks, and continue to address issues concerning the buyers.

C. Subsidiary Company

M/s Farco Foods Pvt Limited, the wholly owned subsidiary of your Company manufactured 4435 MT biscuits of Priyagold Brand on job work basis. The production was lower because of reduced production schedule from the Principal. The work relating to upgradation of plant to gas plant is in progress, and we hope to complete the same in next three months.

D. Internal Financial Controls

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

E. Development in Human Resource and Industrial Relations

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

F. Research and Development

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

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to Corporate Governance requirements set out by SEBI. The Company has complied with all mandatory requirements of Corporate Governance. A separate report on governance practices followed by the Company in compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance along with a Certificate of Compliance from the Statutory Auditors is attached with the said separate report which forms integral part of this Directors' Report.

EXTRACT OF ANNUAL RETURN

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

BOARD MEETINGS

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

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.

DECLARATION BY INDEPENDENT DIRECTORS

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

NOMINATION & REMUNERATION

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

AUDITORS REPORT

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

RELATED PARTY TRANSACTIONS

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

There were no related party transactions between the Company and the Promoters, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company. All related party transactions that were entered in to during the financial year were in the ordinary course of business and are disclosed at Note No.30 attached to the standalone balance sheet. None of the Director's has any pecuniary relationship or transaction vis-à-vis the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO

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

CORPORATE SOCIAL RESPONSIBILITY

The provisions of section 135 of the Companies Act, 2013 are not applicable in our case hence information in respect of the same have not been compiled.

BOARD EVALUATION

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the section 152 of the Companies Act, 2013, Mr. Azhar Nisar Shervani (DIN:00424635) and Mr.Saeed Mustafa Shervani (DIN:00024390) Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief resume of the Directors seeking re-appointment along with other details as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Section 102(1) of the Companies Act 2013 are provided in the Notice for convening the Annual General Meeting.

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

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

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

STATUTORY AUDITORS

M/s P.L.Tandon & Co. Chartered Accountants, statutory auditors of the Company retire from their office 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. Your Directors recommend their re-appointment up to the conclusion of the next Annual General Meeting.

SECRETARIAL AUDITORS

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

INTERNAL AUDITOR

The Board of Directors on the recommendation of the Audit Committee appointed M/s Rekha Agarwal & Associates, Chartered Accountants, Allahabad to carry out the Internal Audit for the financial year 2016-17. All issues raised by the Internal Auditors are suitably dealt with and rectified under close monitoring by the Audit Committee.

DEPOSITS

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

CONSOLIDATED FINANCIAL STATEMENT

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

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

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

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

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of sexual harassment of women at work place (prevention, prohibition and redressal) act 2013. Till date the company has not received any complaint thereunder.

UNCLAIMED DIVIDEND

Pursuant to provisions of section 205A(5) and 205C of the Companies Act, 1956 the company has transferred the unpaid or unclaimed dividends for the financial year upto 2007-08 from time to time on due dates to the Investor Education and Protection Fund (the IEPF) established by the Central Govt.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

AUDIT COMMITTEE

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

VIGIL MECHANISM

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

LISTING WITH STOCK EXCHANGE

The Equity shares of the Company are listed on Bombay Stock Exchange Limited, Delhi Stock Exchange Limited and the U.P. Stock Exchange Association Limited. However the Delhi Stock Exchange and U.P. Stock Exchange have been closed. Further details are set out in the Corporate Governance Report.

REPORTING OF FRAUD

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

INDUSTRIAL RELATIONS

Industrial relations remained cordial during the period under review.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Mohd. Aslam Sayeed
Director
DIN : 06652348

S I Shervani
Managing Director
DIN : 00023909

Place : Allahabad
Date : May 28, 2016

FORM No. MGT-9

Extract of Annual Return
as on Financial Year ended on 31st March, 2016
[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 th February 1948
3	Name of the Company	Shervani Industrial Syndicate Limited
4	Sub-Category of the Company	Public Company Limited by Shares
5	Address of the Registered office and contact details	Shervani Nagar, Sulem Sarai, Harwara, Allahabad-211011, (U.P.) Phone : 0532- 2102306, Fax : 0532-2436928 E-mail : shervaniind@rediffmail.com www.shervaniind.com
6	Whether listed company	Yes
7	Name and Address of Registrar & Transfer Agents, if any	Link Intime India Pvt. Ltd, C-13, Pannaial 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.	Youngtronics India Private Limited, 332, Shervani Nagar, Sulem Sarai, Harwara, Allahabad	U36931UP2008PTC036318	Associate	46.33	2(6)

4. SHAREHOLDING PATTERN (Equity Share Capital break-up as % of Total Equity)

(i) Category wise shareholding

Category of Share Holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1 Indian									
a) Individual/ HUF	543845	-	543845	16.68	543845	-	543845	16.68	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	550790	7840	558630	17.13	550790	7840	558630	17.13	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other / Director Relative	499545	34320	533865	16.38	502545	34320	536865	16.47	0.09
Sub-Total (A) (1)	1594180	42160	1636340	50.19	1597180	42160	1639340	50.28	0.09
2. Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate (Foreign Promoter)	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter	1594180	42160	1636340	50.19	1597180	42160	1639340	50.28	0.09
A = A (1) + A(2)									
B Public Shareholding									
1. Institutions									
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)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	-	6040	6040	0.19	-	6040	6040	0.19	-
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	449701	2750	452451	13.88	450344	2750	453094	13.90	0.02
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual									
i) Individual share holders holding 'nominal' share capital upto Rs 1 lac	263840	199397	463237	14.21	265696	195344	461040	14.14	0.07
ii) Individual share holders holding 'nominal' share capital in excess of Rs 1 lac	700682	-	700682	21.49	699236	-	699236	21.45	0.04

c) Others (specify)									
a) Non-Resident Indians	120	460	580	0.02	120	460	580	0.02	-
b) Foreign National	0	920	920	0.02	0	920	920	0.02	-
c) Clearing Members	-	-	-	-	-	-	-	-	-
Sub-Total (B) (2)	1414343	263527	1617870	49.62	1415396	199474	1614870	49.53	0.09
Total Public shareholding B = B (1) + B(2)	1414343	269567	1623910	49.81	1415396	205514	1620910	49.72	0.09
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3008523	251727	3260250	100.00	3012576	247674	3260250	100.00	-

(ii) Shareholding 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/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Mr S I Shervani	318680	9.77	0.00	318680	9.77	0.00	Nil
2	Mr Saeed M Shervani	130310	4.00	0.00	130310	4.00	0.00	Nil
3	Mr A N Shervani	94855	2.91	0.00	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	96130	2.95	0.00	0.09
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	Saima 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
	Total	1636340	50.19	0.00	1639340	50.28	0.00	Nil

(iii) Change in Promoter Shareholding

	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
Mr. Saad M. Shervani				
At the beginning of the year	93130	2.86		
15.10.2015-(Purchase)	3000	0.09	96130	2.95
At the end of the year	96130	2.95		

(iv) Shareholding 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	Hitesh Ramji Javeri At the beginning of the year No change during the year At the end of the year	455250 0 455250	13.96 0 13.96	455250	13.96
2	Frost Traders Pvt. Ltd At the beginning of the year No change during the year At the end of the year	400602 0 400602	12.29 0 12.29	400602	12.29
3	Aslam Qadar Khan At the beginning of the year 31.07.2015 Increase in shareholding due to market purchase At the end of the year	107075 3000 110075	3.28 0.09 3.37	110075	3.37
4	Imran Hasan At the beginning of the year No change during the year At the end of the year	35700 0 35700	1.10 0 1.10	35700	1.10
5	Arvind Kumar Sancheti At the beginning of the year No change during the year At the end of the year	34141 0 34141	1.05 0 1.05	34141	1.05
6	Arvind Kumar J Sancheti At the beginning of the year 22.01.2016 Increase in shareholding due to market purchase At the end of the year	32640 800 33440	1.00 0.03 1.03	33440	1.03
7	Shri Parasram Holdings Pvt Ltd At the beginning of the year No change during the year At the end of the year	24519 0 24519	0.75 0 0.75	24519	0.75
8	Sarita Arvind Sancheti At the beginning of the year 22.01.2016 Decrease in shareholding due to transfer At the end of the year	21176 (800) 20376	0.65 (0.03) 0.62	20376	0.62
9	Salahuddin Khan At the beginning of the year No change during the year At the end of the year	14700 0 14700	0.45 0 0.45	14700	0.45
10	Mahendra Mirchandani At the beginning of the year No change during the year At the end of the year	10000 0 10000	0.31 0 0.31	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	Dr. A P Singh, Chairman At the beginning of the year No 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 No 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 No 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 No 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 No 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 No 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 No 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 No 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 No 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 No 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 No change during the year At the end of the year	20 0 20	0 0 0	20	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
Indebtedness at the beginning 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	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	2,75,95,087	-	-	2,75,95,087
Net Change	2,75,95,087	-	-	2,75,95,087
Indebtedness at the end of the financial year	7,91,75,984	-	-	7,91,75,984
1) Principal	7,91,75,984	-	-	7,91,75,984
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	-	-	-	-
Total (1+2+3)	7,91,75,984	-	-	7,91,75,984

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/WTD/ Manager		Total Amount
		Mr S I Shervani Managing Director	Mr T Hasan Whole-time Director & CFO	
1	Gross Salary (Rs in lac)			
	a) Salary as per provisions of sec. 17(1) of Income Tax Act, 1961	12,00,000	3,00,000	15,00,000
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	39,600	-	39,600
	c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -- as % of Profit (1%) -- others specify	-	-	-
5	Others, please specify	30,000	30,000	60,000
	Fees for attending Board meeting			
	Total	12,69,600	3,30,000	15,99,600

B. Remuneration to other director's

Sr. No	Particulars of Remuneration	Name of Director				Total Amount (Rs.)
1	Independent Director	Dr. A P Singh	Mr. G S Chaturvedi	Mr. K Bhargava	Mr. M A Sayeed	
	Fee attending Board /Committee Meeting	40,000	40,000	10,000	40,000	1,30,000
	Commission	-	-	-	-	-
	Other (Specify)	-	-	-	-	-
	Total (1)	40,000	40,000	10,000	40,000	1,30,000
2	Other Non-Executive Director	Mr. A N Shervani	Mr. S M Shervani	Mr. R Verghese	Mrs. Shefali Bansal*	
	Fee attending Board Committee Meeting	10,000	10,000	10,000	20,000	50,000
	Commission	-	-	-	-	-
	Other (Specify)	-	-	-	-	-
	Total (2)	10,000	10,000	10,000	20,000	50,000
	Total B = (1+2)					1,80,000

Total Managerial Remuneration**	Rs.15,99,600
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**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 in lac) a) Salary as per provisions of sec. 17(1) of Income Tax Act, 1961 b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961	4,60,330 5,550 -
2	Stock Option	-
3	Sweat Equity	-
4	Commission as % of Profit (1%) others specify	- -
5	Others , please specify	-
	Total	4,65,880

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

Annexure B

SECRETARIAL AUDIT REPORT

(For the Financial year ended 31st March 2016)

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

To,

The Members,
Shervani Industrial Syndicate Limited
Shervani Nagar, Sulem Sarai, Harwara
Allahabad 211011 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 31st March 2016 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 31st March 2016 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 other construction related Laws to the extent applicable to Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange, Mumbai.

