**SHERVANI INDUSTRIAL SYNDICATE LIMITED**

Date: 01/10/2020

To,

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001

**Scrip Code: 526117**

**Ref: Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**

**Sub: Submission of 72nd Annual Report for the financial year 2019-20.**

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, we submit herewith the Annual Report for the Financial Year 2019-20 for your ready reference.

Kindly take the same on record.

Thanking You,

For Shervani Industrial Syndicate Limited

Shervani Industrial Syndicate Ltd. SISL

S. K. Shukla
Company Secretary

Registered Office : Shervani Nagar, Sulem Sarai, Harwara, Prayagraj-211015 (U.P.) INDIA
Mobile : +91-7311128115 Phone : +91-532-2436927 Fax :+91-532-2436928
E-mail : shervaniind@rediffmail.com
CIN : L45202UP1948PLC001891

# 72nd ANNUAL REPORT 2019-2020

**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

**DIRECTOR (CORPORATE AFFAIRS)**
Mr. Sadiq Husain Siddiqui

**DIRECTORS**
Mr. Azher Nisar Shervani
Mr. Saeed Mustafa Shervani
Mr. Gopal Swarup Chaturvedi
Mr. Raju Verghese
Mr. Mohammad Aslam Sayeed
Ms. Aradhika Chopra

**COMPANY SECRETARY**
Mr. S.K. Shukla

**AUDITORS**
M/s. Gupta Vaish & Co.
Chartered Accountants,
Kanpur

**BANKERS**
State Bank of India
Union Bank of India
Central Bank of India
ICICI Bank Ltd.
HDFC Bank Ltd.

**REGISTERED OFFICE**
Shervani Nagar,
Sulem Sarai, Harwara
Prayagraj - 211015
Uttar Pradesh

# Annual Report 2019-2020

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NOTICE is hereby given that the **72nd Annual General Meeting** of the Members of **Shervani Industrial Syndicate Limited** will be held on Wednesday, the 30th September, 2020 at 11.30 A.M. at 2, New Cantonment, Kanpur Road, Prayagraj to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt:
   (a) the Audited Standalone Financial Statements for the Financial Year ended 31st March, 2020 together with the Reports of the Directors and Auditors thereon; and
   (b) the Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2020 together with the Report of the Auditors thereon.
2. To declare dividend for the financial year ended on 31st March, 2020.
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 a Director in place of Mr. Tahir Hasan (DIN-00074282) who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of M/s. Gupta Vaish & Co., Chartered Accountants (Firm Registration No. 005087C), as the Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   ”RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. Gupta Vaish & Co., Chartered Accountants (Firm Registration No. 005087C), as Auditors of the Company made at the 69th Annual General Meeting held on 28th September, 2017 for a period of five years, be and is ratified for the period from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and that the Auditors be paid such remuneration as may be fixed by the Board of Directors of the Company in consultation with the Audit Committee.”

**SPECIAL BUSINESS**

6. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2021 and, in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   ”RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s Shishir Jaiswal & Co., Cost Accountants (Firm Registration No. 102450) appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the Cost Records of the Company for the financial year ending 31st March 2021 amounting to Rs. 40,000/- (Rupees Forty Thousand Only) plus taxes as applicable & re-imbursement of actual travel/conveyance & out of pocket expenses incurred in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed.”
7. To consider appointment of Ms. Aradhika Chopra (DIN: 08778574) as a Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

   “RESOLVED THAT Ms. Aradhika Chopra (DIN: 08778574) who was appointed as an Additional Director by the Board pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Articles of Association of the Company and who holds office upto the date of the forthcoming Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 160(1) of the Companies Act, 2013 signifying his intention to propose her candidature be and is hereby appointed as Director of the Company.”

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
8. To appoint Ms. Aradhika Chopra (DIN: 08778574) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   “RESOLVED THAT pursuant to the provisions of section 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013(“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force). Ms. Aradhika Chopra (DIN: 08778574) who has submitted a declaration that she meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 and is eligible for

re-appointment and submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations be and is hereby appointed as a Woman Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting "

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

By Order of the Board
For Shervani Industrial Syndicate Limited

S. K. Shukla
Company Secretary

Place : Prayagraj
Date : August 21st, 2020

**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/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

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

2. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts in respect of Business under Item Nos. 6,7 and 8 as set out above is annexed hereto.

4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution under section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the Meeting.

5. Members/Proxies are requested to bring their attendance slip duly filled in along with copy of Annual Report to the Meeting.

6. In case of Joint Shareholders attending the Meeting, only such Shareholder who is higher in the order of names will be entitled to vote.

7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Annual General Meeting.

8. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 24th September, 2020 to Wednesday, 30th September, 2020 (both days inclusive).

9. The Dividend on Equity Shares, as recommended by Board of Directors, subject to the provisions of Section 126 of the Companies Act, 2013, if approved by the Members at the Annual General Meeting, will be paid to those Members:

   (a) whose names appear as 'Beneficial Owners' as at the end of the business hours on **23rd September, 2020** in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of Equity Shares held in dematerialised form; and

   (b) whose names appear on the Company's Register of Members after giving effect to valid share transfer request(s) lodged with the Company/its Registrar and Share Transfer Agent on or before the close of business hours on **23rd September, 2020,** in respect of Shares held in physical form.

10. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, dividend which remains unpaid / unclaimed in the Unpaid Dividend Account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund established by the Central Government. The Members who have not encashed their dividend warrant(s) so far for the financial years 2013-2014, 2017-18 (Interim) & 2017-18 (Final) are requested to lodge their claims with Registrar and Transfer Agents (RTA) or with the Company. Further, as per the provisions of Section 124 of the Companies Act, 2013, shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall also be transferred to the Investor Education and Protection Fund (IEPF) Authority. The Members, whose unclaimed dividend/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.

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") (Link Intime India Private Ltd., C-101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai- 400083).
12. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, the Company is required to obtain the copy of PAN Card and Bank details from all the shareholders holding shares in physical form. Members are requested to get their details updated by sending the below-mentioned documents along-with a duly signed request letter to RTA:
    a) Self-attested copy of PAN Card of all the holders;
    b) Original cancelled cheque leaf with name of member printed on it (if name is not printed, a copy of Bank Passbook/ Statement bearing name, duly attested by the Bank) and;
    c) Self-attested copy of address proof (viz. aadhar, voter-id, passport, driving license, any utility bill not older than 3 months).
13. To support "Green Initiative", members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Reports, Notices, Circulars etc. from the Company electronically.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in Form No. SH-13 prescribed under Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules,2014 which can be obtained from the Company or its RTA.
15. Members desirous of obtaining any information/ clarifications, intending to raise any query concerning the annual accounts or operations of the Company, are requested to forward the same at least seven days prior to the date of general meeting to the Company Secretary at the Registered office of the Company, so that the same may be attended appropriately.
16. In terms of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing its members the facility to exercise their right to vote by electronic means on all businesses specified in the accompanying Notice. The necessary arrangements have been made by the Company with Central Depository Services (Indian) 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 Sunday, 27th September, 2020 at 09.00 A.M. and ends on Tuesday, 29th September, 2020 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 23rd September, 2020 (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 Form and Physical Form | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Date of Birth | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>• 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.

**General Instructions:**

i. The facility of voting through ballot paper shall also be made available at the Meeting. Members attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper.

ii. Members who have cast their vote by remote e-voting prior to the Meeting, may also attend the Meeting, but shall not be entitled to cast their vote again.

iii. The voting rights of the shareholders (for voting through remote e-voting or by ballot paper at the Meeting) shall be in proportion to their shares of the paid-up Equity share capital of the Company as on 23rd September, 2020 (the cut-off date).

iv. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.

v. Any person, who acquires shares of the Company and becomes member of the Company after 21st August, 2020 i.e. BENPOS date considered for dispatch of the notice, and holding shares as on the cut off date i.e. 23rd September, 2020, may obtain the login Id and password by sending a request at helpdesk.evoting@cdslindia.com.

vi. M/s. Siddiqui & Associates, Practising Company Secretaries (Membership No. 2229 and Certificate of Practice No.- 1284) have been appointed as the Scrutinizer by the Company to scrutinize the remote e-voting process in a fair and transparent manner.

vii. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper/Polling Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

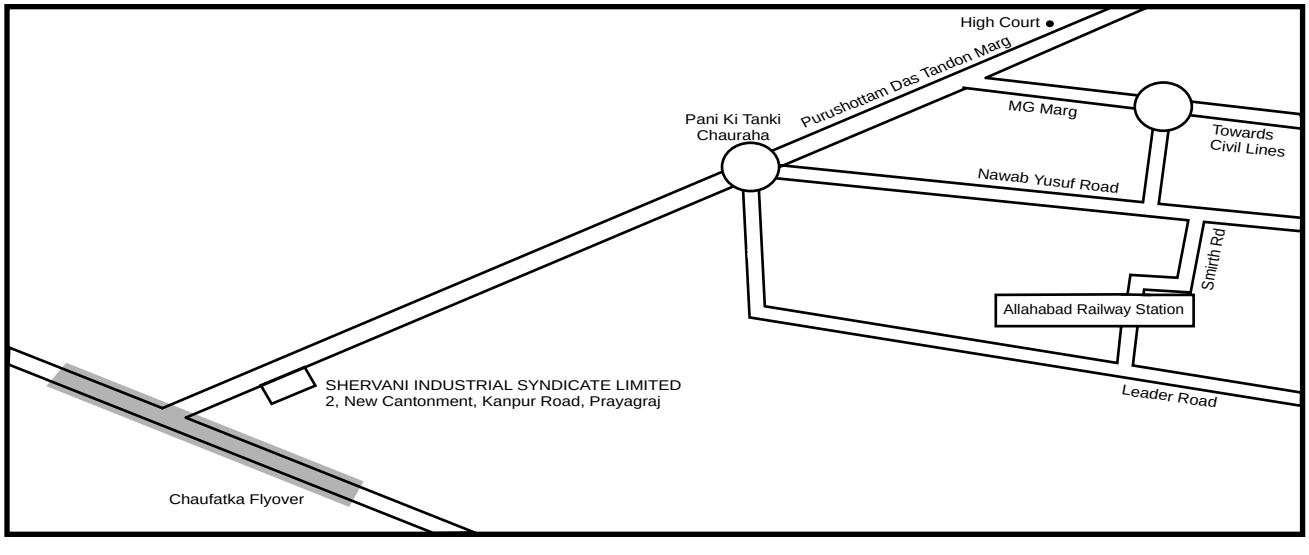
viii. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman in writing, who shall countersign the same and declare the result of the voting forthwith.

ix. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.shervaniind.com and on the website of CDSL immediately after the declaration of results by the Chairman. The results shall also be immediately forwarded to Stock Exchanges where the shares of the Company are listed.

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

17. As required under Listing Regulations and Secretarial Standards-2 on General Meetings, the relevant details in respect of directors seeking re-appointment under Item Nos. 2, 3 and 7 of this Notice are as below:

LOCATION MAP OF VENUE OF ANNUAL GENERAL MEETING



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

| Particulars | Mr. Tahir Hasan | Mr. S. M. Shervani | Ms. Aradhika Chopra * |
|---|---|---|---|
| DIN | 00074282 | 00024390 | 08778574 |
| Date of Birth / Age | 21st Jul, 1946 | 29th May, 1959 | 22nd May, 1960 |
| Date of Appointment on the Board | 14th August, 2014 | 09th January, 1986 | 31st July, 2020 |
| Qualifications | B E, PGDBM | Diploma in Hotel Management | Graduate |
| Experience and expertise in specific functional area | Engineering and Operations | Industrialist | Fitness |
| Terms and conditions of Appointment | Retire by rotation | Retire by rotation | As per resolution set out in the notes |
| Remuneration last drawn p.a. | 3,00,000/- | - | - |
| Directorship in other Companies | M/s Tara Products & Services Pvt. Ltd.<br>M/s Saraswati Sugar Mills Ltd.<br>M/s ISGEC Heavy Engineering Ltd.<br>M/s Star Hotels Ltd. (Formerly Known as Shervani Hospitalities Ltd.)<br>Uttar Pradesh Cricket Association | M/s Star Hotels Limited<br>M/s Sherans Infrastructure Pvt. Ltd.<br>Hotels and Restaurant Association of Northern India | - |
| Chairman/Member of Committee of the Board of other Companies<br>(a) Audit Committee<br>(b) Stakeholders' Relationship Committee | - | - | - |
| Shareholding in Shervani industrial Syndicate Limited | 13,615 Equity Shares | 1,31,386 Equity shares | - |
| Relationship with other Directors / KMPs | Sister's Husband of Mr S I Shervani, Mr S M Shervani and Mr A N Shervani | Brother of Mr. S. I. Shervani & A. N. Shervani | - |
| No. of Board Meetings held during the year and attended by the Director during the Financial year 2019-20 | Held - 4<br>Attended - 4 | Held - 4<br>Attended - 1 | NA * |

* Appointed on board w.e.f. 31st July, 2020.

By Order of the Board
For Shervani Industrial Syndicate Limited

S. K. Shukla
Company Secretary

Place : Prayagraj
Date : August 21, 2020

**ANNEXURE TO NOTICE**

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

**ITEM No. 6**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Shishir Jaiswal & Co., Cost Accountants (Firm Registration No. 102450) as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 on the terms and conditions as set out in the resolution placed at Item No. 6 of the Notice. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members of the Company is being sought for passing the Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

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

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

**ITEM NO. 7**

With a view to broad base the Board of Directors of the Company, Ms. Aradhika Chopra (DIN: 08778574) was inducted as an Additional Director on 31st July, 2020 and she holds office up to the date of ensuing Annual General Meeting of the Company. As required under Section 160 of the Companies Act, 2013, the Company has received notice from a member proposing the candidature of Ms. Aradhika Chopra as a Director of the Company. Ms. Aradhika Chopra holds requisite experience and the Board considers it desirable that her presence on the Board will be of immense benefit to the Company. The Board recommends the resolution for approval by the Members.

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

**ITEM NO. 8**

Pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is proposed to appoint Ms. Aradhika Chopra (DIN: 08778574) , as a Women Director in the category of Independent Director of the Company with effect from 30th September, 2020 to hold office for a period 5(Five) consecutive years. Ms. Aradhika Chopra is eligible for appointment and has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act read with rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations .The brief profile of Ms. Aradhika Chopra has been given in a the separate statement forming part of this notice. The Board recommends the appointment of Ms. Aradhika Chopra as a Women Director in the category of Independent Director of the Company .

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

By Order of the Board
For Shervani Industrial Syndicate Limited

S. K. Shukla
Company Secretary

Place : Prayagraj
Date : August 21, 2020

Dear Members,

Your Director's take pleasure in presenting the 72nd Annual Report together with the Audited Financial Statements for the year ended on 31st March, 2020.

**FINANCIAL RESULTS**

| | (Rs. in Lakh) |
|---|---|
| Total Revenue | 8, 859 |
| Profit before Depreciation | 2,539 |
| Depreciation | 61 |
| Profit after Depreciation before tax | 2,478 |
| Tax Expense (including earlier year) | (516) |
| Profit after tax | 1,962 |
| Other Comprehensive Income | (46) |
| Total Comprehensive Income | 1,916 |

**DIVIDEND**

In view of the profits accrued during the year under review and the consequent fulfillment of condition prescribed under the various provisions of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014 the Board of Directors have recommended dividend of 25% on the Ordinary and Deferred shares which respectively is Rs 2.50 and Rs 6.25 on each share of the Company for the financial year ended on March 31, 2020.

**OPERATIONS REVIEW**

During the year under review most of the allottees of 'Tara Towers' were given possession of their flats by execution of their respective sale deeds. The timely completion of project, good quality construction work has increased the satisfaction of customers and immensely enhanced our goodwill in the market.

The construction activity in 'Naman Homes' progressed satisfactorily as per the time schedule till the Government imposed the nation-wide lock down which adversely affected the time line of the project. We resumed construction activity as per the directives issued by Government without any delay on our part. We are making our best efforts to make up for the time lost due to lock down, and remain confident that we shall be able to complete the project on time despite the hurdles of COVID-19.

We feel pleasure in informing you that your Company's next Group Housing Project is situated at Sarojini Naidu Marg, Prayagraj. For this project the Company has executed a Builders Agreement with the owners. The building plans and drawings have been finalised and submitted to Prayagraj Development Authority for approval who have agreed in principal to the plans submitted by Company and sanction of same is expected shortly.

**MANAGEMENT DISCUSSION AND ANALYSIS**

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

The period under review has been one of the most eventful period in the last decade or so for the economy as a whole including the real estate sector. The early part of this period witnessed slow growth and everybody expected that the economy will recover in next half year. However. the slow down continued and the situation worsened due to lock down induced by the Corona pandemic across India. The consequences of lockdown resulted in a dramatic economic slowdown and acute paucity of working capital funds. The crisis is faced by all sectors of economy including real estate as well.

The welcoming feature are the steps taken by the Government of India in association with the State Governments to rectify the situation. Availability of credit has improved; the rate of interest has been kept down. There is relaxation in systems and procedures to create an environment of ease and comfort conducive to doing business. The State is giving priority to real estate sector because it generates maximum employment for the unskilled labour. The Government is relaxing norms for housing loans and moratorium in case of defaults. To mitigate the crisis of defaults/repayment the criteria of NPA's is being eased for the banks. The easy availability and cheaper housing loans are expected to lead towards recovery of economy and the real estate sector in particular.

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

While the Real Estate sector has taken a beating over the last few years with a excess inventory especially in and around Metros, smaller cities have witnessed a continued growth in demand. At the same time there is also increasing product consciousness both in terms of quality of the residential offering and confidence in the ability of the developer to deliver on time. Your company has striven to not only to offer better quality construction but to also deliver on time. Hence, we firmly believe that despite some intermittent slowdown periods your company is on the path of growth and progress.

One area that is a matter of concern for both buyers and sellers is the inflationary market trends and scarcity of construction materials. Increases in input costs have negative impact on project costs and margins. Keeping to time lines and reducing material wastage is one way to counter increases in costs. Your company endeavours to improve performance on these parameters year by year. While there are no significant unsold inventory of apartments in the city, your company does face competition from other builders in the city who also have projects in the pipe line. But on account of its reputation and product differentiation, your company is confident that demand for its housing projects will remain high.