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.

We have to state further that :

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Siddiqui & Associates
Company Secretaries

Place : Allahabad
Date : May 24, 2016

K.O.SIDDIQUI
FCS 2229 : CP 1284

Form AOC-1

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

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

Part "A": Subsidiaries

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

Name of Subsidiary - Farco Foods Private Limited

Reporting Currency	: INR
Share Capital	: 90,00,000
Reserves and Surplus	: (4,51,03,708)
Total Assets	: 3,15,08,748
Total Liabilities	: 6,76,12,456
Investments	: NIL
Turnover / Total Income	: 3,47,45,329
Profit Before Tax	: 43,82,719
Provision for Tax	: NIL
Profit after Tax	: 43,82,719
Proposed Dividend	: NIL
% of Shareholding	: 100%

Part "B": Associates and Joint Ventures

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

Sl No.	Name of Associate	Shares of associates held by the company on the year end					Profit/(Loss) for the year			
		Latest audited balance sheet date	No. of Shares	Amount of investment in Associate	Extent of Holding %	Net worth attributable to shareholding as per latest balance sheet	Considered in consolidation	Not considered in consolidation	Description of how there is significant influence	Reason why associate is not considered
1	Shervani Hospitalities Ltd	31.03.2016	22,65,750	8,61,43,000	30.02%	18,10,91,013	31,00,705	Nil	30.02% Shares Held	NA
2	Youngtronics India Private Limited	31.03.2016	85,000	8,50,000	46.33%	(13,23,882)	2,96,248	Nil	46.33 Shares Held	NA

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 Remuneration Personnel) Rules, 2014]

- (1) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the company are as under :

Sl. No.	Name of the Director/ KMP and Designation	Remuneration* of Director/ KMP for the financial year 2015-16 Rs in lac	% increase in remuneration in the financial year 2015-16	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	2.61	Please refer sub clause (v) of this annexure
2	Mr Tahir Hasan Whole Time Director & Chief Financial Officer	3.00	Nil	0.65	
3	Mr B K Misra Company Secretary & Sr. Accounts Manager	4.60	6.80	0.00	

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

- (2) The median remuneration of employees of the company during the financial year was Rs. 4.59 lacs p..a.
(3) In the financial year there was an increase of 6.80% in the median remuneration of employees.
(4) There were 17 permanent employees on the rolls of the company as on 31st March, 2016.
(5) 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 financial 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 and were in receipt of remuneration at the rate of not less than Rs.5,00,000- per month : NIL

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

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

1. COMPANY'S PHILOSOPHY

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

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

2. BOARD OF DIRECTORS**2.1 Composition as on 31.03.2016**

The Board comprises Independent Non-Executive Chairman, Managing Director, Whole Time Director and seven Non-Executive Directors, out of which six are independent. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The composition of the Board as on 31st March 2016 is as under:

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

2.2 Profile of Directors

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

Dr. A.P. Singh is aged about 57 years and is a Medical Practitioner by profession. He is a post graduate and his field of practice is General Medicine. He is widely acclaimed for his professional work. He is also associated with many cultural activities. He joined the Board of the Company in August 2012 and was reappointed in current term as Independent Director on 30.09.2014.

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

Mr Saleem Iqbal Shervani aged about 63 years is a well known personality in industrial and political circles. He is an industrialist by profession. He is a graduate in Economics (Gold Medallist). He has been Member of Lok Sabha several times from Budaun Parliamentary constituency of Uttar Pradesh. He has also been Member of Union Cabinet holding charge of Ministry of Health and Family Planning and as State Minister in Ministry of External Affairs and also been a Member of several Parliamentary Committees. He has also been honoured with Indira Gandhi Unity Award for his services, achievements, and contribution to society. He is on the Board of subsidiary company and some other public and private limited companies. He joined the Board of the Company in April 1998 and was reappointed in current term as Managing Director on 21.09.2013.

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

Mr Tahir Hasan aged about 69 years is a graduate in Engineering and Management. He has a vast managerial experience. He specialises in Product Marketing. He has been a member of the Board of Sugar Technologist Association and Technology Committee of Indian Sugar Mills Association. He is also associated with cricketing activities at state level. He is also on the Board of several other companies. Presently he is Executive-Whole Time Director and Chief Financial Officer of the company and joined the Board on 14.08.2014 and was re-appointed in current terms on 30.09.2015.

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

Mr Azhar Nisar Shervani aged about 69 years is a graduate in Commerce. He has a vast experience of different type of industries. He is also on the Board of other companies. He joined the Board in October 2000 and was re-appointed in current term on 30.09.2014.

- (v) Mr. Saeed Mustafa Shervani (Non-Independent, Non-Executive), DIN : 00024390
Mr Saeed Mustafa Shervani aged about 57 years is a graduate with specialisation in Hotel Management. He has a vast experience of managing hotel business across several cities. He is Director of the Hotel and Restaurant Association of Northern India and The Federation of Hotel and Restaurant Association of India and the Board of Governors of the Institute of Hotel Management Catering Technology and Applied Nutrition. He joined the Board in January 1986 and was re-appointed in current term on 30.09.2014.
- (vi) Mr. Kush Bhargava (Independent, Non-Executive), DIN : 00074004
Mr Kush Bhargava aged about 64 years is a post graduate and by profession is associated with construction business. He is Managing Director of K B Builders Pvt Ltd. He is also associated with other companies and has a vast experience. He joined the Board in July 1981 and was re-appointed as Independent Director in current term on 30.09.2014.
- (vii) Mr Gopal Swarup Chaturvedi (Independent, Non-Executive), DIN : 00148434
Mr Gopal Swarup Chaturvedi aged about 64 years is a law graduate. He is a designated Senior Advocate practicing in Hon'ble High Court of Judicature at Allahabad. He is a prominent and renowned lawyer in criminal matters. He joined the Board in January 2000 and was re-appointed as Independent Director in current term on 30.09.2014.
- (viii) Mr Mohd. Aslam Sayeed (Independent, Non-Executive), DIN : 06652348
Mr Mohd Aslam Sayeed aged about 62 years is graduate in law. He is a prominent businessman of Allahabad dealing in timber and furniture. He joined the Board in August 2013 and was re-appointed as Independent Director in current term on 30.09.2014.
- (ix) Mr Raju Verghese (Non-Executive), DIN : 01086812
Mr Raju Verghese aged about 69 years is a graduate. He superannuated from the company after more than 35 years of service. He was General Manager in charge of Finance, Indirect and Direct taxes, and Company Law matters. He specialises in Indirect taxes-Excise law matters. He joined the Board in January 2007 and was re-appointed in current term on 30.09.2015.
- (x) Mrs. Shefali Bansal (Non-Executive), DIN : 07090579
Mrs Shefali Bansal aged about 60 years is a graduate. She is associated with wide range of cultural activities having considerable exposure to public life. She joined the Board pursuant to provisions of section 149 and 152 of the Companies Act, 2013 read with Rule 3 of the Companies(Appointment and Qualification) Rules, 2014 and Clause 49 of the Listing Agreement. She joined the Board in February 2015 and was re-appointed in current term on 30.09.2015.

2.3 Director's resigned during the year

None of the Director's resigned during the year.

2.4 Appointment / Re-appointment during the year

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

2.5 Agenda, proceedings etc of Board Meeting

During the Financial Year ended on 31st March, 2016 four Board Meetings were held on 14th May 2015, 8th Aug. 2015, 13th Nov 2015, and 13th Feb. 2016. The details of their attendance at Board Meetings, Annual General Meeting, Director's Committee and other Companies where each Director is member or Chairman or interested or associated as at 31st March, 2016 is given below:

Name of Director	Designation	Category	Attendance at		No. of outside director-ship*	No. of other Board Committees		Relationship	No. of shares
			Board Meeting	AGM		Member	Chairman		
Dr A P Singh	Chairman	Independent Non-Executive	4	Yes	Nil	Nil	Nil	-	500
Mr S I Shervani	Managing Director	Executive	3	X	2	Nil	Nil	-	318680
Mr Tahir Hasan	Whole Time Director	Executive	3	Yes	4	Nil	Nil	-	15415
Mr A N Shervani	Director	Non-Executive	1	X	1	Nil	Nil	Brother of Mr S I Shervani	94855
Mr S M Shervani	Director	Non-Executive	1	X	1	Nil	Nil	Brother of Mr S I Shervani	130310
Mr Raju Verghese	Director	Independent Non-Executive	1	X	1	Nil	Nil	-	540
Mr Kush Bhargava	Director	Independent Non-Executive	1	X	Nil	Nil	Nil	-	850
Mr G S Chaturvedi	Director	Independent Non-Executive	4	X	Nil	Nil	Nil	-	1950
Mr Mohd Aslam Sayeed	Director	Independent Non-Executive	4	Yes	Nil	Nil	Nil	-	0
Mrs S. Bansal	Director	Independent Non-Executive	2	X	Nil	Nil	Nil	-	0

*This excludes directorship held in Private Companies

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

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

As per the provisions of Companies Act, 2013 and Clause 25 of the LODR Regulations a separate meeting of the Independent Directors of the Company was held on 13th February 2016 to review the working of the Non-Independent Directors, Executive Directors and the Board as a whole by considering the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably discharge its duties.

Agenda and Information to the Board

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

Invitees & Proceedings

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

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

2.6 Other Directorship

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

2.7 Familiarization Programme of the Independent Directors'

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

3. AUDIT COMMITTEE

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

Detailed Terms of Reference

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

The Committee Meetings were convened on 14th May 2015, 8th August 2015, 13th November, 2015 and 13th February 2016.

4. NOMINATION & REMUNERATION COMMITTEE

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

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

Remuneration and Compensation policy

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

The Remuneration/Compensation/Increments to the Whole Time Director and KMP is considered by the Committee and thereafter as and when required the recommendations of the Committee are placed before the Board. Approval of

shareholders is taken under the provisions of the Companies Act, 2013 and Schedule V as and when required. The policy also provides for the identification and evaluation of the personnel eligible for directorship.

5. EXECUTIVE DIRECTOR COMPENSATION

PECUNIARY RELATIONSHIP

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

In compliance with Accounting Standard 18 (AS-18) transactions with related parties have been furnished under Note No.30 of Notes to the Accounts of the Financial Statements.

REMUNERATION TO EXECUTIVE DIRECTOR

Sl. No.	Name and Designation	Salary	Perquisites	Contribution to PF & other funds	Total	Sitting Fee	Total
1	Mr S I Shervani Managing Director	12,00,000	39,600	1,44,000	13,83,600	30,000	14,13,600
2	Mr T Hasan Whole Time Director & Chief Financial Officer	3,00,000	-	-	3,00,000	30,000	3,30,000

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

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

S.No	Name	Category	Sitting Fees	Commission	Total	No. of Shares
1	Dr. A P Singh	Independent	40,000	Nil	40,000	500
2	Mr. G S Chaturvedi	Independent	40,000	Nil	40,000	1,950
3	Mr. Kush Bhargava	Independent	10,000	Nil	10,000	850
4	Mr. M A Sayeed	Independent	40,000	Nil	40,000	Nil
5	Mr. R Verghese	Non-Executive	10,000	Nil	10,000	540
6	Mr. A N Shervani	Non-Executive	10,000	Nil	10,000	94,855
7	Mr. S M Shervani	Non-Executive	10,000	Nil	10,000	1,30,310
8	Mrs. S. Bansal	Non-Executive	20,000	Nil	20,000	Nil

6. STAKE HOLDERS RELATIONSHIP/GRIEVANCE COMMITTEE

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

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

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

7. GENERAL BODY MEETINGS

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

Financial Year	Date and Time	Venue	Special Resolutions Passed
2012-13 (65 th AGM)	21st Sept, 2013 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad	No Special Resolution was passed
2013-14 (66 th AGM)	30 th Sept, 2014 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad	Appointment of Mr T Hasan as Whole Time Director for 5 years Consent in terms of section 180(1)(a) to the extent of aggregate of paid up capital & free reserve.
2014-15 (67 th AGM)	30 th Sept, 2015 At 11.30 a.m.	2, New Cantonment, Kanpur Road, Allahabad	No Special Resolution was passed

No resolution was put for voting through postal ballot.

(b) Extra Ordinary General Meeting

No Extra Ordinary General Meetings was held during the year.

(c) Special Resolutions

As stated above.

8. DISCLOSURES

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

9. CODE OF CONDUCT

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

10. MEANS OF COMMUNICATION

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

11. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Day, date and time	Thursday, 29 th September 2016 at 11.30 AM
Venue	2, New Cantonment, Kanpur Road, Allahabad (U.P.)-211001

Financial Calendar

Financial reporting for the Financial year	: April - March
1 st Quarter ending June 30, 2016	: On or before 14 th August 2016
2 nd Quarter ending September 30, 2016	: On or before 14 th November 2016
3 rd Quarter ending December 31, 2016	: On or before 14 th February 2017
4 th Quarter ending March 31, 2017	: On or before 30 th May 2017

Date of Book Closure : 23rd September 2016 to 29th September 2016
(both days inclusive)

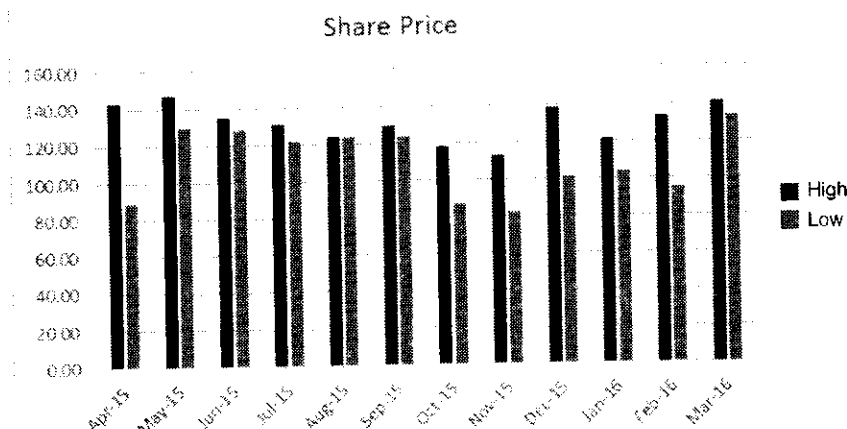
Listing on Stock Exchange : Company's Equity Shares are listed on The Bombay Stock Exchange Limited Delhi Stock Exchange Limited and the U.P. Stock Exchange Association Limited. However the Delhi Stock Exchange and U.P. Stock Exchange have been closed.) The Scrip code in BSE 526117 and ISIN is INE011D01013.

12. Listing Fee

The Company has paid Listing Fee for the Financial Year 2016-17 to the Bombay Stock Exchange (BSE).

Market Price Data for the Financial Year 2015-2016 on BSE

	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
High	143.00	147.00	135.00	131.00	123.50	129.50	117.80	112.45	138.00	121.00	133.00	141.10
Low	88.80	130.00	128.30	121.50	123.50	123.10	86.50	82.20	101.10	104.00	95.00	132.90



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 31ST MARCH 2016

Shareholding Pattern			Distribution of Shareholding		
Category	No. of Shares	%	No. of Shares	No. of Shareholders	Shares
Promoters, Directors & Relatives	16,39,340	50.28	1-500	1,104	1,29,403
Nationalised Bank	6,040	0.19	501-1000	91	69,080
Bodies Corporate	4,53,094	13.90	1001-2000	48	69,968
Public	11,60,276	35.58	2001-3000	15	35,987
Others (Foreign Nationals)	920	0.03	3001-4000	12	41,089
NRIs/OCBs	580	0.02	4001-5000	8	36,526
			5001-10000	23	1,72,834
			10001 and above	36	27,05,363
Total	32,60,250	100.00		1337	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, 2016 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 conditions of Corporate Governance by SHERVANI INDUSTRIAL SYNDICATE LIMITED ('the Company'), for the year ended 31st March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.

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

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

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

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

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

Place : KANPUR
Date : May 28, 2016

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 31st March, 2016, 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 Director is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the

Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- 2 As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

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

(i). The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 32 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
Regn. No.: 000186C

P.P.SINGH
(PARTNER)

Memb. No.: 072754

Place : KANPUR
Date : May 28, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Re: SHERVANI INDUSTRIAL SYNDICATE LIMITED

The Annexure referred to in our Independent Auditors' Report to the Members of the Company on the standalone financial statements for the year ended 31st March, 2016, we report that:

- i. In respect of its Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of the immovable properties are held in the name of the Company.
- ii. In respect of its Inventories:

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were in arrear as at 31st March, 2016 for a period more than six months from the date they became payable.
 - (b) According to the records of the company, there were no dues of income tax, sales tax, service tax, duty of custom, duty of excise and value added tax which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly,

- provisions of paragraph 3(ix) of the Companies (Auditor's Report) Order, 2016, are not applicable to the company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not entered in to non cash transactions with directors or person connected with them. Accordingly provisions of paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the company.
- xvi. The Company is not required to be registered under 45-IA of the Reserve Bank of India Act 1934.

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

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

Place : KANPUR
Date : May 28, 2016

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

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

We have audited the internal financial controls over financial reporting of SHERVANI INDUSTRIAL SYNDICATE LIMITED ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : KANPUR
Date : May 28, 2016

		As at 31.03.2016	As at 31.03.2015
	Note No.	Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	2	3,28,02,500	3,28,02,500
Reserves and Surplus	3	1,85,64,48,887	1,85,46,36,503
		<u>1,88,92,51,387</u>	<u>1,88,74,39,003</u>
Non-Current Liabilities			
Long term Borrowings	4	10,88,752	14,12,834
Other Long-term Liabilities	5	22,74,961	38,32,037
Long-term Provisions	6	6,30,172	4,98,550
		<u>39,93,885</u>	<u>57,43,421</u>
Current Liabilities			
Short term Borrowings	7	7,66,74,445	10,42,63,295
Trade Payable	8	18,33,975	4,13,11,096
Other Current Liabilities	9	2,96,51,001	1,19,12,142
Short term Provision	10	4,00,09,587	4,00,00,000
		<u>14,81,69,008</u>	<u>19,74,86,533</u>
ASSETS	Total	<u>2,04,14,14,280</u>	<u>2,09,06,68,957</u>
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	6,04,55,141	6,21,06,841
Non-Current Investment	12	10,72,98,000	12,03,63,000
Long-term Loans and Advances	13	1,60,273	1,16,443
		<u>16,79,13,414</u>	<u>18,25,86,284</u>
Current Assets			
Current Investment	14	4,12,80,401	4,59,65,250
Inventories	15	1,51,63,14,622	1,64,63,00,810
Trade Receivables	16	11,73,65,310	-
Cash and Cash Equivalent	17	16,16,11,577	16,69,47,568
Short-term Loans and Advances	18	3,33,79,265	4,44,05,736
Other Current Assets	19	35,49,691	44,63,309
		<u>1,87,35,00,866</u>	<u>1,90,80,82,673</u>
TOTAL		<u>2,04,14,14,280</u>	<u>2,09,06,68,957</u>

Significant Accounting Policies and Notes on Financial Statement 1 - 37

As per our report of even date attached

For P.L. Tandon & Co.