**C. Subsidiary Company**

M/s Farco Foods Pvt Limited, the wholly owned subsidiary of your Company is engaged in manufacture of biscuits on job work basis for M/s Surya Foods and Agro Limited for their "Priya Gold" brand. During the year under review the Company produced 6297MT of biscuits and earned profit of Rs 31.52 lacs after tax. The subsidiary company has been consistently earning profit and has successfully maintained the manufacturing cost. With an eye on sustaining the company in future the management has decided to diversify into Animal Husbandry line of business activity namely goat farming. For this purpose, land has been purchased in Tehsil Koroan of District Prayagraj. The area is being developed and construction of building/sheds/fencing etc is in progress. Efforts are underway to purchase good high breed of goats.

**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 whole-heartedly support the management in all its activities and endeavors.

**F. Research and Development**

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

**CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance and 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 Director's Report.

**EXTRACT OF ANNUAL RETURN**

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

**BOARD MEETINGS**

The calendar of Meetings is prepared and circulated in advance to the Directors. During the year four (4) Board Meetings were convened and details of same are given in the Corporate Governance Report.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

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

(i) in the preparation of the Annual Accounts, the applicable Indian 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.

**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.

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. 35 attached to the standalone balance sheet and none of the transactions are of material nature or have any potential conflict with the interest of 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**

Pursuant to provisions of section 135 of the Companies Act, 2013, a committee of Board of Directors has been formed and the member of the Committee are:

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

**BOARD EVALUATION**

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

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the section 152 of the Companies Act, 2013, Mr. Tahir Hasan (DIN:00074282) and Mr. S. M. 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.

Mrs. Shefali Bansal has resigned from the directorship of the company due to health issue and the board appreciate her services during her tenure. The board has appointed Ms. Aradhika Chopra (DIN: 08778574) as Additional Director in the Board Meeting held on 31st July, 2020 in compliance of Listing Regulations. Therefore, the Board has recommended the confirmation of appointment of Additional Director Ms Aradhika Chopra (DIN: 08778574) and also for appointment as Woman Independent Director of the Company for a period of five years w.e.f. 30.09.2020 not liable to retire by rotation.

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

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

**STATUTORY AUDITORS**

In terms of provisions of section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Shareholders in the 69th AGM held on 28.09.2017 have approved the appointment of M/s Gupta Vaish & Co. Chartered Accountants, Kanpur (Firm Registration No. 005087C) as Statutory Auditors of the Company for a period of 5 Years from the conclusion of said Annual General Meeting. However, their appointment as Statutory Auditors of the Company shall be required to be ratified by the Members at subsequent Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company. Necessary resolution for ratification of Appointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

**SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Company has appointed M/s Siddiqui & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of Secretarial Audit for the year 2019-20 is annexed herewith as Annexure -C. and forms integral part of this Report.

**INTERNAL AUDITORS**

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

**COST AUDITORS**

Pursuant to the provisions of section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Shishir Jaiswal & Co., Cost Accountants (Firm Registration No. 102450) has been appointed as Cost Auditors and the Company is maintaining cost records as per the provision of "Act".

**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 Indian accounting standard Ind AS-27 on consolidated and separate financial statement(s) read with Indian Accounting Standard Ind AS-28 on accounting for

investments in associates your Company has prepared the consolidated financial statements and annexed to this report. However due to the severe Corona pandemic situation in New Delhi and disruptions caused by lock down imposed by the Government of India on account of COVID-19, the financial statement of our associate company- Star Hotels Limited could not be prepared and presented to compile the Company's share of profit/loss in consolidated financial results. A Statement in form AOC-1 containing salient features of the financial statements of the subsidiary and associate company are attached as Annexure-D.

**AUDITORS' REPORT**

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

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

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

Disclosure required under section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014 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 there under.

**UNCLAIMED DIVIDEND**

Pursuant to provisions of section 124 (5) of the Companies Act, 2013 the company has transferred the unpaid or unclaimed dividends for the financial year up to 2011-12 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 of those who avail the mechanism and access to the Chairman of the Audit Committee while reporting about unethical practices, malpractice and non-compliance of policies.

**LISTING WITH STOCK EXCHANGE**

The Equity shares of the Company are listed on Bombay Stock Exchange Limited. Further details are set out in the Corporate Governance Report.

**REPORTING OF FRAUD**

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

**INDUSTRIAL RELATION**

Industrial relations remained cordial during the period under review.

**ACKNOWLEDGEMENT**

Your Directors wish to convey their deep sense of appreciation for the continued support, and co-operation extended by banks, Central and State Governments 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 | Saleem I. Shervani |
|---|---|
| Director | Managing Director |
| DIN : 06652348 | DIN : 00023909 |

Place : Prayagraj
Date : July 31, 2020

**Annexure – A**

**FORM No. MGT-9**

**Extract of Annual Return**
**as on Financial Year ended on 31st March, 2020**
[ Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1. REGISTRATION AND OTHER DETAILS

| | | |
|---|---|---|
| 1. | CIN | L45202UP1948PLC001891 |
| 2. | Registration Date | 25th February 1948 |
| 3. | Name of the Company | Shervani Industrial Syndicate Limited |
| 4. | Sub-Category of the Company | Public Company Limited by Shares |
| 5. | Address of the Registered office and contact details | Shervani Nagar, Sulem Sarai, Harwara,<br>Prayagraj-211015 (U.P.)<br>Phone: +91-7311128115, Fax: 0532-2436928<br>E-mail: shervaniind@rediffmail.com<br>www.shervaniind.com |
| 6. | Whether listed company | Yes |
| 7. | Name and Address of Registrar & Transfer Agents | Link Intime India Pvt. Ltd<br>C 101, 247 Park, L. B. S. Marg, Vikhroli (West),<br>Mumbai – 400 083. |

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and Description of main Products/Services | NIC Code of the Product/ Service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Real Estate Business | 8200 & 8201 | 100% |

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and address of the Company | CIN / GLN | Holding / Subsidiary/Associate | % of shares held | Applicable section |
|---|---|---|---|---|---|
| 1. | Farco Foods Private Limited, 332, Shervani Nagar, Sulem Sarai, Harwara, Prayagraj | U15111UP1995PTC019155 | Subsidiary | 100.00 | 2(87) |
| 2. | Star Hotels Limited, 11, Sunder Nagar, New Delhi | U74899DL1978PLC009206 | Associate | 35.40 | 2(6) |
| 3. | Youngtronics India Private Limited, 332, Shervani Nagar, Sulem Sarai, Harwara, Prayagraj | U36931UP2008PTC036318 | Associate | 46.33 | 2(6) |

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

### (i) Category wise shareholding

| | No. of Shares held at the beginning of the year * | | | | No. of Shares held at the end of the year $ | | | | % change during the year # |
|---|---|---|---|---|---|---|---|---|---|
| Category of Share Holders | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| 1 Indian | | | | | | | | | |
| a) Individual/ HUF | 760645 | - | 760645 | 24.41 | 618053 | - | 618053 | 22.88 | (4.58) |
| b) Central Govt. | | | | | | | | | - |
| c) State Govt. (s) | | | | | | | | | - |
| d) Bodies Corporate | 558630 | - | 558630 | 17.93 | 467027 | - | 467027 | 17.29 | (2.94) |
| e) Banks / FI | | | | | | | | | - |
| f) Any Other / Director Relative | 643765 | | 643765 | 20.66 | 538640 | - | 538640 | 19.94 | (3.37) |
| Sub-Total (A) (1) | 1963040 | | 1963040 | 63.00 | 1623720 | - | 1623720 | 60.12 | (10.89)- |
| 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 | 1963040 | | 1963040 | 63.00 | 1623720 | - | 1623720 | 60.12 | (10.89) |
| A = A (1) + A (2) | | | | | | | | | |
| B Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks/FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | |
| i) Other (Specify) | - | - | - | - | - | - | - | - | - |
| Sub-Total (B) (1) | - | - | - | - | - | - | - | - | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 433490 | 2750 | 436240 | 14.00 | 401508 | 2750 | 404258 | 14.97 | (1.03) |
| ii) Overseas | | | | | | | | | - |
| b) Individual | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to Rs 1 lac | 285155 | 128986 | 414141 | 13.29 | 305283 | 115006 | 420289 | 13.29 | 0.20 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lac | 183676 | - | 183676 | 5.90 | 138540 | - | 138540 | 5.13 | (1.45) |
| c) Others (specify) | | | | | | | | | |
| a) Non-Resident Indians | 3432 | 460 | 3892 | 0.12 | 2962 | 460 | 3422 | 0.13 | (0.02) |
| b) Foreign National | - | - | - | - | - | - | - | - | - |
| c) Director or Director's Relatives | 1300 | 1890 | 3190 | 0.10 | 1300 | 540 | 1840 | 0.07 | (0.04) |
| d) HUF | 51279 | - | 51279 | 1.65 | 48389 | - | 48389 | 1.79 | (0.09) |
| e) IEPF Authority | 60560 | - | 60560 | 1.94 | 60560 | - | 60560 | 2.24 | |
| Sub-Total (B) (2) | 1018892 | 134086 | 1152978 | 37.00 | 958542 | 118756 | 1077298 | 37.00 | (2.43) |
| Total Public shareholding B = B (1) + B (2) | 1018892 | 134086 | 1152978 | 37.00 | 958542 | 118756 | 1077298 | 37.00 | (2.43) |
| C. Shares held by Custodian for GDRs and ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 2981932 | 134086 | 3116018 | 100.00 | 2582262 | 118756 | 2701018 | 100.00 | (13.32) |

* Total No. of Issued Equity Shares at the beginning of the year was 3116018
$ Total No. of Issued Equity Shares at the end of the year was 2701018 after buyback of 415000 Equity Shares in June 2019.
# % change during the year is calculated on the basis of outstanding issued shares l;e 3116018 Equity Shares on the date of major change in shareholding.

### (ii) Shareholding of Promoter

| Sr. No | Share Holder's Name | Shares at the beginning of the year * | | | 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 Saleem I Shervani | 427580 | 13.72 | 0.00 | 384980 | 14.25 | 0.00 | (1.37) |
| 2. | Mr Saeed Mustafa Shervani | 183410 | 5.89 | 0.00 | 131386 | 4.86 | 0.00 | (1.67) |
| 3. | Mr Azher Nisar Shervani | 149655 | 4.80 | 0.00 | 101687 | 3.76 | 0.00 | (1.54) |
| 4. | Mr Tahir Hasan | 15415 | 0.49 | 0.00 | 13615 | 0.50 | 0.00 | (0.06) |
| 5. | Mrs Salma Hasan | 110943 | 3.56 | 0.00 | 61728 | 2.29 | 0.00 | (1.58) |
| 6. | Mrs Rubina Shervani | 66655 | 2.14 | 0.00 | 66655 | 2.47 | 0.00 | - |
| 7. | Mr Saad Mustafa Shervani | 96130 | 3.09 | 0.00 | 96130 | 3.56 | 0.00 | - |
| 8. | Mr Mustafa Rashid Shervani | 76575 | 2.46 | 0.00 | 76575 | 2.84 | 0.00 | - |
| 9. | Ms Ursala Fatima Shervani | 87835 | 2.82 | 0.00 | 87835 | 3.25 | 0.00 | - |
| 10. | Mrs Zeba Hasan | 141602 | 4.54 | 0.00 | 90089 | 3.34 | 0.00 | (1.65) |
| 11. | Mrs Zehra Shervani | 14400 | 0.46 | 0.00 | 12718 | 0.47 | 0.00 | (0.05) |
| 12. | Ms Aisra Amrah Fatima Shervani | 14580 | 0.47 | 0.00 | 14580 | 0.54 | 0.00 | - |
| 13. | Ms Shamsia Fatima Shervani | 11790 | 0.38 | 0.00 | 11790 | 0.44 | 0.00 | - |
| 14. | Mr Mohd. Adil Mustafa Shervani | 7840 | 0.25 | 0.00 | 6925 | 0.26 | 0.00 | (0.03) |
| 15. | Azhar Family Trust | 55065 | 1.77 | 0.00 | 48633 | 1.80 | 0.00 | (0.21) |
| 16. | Saeed Family Trust | 55830 | 1.79 | 0.00 | 49308 | 1.83 | 0.00 | (0.21) |
| 17. | Salma Zeba Family Trust | 61870 | 1.99 | 0.00 | 54645 | 2.02 | 0.00 | (0.23) |
| 18. | Saleem Family Trust | 60985 | 1.96 | 0.00 | 60985 | 2.26 | 0.00 | - |
| 19. | Aslam Family Trust | 46445 | 1.49 | 0.00 | 43945 | 1.63 | 0.00 | (0.08) |
| 20. | Waqf Haji Bhikkan | 7840 | 0.25 | 0.00 | 7840 | 0.29 | 0.00 | - |
| 21. | Shervani Enterprises Pvt. Ltd. | 1450 | 0.05 | 0.00 | 1450 | 0.05 | 0.00 | - |
| 22. | Lebensraum Infra Pvt. Ltd. | 269145 | 8.64 | 0.00 | 200221 | 7.41 | 0.00 | (2.21) |
| | Total | 1963040 | 63.00 | | 1623720 | 60.12 | | (10.89) |

* Total No. of Issued Equity Shares at the beginning of the year was 3116018
$ Total No. of Issued Equity Shares at the end of the year was 2701018 after buyback of 415000 Equity Shares in June 2019.
# % change during the year is calculated on the basis of outstanding issued shares I;e 3116018 Equity Shares on the date of major change in shareholding.

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

| Name of Promoter | Shareholding at the beginning of the year | | Change in Shareholding during the year | | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|---|---|
| | No. of Shares | % of total shares of the Company | Date of Shares Sold | No. of shares Sold | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| Mr. Saleem I. Shervani | 427580 | 13.72 | 04.06.2019 | 42600 | 1.37 | 384980 | 14.25 |
| Mr. Saeed Mustafa Shervani | 183410 | 5.89 | 04.06.2019 | 52024 | 1.67 | 131386 | 4.86 |
| Mr. Azher Nisar Shervani | 149655 | 4.80 | 04.06.2019 | 47968 | 1.54 | 101687 | 3.76 |

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

| Sr. No | For each of the top ten shareholder | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1. | Frost Traders Pvt. Ltd<br>At the beginning of the year<br>Decrease during the year<br>At the end of the year | <br>400602<br>33000<br>367602 | <br>12.86<br>1.06<br>13.61 | 367602 | 13.61 |
| 2. | Aslam Qadar Khan<br>At the beginning of the year<br>Decrease during the year<br>At the end of the year | <br>111948<br>37132<br>74816 | <br>3.59<br>1.19<br>2.77 | 74816 | 2.77 |
| 3. | Investor Education & Protection Fund<br>At the beginning of the year<br>Change during the year<br>At the end of the year | <br>60560<br>-<br>60560 | <br>1.94<br><br>2.24 | 60560 | 2.24 |
| 4. | Arvind Kumar J Sancheti<br>At the beginning of the year<br>Decrease during the year<br>At the end of the year | <br>40352<br>3632<br>36720 | <br>1.30<br>0.12<br>1.36 | 36720 | 1.36 |
| 5. | Arvind Kumar Sancheti<br>At the beginning of the year<br>Decrease during the year<br>At the end of the year | <br>36228<br>1752<br>34476 | <br>1.16<br>0.06<br>1.28 | 34476 | 1.28 |
| 6. | Imran Hasan<br>At the beginning of the year<br>Decrease during the year<br>At the end of the year | <br>35500<br>4814<br>30686 | <br>1.14<br>0.15<br>1.14 | 30686 | 1.14 |
| 7. | Shri Parasram Holdings Pvt Ltd<br>At the beginning of the year<br>Change during the year<br>At the end of the year | <br>24519<br>-<br>24519 | <br>0.79<br>-<br>0.91 | 24519 | 0.91 |
| 8. | Sarita Arvind Sancheti<br>At the beginning of the year<br>Decrease during the year<br>At the end of the year | <br>17276<br>5931<br>11345 | <br>0.55<br>0.19<br>0.42 | 11345 | 0.42 |
| 9. | Salahuddin Khan<br>At the beginning of the year<br>Change during the year<br>At the end of the year | <br>14700<br>-<br>14700 | <br>0.47<br>-<br>0.54 | 14700 | 0.54 |
| 10. | Hemraj Chaturbhuj Asher<br>At the beginning of the year<br>Change during the year<br>At the end of the year | <br>9722<br>-<br>9722 | <br>0.31<br>-<br>0.36 | 9722 | 0.36 |

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

| Sr. No. | Shareholding of each Director and Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Dr. A P Singh | | | | |
| | At the beginning of the year | 500 | 0.01 | | |
| | Change during the year | - | - | 500 | 0.02 |
| | At the end of the year | 500 | 0.02 | | |
| 2 | Mr. S I Shervani, Managing Director | | | | |
| | At the beginning of the year | 427580 | 13.72 | | |
| | Decrease during the year | 42600 | 1.37 | 384980 | 14.25 |
| | At the end of the year | 384980 | 14.25 | | |
| 3 | Mr. T Hasan, Whole Time Director & Chief Financial Officer | | | | |
| | At the beginning of the year | 15415 | 0.49 | | |
| | Decrease during the year | 1800 | 0.06 | 13615 | 0.50 |
| | At the end of the year | 13615 | 0.50 | | |
| 4 | Mr. A. N. Shervani | | | | |
| | At the beginning of the year | 149655 | 4.80 | | |
| | Decrease during the year | 47968 | 1.54 | 101687 | 3.76 |
| | At the end of the year | 101687 | 3.76 | | |
| 5 | Mr. S M Shervani | | | | |
| | At the beginning of the year | 183410 | 5.89 | | |
| | Decrease during the year | 52024 | 1.67 | 131386 | 4.86 |
| | At the end of the year | 131386 | 4.86 | | |
| 6 | Mr. K. Bhargava* | | | | |
| | At the beginning of the year | 850 | 0.03 | | |
| | Change during the year | - | - | 850 | 0.03 |
| | At the end of the year | 850 | 0.03 | | |
| 7 | Mr G. S. Chaturvedi | | | | |
| | At the beginning of the year | 800 | 0.03 | | |
| | Change during the year | - | - | 800 | 0.03 |
| | At the end of the year | 800 | 0.03 | | |
| 8 | Mr R. Verghese | | | | |
| | At the beginning of the year | 540 | 0.02 | | |
| | Change during the year | - | - | 540 | 0.02 |
| | At the end of the year | 540 | 0.02 | | |
| 9 | Mr M. A Sayeed | | | | |
| | At the beginning of the year | - | - | | |
| | Change during the year | - | - | - | - |
| | At the end of the year | - | - | | |
| 10 | Mrs. Shefali Bansal | | | | |
| | At the beginning of the year | - | - | | |
| | Change during the year | - | - | - | - |
| | At the end of the year | - | - | | |
| 11 | Mr. Sadiq Husain Siddiqui# | | | | |
| | At the beginning of the year | - | - | - | - |
| | Change during the year | - | - | - | - |
| | At the end of the year | - | | | |
| 12 | Mr. S. K. Shukla, Company Secretary | | | | |
| | At the beginning of the year | - | - | - | - |
| | Change during the year | - | - | - | - |
| | At the end of the year | - | - | | |