Chartered Accountants

P.P.Singh
Partner

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

Mohd. Aslam Sayeed
Director
DIN: 06652348

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

Saleem I. Shervani
Managing Director
DIN: 00023909

Place : Allahabad

Date : May 28, 2016

PARTICULARS	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
		Rs.	Rs.
Revenue from Operations			
Revenue from Operations	20	28,37,19,107	-
Other Income	21	1,06,58,369	1,86,07,133
Total Revenue		29,43,77,476	1,86,07,133
Expenses			
Cost of Construction & Development Expenses	22	11,01,48,226	5,43,60,337
Changes in Inventory of Finished Goods & W.I.P.	23	12,99,29,736	(5,43,60,337)
Employees' Benefit Expense	24	92,80,206	92,17,502
Finance Cost	25	50,76,589	49,24,103
Depreciation and Amortization Expense		29,40,661	28,04,425
Other Expenses	26	3,38,54,366	1,45,29,005
Total Expenses		29,12,29,784	3,14,75,035
Profit/(Loss) before tax		31,47,692	(1,28,67,902)
Tax Expense:			
Current Tax		8,85,000	87,500
Mat credit entitlement (Net of written off)		4,52,048	-
Earlier Years Tax		(1,740)	32,884
Profit/(Loss) after tax		18,12,384	(1,29,88,286)
Earning Per Equity Share of Rs. 10/- each			
Basic		0.55	(3.96)
Diluted		0.55	(3.96)

Significant Accounting Policies and Notes on Financial Statement 1 - 37

As per our report of even date attached

For P.L. Tandon & Co.

Chartered Accountants

P.P.Singh
Partner

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

Mohd. Aslam Sayeed
Director
DIN: 06652348

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

Saleem I. Shervani
Managing Director
DIN: 00023909

Place : Allahabad

Date : May 28, 2016

	Year Ended 31.03.2016		Year Ended 31.03.2015	
	Rs.	Rs.	Rs.	Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit/(Loss) Before Tax		31,47,692		(1,28,67,902)
Adjustment for				
Depreciation	29,40,661		28,04,425	
Loss / (Profit) on sale of assets	2,14,481		1,69,199	
Interest Paid	50,76,589		49,24,103	
Interest Received	(1,02,52,527)		(1,15,02,407)	
Dividend Received	(8,000)		(7,500)	
(Profit)/Loss on Sale of Investments	1,65,38,557	1,45,09,762	(62,27,405)	(98,39,585)
Operating Profit before Working Capital Changes		1,76,57,454		(2,27,07,487)
Adjustment for				
(Increase)/Decrease in Trade and other receivables	(10,91,76,252)		66,94,287	
(Increase)/Decrease in Inventories	12,99,86,187		(5,43,92,704)	
Increase/(Decrease) in Trade Payables	(2,34,71,975)	(26,62,040)	4,40,25,620	(36,72,796)
Cash generated / (used) in operation		1,49,95,414		(2,63,80,283)
Add/(Deduct) for				
Direct tax (Paid) /Refund of earlier years	14,58,274		(12,61,441)	
Net Cash (used in)/from operating activities (Total - A)		1,64,53,688		(2,76,41,724)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Refund of share application money		4,96,000		-
Purchase of Fixed Assets		(18,12,966)		(30,32,945)
Sale of Fixed Assets		3,09,524		2,78,095
Sale of Current Investments (Net of Purchase)		52,26,968		2,74,58,219
Purchase of Investment in Associate Company		(46,00,000)		(86,65,000)
Sale of Investments in Associate Company		88,325		-
Dividend Received		8,000		7,500
Interest received		1,11,66,145		1,10,77,327
Net Cash (used in)/from investing activities (Total - B)		1,08,81,996		2,71,23,196
C) CASH FLOW FROM FINANCING ACTIVITIES				
Loans & Borrowing		(2,75,95,086)		4,73,76,143
Interest paid		(50,76,589)		(49,44,103)
Dividend paid		-		(19,18,265)
Net Cash (used in)/from financing activities (Total - C)		(3,26,71,675)		4,05,13,775
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)		(53,35,991)		3,99,95,247
Add : Cash and Cash Equivalents at the beginning		16,69,47,568		12,69,52,321
Closing Cash and Cash Equivalent		16,16,11,577		16,69,47,568

As per our report of even date attached

For P.L. Tandon & Co.

Chartered Accountants

P.P.Singh

Partner

B.K. Misra

Company Secretary &
Sr. Accounts Manager

Mohd. Aslam Sayeed

Director
DIN: 06652348

Tahir Hasan

Whole Time Director &
Chief Financial Officer
DIN: 00074282

Saleem I. Shervani

Managing Director
DIN: 00023909

Place : Allahabad

Date : May 28, 2016

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

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

(ii) 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.

(iii) Investments

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

(iv) Inventories

Inventory comprises property for sale and the property under construction / 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 project for sale is valued at lower of cost and net realizable value. Cost is determined by including cost of land, materials, services and other related overheads.

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

(v) Revenue Recognition

Revenue from 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 plot/flat, the revenue and cost recognized earlier in respect of such plot/flat is reversed in the year in which such cancellation has taken place.

(vi) Use of Estimates

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

(vii) Income Tax

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

(viii) Retirement Benefit to employee

Company's contribution to Provident Fund is charged to Profit and Loss Account.

Liability of Gratuity & Leave Encashment is accounted for on the basis of actuarial valuations as per AS-15 of the Institute of Chartered Accountants of India.

NOTE No.

2 Share Capital

Authorised

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

As at 31.03.2016

As at 31.03.2015

Rs.

Rs.

20,00,000

20,00,000

6,28,00,000

6,28,00,000

2,00,000

2,00,000

6,50,00,0006,50,00,000

Issued, Subscribed and Paid Up

Number

Rs.

Number

Rs.

Ordinary Shares

Balance as on 01.04.2015

32,60,250

3,26,02,500

32,60,250

3,26,02,500

Balance as at 31.03.2016

32,60,250

3,26,02,500

32,60,250

3,26,02,500

3,26,02,5003,26,02,500

Deferred Shares

Balance as on 01.04.2015

8,000

2,00,000

8,000

2,00,000

Balance as at 31.03.2016

8,000

2,00,000

8,000

2,00,000

2,00,0002,00,000

Total

3,28,02,5003,28,02,500

Reconciliation of number of shares

Nos.

Nos.

Outstanding is set out below

Equity Shares at the beginning of the year

32,68,250

32,68,250

Equity Shares at the close of the year

32,68,250

32,68,250

Details of Shareholders holding more than 5 percent

Shares (Equity Shares in nos. of Rs. 10/- Each)

No. of Shares %age

No. of Share %age

Mr. Hitesh Ramji Javeri

4,55,250 13.96%

4,55,250 13.96%

M/s Frost Traders Pvt Ltd.

4,00,602 12.29%

4,00,602 12.29%

Mr. Saleem Iqbal Shervani

3,18,680 9.77%

3,18,680 9.77%

M/s Reed Finance Pvt Ltd.

2,69,145 8.26%

2,69,145 8.26%

14,43,67714,43,677

3 Reserves & Surplus

Rs.

Rs.

General Reserve

As per last Balance Sheet

52,89,12,956

53,00,00,000

Less: Transferred to Surplus

-

10,87,044

52,89,12,956

52,89,12,956

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

Less: Transfer to Surplus

1,51,90,40,250

1,51,90,40,250

78,61,071

1,51,11,79,179

1,51,90,40,250

Surplus

As per last Balance Sheet

(20,10,84,228)

(18,80,95,942)

Balance in the statement of Profit and Loss

18,12,384

(1,29,88,286)

Add: Transferred from Capital Reserve

78,61,071

(19,14,10,773)(20,10,84,228)1,85,64,48,8871,85,46,36,503

		As at 31.03.2016	As at 31.03.2015
NOTE No.		Rs.	Rs.
4 Long Term Borrowing			
Secured Loan			
Vehicle Loan		10,88,752	14,12,834
		<u>10,88,752</u>	<u>14,12,834</u>
Maturity Profile			
Year	Amount Payable (Rs.)		
2017-18	4,14,273		
2018-19	2,40,538		
2019-20	2,65,989		
2020-21	1,67,952		
5 Other Long-term Liabilities			
Security Deposit		22,74,961	38,32,037
		<u>22,74,961</u>	<u>38,32,037</u>
6 Long-term Provisions			
Provision for Employees Benefit		6,30,172	4,98,550
		<u>6,30,172</u>	<u>4,98,550</u>
7 Short-term Borrowing			
Secured Loan from Banks			
Overdraft from Union Bank of India (Secured by pledge of fixed deposits)		6,49,68,438	5,15,30,728
Overdraft from State Bank of India (Secured by Equitable Mortgage of immovable Property situated at villages Sulem Sarai, Jairampur and Harwara and also guaranteed by Managing Director of the Company)		1,17,06,007	5,27,32,567
		<u>7,66,74,445</u>	<u>10,42,63,295</u>
8 Trade Payable			
Sundry Creditors		6,65,870	8,69,556
Advance from customer		11,68,105	4,04,41,540
		<u>18,33,975</u>	<u>4,13,11,096</u>
9 Other Current Liabilities			
Current Maturity of Long Term Borrowing - Secured		14,12,788	10,94,942
Investor Education & Protection Fund shall be credited by the following: (Amount to be transferred to the said fund shall be determined on the respective due date)			
Unpaid Dividend		5,32,173	6,33,499
Other Payable		2,77,06,040	1,01,83,701
(includes employees liabilities, statutory liabilities etc.)		<u>2,96,51,001</u>	<u>1,19,12,142</u>
10 Short-term Provisions			
Provision for taxation		4,00,00,000	4,00,00,000
Provision for employees benefit		9,587	-
		<u>4,00,09,587</u>	<u>4,00,00,000</u>

11 Non Current Assets - Fixed Assets

Tangible Assets

Gross Block	As at 01.04.2015	Addition	Deletion	As at 31.03.2016
Freehold Land	1,64,64,413	-	-	1,64,64,413
Leasehold Land	5,179	-	-	5,179
Non-factory Building	3,71,66,333	-	-	3,71,66,333
Plant and Equipments	37,54,188	2,98,350	-	40,52,538
Furniture and Fixture	14,56,592	34,000	-	14,90,592
Vehicles	1,65,48,824	14,80,616	11,24,785	1,69,04,655
Office Equipments	1,20,000	-	-	1,20,000
Computers	50,29,402	-	-	50,29,402
Total	8,05,44,931	18,12,966	11,24,785	8,12,33,112
Previous Year	6,90,40,473	1,28,86,932	13,82,474	8,05,44,931

Depreciation Block

Freehold Land	-	-	-	-
Leasehold Land	-	-	-	-
Non-factory Building	48,18,547	5,63,882	-	53,82,429
Plant and Equipments	23,76,370	2,88,007	-	26,64,377
Furniture and Fixture	11,37,853	50,797	-	11,88,650
Vehicle	52,70,951	20,18,029	6,00,780	66,88,200
Office Equipments	69,084	10,366	-	79,450
Computers	47,65,285	9,580	-	47,74,865
Total	1,84,38,090	29,40,661	6,00,780	2,07,77,971
Previous Year	1,54,81,800	28,04,425	(1,51,865)	1,84,38,090

Net Block

	As at 31.03.2016	As at 31.03.2015
Freehold Land	1,64,64,413	1,64,64,413
Leasehold Land	5,179	5,179
Non-factory Building	3,17,83,904	3,26,46,536
Plant and Equipments	13,88,161	10,79,068
Furniture and Fixture	3,01,942	3,18,739
Vehicle	1,02,16,455	1,12,77,873
Office Equipments	40,550	50,917
Computers	2,54,537	2,64,115
Total	6,04,55,141	6,21,06,841

NOTE No.		As at 31.03. 2016		As at 31.03. 2015	
		Rs.	Rs.	Rs.	Rs.
12	Non Current Investment: (At Cost)				
	(Long Term Investment)				
	Trade Investment (unquoted)				
	Investment In Equity Instruments				
	Subsidiary Company				
	9,00,000 9,00,000 Equity Shares of Rs.10/- each	27,00,000		27,00,000	
	(9,00,000) of Farco Foods Pvt. Ltd.				
	Associate Company				
	22,65,750 Shervani Hospitalities Ltd. of Rs. 10/-				
	(22,65,750) 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)				
	85,000 Youngtronics India Private Ltd.	8,50,000		8,50,000	
	(85,000) of Rs.10/- each				
	- Mettwa Electricals & Appliances Pvt. Ltd.	-		90,00,000	
	(9,00,000) of Rs. 10/- each				
	- 9% Cumulative Redeemable Preference Shares of	-		86,65,000	
	(86,650) Rs. 100/- each of Mettwa Electricals &				
	Appliances Pvt. Ltd.				
	4,60,000 6% Non cumulative redemable preference shares of	46,00,000		-	
	(-) Rs. 100/- each of Youngtronics India Private Ltd.				
	Other Investments (in Equity Shares- Unquoted Fully Paid Up)				
	500 Shares of Super Bazar Cooperative	5,000		5,000	
	(500) Stores Ltd. of Rs.10/- each				
	80,000 6% Non Cumulative Pref. Shares of	80,00,000		80,00,000	
	(80,000) India Global Exports Pvt. Ltd. of Rs.100/- each				
	3,00,000 Shares of Shervani Sugar Syndicate Ltd.	30,00,000		30,00,000	
	(3,00,000) of Rs.10/- each				
			<u>10,72,98,000</u>		<u>12,03,63,000</u>
13	Long Term Loans and Advances				
	(Unsecured Considered good unless otherwise stated)		1,60,273		1,16,443
	Security Deposit		<u>1,60,273</u>		<u>1,16,443</u>
14	Current Investments				
	Other Investment				
	In Equity Shares-Quoted Fully Paid Up				
	1,000 Reliance Infra Limited of Rs.10/- each	16,23,450		16,23,450	
	(1,000)				
	10,000 Cerebra Integrated Technologie of	<u>2,87,936</u>		<u>2,87,936</u>	
	(10,000) Rs.10/- each		19,11,386		19,11,386
	In Mutual Fund Units-Unquoted				
	- Mirae Asset Ultra Short Term Bond	-		1,52,81,521	
	(13,144.263) Fund (Growth) of Rs.10/- each				
	2,17,658.177 SBI Bluechip Fund Regular (Growth) of	61,07,900		-	
	(-) Rs.10/- each				
	3,34,356.474 SBI Small & Midcap Fund Regular	1,01,79,900		-	
	(-) (Growth) of Rs.10/- each		1,62,87,800		1,52,81,521
	Less: Provision for Diminution of		(12,18,785)		(13,24,135)
	Current Investment				
	HDFC AMC Real Estate -1				7,00,478
	Share Application Money				
	India Global Exports Pvt. Limited	2,43,00,000		2,43,00,000	
	Youngtronics India Pvt. Ltd.	-	<u>2,43,00,000</u>	<u>50,96,000</u>	<u>2,93,96,000</u>
	Total Current Investments		<u>4,12,80,401</u>		<u>4,59,65,250</u>
	Total Investments		<u>4,12,80,401</u>		<u>4,59,65,250</u>

NOTE No.	As at 31.03. 2016	As at 31.03. 2015
15 Inventories	Rs.	Rs.
(Stock as valued and Certified by Managing Director)		
Work In Progress (Real Estate)	14,67,35,124	9,43,01,992
Finished Goods	3,21,115	3,21,115
Stock in Trade (Land and expenses thereon)	1,36,90,46,132	1,55,14,09,000
Stores & Spares	2,12,251	2,68,703
	<u>1,51,63,14,622</u>	<u>1,64,63,00,810</u>
16 Trade Receivable		
(Unsecured considered good unless otherwise stated)		
Over Six Month	-	-
Others-Unbilled Revenue	11,73,65,310	-
	<u>11,73,65,310</u>	<u>-</u>
17 Cash & Cash Equivalents		
Balance with Banks		
In Fixed Deposit (Pledged with Bank)		
Maturity with more than 12 months	48,92,110	10,97,77,220
Others	11,00,22,378	49,02,110
In Current Accounts		
Earmarked Balance with Banks	5,45,265	6,46,591
Others	4,59,30,229	5,13,13,448
Cash on Hand	2,21,595	3,08,199
	<u>16,16,11,577</u>	<u>16,69,47,568</u>
18 Short Term Loans & Advances		
(Unsecured considered good unless otherwise stated)		
Advances Recoverable in cash or in kind for the value to be received	15,47,258	30,57,796
Unsecured considered doubtful	19,55,64,000	19,55,64,000
Loan to Related Parties		
Unsecured Considered Doubtful	4,50,00,000	4,50,00,000
Unsecured Considered Good	1,89,72,861	2,57,22,861
Advance Income Tax (Net of provision)	65,16,853	88,58,388
Balances with Central Excise Department	1,07,819	80,169
Mat Credit Entitlement	62,34,474	66,86,522
	<u>27,39,43,265</u>	<u>28,49,69,736</u>
Less: Provision for Doubtful Advances	24,05,64,000	24,05,64,000
	<u>3,33,79,265</u>	<u>4,44,05,736</u>
19 Other Current Assets		
Interest Receivable	35,49,691	44,63,309
	<u>35,49,691</u>	<u>44,63,309</u>

NOTE No.	Year ended March 31, 2016		Year ended March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
20 Revenue From Operations				
Sale of Plot		28,37,19,107		-
		<u>28,37,19,107</u>		<u>-</u>
21 Other Income				
Interest Received		1,02,52,527		1,15,02,407
Dividend Received		8,000		7,500
Rent		81,180		70,488
Miscellaneous Receipts		1,80,000		3,47,895
Provision of liability no longer required		31,312		3,62,138
Profit on sale Investments (Net)		-		62,27,405
Diminution in Value of Current Investment		-		(2,300)
Diminution in Value of Investment no longer required		1,05,350		91,600
		<u>1,06,58,369</u>		<u>1,86,07,133</u>
22 Cost of Construction & Development Expenses				
		11,01,48,226		5,43,60,337
		<u>11,01,48,226</u>		<u>5,43,60,337</u>
23 Changes in Inventories of Finished Goods & WIP				
Stock at Commencement				
Finished Goods		3,21,115		3,21,115
Stock in trade		1,55,14,09,000		1,55,14,09,000
Work in Progress (Real Estate)		9,43,01,992		3,99,41,655
		<u>1,64,60,32,107</u>		<u>1,59,16,71,770</u>
Stock at Close				
Finished Goods		3,21,115		3,21,115
Stock in trade		1,36,90,46,132		1,55,14,09,000
Work in Progress (Real Estate)		14,67,35,124		9,43,01,992
		<u>1,51,61,02,371</u>		<u>1,64,60,32,107</u>
		<u>12,99,29,736</u>		<u>(5,43,60,337)</u>
24 Employee Benefit Expense				
Salary & Wages		86,80,688		86,81,617
Contribution to Provident and Other Fund		4,55,552		3,71,860
Staff Welfare Expenses		1,43,966		1,64,025
		<u>92,80,206</u>		<u>92,17,502</u>
25 Finance Costs				
Interest to Bank & Others		50,76,589		49,24,103
		<u>50,76,589</u>		<u>49,24,103</u>

NOTE No.	Year ended March 31, 2016		Year ended March 31, 2015	
	Rs.	Rs.	Rs.	Rs.
26 Other Expenses				
Administrative Expense				
Rent		2,18,400		2,21,061
Repairs building		20,98,316		6,69,939
Insurance		3,27,289		2,55,539
Rates and Taxes		1,13,621		1,54,443
Electricity expenses		23,16,004		21,21,673
Safety & Protection		10,31,278		8,26,824
Vehicle Maintenance		13,07,327		13,26,034
Retainership		6,14,740		5,33,980
Professional Charges		39,76,746		32,26,177
Travelling and Conveyance expenses (including Rs.28525 Paid to Auditors)		3,65,245		4,04,914
Payments to the Auditors (including Service Tax)				
- As Auditor	1,25,950		1,23,596	
- For Other Services	<u>57,250</u>	1,83,200	<u>56,180</u>	1,79,776
Directors' Sitting Fee		2,40,000		1,09,000
Loss on Sale of Assets (net)		2,14,481		1,69,199
Loss on Sale of Investments (net)		1,65,38,557		-
Miscellaneous expenses		43,09,162		34,89,521
Total		<u>3,38,54,366</u>		<u>1,36,88,080</u>
Selling Expenses				
Advertisement		-		8,40,925
Total		<u>3,38,54,366</u>		<u>1,45,29,005</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	6,39,72,961

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 Employee Benefits:

A. Gratuity

Changes in present value obligation

Particulars	Year ended 31.03.2016
Defined benefit obligation, Beginning of Period*	7,42,289
Current service cost	1,01,641
Interest cost	57,527
Actual plan participants contributions	-
Actuarial (Gains)/Losses	6,64,073
Acquisition/Business Combination/Divestiture	-
Actual benefits paid	-
Past service cost	-
Changes in foreign currency exchange rates	-
Loss/(Gains) on curtailments	-
Liabilities extinguished on settlements	-
Defined benefit obligation, End of Period	15,65,530

* The opening liability amount of INR 742289 is based on book provision made by the company as on 31st March 2015.