* Retired w.e.f 30.09.2019
\# Appointed w.e.f 01.10.2019

**(vi) INDEBTEDNESS**

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

(Rs. In Lakhs)

| | Secured loans excluding deposits | Unsecured loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year | | | | |
| 1)Principal | 719.94 | - | - | 719.94 |
| 2)Interest due but not paid | - | - | - | - |
| 3)Interest accrued but not due | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| • Addition | - | - | - | - |
| • Reduction | (179.02) | - | - | (179.02) |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | | | | |
| 1)Principal | 540.92 | - | - | 540.92 |
| 2)Interest due but not paid | - | - | - | - |
| 3)Interest accrued but not due | - | - | - | - |
| Total (1+2+3) | 540.92 | - | - | 540.92 |

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

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

(Rs. In Lakhs)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | Total Amount |
|---|---|---|---|---|---|
| | | Mr. Saleem I. Shervani Managing Director | Mr. Tahir Hasan Whole-time Director & CFO | Mr. Sadiq Husain Siddiqui Whole-time Director | |
| 1 | Gross Salary (Rs in lac) | | | | |
| | a) Salary as per provisions of sec. 17(1) of Income Tax Act, 1961 | 12.00 | 3.00 | 3.81 | 18.81 |
| | b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 | 0.40 | - | 0.20 | 0.60 |
| | c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission<br>-- as % of Profit<br>-- others specify | - | - | - | - |
| 5 | Others, please specify<br>Fees for attending Board Meeting | 0.75 | 1.00 | 0.50 | 2.25 |
| | Total | 13.15 | 4.00 | 4.51 | 21.66 |

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

(Rs. In Lakhs)

| Sr. No. | Particulars of Remuneration | Name of Director | | | | Total Amount |
|---|---|---|---|---|---|---|
| 1 | Independent Director | Dr. A. P. Singh | Mr. G. S. Chaturvedi | Mr. M. A. Sayeed | Mrs. Shefali Bansal | |
| | Fee attending Board/ Committee Meeting | 0.75 | 1.00 | 1.00 | 0.50 | 3.25 |
| | Commission | - | - | - | - | - |
| | Other (Specify) | - | - | - | - | - |
| | Total (B1) | 0.75 | 1.00 | 1.00 | 0.50 | 3.25 |

| | | | | | |
|---|---|---|---|---|---|
| 2 | Other Non-Executive Director | Mr. A N Shervani | Mr. S M Shervani | Mr. Raju Verghese | |
| | Fee attending Board/ Committee Meeting | 0.25 | 0.25 | 0.25 | 0.75 |
| | Commission | - | - | - | - |
| | Other (Specify) | - | - | - | - |
| | Total (B2) | 0.25 | 0.25 | 0.25 | 0.75 |
| | Total Sitting Fees (B1+B2) = Rs. 4.00 | | | | |

| | | |
|---|---|---|
| | Total Managerial Remuneration** | Rs. 19.41 |

*** Sitting fees is not included in total managerial remuneration.*

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

(Rs. In Lakhs)

| Sr. No. | Particulars of Remuneration | Company Secretary |
|---|---|---|
| 1 | Gross Salary (Rs in lac) | |
| | a) Salary as per provisions of sec. 17(1) of Income Tax Act, 1961 | 2.11 |
| | b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 | - |
| | c) Profits in lieu of Salary u/s 17(3) of Income Tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission<br>-- as % of Profit (1%)<br>-- others specify | - |
| 5 | Others, please specify | - |
| | Total | 2.11 |

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

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

**Annexure B**

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY ( CSR)**
**ACTIVITIES FOR THE FINANCIAL YEAR 2019-2020**

1. The Board has formed a Committee to oversee the Corporate Social Responsibility (CSR) activities and the Members are following :
   a. Mr. Mohammad Aslam Sayeed — Chairman
   b. Mr. Saleem Iqbal Shervani — Member
   c. Mr. Tahir Hasan — Member
2. Role and responsibilities of CSR Committee
   (a) To formulate and recommend a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
   (b) To recommend the amount of expenditure to be incurred
   (c) To monitor the Corporate Social Responsibility Policy of the company from time to time.
3. Areas preferred for CSR activities are as under;
   - Promotion of Education
   - Promoting gender equality and empowering women
   - Eradicating extreme hunger and poverty,
   - Reducing child mortality and improving maternal health,
   - Measures for the benefit of armed forces veterans, war widows and their dependents
   - Ensuring environmental sustainability,
   - Social business projects,
   - Contribution to PM Relief Fund.
   - Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
   - Rural development projects,
   - Slum area development
4. The average net profit of the Company for the last three years is Rs. 2376 Lakh. Accordingly Company is liable to spent @ 2% of average net profit i.e. Rs. 47.52 Lakh.
5. Fund allocated, as per section 135 of the Companies Act, 2013, for the purpose of CSR activities is Rs. 48 Lakh for the financial year 2019-20.
6. The funds allocated for CSR during the year 2019-20 were spent on civil work for creating facilities and classroom for student of M.R. Shervani Inter College, which is a Govt. of Uttar Pradesh aided institution/college.
7. CSR Policy is available on the Company's website i.e. www.shervaniind.com
8. That implementation and monitoring of CSR policy is in accordance with the CSR objectives and policy of the Company.

| | | |
|---|---|---|
| Saleem I. Shervani<br>Member<br>CSR Committee | Mohd. Aslam Sayeed<br>Chairman<br>CSR Committee | S. K. Shukla<br>Secretary<br>CSR Committee |

**Form No. MR-3** **Annexure - C**

**SECRETARIAL AUDIT REPORT**

**For the Financial Year ended 31st March 2020**

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

To,
The Members,
Shervani Industrial Syndicate Limited
Shervani Nagar,
Sulem Sarai Harwara,
Prayagraj- 211015 UP

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

Based on our verification of Shervani Industrial Syndicate Limited books, papers, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020 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 2020 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);
(179.03)
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable to the Company during the Audit Period.
   d. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; Not Applicable to the Company during the Audit Period.
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable to the Company during the Audit Period.
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable to the Company during the Audit Period and
   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
vi. The Company has also complied with various provisions of Labour Laws, Environment Laws and other related laws to the extent applicable to the Company.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.
ii. The provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

For Siddiqui & Associates
Company Secretaries

K.O.SIDDIQUI
FCS 2229 : CP 1284
UDIN - F002229B000544672

Place : New Delhi
Date : July 31, 2020

Annexure - D

## Form AOC-1

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

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

### Part "A" : Subsidiaries

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

Name of Subsidiary - Farco Foods Private Limited

| | | |
|---|---|---|
| Reporting Currency | : | INR |
| Share Capital | : | 90.00 |
| Reserves and Surplus | : | (277.40) |
| Total Assets | : | 570.60 |
| Total Liabilities | : | 757.99 |
| Investments | : | NIL |
| Turnover / Total Income | : | 506.66 |
| Profit Before Tax | : | 42.59 |
| Provision for Tax | : | 11.07 |
| Profit after Tax | : | 31.52 |
| Proposed Dividend | : | NIL |
| % of Shareholding | : | 100% |

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

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

| Sr. No. | Name of Associate | Shares of associates held by the company at the end of the year | | | | | Profit/Loss for the year | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Latest audited balance sheet date | No. of Shares | Amount of investment in Associate (Rs. In Lakhs) | Extent of Holding % | Net worth attributable to shareholding as per latest Balance Sheet (Rs. In Lakhs) | Considered in consolidation (Rs. In Lakhs) | Not considered in consolidation | Description of how there is significant influence | Reason why associate is not considered |
| 1. | Star Hotels Limited | 31.03.2019 | 2265750 | 881.43 | 35.40% | - | *Please refer footnote | Nil | 35.40% Shares Held | *Please refer footnote |
| 2. | Youngtronics India Private Limited | 31.03.2020 | 85000 | 8.50 | 46.33% | (36.18) | 0.05 | Nil | 46.33% Shares Held | - |

* Due to severe Corona Pandemic situation in New Delhi and disruptions caused by lock down imposed by Government of India on account of COVID-19, the financial statement of Star Hotels Limited could not be prepared and therefore not provided to compile the company's share of profit/loss in consolidated financial statements.

Annexure - E

DETAILS PERTAINING TO REMUNERATION

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

(1) The percentage increase in remuneration of each Director, Chief Financial Officer and (KMP) during the Financial Year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 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 2019-20 (Rs. in Lakh) | % increase in remuneration in the financial year 2019-20 | Ratio of remuneration of each Director/KMP to median remuneration of employee | Comparison of the remuneration of the KMP against the performance of the company |
|---|---|---|---|---|---|
| 1. | Mr Saleem I. Shervani Managing Director | 12.00 | Nil | 2.60 | Please refer sub-clause (5) of this annexure |
| 2. | Mr Tahir Hasan Whole Time Director & Chief Financial Officer | 3.00 | Nil | 0.65 | |
| 3. | Mr Sadiq Husain Siddiqui Whole Time Director# | 3.81 | NA | 0.83 | |
| 4. | Mr S. K. Shukla Company Secretary | 2.11 | 12.83 | 0.46 | |

# Appointed w.e.f. 01.10.2019

*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. 4.61 lacs p.a.

(3) In the financial year there was an increase of 14.96 % in the median remuneration of employees.

(4) There were 24 no. of permanent employees on the rolls of the company as on 31st March, 2020.

(5) Relationship between average increase in remuneration and company performance: While increase in the remuneration consideration was given to cost of living and inflation.

(6) (a) Employed throughout the year and were in receipt of remuneration at the rate of not less than Rs. 60,00,000 p.a. : NIL

(b) Employed for a part of the year and were in receipt of remuneration at the rate of not less than Rs. 5,00,000 p.m. : NIL

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

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

## 1. COMPANY'S PHILOSOPHY

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

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company. The Company has complied with the requirements of Corporate Governance as laid down under the LODR Regulations, 2015.

## 2. BOARD OF DIRECTORS

### 2.1 Composition as on 31.03.2020

The Board comprises Independent Non-Executive Chairman, Managing Director, Two Whole Time Directors and Six Non-Executive Directors, out of which Five are independent including one Woman Director. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board. The composition of the Board as on 31st March 2020 is as under;

| Category | No. of Director |
|---|---|
| Non-Executive Directors | 3 |
| Independent Directors | 4 |
| Non-Independent & Executive Directors | 3 |
| Total | 10 |

### 2.2 Profile of Directors

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

Dr. A.P. Singh is a Medical Practitioner by profession. He is a post graduate and his field of expertise is General Medicine. He is widely acclaimed for his professional work. He is also associated with many cultural activities. He joined the Board of the Company in August 2012 and was reappointed in current term as Independent Director on 30.09.2019 and his tenure will expire upon conclusion of 76th Annual General Meeting.

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

Mr. Saleem Iqbal Shervani is well known personality in industrial and political circles. He is an industrialist by profession. He is a graduate in Economics (Gold Medalist). He has been Member of Lok Sabha several times from Budaun Parliamentary constituency of Uttar Pradesh. He has also been Member of Union Cabinet holding charge of Ministry of Health and Family Planning and as State Minister in Ministry of External Affairs and also been a Member of several Parliamentary Committees. He has also been honoured with Indira Gandhi Unity Award for his services, achievements, and contribution to society. He is on the Board of subsidiary company and other companies. He was reappointed in current term as Managing Director on 29.09.2018 for a period of five years.

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

Mr. Tahir Hasan is a graduate in Engineering and Management. He has a vast managerial experience. He specialises in Product Marketing. He is associated with cricketing activities at state level. He is also on the Board of several other companies. He was re-appointed in current term as Whole-time Director and Chief Financial Officer of the Company on 30.09.2019 for a period of three years, liable to retire by rotation.

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

Mr Azher Nisar Shervani is a graduate in Commerce. He has a vast experience of different type of industries. He is also on the Board of other companies. He joined the Board in October 2000 and was re-appointed in current term on 30.09.2019, liable to retire by rotation.

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

Mr. Saeed Mustafa Shervani is a graduate with specialisation in Hotel Management. He has a vast experience of managing hotel business across several cities. He is Director of the Hotel and Restaurant Association of Northern India. He joined the Board in January 1986 and was re-appointed in current term on 29.09.2018, liable to retire by rotation.

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

Mr. Gopal Swarup Chaturvedi is a law graduate. He is a designated Senior Advocate practicing in Hon'ble High Court of Judicature at Prayagraj (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 30.09.2019 and his tenure will expire upon conclusion of 76th Annual General Meeting.

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

Mr. Mohd. Aslam Sayeed is graduate in law. He is a prominent businessman of Prayagraj dealing in timber and furniture. He joined the Board in August 2013 and was reappointed as Independent Director in current term on 30.09.2019 and his tenure will expire upon conclusion of 76th Annual General Meeting.

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

Mr. Raju Verghese Is a graduate. He superannuated from the company after more than 35 years of service. He was General Manager in charge of Finance, Indirect and Direct taxes, and Company Law matters. He specialises in Indirect Taxes-Excise law matters. He joined the Board in January 2007 and was reappointed in current term on 30.09.2019, liable to retire by rotation.

**(ix) Mrs. Shefali Bansal (Independent, Non-Executive) DIN: 07090579***

Mrs. Shefali Bansal is a graduate. She is associated with wide range of cultural activities having considerable exposure to public life. She joined the Board pursuant to provisions of section 149 and 152 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification) Rules, 2014 and Clause 49 of the Listing Agreement. She joined the Board in February 2015 and re-appointed in current term on 30.09.2019 as a Woman Independent Director for five years.

* Resigned on 31.07.2020 due to personal reasons.

**(x) Mr. Sadiq Husain Siddiqui (Whole-time Director, Non-Independent) DIN: 02125236**

Mr Sadiq Husain Siddiqui is a Post graduate. He has a vast experience in Legal, Defence and Public relation. He is associated with the Company since 1974 and served the Organisation at various positions. He was appointed as Whole-time Director designated as Director (Corporate Affairs) of the Company on 30.09.2019 for a period of three years and his term has been effective from 01.10.2019.

**2.3 Appointment / Re-appointment of Director**

1- Mr. Tahir Hasan (DIN-00074282) and Mr. Saeed Mustafa Shervani (DIN-00024390) Directors were re-appointed on the basis of rotation in accordance with Memorandum & Articles of Association.

2- The Board has recommended the confirmation of appointment of Additional Director Ms. Aradhika Chopra (DIN: 08778574) as Woman Independent Director of the Company for a period of five years w.e.f. 30.09.2020 not liable to retire by rotation, subject to approval by shareholders of the Company by an Ordinary Resolution in the ensuing Annual General Meeting.

Ms. Aradhika Chopra (DIN: 08778574), on the recommendation of Nomination & Remuneration Committee was appointed as an Additional Director of the Company with effect from July 31, 2020 by the Board in accordance with Article of the Association and relevant section of the Companies Act, 2013. As per section 161 of the Companies Act, 2013, Ms. Aradhika Chopra (DIN: 08778574) shall hold office upto the date of ensuing Annual General Meeting.

**2.4 Director's resigned during the year**

None of the Director's resigned during the year except Mr. Kush Bhargava, who has requested the board not to appoint him for another term as Independent Director of the Company.

### 2.5 Board Meetings

During the Financial Year ended on 31st March, 2020, Four Board Meetings were held on 27th May 2019, 10th August 2019, 9th November 2019 and 8th February, 2020. The details of Directors' attendance at Board Meeting, Annual General Meeting, and details of their interest association or membership in other Companies and Committee(s) as on 31st March, 2020 is given below:

| Name of Director | Designation | Category | Attendance at | | No. of outside director-ship* | No. of other Board Committees | | Relationship | No. of shares |
|---|---|---|---|---|---|---|---|---|---|
| | | | Board Meeting | AGM | | Member | Chairman | | |
| Dr A P Singh | Chairman | Independent Non-Executive | 3 | X | Nil | Nil | Nil | - | 500 |
| Mr S. I. Shervani | Managing Director | Executive | 3 | Yes | 1 | Nil | Nil | Brother of Mr A. N. Shervani & Mr. S. M. Shervani | 384980 |
| Mr Tahir Hasan | Whole Time Director & CFO | Executive | 4 | Yes | 3 | Nil | Nil | - | 13615 |
| Mr A. N. Shervani | Director | Non-Executive | 1 | X | 1 | Nil | Nil | Brother of Mr S. I. Shervani & Mr. S. M. Shervani | 101687 |
| Mr S. M. Shervani | Director | Non-Executive | 1 | X | 1 | Nil | Nil | Brother of Mr S. I. Shervani & Mr. A. N. Shervani | 131386 |
| Mr Raju Verghese | Director | Independent Non-Executive | 1 | X | 1 | Nil | Nil | - | 540 |
| Mr Kush Bhargava ** | Director | Independent Non-Executive | x | X | Nil | Nil | Nil | - | 850 |
| Mr. G. S. Chaturved | Director | Independent Non-Executive | 4 | Yes | Nil | Nil | Nil | - | 800 |
| Mr. Mohd. Aslam Sayeed | Director | Independent Non-Executive | 4 | Yes | Nil | Nil | Nil | - | 0 |
| Mrs Shefali Bansal | Director | Independent Non-Executive | 2 | X | Nil | Nil | Nil | - | 0 |
| Mr. Sadiq # Husain Siddiqui | Director (C.A.) | Executive | 2 | NA# | 1 | Nil | Nil | - | 0 |

*This excludes directorship held in Private Companies
**Mr. Kush Bhargava has resigned from the Board.
#Mr. Sadiq Husain Siddiqui was appointed on the Board from 01.10.2019
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 8th February, 2020 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. Price sensitive information is provided before the start of meeting with the consent of Chairman.