Expenses to be recognized in Statement of Profit & Loss

Particulars	Year ended 31.03.2016
Current service cost	1,01,641
Interest Cost	57,527
Expected return on Plan Assets	(1,42,595)
Past service cost	-
Net Actuarial Losses/(Gains)	6,53,034
(Gain)/Loss due to settlements/curtailments/ Acquisitions/Divestitures	-
Unrecognized asset due to limit in Para 59(B)	-
Total Expense/(Income) included in "Employee Benefit Expense"	6,69,607

Changes in defined benefit obligation

	Year ended 31.03.2016
Fair value of Plan assets, Beginning of Period	18,39,932
Expected return on plan assets	1,42,595
Actual enterprise Contributions	-
Actual plan participants' contributions	-
Actual Benefits Paid	-
Actuarial Gains/(Losses)	11,039
Acquisitions/Business Combination/Divestiture	-
Changes in foreign currency exchange rates	-
Liabilities extinguished on settlements	-
Fair value of Plan assets, End of Period	19,93,566

Financial Assumptions

Discounting rate	7.75%
Salary escalation rate	7.00%

Expected return on Assets	7.75%
Demographic Assumption	
Mortality Table	Indian assured Lives Mortality (2006-08) Ult.
Withdrawal rate	1.00%
Retirement Age	58 Years

B	Leave Salary	
	Particulars	Year ended 31.03.2016
	Present Value of funded obligation	-
	Fair Value of Plan Asset	-
	Present Value of unfunded obligation	6,39,759
	Amount in Balance Sheet -Liability	
	Liability	6,39,759
	Asset	-
	Net liability is bifurcated as follows	
	Current Liability	9,587
	Non-Current Liability	6,30,172
	Net Liability	6,39,759
	Expenses recognised in statement of profit & loss	1,41,209
	Discount rate	7.75%
	Salary escalation	7.00%

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 Related Party disclosures.

Relationship

A Wholly Owned Subsidiary Company

Farco Foods Private Ltd.

B Associate Companies

Shervani Hospitalities Limited

Youngtronics India Private Limited

C Key Management Personnel

Mr. S.I. Shervani

Mr. Tahir Hasan

Mr. B.K.Misra

Managing Director
Whole time Director & Chief Financial Officer
Company Secretary

D Other Directors

Dr. A.P. Singh

Mr. A.N. Shervani

Mr. S.M. Shervani

Mr. G.S. Chaturvedi

Mr. Kush Bhargava

Mr. Mohd. Aslam Sayeed

Mr. Raju Verghese

Mrs. Shefali Bansal

and their relatives

Related Parties relationship as identified by the company and relied upon by the Auditors. Following are the transactions with related parties as defined under section 188 of the Companies Act, 2013.

D	Nature and volume of transactions :	31.03.2016 (Rs.)	31.03.2015 (Rs.)
(i)	Remuneration (including retirement benefit)		
	Paid to Key management personnel	23,63,008	16,72,814
	Paid to Relatives	26,65,035	17,77,300
(ii)	Rent		
	Key management personnel (Paid)	96,000	98,661
	Associate Company (Received)	81,180	70,488
(iii)	Sitting Fee		
	Key management personnel & other Directors (Paid)	2,40,000	32,000
(iv)	Interest Received		
	Associate Company	-	7,30,110

	Year ended 31.03.2016	Year ended 31.03.2015
	Rs.	Rs.
(v) Closing Balance at the end of the year		
Subsidiary Company		
Farco Foods Private Limited	6,39,72,861	6,39,72,861
Provision for doubtful loan	(4,50,00,000)	(4,50,00,000)
Associate Companies		
Youngtronics India Private Limited	84,521	84,521
(vi) Allotment of 6% Non Cumulative Redemable Preference Shares of Youngtronics India Private Limited	46,00,000	-
31 Earning per share	31.03.2016	31.03.2015
(a) Net Profit / (Loss) available for Equity Share holders (numerator used for calculation)	18,12,384	1,29,88,286
(b) Weighted Average No. Equity Share used as denominator for calculating EPS	32,90,250	32,80,250
(c) Basic and Diluted Earning per share (Rs.)	0.55	(3.96)
(Equity Shares of face value of Rs.10/- each)		
32 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
33. Value of Imports on C.I.F. basis :	Nil	Nil
34. Value of Imported and indigeneous Stores and Spare Parts and Raw Material Consumed.	Nil	Nil
35. (a) Expenditure in Foreign Currency	This Year	Previous Year
Others	Nil	Nil
(b) Earning in Foreign Exchange	Nil	Nil
36 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.		
37 The figures of the previous year have been regrouped/rearranged wherever necessary.		

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SHERVANI INDUSTRIAL SYNDICATE LIMITED (hereinafter referred to as "the Holding Company") and its 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, 2016, 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 judgements 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 thereunder.

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. 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 31st March, 2016, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

In one associate company, the substantial part of fixed assets have been disposed off during the year. Therefore there is substantial doubt about that associate company's ability to continue the operation for the foreseeable future.

Our opinion is not modified in respect of above matter.

Other Matters

(a) The consolidated financial statements also include the Group's share of net Profit of Rs.31,00,705 for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the reports of the other

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except liability for gratuity and leave encashment is accounted for on payment basis in one subsidiary company.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 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 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position. (Refer Note "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
Registration Number: 000186C

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

Place : KANPUR
Date : May 28, 2016

ANNEXURE - "A" TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of **SHERVANI INDUSTRIAL SYNDICATE LIMITED** ("the Holding Company") and its subsidiary as of that date.

Management's Responsibility for Internal Financial Controls

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

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : KANPUR
Date : May 28, 2016

CONSOLIDATED**BALANCE SHEET**

		As at 31.03.2016	As at 31.03.2015
	Note No.	Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders Funds			
Share Capital	2	3,28,02,500	3,28,02,500
Reserves and Surplus	3	1,86,56,67,014	1,84,95,19,961
		<u>1,89,84,69,514</u>	<u>1,88,23,22,461</u>
Non-Current Liabilities			
Long term Borrowings	4	10,88,752	14,12,834
Other Long-term Liabilities	5	27,74,961	43,32,037
Long-term Provisions	6	6,30,172	4,98,550
		<u>44,93,885</u>	<u>62,43,421</u>
Current Liabilities			
Short term Borrowings	7	7,66,74,445	10,42,63,295
Trade Payables	8	29,43,332	4,24,14,668
Other Current Liabilities	9	3,16,81,239	1,41,51,177
Short term Provisions	10	4,00,09,587	4,00,00,000
		<u>15,13,08,603</u>	<u>20,08,29,140</u>
Total		<u>2,05,42,72,002</u>	<u>2,08,93,95,022</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	6,77,42,791	7,05,30,422
Goodwill on Consolidation		6,44,64,204	6,69,09,204
Non-current Investments	12	4,31,55,632	4,38,23,679
Long-term Loans and Advances	13	4,98,932	4,50,073
		<u>17,58,61,559</u>	<u>18,17,13,378</u>
Current Assets			
Current Investments	14	4,12,80,401	4,59,65,250
Inventories	15	1,51,63,14,622	1,64,63,00,811
Trade Receivables	16	11,78,60,305	20,66,497
Cash and Cash Equivalents	17	18,29,46,642	18,18,20,151
Short-term Loans and Advances	18	1,56,26,183	2,65,03,359
Other Current Assets	19	43,82,290	50,25,576
		<u>1,87,84,10,443</u>	<u>1,90,76,81,644</u>
Total		<u>2,05,42,72,002</u>	<u>2,08,93,95,022</u>

Significant Accounting Policies and Notes on Financial Statement

1 - 30

As per our report of even date attached

For P.L. Tandon & Co.

Chartered Accountants

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

Place : Allahabad

Date : May 28, 2016

CONSOLIDATED**STATEMENT OF PROFIT & LOSS**

PARTICULARS	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
		Rs.	Rs.
Revenue from Operations			
Revenue from Operations	20	31,71,98,773	3,77,31,383
Other Income	21	1,19,24,032	1,92,93,297
Total Revenue		32,91,22,805	5,70,24,680
Expenses			
Cost of Construction & Development Expenses	22	11,01,48,226	5,43,60,336
Changes in Inventory of Finished Goods & WIP	23	12,99,29,736	(5,43,60,336)
Employees Benefit Expense	24	2,10,64,934	2,17,37,667
Finance Costs	25	50,76,589	49,24,103
Depreciation and Amortization Expense		42,75,532	55,00,010
Other Expenses	26	5,10,97,377	3,43,84,056
Total Expenses		32,15,92,394	6,65,45,836
Profit / (Loss) Before Tax and Share of Loss in Associate Companies		75,30,411	(95,21,156)
Share of Loss in Associate Companies		33,96,953	(69,30,113)
Profit / (Loss) before Tax and after share of Loss in Associate Companies		1,09,27,364	(1,64,51,269)
Tax Expense			
Current Tax		8,85,000	87,500
Mat Credit Entitlement (Net of Written Off)		4,52,048	-
Earlier Years Tax		(1,740)	32,884
Profit (Loss) For the year		95,92,056	(1,65,71,653)
 Profit/ (Loss) for the year		95,92,056	(1,65,71,653)
Earning Per Equity Share of Rs. 10/- each			
Basic		2.94	(5.08)
Diluted		2.94	(5.08)
Significant Accounting Policies and Notes on Financial Statement	1 - 30		

As per our report of even date attached

For P.L. Tandon & Co.