**Invitees & Proceedings**

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

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

### 2.6 Other Directorship

The details of other directorships held by the Directors on the Board of other Companies are provided in the table given above at sr. no. 2.5.

### 2.7 Familiarization Programme of the Independent Directors'

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

**3. AUDIT COMMITTEE**

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

**Terms of Reference**

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

The Committee Meetings were convened on 27th May 2019, 10th August 2019, 09th November 2019 and 08th February, 2020.

**4. NOMINATION & REMUNERATION COMMITTEE**

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

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

The Committee Meetings were convened on 27th May 2019 and 10th August 2019.

**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**

In compliance of Ind AS-24 transactions with related parties and Non Executive Directors have been furnished under Note No. 35 of Notes to the Accounts of the Financial Statements.

**REMUNERATION TO EXECUTIVE DIRECTORS**

(Rs. In Lakhs)

| Sl. No. | Name and Designation | Salary | Perquisites | Contribution to PF & other funds | Commission | Total | Sitting Fee | Total |
|---|---|---|---|---|---|---|---|---|
| 1. | Mr. S I Shervani Managing Director | 12.00 | 0.40 | 1.44 | | 13.84 | 0.75 | 14.59 |
| 2. | Mr. T Hasan Whole Time Director & CFO | 3.00 | - | - | | 3.00 | 1.00 | 4.00 |
| 3. | Mr. Sadiq Husain* Siddiqui Director (C.A.) | 3.81 | 0.20 | | | 4.01 | 0.50 | 4.51 |

* Appointed on board w.e.f. 01.10.2019

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

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

(Rs. In Lakhs)

| S.No. | Name | Category | Sitting Fees | Commission | Total | No. of Shares |
|---|---|---|---|---|---|---|
| 1. | Dr. A. P. Singh | Independent | 0.75 | Nil | 0.75 | 500 |
| 2. | Mr. G. S. Chaturvedi | Independent | 1.00 | Nil | 1.00 | 800 |
| 3. | Mr. Kush Bhargava | Independent | Nil | Nil | Nil | 850 |
| 4. | Mr. M. A. Sayeed | Independent | 1.00 | Nil | 1.00 | Nil |
| 5. | Mr. R. Verghese | Non - Executive | 0.25 | Nil | 0.25 | 540 |
| 6. | Mr. A. N. Shervani | Non-Executive | 0.25 | Nil | 0.25 | 101687 |
| 7. | Mr. S. M. Shervani | Non-Executive | 0.25 | Nil | 0.25 | 131386 |
| 8. | Mrs. Shefali Bansal | Non-Executive | 0. 50 | Nil | 0.50 | 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. Company Secretary is the Compliance Officer for the redressal of investor grievances and also acts as the Secretary to the Committee.

During the year under review few cases of non-receipt of dividend, share certificates were reported and the same were addressed to the satisfaction of Members.

The Committee Meetings were convened on 23rd April 2019, 27th May 2019, 26th June,.2019, 12th July, 2019, 30th July,.2019, 13th August 2019, 29th August, 2019 14th September, 2019, 28th September, 2019, 12th October 2019, 30th October, 2019, 13th November 2019, 29th November, 2019, 14th December, 2019, 30th December, 2019, 13th January, 2020, 27th January, 2020, 12th February 2020, 28th February, 2020, 8th March, 2020 & 20th March 2020.

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

a. Mr Mohammad Aslam Sayeed — Chairman — Independent Non-Executive

b. Mr Saleem Iqbal Shervani — Member — Executive

c. Mr Tahir Hasan — Member — Executive

During the year, CSR committee meeting was held on 27th May,2019, 10th August 2019, 9th November 2019, 07th January 2020, 8th February, 2020, & 21st March, 2020. As prescribed in section 135(5) of the Companies Act, 2013, a budget of Rs 48 lacs was allocated for purpose of CSR and a report on the activities during the current year is attached as Annexure to the Report of Directors to the Shareholders.

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

**8. GENERAL BODY MEETINGS**

**(1) Annual General Meetings**

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

| Financial Year | Date and Time | Venue | Special Resolutions Passed |
|---|---|---|---|
| 2016-17 (69th AGM) | 28th Sept., 2017 At 11.30 a.m. | 2, New Cantonment, Kanpur Road, Prayagraj (Allahabad) | No Special Resolution was passed |
| 2017-18 (70th AGM) | 29th Sept, 2018 At 11.30 a.m. | 2, New Cantonment, Kanpur Road, Prayagraj (Allahabad) | Re-appointment of Mr. Saleem Iqbal Shervani,Managing Director of the Company |
| 2018-19 (71st AGM) | 30th Sept, 2019 At 11.30 a.m. | 2, New Cantonment, Kanpur Road, Prayagraj (Allahabad) | Re-appointment of Mr. Tahir Hasan Whole-time Director of the Company<br>Re-appointment of Dr. Ashutosh Pratap Singh as Independent Director of Company<br>Re-appointment of Mr. Gopal Swarup Chaturvedi as Independent Director of Company<br>Re-appointment of Mr. Mohd. Aslam Sayeed as Independent Director of Company<br>Re-appointment of Mrs. Shefali Bansal as Independent Director of Company<br>Appointment of Mr. Sadiq Husain Siddiqui as Whole Time Director of Company |

**(2) Extra Ordinary General Meeting**

No Extra Ordinary General Meetings was held during the year.

**(3) Special Resolutions** As stated above.

**9. DISCLOSURES**

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

(ii) There was no default in compliance by the Company on any matter related to capital market. No stricture or penalty has been imposed on the Company by Stock Exchange or SEBI or any other statutory authority on any matter during the year.

(iii) The Company had established a vigil mechanism for directors and employees to report concerns about unethical behaviour, fraud or violation of the Company's code of conduct or policy. This mechanism also provides for adequate safeguards against victimisation of director(s)/ employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee.

(iv) The Company has obtained the CEO/CFO certificate on the financial results and placed the same before the Board.

(v) In preparation of financial statements, the Company has followed the Indian 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 (RTA) while obtaining the services from them. Furnishing of KYC data to the RTA is in the interest of Shareholder.

**10. Code of Conduct**

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

**11. Means of Communication**

(a) Quarterly, half yearly and annual audited results are published in Aaj (Hindi) & Financial Express immediately after they are approved by the Board. Simultaneously they are posted at Company' website and Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by BSE.

(b) Management Discussion and Analysis forms part of Annual Report.

**12. General Shareholders Information**

Annual General Meeting

| | | |
|---|---|---|
| Day, Date and time | : | Wednesday, 30th September 2020 at 11.30 AM |
| Venue | : | 2, New Cantonment, Kanpur Road, Prayagraj (U.P.)-211 001 |

**Financial Calendar**

| | | |
|---|---|---|
| Financial reporting for the Current Financial year | : | April – March |
| 1st Quarter ending June 30, 2020 | : | On or before 15th September 2020 |
| 2nd Quarter ending September 30, 2020 | : | On or before 14th November 2020 |
| 3rd Quarter ending December 31, 2020 | : | On or before 14th February 2021 |
| 4th Quarter ending March 31, 2021 | : | On or before 30th May 2021 |

**Listing on Stock Exchange**

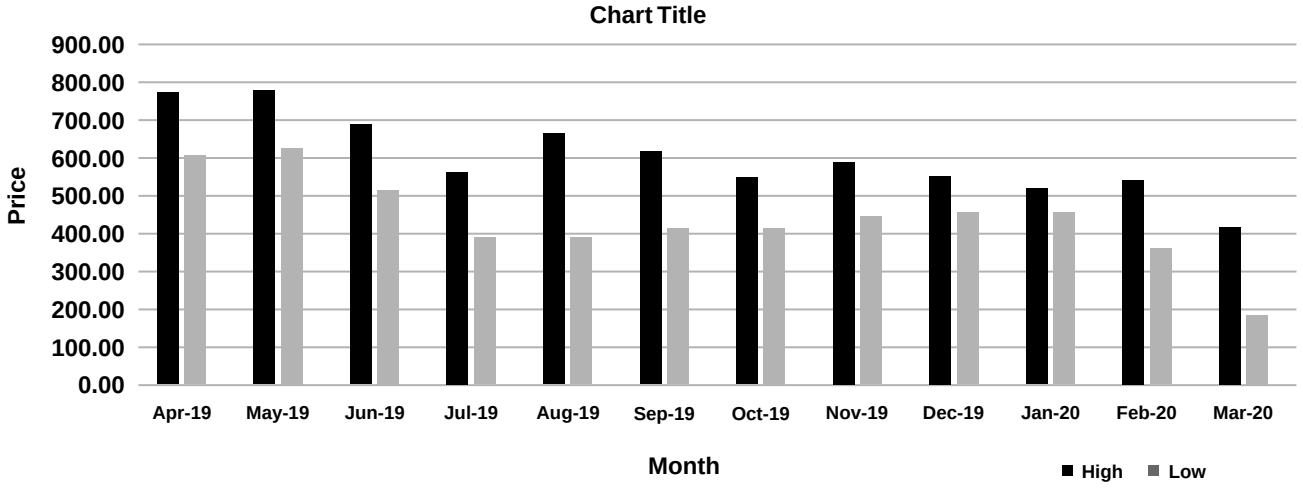
Company's Equity Shares are listed on The BSE Ltd. (BSE), Mumbai. The Scrip code in BSE 526117 and ISIN is INE011D01013.

**13. Listing Fee**

The Company has paid Listing Fee for the Financial Year 2020-21 to BSE Limited, Mumbai

**Market Price Data for the Financial Year 2019-2020 on BSE**

| | Apr. | May | June | July | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | March |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **High** | 774.50 | 779.00 | 689.00 | 563.95 | 663.00 | 618.90 | 550.00 | 589.95 | 554.05 | 518.00 | 543.80 | 419.00 |
| **Low** | 606.00 | 626.10 | 516.00 | 390.00 | 391.00 | 413.00 | 415.15 | 446.00 | 456.50 | 456.00 | 361.10 | 186.10 |




**REGISTRAR & TRANSFER AGENT** : Link Intime India Pvt Limited
C-101, 247 Park,
L.B.S. Marg, Vikhroli (West)
Mumbai-400 083

**Share Transfer System**

The Company has appointed M/s Link Intime India Private Limited, Mumbai as Registrar for Demat as well as for physical segment of shareholders which provides all related services within the period prescribed under law and the Listing Agreements with the Stock Exchange.

**Shareholding Pattern and Distribution of Shares as on 31st March 2020**

| Shareholding Pattern | | | Distribution of Shareholding | | |
|---|---|---|---|---|---|
| **Category** | **No. of Shares** | **%** | **No. of Shares** | **No. of Shareholders** | **Shares** |
| Promoters, Directors & Relatives | 1623720 | 60.12 | 1-500 | 1886 | 130502 |
| Investor Education & Protection Fund | 60560 | 2.24 | 501-1000 | 83 | 61410 |
| Bodies Corporate | 404258 | 14.97 | 1001-2000 | 45 | 65468 |
| Public | 560669 | 20.76 | 2001-3000 | 14 | 33053 |
| HUF | 48389 | 1.79 | 3001-4000 | 11 | 38674 |
| NRI | 3422 | 0.12 | 4001-5000 | 11 | 51007 |
| | | | 5001-10000 | 15 | 109009 |
| | | | 10001 and above | 34 | 2211895 |
| Total | 2701018 | 100.00 | | 2099 | 2701018 |

**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, 2020 about 95.60 % of the shares of the Company are dematerialised.

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

## CERTIFICATE ON CORPORATE GOVERNANCE

### Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### TO THE MEMBERS OF SHERVANI INDUSTRIAL SYNDICATE LIMITED PRAYAGRAJ

We have examined the compliance of conditions of Corporate Governance by SHERVANI INDUSTRIAL SYNDICATE LIMITED (“the Company”) for the year ended 31st March 2020 as referred to in Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (“Listing Regulations”).

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

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

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

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

Rajendra Gupta
(Partner)
Membership Number : 073250
UDIN - 20073250AAAABH8148

Place : Kanpur
Date : July 31, 2020

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

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

**Opinion**

We have audited the standalone financial statements of SHERVANI INDUSTRIAL SYNDICATE LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements , including a summary of significant accounting policies and other explanatory information .

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act , read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ,("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the profit, Total Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

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

i. There were no pending litigations which would impact the financial position of the company.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As required by the Companies (Auditor's Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

Rajendra Gupta
(Partner)
Membership Number: 073250
UDIN - 20073250AAAABD3447

Place : Kanpur
Date : July 31, 2020

**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, 2020, we report that:**

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

ii. In respect of its Inventories:
   As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and discrepancies noticed on verification between physical stocks and the book records were not material.

iii. In respect of loans, secured or unsecured, granted by the Company to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013, according to the information and explanations given to us :
   (a) The Company had granted Unsecured Loan to a wholly owned subsidiary Company. The terms and conditions of such loan are not prejudicial to the interest of the company.
   (b) There are no stipulations for the repayment of loan.
   ( c) There is no overdue amount of loan.

iv. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. In our opinion and according to information and explanations given to us, the company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act , 2013 . Therefore, the provisions of paragraph (v) of the Companies (Auditor's Report) order, 2016, are not applicable to the company.

vi. We have broadly reviewed the books of account maintained by the company, pursuant to the rules made by the Central Government, for maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima-facie the prescribed accounts and records have been maintained.

vii. According to the information and explanations given to us, in respect of statutory and other dues:
   (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom , duty of excise, value added tax , cess and any other statutory dues applicable to it.
   According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom , duty of excise, value added tax , cess and other statutory dues were in arrear as at 31st March, 2020 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 give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of paragraph 3(xii) of the Companies (Auditor's Report ) order, 2016,are not applicable to the company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transaction with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and on our examination of the records of the Company, the Company has not entered in to non cash transactions with directors or person connected with them. Accordingly provisions of paragraph 3(xv) of the Companies (Auditor's Report ) order, 2016,are not applicable to the company.

xvi. The Company is not required to be registered under section 45 –IA of the Reserve Bank of India Act 1934.

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

Rajendra Gupta
(Partner)
Membership Number: 073250
UDIN - 20073250AAAABD3447

Place : Kanpur
Date : July 31, 2020

**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 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Rajendra Gupta
(Partner)
Membership Number: 073250
UDIN - 20073250AAAABD3447

Place : Kanpur
Date : July 31, 2020

| | Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 2 | 788.92 | 863.23 |
| Financial Assets | | | |
| Investments | 3 | 962.98 | 962.98 |
| Other Financial Assets | 4 | 109.72 | 109.31 |
| Deferred Tax Asset (Net) | 5 | - | 3.21 |
| Total Non Current Assets | | 1,861.62 | 1,938.73 |
| Current Assets | | | |
| Inventories | 6 | 13,060.60 | 15,206.26 |
| Financial Assets | | | |
| Investments | 7 | 237.94 | 1,110.87 |
| Trade Receivables | 8 | 35.34 | 235.24 |
| Cash and Cash Equivalents | 9 | 109.10 | 1,055.45 |
| Other Bank Balances | 10 | 1,042.82 | 2,719.82 |
| Loans | 11 | 489.73 | 489.73 |
| Other Financial Assets | 12 | 9.66 | 47.29 |
| Other Current Assets | 13 | 102.27 | 300.21 |
| Total Current Assets | | 15,087.46 | 21,164.87 |
| TOTAL ASEETS | | 16,949.08 | 23,103.60 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 14 | 272.10 | 313.60 |
| Other Equity | 15 | 13,087.08 | 15,059.59 |
| Total Equity | | 13,359.18 | 15,373.19 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 16 | 106.18 | 123.47 |
| Provisions | 17 | 14.76 | 12.10 |
| Deferred Tax Laibility (Net) | 5 | 59.13 | - |
| Total Non Current liability | | 180.07 | 135.57 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 18 | 377.27 | 543.77 |
| Trade Payables | 19 | 87.56 | 166.67 |
| Other Financial Liabilities | 20 | 156.39 | 158.80 |
| Other Current Liabilities | 21 | 2,267.61 | 6,279.22 |
| Provisions | 22 | 0.14 | 0.18 |
| Current Tax Liability (Net) | | 520.86 | 446.20 |
| Total Current Liability | | 3,409.83 | 7,594.84 |
| TOTAL EQUITY AND LIABILITY | | 16,949.08 | 23,103.60 |
| Significant Accounting Policies & Notes to Financial Statements | 1-42 | | |

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

| Rajendra Gupta | S.K. Shukla | Tahir Hasan | Mohd. Aslam Sayeed | Saleem I. Shervani |
|---|---|---|---|---|
| Partner | Company Secretary | Whole Time Director & Chief Financial Officer DIN: 00074282 | Director DIN: 06652348 | Managing Director DIN: 00023909 |