Chartered Accountants

P.P.Singh

Partner

B.K. MisraCompany Secretary &
Sr. Accounts Manager**Mohd. Aslam Sayeed**Director
DIN: 06652348**Tahir Hasan**Whole Time Director &
Chief Financial Officer
DIN: 00074282**Saleem I. Shervani**Managing Director
DIN: 00023909

Place : Allahabad

Date : May 28, 2016

CONSOLIDATED**CASH FLOW STATEMENT**

	Year ended 31.03.2016	Year ended 31.03.2015
Rs.	Rs.	Rs.
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Tax	75,30,411	(95,21,155)
Adjustment For :		
Depreciation	42,75,532	55,00,010
Loss /(Profit) on sale of assets	2,14,481	1,69,199
Interest paid	50,76,589	49,24,103
Interest Received	(1,15,16,548)	(1,21,85,037)
Dividend Received	(8,000)	(7,500)
(Profit)/Loss on Sale of Investments	1,65,38,557	(78,26,630)
Operating Profit/(Loss) before Working Capital Changes	2,21,11,022	(1,73,47,785)
Adjustment For :		
(Increase)/Decrease in Trade and other receivables	(10,77,96,490)	79,28,707
(Increase)/Decrease in Inventories	12,99,86,189	(5,43,92,704)
Increase/(Decrease) in Trade Payables	(2,36,74,987)	4,40,62,703
	(14,85,288)	(24,01,293)
Cash generated / (used) in operation	2,06,25,734	(1,97,49,078)
Add / (Deduct) for :		
Direct tax (paid) /Refund of earlier years	14,95,689	(6,42,964)
Net Cash /(used in) /from operating activities (Total – A)	2,21,21,423	(2,03,92,042)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Refund of share application money	4,96,000	-
Purchase of Fixed Assets	(20,11,907)	(31,09,760)
Sale of Fixed Assets	3,09,524	2,78,095
Sale of Current Investments (net of purchase)	52,26,968	2,74,58,219
Purchase of Investments in Associate Company	(46,00,000)	-
Sale of Investments in Associate Companies (Net of Purchase)	88,325	(86,65,000)
Dividend Received	8,000	7,500
Interest Received	1,21,59,834	1,15,07,669
Net Cash /(used in) from investing activities (Total - B)	1,16,76,744	2,74,76,723
C) CASH FLOW FROM FINANCING ACTIVITIES		
Loans and Borrowings	(2,75,95,086)	4,73,76,143
Dividend paid	(50,76,589)	(49,44,103)
Interest Paid	-	(19,18,265)
Net Cash/(used in) from financing activities (Total – C)	3,26,71,675	4,05,13,775
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	11,26,491	4,75,98,456
Add : Opening Cash and Cash Equivalents	18,18,20,151	13,42,21,695
Closing Cash and Cash Equivalent	18,29,46,642	18,18,20,151

As per our report of even date attached

For P.L. Tandon & Co.

Chartered Accountants

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

Place : Allahabad

Date : May 28, 2016

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.
- The consolidated financial statements are prepared in accordance with Accounting Standard - 21 "Consolidated Financial Statements" issued by ICAI.
 - 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.
 - 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.
 - 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 31.03.2016
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.

NOTE No.

2 Share Capital	As at 31.03.2016		As at 31.03.2015	
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 01.04.2015	32,60,250	3,26,02,500	32,60,250	3,26,02,500
Balance as at 31.03.2016	32,60,250	<u>3,26,02,500</u>	32,60,250	<u>3,26,02,500</u>
Deferred Shares				
Balance as on 01.04.2015	8,000	2,00,000	8,000	2,00,000
Balance as at 31.03.2016	8,000	<u>2,00,000</u>	8,000	<u>2,00,000</u>
Total		<u>3,28,02,500</u>		<u>3,28,02,500</u>

Reconciliation of Number of Shares

Outstanding is set out below

	Nos.	Nos.
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)	No. of Shares	%age	No. of Share	%age
Mr. Hitesh Ramji Javeri	4,55,250	13.96%	4,55,250	13.96%
M/s Frost Traders Pvt Ltd.	4,00,602	12.29%	4,00,602	12.29%
Mr. Saleem Iqbal Shervani	3,18,680	9.77%	3,18,680	9.77%
M/s Reed Finance Pvt Ltd.	2,69,145	8.26%	2,69,145	8.26%
			14,43,677	14,43,677

3 Reserves & Surplus

General Reserve

	Rs.	Rs.
As per last Balance Sheet	52,89,12,956	53,00,00,000
Add : Adjustment during the year	<u>-</u>	<u>10,87,044</u>
	52,89,12,956	52,89,12,956

Capital Subsidy Reserve

As per last Balance Sheet	19,26,616	19,26,616
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Share Premium Account

As per last Balance Sheet	38,40,909	38,40,909
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Capital Redemption Reserve

As per last Balance Sheet	20,00,000	20,00,000
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Capital Reserve on Revaluation of Land	1,51,90,40,251	1,51,90,40,251
Less : Transfer to Surplus	<u>78,61,071</u>	<u>-</u>
Capital Reserve on Consolidation	63,00,000	63,00,000

Surplus

As per last Balance Sheet	(21,25,00,771)	(19,59,29,118)
Add : Balance in the statement of Profit and Loss	95,92,056	(1,65,71,653)
Add : Transferred from Capital Reserve	78,61,071	-
Less: Loss of Associate Company of Previous year written back	<u>65,54,997</u>	<u>-</u>
	<u>1,86,56,67,014</u>	<u>1,84,95,19,961</u>

CONSOLIDATED

NOTES

NOTE No.		As at 31.03.2016	As at 31.03.2015
4 Long Term Borrowing			
Secured Loan		Rs.	Rs.
Vehicle Loan			
Total long term borrowing		<u>10,88,752</u>	<u>14,12,834</u>
Maturity Profile		<u>10,88,752</u>	<u>14,12,834</u>
Year	Amount Payable (Rs.)		
2017-2018	4,14,273		
2018-2019	2,40,538		
2019-2020	2,65,989		
2020-2021	1,67,952		
5 Other long-term Liabilities			
Security Deposit		<u>27,74,961</u>	<u>43,32,037</u>
6 Long-term Provisions		<u>27,74,961</u>	<u>43,32,037</u>
Provision for Employees' Benefit		<u>6,30,172</u>	<u>4,98,550</u>
7 Short-term Borrowings		<u>6,30,172</u>	<u>4,98,550</u>
Secured Loans from Banks			
Overdraft from Union Bank of India (Secured by pledge of fixed deposits)		6,49,68,438	5,15,30,728
Overdraft from State Bank of India (Secured by mortgage of company land)		1,17,06,007	5,27,32,567
8 Trade Payables		<u>7,66,74,445</u>	<u>10,42,63,295</u>
Sundry Creditors		17,75,227	19,73,128
Advance from Customer Interest Free		11,68,105	4,04,41,540
		<u>29,43,332</u>	<u>4,24,14,668</u>
9 Other Current Liabilities			
Current Maturity of long term Borrowing-Secured		14,12,788	10,94,942
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		5,32,173	6,33,499
Other Payable (Includes Employees Liabilities, Statutory Liabilities etc.)		<u>2,97,36,278</u>	<u>1,24,22,736</u>
		<u>3,16,81,239</u>	<u>1,41,51,177</u>
10 Short-term Provisions			
Provision for tax		4,00,00,000	4,00,00,000
Provision for employees benefit		9,587	-
		<u>4,00,09,587</u>	<u>4,00,00,000</u>

11 Non Current Assets - Fixed Assets

Tangible Assets

Gross Block	As at 01.04.2015	Addition	Deletion	As at 31.03.2016
Freehold land	1,71,31,323	-	-	1,71,31,323
Leasehold land	5,179	-	-	5,179
Factory building	60,28,619	-	-	60,28,619
Non-factory building	3,71,66,333	-	-	3,71,66,333
Plant and Equipments	1,65,27,014	4,97,291	-	1,70,24,305
Furniture and Fixture	18,53,801	34,000	-	18,87,801
Vehicles	1,83,28,658	14,80,616	11,24,785	1,86,84,489
Office equipments	1,93,780	-	-	1,93,780
Computers	52,57,470	-	-	52,57,470
Total	10,24,92,177	20,11,907	11,24,785	10,33,79,299
Previous Year	9,09,10,904	1,29,63,747	13,82,474	10,24,92,177

Depreciation Block

Freehold land	-	-	-	-
Leasehold land	-	-	-	-
Factory building	32,03,324	1,93,375	-	33,96,699
Non-factory building	48,18,546	5,63,882	-	53,82,428
Plant and Equipments	1,17,84,456	11,95,355	-	1,29,79,811
Furniture and Fixture	15,15,200	50,797	-	15,65,997
Vehicles	55,61,368	22,26,820	600,779	71,87,409
Office Equipments	1,39,176	10,365	-	1,49,541
Computers	49,39,685	34,938	-	49,74,623
Total	3,19,61,755	42,75,532	6,00,779	3,56,36,508
Previous Year	2,63,09,883	65,87,052	9,35,180	3,19,61,755

Net Block

	As at 31.03.2016	As at 31.03.2015
Freehold land	1,71,31,323	1,71,31,323
Leasehold land	5,179	5,179
Factory building	26,31,920	28,25,295
Non-factory building	3,17,83,905	3,26,46,537
Plant and Equipments	40,44,494	44,43,808
Furniture and Fixture	3,21,804	3,38,601
Vehicles	1,14,97,080	1,27,67,290
Office equipments	44,239	54,604
Computers	2,82,847	3,17,785
Total	6,77,42,791	7,05,30,422

CONSOLIDATED

NOTES

NOTE No.		As at 31.03. 2016		As at 31.03. 2015	
12	Non Current Investment (At Cost) (Long Term Investment) Trade Investment (unquoted) Investment In Equity Instruments Associate Company	Rs.	Rs.	Rs.	Rs.
	22,65,750 Shervani Hospitalities Ltd. of Rs. 10/- (22,65,750) each (including 730000 Equity Shares at a Premium of Rs.90/- per share and 21450 Bonus Shares)	2,67,88,380		2,36,87,675	
	85,000 Youngtronics India Private Ltd. of (85,000) Rs. 10/- each	7,62,252		4,66,004	
	- 9% Cumulative Redeemable Preference Shares of (86,650) of Rs.100/- each of Mettwa Electricals and Appliances Pvt. Ltd.	-		86,65,000	
	4,60,000 9% Cumulative Redeemable Preference Shares of (-) Rs. 10/- each of Youngtronics India Pvt. Ltd.	46,00,000		-	
	Other Investments (in Equity Shares- Unquoted Fully Paid Up)				
	500 Shares of Super Bazar Cooperative (500) Stores Ltd., of Rs. 10/- each	5,000		5,000	
	80,000 6% Non Cumulative Pref. Shares of (80,000) India Global Exports Pvt. Ltd. of Rs.100/- each	80,00,000		80,00,000	
	3,00,000 Shares of Rs.10/- each of Shervani Sugar (3,00,000) Syndicate Ltd.	30,00,000		30,00,000	
		<u>4,31,55,632</u>		<u>4,38,23,679</u>	
13	Long Term Loans and Advances (Unsecured considered good unless otherwise stated) Security Deposits				
		<u>4,98,932</u>		<u>4,50,073</u>	
		<u>4,98,932</u>		<u>4,50,073</u>	

NOTE No.