Place : Prayagraj
Date : July 31, 2020

# STATEMENT OF PROFIT & LOSS

| PARTICULARS | Note No. | Year Ended March 31, 2020 | Year Ended March 31, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| REVENUE FROM OPERATIONS | | | |
| Revenue from Operations | 23 | 8,736.50 | 7,307.97 |
| Other Income | 24 | 122.23 | 326.35 |
| TOTAL INCOME | | 8,858.73 | 7,634.32 |
| EXPENSES | | | |
| Cost of Construction and Development Expenses | 25 | 3,451.80 | 2,951.31 |
| Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress | 26 | 2,145.66 | (452.35) |
| Employee Benefits Expense | 27 | 158.92 | 202.25 |
| Finance Costs | | 29.06 | 19.74 |
| Depreciation and Amortisation Expense | | 60.99 | 54.95 |
| Other Expenses | 28 | 534.72 | 369.41 |
| TOTAL EXPENSES | | 6,381.15 | 3,145.31 |
| PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS | | 2,477.58 | 4,489.01 |
| Exceptional items | 29 | - | (331.07) |
| PROFIT BEFORE TAX | | 2,477.58 | 4,157.94 |
| Tax Expense | | | |
| Current tax | | 433.00 | 690.00 |
| Deferred Tax | | 2.71 | 53.96 |
| Tax Adjustment of Earlier Years | | 80.67 | 83.29 |
| PROFIT FOR THE YEAR | | 1961.20 | 3,330.69 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified to Profit or Loss | | | |
| Fair Value change on Equity Instrument through other comprehensive Income(Net of Tax) | | (45.52) | 11.65 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 1,915.68 | 3,342.34 |
| Earnings per equity share (face value of Rs. 10/- each) | | | |
| Basic and Diluted | 31 | 70.17 | 106.21 |
| Significant Accounting Policies & Notes to Financial Statements | 1-42 | | |

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

| Rajendra Gupta | S.K. Shukla | Tahir Hasan | Mohd. Aslam Sayeed | Saleem I. Shervani |
|---|---|---|---|---|
| Partner | Company Secretary | Whole Time Director & Chief Financial Officer DIN: 00074282 | Director DIN: 06652348 | Managing Director DIN: 00023909 |

Place : Prayagraj
Date : July 31, 2020

Statement of changes in Equity for the year ended 31st March, 2020

(Rs. In Lakhs)

| Share Capital | Balance at the beginning of the reporting period | Changes in Equity Share Capital during the year | Balance at the end of the reporting period |
|---|---|---|---|
| For the year ended 31st March, 2019 | 313.60 | - | 313.60 |
| For the year ended 31st March, 2020 | 313.60 | (41.50) | 272.10 |

(Rs. In Lakhs)

| Reserve and Surplus | | | | | | | |
|---|---|---|---|---|---|---|---|
| Reserve | Capital Subsidy Reserve | General Reserve | Capital Redemption Reserve | Capital Reserve on Revaluation of Land | Retained Earnings | Other Comprehensive Income | Total |
| Balance as at 31st March, 2018 | 19.27 | 5,046.86 | 34.42 | 11,220.19 | 830.16 | 56.41 | 17,207.31 |
| Profit for the year | - | - | - | - | 3,330.69 | - | 3,330.69 |
| Movement in OCI During the Year | - | - | - | - | - | 11.65 | 11.65 |
| Reclassified to Profit/(Loss) on disposal | - | - | - | - | - | (45.39) | (45.39) |
| Transfer to Profit and Loss statement | - | - | - | (2,420.16) | - | - | (2,420.16) |
| Interim Dividend Paid | - | - | - | - | (2,508.82) | - | (2,508.82) |
| Tax on Dividend | - | - | - | - | (515.69) | - | (515.69) |
| Balance as at 31st March, 2019 | 19.27 | 5,046.86 | 34.42 | 8,800.03 | 1,136.34 | 22.67 | 15,059.59 |
| Profit for the year | - | - | - | - | 1,961.20 | - | 1,961.20 |
| Movement in OCI During the Year | - | - | - | - | - | (45.52) | (45.52) |
| Reclassified to Profit/(Loss) on disposal | - | - | - | - | - | (28.88) | (28.88) |
| Transfer to Profit and Loss statement | - | - | - | (1,825.81) | - | - | (1,825.81) |
| Transfer from General Reserve | - | - | 41.50 | - | - | - | 41.50 |
| Utilised for Buy Back of Equity Shares | - | (2,033.50) | - | - | - | - | (2,033.50) |
| Transfer to Capital Redemption Resrve | - | (41.50) | - | - | - | - | (41.50) |
| Balance as at 31st March, 2020 | 19.27 | 2,971.86 | 75.92 | 6,974.22 | 3,097.54 | (51.73) | 13,087.08 |

| | | 2019-2020 | | 2018-2019 |
|---|---|---|---|---|
| | | | | (Rs. In Lakhs) |
| A) CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit/(Loss) Before Tax | | 2,477.58 | | 4,157.94 |
| Adjustment For : | | | | |
| Exceptional Item (Investments written off) | - | | 331.07 | |
| Bad debts and sundry balances written off | 29.91 | | - | |
| Transfer from Capital reserve on revaluation of Land | (1,825.80) | | (2,420.16) | |
| Depreciation | 60.99 | | 54.95 | |
| Loss /(Profit) on sale of Assets | 10.10 | | 8.86 | |
| Interest Paid | 29.05 | | 19.74 | |
| Interest Received | (104.45) | | (161.02) | |
| Dividend Received | (0.32) | | (0.37) | |
| (Profit)/Loss on Sale of Investments | (11.12) | (1,811.65) | (122.10) | (2,289.03) |
| Operating Profit before Working Capital Changes | | 665.93 | | 1,868.91 |
| Adjustment For : | | | | |
| (Increase)/Decrease in Trade and other receivables | 427.55 | | (186.52) | |
| (Increase)/Decrease in Inventories | 2,145.66 | | (452.35) | |
| Increase/(Decrease) in Trade Payables | (4,095.27) | | 1,731.61 | |
| | | (1,522.06) | | 1,092.74 |
| Cash generated / (used) in operation | | (856.13) | | 2,961.65 |
| Add/(Deduct) For : | | | | |
| Direct tax (paid )/Refund of earlier years | (439.00) | | (480.73) | |
| Net Cash (used in)/from operating activities (Total – A) | | (1,295.13) | | 2,480.92 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | | (73.05) | | (166.38) |
| Sale of Fixed Assets | | 76.27 | | 15.85 |
| (Purchase)/Sale of Current Investments (Net of sale/ Purchase) | | 809.65 | | 79.21 |
| Movement in Fixed Deposits | | 1,673.00 | | 795.92 |
| Movement in Fixed Deposits | | 0.32 | | 0.37 |
| Interest received | | 142.08 | | 153.51 |
| Net Cash (used in)/from investing activities (Total - B ) | | 2,628.27 | | 878.48 |

| | 2019-2020 | 2018-2019 |
|---|---|---|
| | | (Rs. In Lakhs) |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Bought Back of Equity shares | (2,075.00) | - |
| Loans & Borrowings | (179.02) | 37.83 |
| Interest Paid | (29.05) | (19.74) |
| Change in Other Financial Asset | 3.58 | (98.60) |
| Dividend Paid | - | (2,508.81) |
| Tax on Dividend | - | (515.70) |
| Net Cash (used in)/from financing activities (Total – C) | (2,279.49) | (3,105.02) |
| Net Increase / (Decrease)in Cash and Cash Equivalents (A+B+C) | (946.35) | 254.38 |
| Add : Cash and Cash Equivalents | 1,055.45 | 801.07 |
| Closing Cash and Cash Equivalent | 109.10 | 1,055.45 |

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

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

| Rajendra Gupta | S.K. Shukla | Tahir Hasan | Mohd. Aslam Sayeed | Saleem I. Shervani |
|---|---|---|---|---|
| Partner | Company Secretary | Whole Time Director & Chief Financial Officer DIN: 00074282 | Director DIN: 06652348 | Managing Director DIN: 00023909 |

Place : Prayagraj
Date : July 31, 2020

## NOTES ON FINANCIAL STATEMENTS

### NOTE No. 1. SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

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

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

**1.1 Basis of preparation**

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

**1.2 Current and Non-Current Classification**

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

(a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

(b) it holds the asset primarily for the purpose of trading;

(c) it expects to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

An entity shall classify a liability as current when:

(a) it expects to settle the liability in its normal operating cycle;

(b) it holds the liability primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

**1.3 Revenue Recognition**

**1.3.1 Revenue from Sale of Real Estate**

The Company recognises revenue from contracts (Ind AS 115) with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

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

**1.3.2 Interest**

Interest income is recognised using the Effective Interest Method.

**1.3.3 Dividend**

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

**1.3.4 Other Claims**

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

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

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

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

(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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

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

**Subsequent Measurement**

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

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

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

**Depreciation**

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

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

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

**1.5 Financial Instruments**

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

**1.5.1 Financial assets**

**1.5.1 Initial recognition and measurement**

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, plus transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**1.5.2 Subsequent measurement**

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

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

**1.5.2.1 Equity investments in subsidiaries and associates**

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

**1.5.2.2 Other Equity Investment**

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

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

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

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

**1.5.3 Financial Liabilities**

**1.5.3.1 Initial recognition and measurement**

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

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

**1.5.4 Offsetting of financial instruments**

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

**1.6 Borrowing Costs**

Borrowing costs are expensed as incurred except where

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

**1.7 Taxation**

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

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

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

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

**1.8 Employee Benefits**

**(i) Short term employee benefits**

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

**(ii) Defined contribution plans**

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

**a) Provident fund**

**(iii) Defined benefit plans**

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

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

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

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

The company has following defined benefit plans:

**a) Gratuity**

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

**b) Leave Encashment**

Leave encashment is accounted for on payment basis.

**1.9 Inventories**

i) Inventories are valued as follows:

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

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

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

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

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

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

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

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

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

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

**1.11 Earnings per share**

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

**1.12 Judgements, Estimates and Assumptions**

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

**1.12.1 Judgements**

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

**1.12.1.1 Formulation of Accounting Policies**

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

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

a) relevant to the economic decision-making needs of users and

b) reliable in that financial statements:

   (i) represent faithfully the financial position, financial performance and cash flows of the entity;

   (ii) reflect the economic substance of transactions, other events and conditions, and not merely the legal form;

   (iii) are neutral, i.e. free from bias;

   (iv) are prudent; and

   (v) are complete in all material respects on a consistent basis.

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

(a) the requirements in Ind AS dealing with similar and related issues; and

(b) the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

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

**1.12.1.2 Materiality**

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

**1.12.2 Estimates and Assumptions**

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

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

**1.12.2.1 Impairment of non-financial assets**

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

**1.12.2.2 Taxes**

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

**1.12.2.3 Defined Benefit Plans**

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

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

**1.12.2.4 Fair value measurement of financial instruments**

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

**1.15 Abbreviation used:**

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

(Rs. In Lakhs)

Notes on Financial Statements for the year ended 31st March, 2020

2. PROPERTY, PLANT AND EQUIPMENT

GROSS BLOCK

| PARTICULARS | As at 1st April, 2018 | Additions | Deductions/ Adjustments | As at 31st March, 2019 | As at 1st April, 2019 | Additions | Deductions/ Adjustments | As at 31st March, 2020 |
|---|---|---|---|---|---|---|---|---|
| Freehold Land | 164.64 | - | - | 164.64 | 164.64 | - | - | 164.64 |
| Leasehold Land | 0.05 | - | - | 0.05 | 0.05 | - | - | 0.05 |
| Non-Factory Building | 371.66 | 86.08 | - | 457.74 | 457.74 | - | 86.08 | 371.66 |
| Plant And Equipments | 52.75 | 0.34 | - | 53.09 | 53.09 | 0.44 | - | 53.53 |
| Furniture And Fixture | 14.91 | - | - | 14.91 | 14.91 | 3.73 | - | 18.64 |
| Vehicles (Cars) | 373.38 | 78.22 | 42.99 | 408.62 | 408.62 | 68.65 | 19.40 | 457.87 |
| Office Equipments | 1.85 | - | - | 1.85 | 1.85 | - | - | 1.85 |
| Computers | 50.87 | 1.73 | - | 52.61 | 52.61 | 0.23 | - | 52.84 |
| | 1,030.12 | 166.38 | 42.99 | 1,153.51 | 1,153.51 | 73.06 | 105.48 | 1,121.09 |

DEPRECIATION AND AMORTIZATION

| PARTICULARS | Upto 1st April, 2018 | For The Year | Deductions | Upto 31st March, 2019 | Upto 1st April, 2019 | For The Year | Deductions | Upto 31st March, 2020 |
|---|---|---|---|---|---|---|---|---|
| Freehold Land | - | - | - | - | - | - | - | - |
| Leasehold Land | - | - | - | - | - | - | - | - |
| Non-Factory Building | 65.10 | 6.32 | - | 71.42 | 71.42 | 5.64 | 0.68 | 76.38 |
| Plant And Equipments | 31.97 | 2.87 | - | 34.84 | 34.84 | 2.23 | | 37.07 |
| Furniture And Fixture | 12.93 | 0.52 | - | 13.46 | 13.46 | 0.60 | | 14.06 |
| Vehicles (Cars) | 94.89 | 44.33 | 18.28 | 120.93 | 120.93 | 51.62 | 18.43 | 154.12 |
| Office Equipments | 0.62 | 0.35 | - | 0.97 | 0.97 | 0.28 | | 1.25 |
| Computers | 48.11 | 0.56 | - | 48.67 | 48.67 | 0.61 | | 49.28 |
| | 253.62 | 54.95 | 18.28 | 290.29 | 290.29 | 60.99 | 19.11 | 332.16 |

NET BLOCK

| PARTICULARS | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Freehold Land | 164.64 | 164.64 |
| Leasehold Land | 0.05 | 0.05 |
| Non-Factory Building | 295.28 | 386.32 |
| Plant And Equipments | 16.46 | 18.25 |
| Furniture And Fixture | 4.58 | 1.45 |
| Vehicles (Cars) | 303.75 | 287.69 |
| Office Equipments | 0.60 | 0.88 |
| Computers | 3.56 | 3.94 |
| | 788.92 | 863.23 |

| | | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| **3** | **Non Current Investments** | | |
| | **Investment in Equity Instrument (Unquoted)** | | |
| | **Investments Measured at Cost** | | |
| | **In Subsidiary Company** | | |
| | Farco Foods Private Limited | | |
| | (900000 equity shares of Rs. 10/- each) | 27.00 | 27.00 |
| | **Total (A)** | **27.00** | **27.00** |
| | **In Associate Companies** | | |
| | Star Hotels Limited | 881.43 | 881.43 |
| | (2265750 equity shares of Rs. 10/- each) | | |
| | Youngtronics India Private limited | 8.50 | 8.50 |
| | (85000 equity shares of Rs. 10/- each) | | |
| | 460000, 6% Non-Cumulative Redeemable Preference | | |
| | Shares of Rs. 10/- each of Youngtronics India Pvt. Ltd. | 46.00 | 46.00 |
| | **Total (B)** | **935.93** | **935.93** |
| | **Other Investment** | | |
| | **Investment at cost** | | |
| | **Investment in equity instruments (Unquoted)** | | |
| | 500 shares of Super Bajar Comparative Stores Ltd. | | |
| | of Rs. 10/- each | 0.05 | 0.05 |
| | **Total (C)** | **0.05** | **0.05** |
| | **Total (A+B+C)** | **962.98** | **962.98** |
| | Aggregate value of Unquoted investment | 962.98 | 962.98 |
| | Amount of Investment measured at Cost | 962.98 | 962.98 |
| **4** | **Other Financial Assets** | | |
| | Earmarked Balance with Banks | 98.86 | 102.45 |
| | Fixed deposits | 10.86 | 6.86 |
| | **Total** | **109.72** | **109.31** |
| **5** | **Deferred Tax Asset/(Liability) (Net)** | | |
| | Deferred Tax Liabilities | | |
| | Related to property plant and equipment | 59.13 | (56.42) |
| | Deferred Tax Assets | | |
| | Mat Credit entitlement | - | 59.63 |
| | **Total** | **59.13** | **3.21** |
| **6** | **Inventories** | | |
| | Work In Progress (Real Estate) | 5,924.23 | 6,214.91 |
| | Finished Goods | - | 3.21 |
| | Stock-in-trade (Land and expenses thereon) | 7,136.37 | 8,988.14 |
| | **Total** | **13,060.60** | **15,206.26** |

| | | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| **7** | **Current Investment** | | |
| | **Investment in Equity Instruments (Quoted)** | | |
| | **Measured at FVOCI** | | |
| **Unit** | | | |
| 1000 | Equity Shares of Reliance Infra Ltd. | 0.10 | 1.37 |
| (1000) | of Rs.10/- each | | |
| 10000 | Equity Shares of Cerebra Integrated Technologies | 1.79 | 2.54 |
| (10000) | of Rs.10/- each | | |
| 255 | Equity Shares of HDFC Bank Ltd. | 2.19 | 4.79 |
| (213) | of Rs.10/- each | | |
| 102 | Equity Shares of Housing Development Finance Corp. Ltd | 1.66 | 3.16 |
| (163) | of Rs.10/- each | | |
| 382 | Equity Shares of ICICI Bank Ltd. | 1.23 | 2.42 |
| (645) | of Rs.10/- each | | |
| 212 | Equity Shares of Infosys Ltd. | 1.36 | 2.69 |
| (377) | of Rs.10/- each | | |
| 508 | Equity Shares of ITC Ltd. | 0.87 | 2.50 |
| (851) | of Rs.10/- each | | |
| 79 | Equity Shares of Kotak Mahindra Bank Ltd. | 1.02 | 1.70 |
| (131) | of Rs.10/- each | | |
| 74 | Equity Shares of Larsen & Toubro Ltd. | 0.60 | 1.69 |
| (122) | of Rs.10/- each | | |
| - | Equity Shares of Maruti Suzuki India Ltd. | - | 0.87 |
| (13) | of Rs.10/- each | | |
| 189 | Equity Shares of Reliance Industries Ltd. | 2.09 | 4.39 |
| (338) | of Rs.10/- each | | |
| 62 | Equity Shares of TCS Ltd. | 1.13 | 2.10 |
| (105) | of Rs.10/- each | | |
| 43 | Equity Shares of Hindustan Unilever Ltd. | 0.98 | - |
| - | of Rs.10 each | | |
| | **Total value of Quoted Investment** | **15.02** | **30.21** |
| | **Investment in Mutual Fund (Unquoted)** | | |
| **Unit** | | | |
| - | DSP Black Rock Small & Mid Cap Fund | - | 53.80 |
| (99255.56) | | | |
| - | SBI Magnum Midcap Fund (Growth) | - | 86.90 |
| (116133.96) | of Rs.10/- each | | |
| - | SBI Magnum Multicap Fund (Growth) | - | 157.31 |
| (325344.2) | of Rs.10/- each | | |
| - | Union Capital Protection Oriented Fund (Growth) | - | 28.16 |
| (250000) | of Rs.10/- each | | |
| - | DSP BR Equity Fund (Growth) | - | 253.37 |
| (650182.6) | of Rs. 10/- each | | |
| - | ABSL Focused Equity Fund (Formerly ABSL Top 100 | - | 111.00 |
| (190001.6) | Fund) of Rs.10/- each | | |
| 150000 | Union Capital Protection Oriented Fund -Series 8-(Growth) | 15.52 | 16.00 |
| (150000) | of Rs.10/- each | | |
| - | Union PFG-Union Balanced Advantage Fund (Growth) | - | 15.62 |
| (149990) | of Rs.10/- each | | |
| 1999990 | SBI Long term Advantage Fund Series V- Growth | 160.81 | 200.98 |
| (1999990) | of Rs.10/- each | | |
| - | Aditya Birla Sun Life Equity Fund - Growth - Regular Plan | - | 137.11 |

| | | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| (18916.09) | of Rs.10 each | | |
| - | Union Corporate Bond Fund Regular Plan Growth | - | 10.37 |
| (97862.67) | of Rs.10 each | | |
| 99990 | Union Arbitrage Fund Regular Plan - Growth | 10.56 | 10.05 |
| (99990) | of Rs.10 each | | |
| 149990 | Union Focused Fund- Regular Growth Plan | 12.72 | - |
| - | of Rs.10 each | | |
| 99990 | Union Large & Midcap Fund - Regular Growth | 7.56 | - |
| - | of Rs.10 each | | |
| 149990 | Union Mid Cap Fund | 15.76 | - |
| - | of Rs.10 each | | |
| | **Total value of Unquoted Investment** | **222.92** | **1,080.66** |
| | **TOTAL AGGREGATE VALUE OF INVESTMENT** | **237.94** | **1,110.87** |
| | **MEASURED AT FVOCI** | | |
| | Investment measured at FVOCI | 237.94 | 1,110.87 |
| | Total Value of Unqouted Investment | 222.92 | 1,080.66 |
| | Aggregate amount of Impairment in value of Investment | 45.52 - | |
| **8** | **Trade Receivables** | | |
| | Trade Receivables Considered good, Unsecured | 35.34 | 235.24 |
| | **Total** | **35.34** | **235.24** |
| **9** | **Cash and Cash Equivalents** | | |
| | Balance With Banks | | |
| | In current account | 102.44 | 982.81 |
| | In fixed deposits | 4.06 | 52.74 |
| | Cash on Hand | 2.60 | 19.90 |
| | **Total** | **109.10** | **1,055.45** |
| **10** | **Other bank balances** | | |
| | In Fixed Deposit (Pledged with bank Rs. 920.86 Lacs (Previous Year: Rs. 1059.83 Lacs) against Over draft facilities | 1,042.82 | 2,719.82 |
| | **Total** | **1,042.82** | **2,719.82** |
| **11** | **Loans** | | |
| | Loans Receivable Considered Good- Unsecured | | |
| | Loans to related parties | 489.73 | 489.73 |
| | Loans which have significant increase in Credit Risk | | |
| | Loans to related parties | 150.00 | 150.00 |
| | | 639.73 | 639.73 |
| | Less: Allowance for bad and doubtful debts | 150.00 | 150.00 |
| | **TOTAL** | **489.73** | **489.73** |
| **12** | **Other Financial Assets** | | |
| | Interest accrued on FDR with Bank | 9.66 | 47.29 |
| | **Total** | **9.66** | **47.29** |

| | | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| **13** | **Other Current Assets** | | |
| | Unsecured Considered Good | | |
| | Security Deposit | 5.72 | 4.61 |
| | Prepaid Expenses | 4.70 | 4.38 |
| | GST Recoverable | - | 129.69 |
| | Advance to Others | 91.85 | 161.52 |
| | **Total** | **102.27** | **300.21** |
| **14** | **Share Capital** | | |
| | **Authorised:** | | |
| | 6280000 Equity Shares of Rs. 10/- each | 628.00 | 628.00 |
| | 20000 Cumulative Redeemable Preference Shares of Rs. 100/- each | 20.00 | 20.00 |
| | 8,000 Deferred Shares of Rs. 25/- each | 2.00 | 2.00 |
| | | **650.00** | **650.00** |
| | **Issued, Subscribed and Fully Paidup:** | | |
| | 2701018 (Previous year: 3116018) Equity Shares of Rs. 10/- each fully paidup | 270.10 | 311.60 |
| | 8000 Deferred Shares of Rs. 25/- each fully paidup | 2.00 | 2.00 |
| | **Total** | **272.10** | **313.60** |

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

| | No. of Shares | No. of Shares |
|---|---|---|
| At the beginning of the year | 3,124,018 | 3,124,018 |
| Changes during the year | (415,000) | - |
| At the end of the year | 2,709,018 | 3,124,018 |

The details of Shareholders holding more than 5% shares

| Name of Shareholder | As at 31st March, 2020 No. of Shares | % Held | As at 31st March, 2019 No. of Shares | % Held |
|---|---|---|---|---|
| (Equity Shares in Nos. of Rs. 10 Each) | | | | |
| Mr. Saleem Iqbal Shervani | 384,980 | 14.25 | 427,580 | 13.72 |
| Mr. Saeed Mustafa Shervani | - | - | 183,410 | 5.89 |
| M/s. Lebensraum Infra Private Limited | 200,221 | 7.41 | 269,145 | 8.64 |
| M/s. Frost Traders Private Limited | 367,602 | 13.61 | 400,602 | 12.86 |

| | | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| 15 | Other Equity | | |
| | Capital Subsidy Reserve | | |
| | Balance at the beginning of the year | 19.27 | 19.27 |
| | Balance at the end of the year | 19.27 | 19.27 |
| | General Reserve | | |
| | Balance at the beginning of the year | 5,046.86 | 5,046.86 |
| | Utilised for bought back of Equity Shares | (2,033.50) | - |
| | Transfer to Capital Redemtion Reserve | (41.50) | - |
| | Transfer from Retained Earnings | - | - |
| | Balance at the end of the year | 2,971.86 | 5,046.86 |
| | Capital Redemption Reserve | | |
| | Balance at the beginning of the year | 34.42 | 34.42 |
| | Transfer from General Reserve | 41.50 | - |
| | Balance at the end of the year | 75.92 | 34.42 |
| | Capital Reserve on Revaluation of Land | | |
| | Balance at the beginning of the year | 8,800.03 | 11,220.19 |
| | Less: Transfer to Profit and loss statement | (1,825.81) | (2,420.16) |
| | Balance at the end of the year | 6,974.22 | 8,800.03 |
| | Retained Earnings | | |
| | Balance at the beginning of the year | 1,136.34 | 830.16 |
| | Add: Net proft as per IND AS | 1,961.20 | 3,330.69 |
| | Less: Interim Dividend Paid | - | (2,508.81) |
| | Less: Tax on Interim Dividend | - | (515.70) |
| | Balance at the end of the year | 3,097.54 | 1,136.34 |
| | Other Comprehensive Income(OCI) | | |
| | As per last balance sheet | 22.67 | 56.41 |
| | Add: Movement in OCI(Net of Tax) during the year | (45.52) | 11.65 |
| | Less: Reclassified to Profit/(Loss) on disposal | (28.88) | (45.39) |
| | Balance at the end of the year | (51.73) | 22.67 |
| | Total | 13,087.08 | 15,059.59 |
| 16 | Borrowings | | |
| | Secured Loan | | |
| | Vehicle Loans(Secured by hypothecacation of vehicle) | 106.18 | 123.47 |
| | Total | 106.18 | 123.47 |
| 17 | Provisions | | |
| | Provision for employees benefit | 14.76 | 12.10 |
| | Total | 14.76 | 12.10 |
| | Current Liability | | |
| | Financial Liability | | |
| 18 | Borrowings | | |
| | Secured Loan from Banks | | |
| | Overdraft from Union bank of india | 377.27 | 543.77 |
| | (Secured by hypothecation of fixed deposit) | | |
| | Total | 377.27 | 543.77 |

| | | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| 19 | Trade Payables | | |
| | Dues towards Micro Enterprises & Small Enterprises | - | - |
| | Dues towards others | 87.56 | 166.67 |
| | Total | 87.56 | 166.67 |
| 20 | Other Financial Liabilities | | |
| | Current Maturity of Long Term Debt | 57.46 | 52.70 |
| | Unpaid Gividend | 98.70 | 102.35 |
| | Temporary Book Overdraft | 0.23 | 3.76 |
| | Total | 156.39 | 158.80 |
| 21 | Other Current Liabilities | | |
| | Advance from Customer | 1,998.03 | 5,910.95 |
| | GST Payable | 1.60 | - |
| | Security Deposit | 8.56 | 48.12 |
| | Other Payables * | 259.42 | 320.15 |
| | Total | 2,267.61 | 6,279.22 |

*Other paybles includes statutory liability, employee liability etc.

| | | | |
|---|---|---|---|
| 22 | Provisions | | |
| | Provision For Employees Benefit | 0.14 | 0.18 |
| | Current Tax Liability | 520.86 | 446.20 |
| | Total | 521.00 | 446.38 |

| | | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| 23 | REVENUE FROM OPERATIONS | | |
| | Sale of Plot & Flat (Including transfer from revaluation reserve Rs. 1825.81 Lakh Previous year Rs. 2420.16 Lakh) | 8,736.50 | 7,307.97 |
| | TOTAL | 8,736.50 | 7,307.97 |
| 24 | OTHER INCOME | | |
| | Interest Income | 104.45 | 161.02 |
| | Dividend Income | 0.32 | 0.37 |
| | Other Non-Operating Income | | |
| | Rent | 1.08 | 2.69 |
| | Provision of Liability No Longer Required | 2.79 | 0.44 |
| | Profit on Sale of Investments (Net) | 11.12 | 122.10 |
| | Miscellaneous Receipts | 2.46 | 39.73 |
| | TOTAL | 122.23 | 326.35 |
| 25 | COST OF CONSTRUCTION AND DEVELOPMENT EXPENSES | 3,451.80 | 2,951.31 |
| | TOTAL | 3,451.80 | 2,951.31 |
| 26 | CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE | | |
| | Inventories (at close) | | |
| | Finished Goods | - | 3.21 |
| | Stock in trade(Real Estate) | 7,136.37 | 8,988.14 |
| | Work-in-Progress | 5,924.23 | 6,214.91 |
| | | 13,060.60 | 15,206.26 |
| | Inventories(at commencement) | | |
| | Finished Goods | 3.21 | 3.21 |
| | Stock in trade(Real Estate) | 8,988.14 | 10,933.23 |
| | Work-in-Progress (Restated) | 6,214.91 | 3,817.47 |
| | | 15,206.26 | 14,753.92 |
| | TOTAL | 2,145.66 | (452.35) |
| 27 | EMPLOYEE BENEFIT EXPENSE | | |
| | Salaries And Wages | 147.43 | 192.81 |
| | Contribution to Provident and Other Funds | 7.09 | 5.93 |
| | Staff Welfare Expenses | 4.40 | 3.51 |
| | TOTAL | 158.92 | 202.25 |

| | | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| 28 | OTHER EXPENSES | | |
| | Establishment Expenses | | |
| | Rent | 2.63 | 1.73 |
| | Repair Buildings | 18.87 | 5.53 |
| | Insurance | 7.23 | 5.24 |
| | Rates and Taxes | 1.98 | 1.41 |
| | Vehicle Maintenance | 19.69 | 20.45 |
| | Professional Charges | 66.97 | 52.68 |
| | Travelling and Conveyance Expenses | 6.18 | 6.10 |
| | Payments to The Auditors | | |
| | As Auditor | 1.77 | 1.50 |
| | For Other Services | 0.94 | 0.86 |
| | Directors' Sitting Fee | 6.25 | 7.25 |
| | Loss on Aale of Assets | 10.10 | 8.86 |
| | CSR Expenses | 48.00 | 27.00 |
| | Share Buyback Expenses | 24.20 | 16.55 |
| | Miscellaneous Expenses | 164.36 | 130.93 |
| | TOTAL (A) | 379.16 | 286.09 |
| | Selling and Distribution Expenses | | |
| | Brokerage | 155.56 | 83.32 |
| | TOTAL (B) | 155.56 | 83.32 |
| | TOTAL (A+B) | 534.72 | 369.41 |
| 29 | Exceptional Items | | |
| | Investments Written Off | - | 331.07 |
| | | - | 331.07 |
| 30 | Tax expenses | 2019-20 | 2018-19 |
| | Amount recognised in Profit and Loss | | |
| | Current Tax | | |
| | Income tax for the year | 433.00 | 690.00 |
| | Adjustment/(credits) related to previous year -Net | 80.67 | 83.29 |
| | Total Current Tax | 513.67 | 773.29 |
| | Deferred Tax | | |
| | Deferred Tax for the year | 2.71 | 53.96 |
| | Total Deferred Tax | 2.71 | 53.96 |
| | Total Tax Expense | 516.38 | 827.25 |

31 Corporate Social Responsibility Expenditure

a. CSR amount required to be spent as per Section 135 of Companies Act, 2013 read with schedule VII thereof by the company during the year ended 31st March 2020 is Rs. 48 Lakh (Rupees Forty Eight Lakh).

| b. | Amount spent during the year on | Rs. Paid in cash | Yet to be paid in cash | Total |
|---|---|---|---|---|
| | Promoting Education | 48.00 | NIL | 48.00 |

| | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| | | (Rs. In Lakhs) |
| 32 Earning Per Share | | |
| Net profit available for equity shareholders (Numerator used for calculation) | 1,961.20 | 3,330.69 |
| Weighted Average Number of equity shares (Used as Denominator for calculating EPS) | 2,794,720 | 3,136,018 |
| Basic and Diluted Earning per share of Rs. 10/- | 70.17 | 106.21 |

33 Investments and Loans outstanding in subsidiary company

(Rs. in Lakhs)

| Name of Company | % of Shareholding | Investment in Shares | Loan Balance Outstanding | Provision Made |
|---|---|---|---|---|
| Farco Foods Pvt. Ltd. | 100 | 2,700,000 | 639.73 | 150.00 |

Looking to the financial position of Farco Foods PVT. Ltd., Wholly Owned Subsidiary, of the Company, the Management has decided to continue with the provision of Rs. 150 Lacs till further improvement.

34. Employee Benefits

A. Gratuity

(Amount in Rs.)

| Amounts in Balance Sheet | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
|---|---|---|---|
| Defined Benefit Obligation (DBO) | 4,30,216 | 22,63,726 | 26,93,942 |
| Fair Value of Plan Assets | 1,75,303 | 25,04,329 | 26,79,632 |
| Funded Status - (Surplus)/Deficit | 2,54,913 | (2,40,603) | 14,310 |
| Unrecognized Past Service Cost / (Credit) | - | - | - |
| Unrecognised Asset due to Limit in Para 64(b) | - | - | - |
| Liability/(Asset) recognised in the Balance Sheet [Reference : Ind AS 19 para 120A (f)] | 2,54,913 | (2,40,603) | 14,310 |

| Amount Recognised in the Statement of Profit & Loss | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
|---|---|---|---|
| Current Service Cost | 52,641 | 2,09,338 | 2,61,979 |
| Interest Cost | 21,696 | 1,49,400 | 1,71,096 |
| Expected Return on Plan Assets | (10,621) | (1,78,881) | (1,89,502) |
| Past Service Cost | - | - | - |
| (Gain)/Loss due to Settlements/ Curtailments/Acquisitions/Divestitures | - | - | - |
| Total Expense/(Income) included in "Employee Benefit Expense" [Reference : Ind AS 19 para 120A (g)] | 63,716 | 1,79,857 | 2,43,573 |

| Amount recognised in Other Comprehensive Income (OCI) | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
|---|---|---|---|
| Amount recognized in OCI, Beginning of Period | (58,756) | (5,61,449) | (6,20,205) |
| Remeasurements due to : | | | |
| Effect of Change in financial assumptions [C] | 1,54,706 | 7,029 | 1,61,735 |
| Effect of Change in demographic assumptions [D] | (1,196) | - | (1,196) |
| Effect of experience adjustments [E] | (99,936) | (63,462) | (1,63,398) |
| Actuarial (Gains)/Losses (C+D+E) | 53,574 | (56,433) | (2,859) |
| Return on plan assets (excluding interest) | (16,522) | 2,323 | (14,199) |
| Total remeasurements recognized in OCI | 70,096 | (58,756) | 11,340 |
| Amount recognized in OCI, End of Period [Reference : Ind AS 19 para 120A (i)] | 11,340 | (6,20,205) | (6,08,866) |

| Actual Return on Plan Assets | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
|---|---|---|---|
| Interest Income Plan Asset | 10,621 | 1,78,881 | 1,89,502 |
| Actuarial Gains/(Losses) on Plan Assets | (16,522) | 2,323 | (14,199) |
| Actual Return on Plan Assets [Reference : Ind AS 19 para 120A (m)] | (5,901) | 1,81,204 | 1,75,303 |

(Amount in Rs.)

| | | | |
|---|---|---|---|
| Change in Present Value of Benefit Obligation during during the Period | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
| Defined Benefit Obligation, Beginning of Period | 3,02,305 | 19,61,421 | 22,63,726 |
| Current Service Cost | 52,641 | 2,09,338 | 2,61,979 |
| Interest Cost | 21,696 | 1,49,400 | 1,71,096 |
| Actual Plan Participants' Contributions | - | - | - |
| Actuarial (Gains)/Losses | 53,574 | (56,433) | (2,859) |
| 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 | 4,30,216 | 22,63,726 | 26,93,942 |
| [Reference : Ind AS 19 para 120A (c)] | | | |
| Change in Fair Value of Plan Assets during the Period | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
| Fair value of Plan Assets, Beginning of Period | 1,81,204 | 23,23,125 | 25,04,329 |
| Interest Income Plan Asset | 10,621 | 1,78,881 | 1,89,502 |
| Actual Enterprise's Contributions | - | - | - |
| Actual Plan Participants' Contributions | - | - | - |
| Actual Benefits Paid | - | - | - |
| Actuarial Gains/(Losses) | (16,522) | 2,323 | (14,199) |
| Acquisition/Business Combination/Divestiture | - | - | - |
| Changes in Foreign Currency Exchange Rates | - | - | - |
| Liabilities Extinguished on Settlements | - | - | - |
| Fair Value of Plan Assets, End of Period | 1,75,303 | 25,04,329 | 26,79,632 |
| [Reference : Ind AS 19 para 120A (e)] | | | |
| Current / Non Current Benefit Obligation | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
| Current Liability | - | - | - |
| Non Current Liability | 2,54,913 | (2,40,603) | 14,310 |
| Liability/(Asset) Recognised in the Balance Sheet | 2,54,913 | (2,40,603) | 14,310 |
| [Reference : Revised Companies' Schedule IV] | | | |
| Other Items | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
| Expected Contributions for the next financial year | - | - | - |
| Weighted average duration (based on discounted cash | (0.54) | 16.24 | 15.70 |
| [Reference : Ind AS 19 para 120A (q)] | | | |

B. Leave Salary

| | | | |
|---|---|---|---|
| Amounts in Balance Sheet | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
| Defined Benefit Obligation (DBO) | 2,47,607 | 12,28,018 | 14,75,625 |
| Fair value of plan Assets | - | - | - |
| Funded Status - (Surplus)/Deficit | 2,47,607 | 12,28,018 | 14,75,625 |
| Unrecognized Past Service Cost / (Credit) | - | - | - |
| Unrecognised Asset due to Limit in Para 64(B) | - | - | - |
| Liability/(Asset) Recognised in the Balance Sheet | 2,47,607 | 12,28,018 | 14,75,625 |
| [Reference : Ind AS19 para 120A (f)] | | | |
| Amount Recognised in Statement of Profit & Loss | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
| Current Service Cost | 36,341 | 1,70,549 | 2,06,890 |
| Interest Cost | 19,465 | 66,270 | 85,735 |
| Expected Return on Plan Assets | - | - | - |
| Past Service Cost | - | - | - |

(Amount in Rs.)

| | | | |
|---|---|---|---|
| Net Actuarial Losses/(Gains) | 7,170 | 1,62,404 | 1,69,574 |
| (Gain)/Loss due to Settlements/ Curtailments/Acquisitions/Divestitures | - | - | - |
| Unrecognised Asset due to Limit in Para 59(B) | - | - | - |
| Total Expense/(Income) included in "Employee Benefit Expense" | 62,976 | 3,99,223 | 4,62,199 |
| [Reference : Ind AS19 para 120A (g)] | | | |
| Actual Return on Plan Assets | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
| Expected Return on Plan Assets | - | - | - |
| Actuarial Gains/(Losses) on Plan Assets | - | - | - |
| Actual Return on Plan Assets | - | - | - |
| [Reference : Ind AS19 para 120A (m)] | | | |
| Change in Present value of Benefit Obligation during the Period | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
| Defined Benefit Obligation, Beginning of Period | 3,35,517 | 8,92,501 | 12,28,018 |
| Current Service Cost | 36,341 | 1,70,549 | 2,06,890 |
| Interest Cost | 19,465 | 66,270 | 85,735 |
| Actual Plan Participants' Contributions | - | - | - |
| Actuarial (Gains)/Losses | 7,170 | 1,62,404 | 1,69,574 |
| Acquisition/Business Combination/Divestiture | - | - | - |
| Actual Benefits Paid | (1,50,886) | (63,706) | (2,14,592) |
| Past Service Cost | - | - | - |
| Changes in Foreign Currency Exchange Rates | - | - | - |
| Loss / (Gains) on Curtailments | - | - | - |
| Liabilities Extinguished on Settlements | - | - | - |
| Defined Benefit Obligation, End of Period | 2,47,607 | 12,28,018 | 14,75,625 |
| [Reference : Ind AS19 para 120A (c)] | | | |
| Change in Fair value of Plan Assets during the Period | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
| Fair value of Plan Assets, Beginning of Period | - | - | - |
| Expected Return on Plan Assets | - | - | - |
| Actual Enterprise's Contributions | - | - | - |
| Actual Plan Participants' Contributions | - | - | - |
| Actual Benefits Paid | - | - | - |
| Actuarial Gains/(Losses) | - | - | - |
| Acquisition/Business Combination/Divestiture | - | - | - |
| Changes in Foreign Currency Exchange Rates | - | - | - |
| Liabilities Extinguished on Settlements | - | - | - |
| Fair Value of Plan Assets, End of Period | - | - | - |
| [Reference : Ind AS19 para 120A (e)] | | | |
| Current / Non Current Benefit Obligation | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
| Current Liability | 962 | 17,904 | 18,866 |
| Non Current Liability | 2,46,645 | 12,10,114 | 14,56,759 |
| Liability/(Asset) Recognised in the Balance Sheet | 2,47,607 | 12,28,018 | 14,75,625 |
| [Reference : Revised Companies' Schedule IV] | | | |
| Other Items | Increase/(Decrease) | 31-Mar-19 | 31-Mar-20 |
| Expected Contributions for the next financial year | | - | - |
| Decrement adjusted estimated tenure of Actuarial liability (years) | (0.54) | 16.24 | 15.70 |
| [Reference : Ind AS19 para 120A (q)] | | | |

35 Related party disclosures as required under Ind AS-24 are given below

Wholly Owned Subsidiary Company
Farco Foods Private Limited

Associate Companies
Star Hotels Limited
Youngtronics India Private Limited

Key Managerial Personnel (KMP)
Mr. Saleem Iqbal Shervani, Managing Director
Mr. Tahir Hasan, Whole-time Director & C.F.O.
Mr. S. K. Shukla, Company Secretary

Executive Directors
Mr. Sadiq Husain Siddiqui, Director (C.A.)

Non Executive Directors
Dr. A.P. Singh ,Chairman, Independent Non Executive
Mr. A.N. Shervani, Director Non Executive
Mr. S.M. Shervani, Director Non Executive
Mr. Raju Verghese, Director Non Executive
Mr. G.S. Chaturvedi, Director Independent Non Executive
Mr. Mohd. Aslam Sayeed, Director Independent Non Executive
Mrs. Shefali Bansal, Director Independent Non Executive

Relatives
Mrs. Salma Hasan
Mr. Mustafa Rashid Shervani
Mr. Yasser Niaz Hasan

Related parties with whom transactions have taken place

(Rs. In Lakhs)

| | KMP | Relative of KMP and Other Directors | Associate Companies | Subsidiary Company |
|---|---|---|---|---|
| Short Term Benefits (Remuneration) | | | | |
| Current Year | 21.77 | 54.35 | - | - |
| (Previous Year) | (20.84) | (39.22) | - | - |
| Employee Benefit Expenses | | | | |
| Current Year | 0.58 | 1.20 | - | - |
| (Previous Year) | (0.58) | (1.19) | - | - |
| Rent paid | | | | |
| Current Year | 1.05 | - | - | - |
| (Previous Year) | (1.65) | - | - | - |
| Rent received | | | | |
| Current Year | - | - | 0.96 | - |
| (Previous Year) | - | - | (0.89) | - |
| Sitting Fee | | | | |
| Current Year | 6.25 | - | - | - |
| (Previous Year) | (7.25) | - | - | - |
| Loans | | | | |
| Balance(Net of Provision) at the beginning and at the end of the year : | | | | |
| Current Year | - | - | - | 489.73 |
| (Previous Year) | - | - | - | (489.73) |

| | | | | |
|---|---|---|---|---|
| Selling Commission | | | | |
| Current Year | - | 0.50 | - | - |
| (Previous Year) | - | - | - | - |
| Purchase of Land | | | | |
| Current Year | 92.05 | - | - | - |
| (Previous Year) | - | - | - | - |

The company has entered in to an agreement with Mr. Saleem Iqbal Shervani, Managing Director and KMP of Company on January 22nd, 2020 for construction of group housing on land situated at 36, S.N. Marg, Prayagraj for its upcoming project.

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

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

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| CONTINGENT LIABILITIES AND COMMITMENTS: | As at 31-03-2020 | As at 31-03-2019 |
|---|---|---|
| Guarantee given by Company in favour of Union Bank of India on behalf of Omnitel Technologies Private Limited for credit facility extended to them. | 133.93 | 900.00 |

39 Event after the reporting period

After the reporting date, the following dividend are proposed by the Board of Directors. The following dividend have not been been recognized as liabilities and there are no tax consequences.

| | (Rs. in Lakh) |
|---|---|
| Proposed Dividend for the year ended 31st March, 2020 | |
| On Ordinary Shares @Rs. 2.50 per share | 67.53 |
| On Deferred Shares @Rs. 6.25 per share | 0.50 |
| Total | 68.03 |

40 The Government of India on September 20, 2019, vide the Taxation Law (Amendment ) Ordinance 2019, inserted a new section 115BAA in the Income Tax Act,1961, which provides domestic companies a non-reversible option to pay Corporate tax at reduced rate effective, April 1 2019, subject to certain conditions. The company is continuing to provide for income tax at old rates, based on the available unutilised minimum alternative tax credit

41 The operation of the company remained closed in the month of March, 2020 after nation-wide lockdown declared / announced by Government of India because of COVID 19 out break. The impact of COVID-19 may impact the underlying assumption and estimates used to prepare the company's financial statements which may differ from that considered at the time of approval of these financial statements but has no impact on the assumption relating to going concern.

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

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

**Opinion**

We have audited the accompanying consolidated financial statements of SHERVANI INDUSTRIAL SYNDICATE LIMITED (hereinafter referred to as the "the Holding Company") its subsidiary and associates (the Holding Company, its subsidiary and associates together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2020, of consolidated Profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

**Basis for Opinion**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associateto cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the one associate included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervisions and performance of the audits carried out by him .We remain solely responsible for our audit opinion.

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

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

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

**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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors

of the Holding Company and the reports of the statutory auditors of its subsidiary and associates,none of the directors of the Group, its subsidiary and associates incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-C"

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

i. There were no pending litigations which would impact the financial position of the company.

ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Companies and associate companies.

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

Rajendra Gupta
(Partner)
Membership Number: 073250
UDIN - 20073250AAAABE7580

Place : Kanpur
Date : July 31, 2020

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

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

In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of **SHERVANI INDUSTRIAL SYNDICATE LIMITED** ("the Holding Company") and its subsidiaries which is incorporated in India as of that date.

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

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

**Auditors' Responsibility**

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

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

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company ,its subsidiaries and associates which are incorporated in India, have , in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Rajendra Gupta
(Partner)
Membership Number: 073250
UDIN - 20073250AAAABE7580

Place : Kanpur
Date : July 31, 2020

# CONSOLIDATED BALANCE SHEET

| | Note No. | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 2 | 1,098.06 | 1,093.22 |
| Biological Assets | | 23.09 | 5.83 |
| Financial Assets | | | |
| Investments | 3 | 373.41 | 373.45 |
| Other Financial Assets | 4 | 109.72 | 109.31 |
| Goodwill on Consolidation (Net) | | 581.64 | 581.64 |
| Total Non Current Assets | | 2,185.92 | 2,163.45 |
| Current Assets | | | |
| Inventories | 5 | 13,060.60 | 15,206.26 |
| Financial Assets | | | |
| Investments | 6 | 237.94 | 1,110.87 |
| Trade Receivables | 7 | 63.60 | 287.52 |
| Cash and Cash Equivalents | 8 | 219.67 | 1,154.31 |
| Other Bank Balances | 9 | 1,110.40 | 2,809.32 |
| Other Financial Assets | 10 | 15.11 | 54.36 |
| Current Tax Assets | | 8.79 | 11.28 |
| Other Current Assets | 11 | 120.00 | 308.99 |
| Total Current Assets | | 14,836.11 | 20,942.91 |
| TOTAL ASSETS | | 17,022.03 | 23,106.36 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 12 | 272.10 | 313.60 |
| Other Equity | 13 | 13,041.76 | 14,982.78 |
| Total Equity | | 13,313.86 | 15,296.38 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 14 | 142.37 | 123.47 |
| Provisions | 15 | 14.76 | 12.10 |
| Deferred Tax Liabilities (Net) | 16 | 64.46 | 1.75 |
| Total Non Current liability | | 221.59 | 137.32 |
| Current Liabilities | | | |
| Financial Liabilities | | - | |
| Borrowings | 17 | 377.27 | 543.77 |
| Trade Payables | 18 | 116.03 | 206.28 |
| Other Financial Liabilities | 19 | 170.97 | 158.80 |
| Other Current Liabilities | 20 | 2,301.32 | 6,317.44 |
| Provisions | 21 | 520.99 | 446.37 |
| Total Current Liability | | 3,486.58 | 7,672.66 |
| TOTAL EQUITY AND LIABILITIES | | 17,022.03 | 23,106.36 |
| Significant Accounting Policies & Notes on Financial Statements | 1-36 | | |

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

| Rajendra Gupta | S.K. Shukla | Tahir Hasan | Mohd. Aslam Sayeed | Saleem I. Shervani |
|---|---|---|---|---|
| Partner | Company Secretary | Whole Time Director & Chief Financial Officer DIN: 00074282 | Director DIN: 06652348 | Managing Director DIN: 00023909 |

Place : Prayagraj
Date : July 31, 2020

# CONSOLIDATED STATEMENT OF PROFIT & LOSS

| PARTICULARS | Note No. | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| Revenue From Operations | 22 | 9,232.74 | 7,852.27 |
| Other Income | 23 | 132.65 | 340.00 |
| Total Revenue | | 9,365.39 | 8,192.27 |
| EXPENSES | | | |
| Cost of Construction & Development Expenses | 24 | 3,451.80 | 2,951.31 |
| Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | 25 | 2,145.66 | (452.35) |
| Employee benefit expenses | 26 | 357.13 | 401.20 |
| Finance costs | | 31.44 | 19.74 |
| Depreciation and amortization expense | | 70.80 | 64.30 |
| Other expenses | 27 | 788.39 | 650.81 |
| Total expenses | | 6,845.22 | 3,635.01 |
| Profit before tax and exceptional items | | 2,520.17 | 4,557.26 |
| Exceptional items (Provision for doubtful loan written back) | 28 | - | 331.07 |
| Profit before tax and share of profit in Associate Companies | | 2,520.17 | 4,226.19 |
| Share of profit in Associate Companies | | (0.03) | 24.45 |
| Profit before tax after share of profit in Associate Companies | | 2,520.14 | 4,250.64 |
| Tax Expense | | | |
| Current Tax | | 443.70 | 707.41 |
| Deferred Tax | | 3.08 | 54.26 |
| Income Tax of Earlier Year | | 80.67 | 83.29 |
| Profit for the year | | 1,992.69 | 3,405.68 |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Fair Value change on Equity Instrument through other comprehensive Income (Net of Tax) | | (45.52) | 11.65 |
| Total comprehensive income for the year | | 1,947.17 | 3,417.33 |
| Earnings per equity share (face value of Rs. 10/- each) | 30 | | |
| Basic and Diluted | | 71.29 | 108.60 |
| Significant Accounting Policies & Notes to Financial Statements | 1-36 | | |

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

| Rajendra Gupta | S.K. Shukla | Tahir Hasan | Mohd. Aslam Sayeed | Saleem I. Shervani |
|---|---|---|---|---|
| Partner | Company Secretary | Whole Time Director & Chief Financial Officer DIN: 00074282 | Director DIN: 06652348 | Managing Director DIN: 00023909 |

Place : Prayagraj
Date : July 31, 2020

Statement of changes in Equity for the year ended 31st March, 2020

(Rs. In Lakhs)

| Share Capital | Balance at the beginning of the reporting period | Changes in Equity Share Capital during the year | Balance at the end of the reporting period |
|---|---|---|---|
| For the year ended 31st March, 2019 | 313.60 | 0 | 313.60 |
| For the year ended 31st March, 2020 | 313.60 | (41.50) | 272.10 |

(Rs. In Lakhs)

| | Reserve and Surplus | | | | | | |
|---|---|---|---|---|---|---|---|
| | Capital Subsidy Reserve | General Reserve | Capital Redemption Reserve | Capital Reserve on Revaluation of Land | Retained Earnings | Other Comprehensive Income | Total |
| Balance at the beginning of the reporting period i.e. As on 31st March, 2018 | 19.27 | 5,046.86 | 34.42 | 11,220.19 | 678.35 | 56.41 | 17,055.51 |
| Net Profit for the year | - | - | - | - | 3,405.68 | - | 3,405.68 |
| Movement in OCI during the year | | | - | - | - | 11.65 | 11.65 |
| Reclassified to Profit/(Loss) on disposal | | | | | | (45.39) | (45.39 ) |
| Utilised for Buyback of Equity shares | - | - | - | - | - | - | - |
| Transfer to Capital Redeption Reserve | - | - | - | - | - | - | |
| Transfer to profit and loss statement | - | - | - | (2,420.16) | - | - | (2,420.16) |
| Interim Dividend Paid during year | - | - | - | - | (2,508.81) | - | (2,508.81) |
| Tax on Interim Dividend | - | - | - | - | (515.70) | - | (515.70) |
| Balance at the end of the reporting period i.e. 31st MARCH, 2019 | 19.27 | 5,046.86 | 34.42 | 8,800.03 | 1,059.52 | 22.67 | 14,982.78 |
| Net Profit for the year | - | - | - | - | 1,992.69 | - | 1,992.69 |
| Movement in OCI during the year | - | - | - | - | - | (45.52) | (45.52) |
| Reclassified to Profit/(Loss) on disposal | - | - | - | - | - | (28.88) | (28.88) |
| Utilised for Buyback of Equity shares | - | (2,033.50) | - | - | - | - | (2,033.50) |
| Transfer to Capital Redeption Reserve | - | (41.50) | - | - | - | - | (41.50) |
| Transfer from General Reserve | - | - | 41.50 | - | - | - | 41.50 |
| Transfer to profit and loss statement | - | - | - | (1,825.81) | - | - | (1,825.81) |
| Interim Dividend Paid during year | - | - | - | - | - | - | - |
| Tax on Interim Dividend | - | - | - | - | - | - | - |
| Balance at the end of the reporting period i.e. 31st MARCH, 2020 | 19.27 | 2,971.86 | 75.92 | 6,974.22 | 3,052.21 | (51.73) | 13,041.76 |