14 CURRENT INVESTMENTS

	Other Investment In Equity Shares-Quoted Fully Paid Up				
1,000	Reliance Infra Limited	16,23,450		16,23,450	
(1,000)	of Rs.10/- Each				
10,000	Cerebra Integrated Technologie	2,87,936	19,11,386	2,87,936	19,11,386
(10,000)	of Rs.10/- Each				
-	In Mutual Fund Units-unquoted				
(13,144.263)	Mirae Asset ultra Short Term Bond Fund (Growth)	-		1,52,81,521	
2,17,658.177	of Rs. 10/- Each				
(-)	SBI Bluechip Fund Regular (Growth)	61,07,900	-	-	
3,34,356.474	of Rs.10/- Each				
(-)	SBI Small & Midcap Fund Regular (Growth)	<u>1,01,79,900</u>	<u>1,62,87,800</u>	<u>-</u>	<u>1,52,81,521</u>
	of Rs.10/- Each				
	Less: Provision For Diminution of				
	Current Investment		(12,18,785)		(13,24,135)
	HDFC AMC Real Estate -1	-			7,00,478
	Share Application Money				
	India Global Exports Pvt. Limited	2,43,00,000		2,43,00,000	
	Youngtronics India Pvt. Ltd.	<u>-</u>	<u>2,43,00,000</u>	<u>50,96,000</u>	<u>2,93,96,000</u>
	Total Current Investments	<u>4,12,80,401</u>		<u>4,59,65,250</u>	
	Total Investments	<u>4,12,80,401</u>		<u>4,59,65,250</u>	

	As at 31.03.2016	As at 31.03.2015
NOTE No.		
15 Inventories	Rs.	Rs.
(Stock as valued and Certified by Managing Director)		
Work in Progress (Real Estate)	14,67,35,124	9,43,01,992
Finished Goods	3,21,115	3,21,115
Stock in Trade (Land and expenses thereon)	1,36,90,46,132	1,55,14,09,000
Stores & Spares	2,12,251	2,68,704
	<u>1,51,63,14,622</u>	<u>1,64,63,00,811</u>
16 Trade Receivables		
(Unsecured Considered Good unless otherwise stated)		
Over Six Month	7,945	20,66,497
Others	11,78,52,360	-
	<u>11,78,60,305</u>	<u>20,66,497</u>
17 Cash & Cash Equivalents		
Balance with Banks		
In Fixed Deposits (FDR of Rs. 11.46 Crores Pledged with Bank)		
Marurity with more than 12 Months	48,92,110	11,00,15,141
Others	12,53,01,600	1,40,40,118
In current accounts		
Earmarked Balance with Banks	5,45,265	6,46,591
Others	5,18,87,790	5,67,22,984
Cash on Hand	3,19,877	3,95,317
	<u>18,29,46,642</u>	<u>18,18,20,151</u>
18 Short Term Loans & Advances		
(Unsecured considered good unless otherwise stated)		
Advances recoverable in Cash or In kind for the Value to be recieved)	19,85,091	33,08,919
Unsecured Considered Doubtful	19,55,64,000	19,55,64,000
Loan to Related Parties		
Unsecured considered good	-	67,50,000
Advance Income Tax (Net of Provision)	72,98,167	96,77,117
Balances with Central excise Department	1,08,451	80,801
Mat Credit Entitlement	62,34,474	66,86,522
	<u>21,11,90,183</u>	<u>22,20,67,359</u>
Less: Provision for doubtful Advances	<u>19,55,64,000</u>	<u>19,55,64,000</u>
	<u>1,56,26,183</u>	<u>2,65,03,359</u>
19 Other Current Assets		
Interest Receivable	43,82,290	50,25,576
	<u>43,82,290</u>	<u>50,25,576</u>

CONSOLIDATED

NOTES

NOTE No.	Year ended		Year ended	
	March 31, 2016		March 31, 2015	
	Rs.		Rs.	
20 Revenue from Operations				
Revenue from Real Estate		28,37,19,107		-
Sale of Services		3,29,95,155		3,76,84,751
		<u>31,67,14,262</u>		<u>3,76,84,751</u>
Other Operating Revenues				
Transfer Fee		-		-
Misc. Receipts/ Compensation		4,84,511		46,632
		<u>4,84,511</u>		<u>46,632</u>
		<u>31,71,98,773</u>		<u>3,77,31,383</u>
21 Other Income				
Interest received		1,15,16,548		1,21,85,037
Dividend received		8,000		7,500
Rent		81,180		70,488
Miscellaneous receipts		1,81,070		3,47,895
Provision of Liability no longer required		31,884		3,65,672
Diminution in the value of current investments		1,05,350		(23,00)
Diminution in value of investment no longer required		-		91,600
Profit on sale of investments (Including Security Transaction Tax)		-		62,27,405
		<u>1,19,24,032</u>		<u>1,92,93,297</u>
22 Cost of Construction & Development Expenses		<u>11,01,48,226</u>		<u>5,43,60,336</u>
		<u>11,01,48,226</u>		<u>5,43,60,336</u>
23 Changes In Inventories of Finished Goods				
Stock at Commencement				
Finished Goods		3,21,115		3,21,115
Stock in Trade		1,55,14,09,000		1,55,14,09,000
Work in Process (Real Estate)		9,43,01,992		3,99,41,655
		<u>1,64,60,32,107</u>		<u>1,59,16,71,770</u>
Stock at Close				
Finished Goods		3,21,115		3,21,115
Stock in Trade		1,36,90,46,132		1,55,14,09,000
Work in Process (Real Estate)		14,67,35,124		9,43,01,991
		<u>1,51,61,02,371</u>		<u>1,64,60,32,106</u>
		<u>12,99,29,736</u>		<u>(5,43,60,336)</u>
24 Employees' Benefit Expense				
Salary & Wages		2,01,26,684		2,08,72,282
Contribution to Provident and other Fund		6,15,836		4,92,705
Staff Welfare expenses		3,22,414		3,72,680
		<u>2,10,64,934</u>		<u>2,17,37,667</u>
25 Finance Costs				
Interest to Bank & Others		50,76,589		49,24,103
		<u>50,76,589</u>		<u>49,24,103</u>

NOTE No.	Year ended		Year ended	
	March 31, 2016		March 31, 2015	
	Rs.		Rs.	
26 Other Expenses				
Manufacturing Expenses				
Power & Fuel	1,30,55,565		1,55,94,933	
Repairs to Building	2,38,714		1,59,563	
Repairs to Plant & Machinery	15,08,178		13,75,926	
Other Manufacturing Expenses	2,33,387		91,698	
	1,50,35,844		1,72,22,120	
Administrative Expenses				
Rent	5,18,400		8,96,061	
Repairs building	20,98,316		6,69,939	
Insurance	3,27,289		2,55,539	
Rates and Taxes	1,13,621		1,54,443	
Electricity Expenses	23,16,004		21,21,673	
Safety & Protection	10,31,278		8,26,825	
Vehicle Maintenance	13,07,327		13,26,034	
Retainership	6,14,740		5,33,980	
Professional Charges	39,76,746		32,26,177	
General Expenses	2,28,260		2,59,229	
Travelling and Conveyance expenses	3,65,245		4,04,914	
(Including Rs. 34145 (Previous year Rs.35608) paid to Auditors)				
Audit Fee	2,11,825		2,13,484	
Directors' Sitting Fee	3,10,000		1,09,000	
Loss on sale of assets (net)	2,14,481		1,69,199	
Sundry Balances Written Off	-		2,39,467	
Loss on sale of Investments (Net)	165,38,557		-	
Miscellaneous expenses	58,89,444		49,15,047	
Total	3,60,61,533		1,63,21,011	
Selling and Distribution Expenses				
Selling expenses	-		8,40,925	
Total Other Expenses	5,10,97,377		3,43,84,056	
27 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		

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
Parent				
Shervani Industrial Syndicate Limited	101.95%	1,88,85,17,565	29.25%	18,12,384
Subsidiaries				
Farco Foods Private Limited	(1.95%)	(3,61,03,708)	70.75%	43,82,721
TOTAL	100%	1,85,24,13,857	100.00%	61,95,105

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	: (4,51,03,708)
Total Assets	: 3,15,08,748
Total Liabilities	: 6,76,12,456
Investments	: NIL
Turnover / Total Income	: 3,47,45,329
Profit Before Tax	: 43,82,719
Provision for Tax	: NIL
Profit after tax	: 43,82,719
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	31.03.2016	2265750	8,81,43,000	30.02%	18,10,91,013	31,00,705	NIL	30.02% Shares held	-
2	Youngtronic India Private Limited	31.03.2016	85000	8,50,000	46.33%	(13,23,882)	2,96,248	NIL	46.33% Shares held	-

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