# CONSOLIDATED CASH FLOW STATEMENT

| | 2019-2020 | | 2018-2019 | |
|---|---|---|---|---|
| | | | | (Rs. In Lakhs) |
| A) CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit/(Loss) Before Tax | | 2,520.14 | | 4,250.64 |
| Adjustment For : | | | | |
| Share of Profit in Associate Companies | 0.03 | | (24.45) | |
| Exceptional item (Investments Written Off) | - | | 331.08 | |
| Bad debts and sundry balances written off | 29.91 | | | |
| Transfer from Capital Reserve on revalution of land | (1,825.81) | | (2,420.16) | |
| Depreciation | 70.80 | | 64.30 | |
| Loss /(Profit) on sale of assets | 10.10 | | 8.86 | |
| Interest Paid | 29.05 | | 19.74 | |
| Interest Received | (114.86) | | (174.68) | |
| Dividend Received | (0.32) | | (0.37) | |
| (Profit)/Loss on Sale of Investments | (11.12) | (1,812.22) | (122.10) | (2,317.78) |
| Operating Profit before Working Capital Changes | | 707.92 | | 1,932.86 |
| Adjustment For : | | | | |
| (Increase) / Decrease in Biological Assets | (17.26) | | (5.83) | |
| (Increase)/Decrease in Trade and other receivables | 442.63 | | (200.73) | |
| (Increase)/Decrease in Inventories | 2,145.66 | | (452.34) | |
| Increase/(Decrease) in Trade Payables | (4,110.93) | | 1,757.86 | |
| | | (1,539.90) | | 1,098.96 |
| Cash generated in operation | | (831.98) | | 3,031.82 |
| Add/(Deduct) For : | | | | |
| Direct tax paid | (447.21) | | (490.90) | |
| Net Cash from operating activities (Total – A) | | (1,279.19) | | 2,540.92 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | (162.00) | | (322.53) | |
| Sale of Fixed Assets | 76.27 | | 15.85 | |
| Purchase of Current Investments (Net of Sales) | 809.65 | | 79.21 | |
| Movement in Fixed Deposits | 1,694.93 | | 790.30 | |
| Dividend Received | 0.32 | | 0.37 | |
| Interest received | 154.11 | | 169.30 | |
| Net Cash used in investing activities (Total - B ) | | 2,573.28 | | 732.50 |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Bought back of Equity Shares | (2,075.00) | | - | |
| Loans & Borrowings | (128.26) | | 37.83 | |
| Interest Paid | (29.06) | | (19.74) | |
| Change in Other Financial Assets | 3.59 | | (98.60) | |
| Dividend Paid | - | | (2,508.82) | |
| Tax on Dividend | - | | (515.70) | |
| Net Cash (used in)/from financing activities (Total – C) | | (2,228.73) | | (3,105.03) |

| | 2019-2020 | 2018-2019 |
|---|---|---|
| | | (Rs. In Lakhs) |
| Net Increase / (Decrease)in Cash and Cash Equivalents (A+B+C) | (934.64) | 168.39 |
| Add : Cash and Cash Equivalents | 1,154.31 | 985.92 |
| Closing Cash and Cash Equivalent | 219.67 | 1,154.31 |

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

| Rajendra Gupta | S.K. Shukla | Tahir Hasan | Mohd. Aslam Sayeed | Saleem I. Shervani |
|---|---|---|---|---|
| Partner | Company Secretary | Whole Time Director & Chief Financial Officer DIN: 00074282 | Director DIN: 06652348 | Managing Director DIN: 00023909 |

Place : Prayagraj
Date : July 31, 2020

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

**A. CORPORATE INFORMATION**

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**(ii) PRINCIPLES OF CONSOLIDATION**

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

a) The financial statements of the Company and its subsidiary are combined on a line by line basis by adding together similar items of assets, liabilities, equity, incomes, expenses and cash-flows, after fully eliminating intra-group balances and intra-group transactions.

b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of subsidiary.

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

| | Name of the Company | Country of Incorporation | Holding as on 31st March, 2020 |
|---|---|---|---|
| (i) | Farco Foods Pvt. Ltd. | India | 100% |

(ii) The associate companies considered in the consolidated statements are

| Name of the Company | Country of Incorporation | Holding as on 31st March, 2020 |
|---|---|---|
| Youngtronics India Pvt. Ltd. | India | 46.33% |

**Note :** Due to severe Corona Pandemic situation in New Delhi and disruptions caused by lock down imposed by Government of India on account of COVID-19, the financial statement of one associate- Star Hotels Limited (holding of 35.40% as on 31st March, 2020) could not be prepared and therefore not submitted to us to compile the company's share of profit/loss in consolidated financial results.

**(iii) OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

(Rs. In Lakhs)

Notes on Financial Statement for the year ended 31st March, 2020

2. PROPERTY, PLANT AND EQUIPMENT

GROSS BLOCK

| PARTICULARS | As at 1st April, 2018 | Additions | Deductions/ Adjustments | As at 31st March, 2019 | As at 1st April, 2019 | Additions | Deductions/ Adjustments | As at 31st March, 2020 |
|---|---|---|---|---|---|---|---|---|
| Freehold Land | 171.31 | 75.89 | - | 247.20 | 247.20 | - | - | 247.20 |
| Leasehold Land | 0.05 | - | - | 0.05 | 0.05 | - | - | 0.05 |
| Factory Building | 64.04 | - | - | 64.04 | 64.04 | 4.99 | - | 69.03 |
| Non-Factory Building | 371.66 | 86.08 | - | 457.74 | 457.74 | - | 86.08 | 371.66 |
| Plant And Equipments | 209.26 | 0.64 | - | 209.90 | 209.90 | 10.70 | - | 220.60 |
| Furniture And Fixture | 18.88 | - | - | 18.88 | 18.88 | 11.61 | - | 30.49 |
| Vehicles (Cars) | 391.19 | 78.22 | 42.99 | 426.42 | 426.42 | 71.41 | 19.40 | 478.43 |
| Office Equipments | 2.59 | - | - | 2.59 | 2.59 | - | - | 2.59 |
| Computers | 54.45 | 1.73 | - | 56.18 | 56.18 | 0.49 | - | 56.67 |
| | 1,283.43 | 242.56 | 42.99 | 1,483.00 | 1,483.00 | 99.20 | 105.48 | 1,476.72 |
| Capital Work In Progress | - | 79.97 | - | 79.97 | 79.97 | 62.81 | - | 142.78 |
| Total | 1,283.43 | 322.53 | 42.99 | 1,562.97 | 1,562.97 | 162.01 | 105.48 | 1,619.50 |

DEPRECIATION AND AMORTIZATION

| PARTICULARS | Upto 1st April, 2018 | For the Year | Deductions | Upto 31st March,2019 | Upto 1st April, 2019 | For the Year | Deductions | Upto 31st March, 2020 |
|---|---|---|---|---|---|---|---|---|
| Freehold Land | - | - | - | - | - | - | - | - |
| Leasehold Land | - | - | - | - | - | - | - | - |
| Factory Building | 37.89 | 2.05 | | 39.94 | 39.94 | 2.29 | - | 42.23 |
| Non-Factory Building | 65.10 | 6.32 | - | 71.42 | 71.42 | 5.64 | 0.68 | 76.38 |
| Plant And Equipments | 148.15 | 7.67 | - | 155.82 | 155.82 | 7.15 | - | 162.97 |
| Furniture And Fixture | 16.71 | 0.53 | - | 17.24 | 17.24 | 0.67 | - | 17.91 |
| Vehicles (Cars) | 104.05 | 46.41 | 18.28 | 132.18 | 132.18 | 53.71 | 18.43 | 167.46 |
| Office Equipments | 1.33 | 0.35 | - | 1.68 | 1.68 | 0.28 | - | 1.96 |
| Computers | 50.50 | 0.97 | - | 51.47 | 51.47 | 1.06 | - | 52.53 |
| Total | 423.73 | 64.30 | 18.28 | 469.75 | 469.75 | 70.80 | 19.11 | 521.44 |

NET BLOCK

| PARTICULARS | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| Freehold Land | 247.20 | 247.20 |
| Leasehold Land | 0.05 | 0.05 |
| Factory Building | 26.80 | 24.10 |
| Non-Factory Building | 295.28 | 386.32 |
| Plant And Equipments | 57.63 | 54.08 |
| Furniture And Fixture | 12.58 | 1.64 |
| Vehicles (Cars) | 310.97 | 294.24 |
| Office Equipments | 0.63 | 0.91 |
| Computers | 4.14 | 4.71 |
| | 955.28 | 1,013.25 |
| Capital Work In Progress | 142.78 | 79.97 |
| Total | 1,098.06 | 1,093.22 |

| | | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| 3 | Non Current Investments | | |
| | In Associate Companies | | |
| | Star Hotels Limited (2265750 equity shares of Rs. 10/- each) | 330.40 | 330.40 |
| | 460000, 6% Non-Cumulative Redeemable Preference shares of Rs. 10/- each of Youngtronics India private Ltd. | 42.96 | 43.00 |
| | Total (A) | 373.36 | 373.40 |
| | Other Investment | | |
| | Investment at cost | | |
| | Investment in equity instruments (Unquoted) | | |
| | 500 shares of Super Bajar Comparative Stores Ltd. of Rs. 10/- each | 0.05 | 0.05 |
| | Total (B) | 0.05 | 0.05 |
| | Total (A+B) | 373.41 | 373.45 |
| | Aggregate value of Unquoted investment | 373.41 | 373.45 |
| | Amount of Investment measured at Cost | 373.41 | 373.45 |
| 4 | Other Non current Financial Assets | | |
| | Earmarked Balance with Banks | 98.86 | 102.45 |
| | Fixed deposit (Pledged with Govt. Authority) | 10.86 | 6.86 |
| | Total | 109.72 | 109.31 |
| | CURRENT ASSETS | | |
| 5 | Inventories | | |
| | Work In Progress (Real Estate) | 5,924.23 | 6,214.91 |
| | Finished Goods | - | 3.21 |
| | Stock-in-trade (Land and expenses thereon) | 7,136.36 | 6,988.14 |
| | Total | 13,060.59 | 15,206.26 |
| 7 | Current Investment | | |
| | Investment in Equity Instruments (Quoted) | | |
| | Measured at FVOCI | | |
| | Unit | | |
| | 1000 (1000) Equity Shares of Reliance Infra Ltd. of Rs.10/- each | 0.10 | 1.37 |
| | 10000 (10000) Equity Shares of Cerebra Integrated Technologies of Rs.10/- each | 1.79 | 2.54 |
| | 255 (213) Equity Shares of HDFC Bank Ltd. of Rs.10/- each | 2.19 | 4.79 |
| | 102 (163) Equity Shares of Housing Development Finance Corp. Ltd of Rs.10/- each | 1.66 | 3.16 |
| | 382 (645) Equity Shares of ICICI Bank Ltd. of Rs.10/- each | 1.23 | 2.42 |
| | 212 (377) Equity Shares of Infosys Ltd. of Rs.10/- each | 1.36 | 2.69 |
| | 508 (851) Equity Shares of ITC Ltd. of Rs.10/- each | 0.87 | 2.50 |
| | 79 (131) Equity Shares of Kotak Mahindra Bank Ltd. of Rs.10/- each | 1.02 | 1.70 |
| | 74 Equity Shares of Larsen & Toubro Ltd. | 0.60 | 1.69 |

| | | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| (122) | of Rs.10/- each | | |
| - | Equity Shares of Maruti Suzuki India Ltd. | - | 0.87 |
| (13) | of Rs.10/- each | | |
| 189 | Equity Shares of Reliance Industries Ltd. | 2.09 | 4.39 |
| (338) | of Rs.10/- each | | |
| 62 | Equity Shares of TCS Ltd. | 1.13 | 2.10 |
| (105) | of Rs.10/- each | | |
| 43 | Equity Shares of Hindustan Unilever Ltd. | 0.98 | - |
| - | of Rs.10 each | | |
| Total value of Quoted Investment | | 15.02 | 30.21 |
| Investment in Mutual Fund (Unquoted) | | | |
| Unit | | | |
| - | DSP Black Rock Small & Mid Cap Fund | - | 53.80 |
| (99255.56) | | | |
| - | SBI Magnum Midcap Fund (Growth) | - | 86.90 |
| (116133.96) | of Rs.10/- each | | |
| - | SBI Magnum Multicap Fund (Growth) | - | 157.31 |
| (325344.2) | of Rs.10/- each | | |
| - | Union Capital Protection Oriented Fund (Growth) | - | 28.16 |
| (250000) | of Rs.10/- each | | |
| - | DSP BR Equity Fund (Growth) | - | 253.37 |
| (650182.6) | of Rs. 10/- each | | |
| - | ABSL Focused Equity Fund (Formerly ABSL Top 100 | - | 111.00 |
| (190001.6) | Fund) of Rs.10/- each | | |
| 150000 | Union Capital Protection Oriented Fund -Series 8-(Growth) | 15.52 | 16.00 |
| (150000) | of Rs.10/- each | | |
| - | Union PFG-Union Balanced Advantage Fund (Growth) | - | 15.62 |
| (149990) | of Rs.10/- each | | |
| 1999990 | SBI Long term Advantage Fund Series V- Growth | 160.81 | 200.98 |
| (1999990) | of Rs.10/- each | | |
| - | Aditya Birla Sun Life Equity Fund - Growth - Regular Plan | - | 137.11 |
| (18916.09) | of Rs.10 each | | |
| - | Union Corporate Bond Fund Regular Plan Growth | - | 10.37 |
| (97862.67) | of Rs.10 each | | |
| 99990 | Union Arbitrage Fund Regular Plan - Growth | 10.56 | 10.05 |
| (99990) | of Rs.10 each | | |
| 149990 | Union Focused Fund- Regular Growth Plan | 12.72 | - |
| - | of Rs.10 each | | |
| 99990 | Union Large & Midcap Fund - Regular Growth | 7.56 | - |
| - | of Rs.10 each | | |
| 149990 | Union Mid Cap Fund | 15.76 | - |
| - | of Rs.10 each | | |
| | Total value of Unquoted Investment | 222.92 | 1,080.66 |

| | | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| | Total aggregte value of Investment measured at FVOCI | 237.94 | 1,110.87 |
| | Investment measured at FVOCI | 237.94 | 1,110.87 |
| | Total value of Unquoted Investment | 222.92 | 1,080.66 |
| | Aggregate amount of Impairment in value of investment | 45.52 | - |
| 7 | Trade Receivables | | |
| | Trade Receivables Considered good, Unsecured | 63.60 | 287.52 |
| | Total | 63.60 | 287.52 |
| 8 | Cash and Cash Equivalent | | |
| | Balance With Banks | | |
| | In Current Account | 137.33 | 996.50 |
| | In Fixed Deposit (Pledged) | 78.93 | 137.42 |
| | Cash on Hand | 3.41 | 20.39 |
| | Total | 219.67 | 1,154.31 |
| 9 | Other Bank Balances | | |
| | In Fixed Deposit (Pledged) against Over draft facilities | 1,110.40 | 2,809.32 |
| | Total | 1,110.40 | 2,809.32 |
| 10 | Other Financial Assets | | |
| | Interest accrued on FDR with Bank | 15.11 | 54.36 |
| | Total | 15.11 | 54.36 |
| 11 | Other Current Assets | | |
| | Unsecured Considered Good | | |
| | Security Deposit | 11.98 | 7.01 |
| | Prepaid Expenses | 4.99 | 4.57 |
| | GST Recoverable | - | 129.69 |
| | Advance to Others | 103.03 | 167.72 |
| | Total | 120.00 | 308.99 |
| | EQUITY | | |
| 12 | Share Capital | | |
| | Authorised | | |
| | 6280000 Equity shares of Rs. 10/- each | 628.00 | 628.00 |
| | 20000 Cumulative Redeemable Preference shares of Rs. 100/- each | 20.00 | 20.00 |
| | 8,000 Deferred shares of Rs. 25/- each | 2.00 | 2.00 |
| | Total | 650.00 | 650.00 |
| | Issued, Subscribed & Paidup | | |
| | 2701018 (Previous year: 3116018) Equity shares of Rs. 10/- each fully paidup | 270.10 | 311.60 |
| | 8000 Deferred shares of Rs. 25/- each fully paidup | 2.00 | 2.00 |
| | Total | 272.10 | 313.60 |

| | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|
| | | (Rs. In Lakhs) |
| Reconciliation of number of shares outstanding at the beginning and end of the year | | |
| Particulars | | |
| At the beginning of the year | 31.24 | 31.24 |
| Changes during the year (Shares bought back during the year) | (4.15) | - |
| At the end of the year | 27.09 | 31.24 |
| 13 Other Equity | | |
| Capital Subsidy Reserve | | |
| Balance at the beginning of the year | 19.27 | 19.27 |
| Balance at the end of the year | 19.27 | 19.27 |
| General Reserve | | |
| Balance at the beginning of the year | 5,046.86 | 5,046.86 |
| Utilised for buy back of Equity Shares | (2,033.50) | - |
| Transfer to Capital Redemption Reserve | (41.50) | - |
| Transfer from Retained Earnings | - | - |
| Balance at the end of the year | 2,971.86 | 5,046.86 |
| Capital Redemption Reserve | | |
| Balance at the beginning of the year | 34.42 | 34.42 |
| Transfer from General Reserve | 41.50 | - |
| Balance at the end of the year | 75.92 | 34.42 |
| Capital Reserve on Revaluation on Land | | |
| Balance at the beginning of the year | 8,800.03 | 11,220.19 |
| Less: Transfer to profit and loss statement | (1,825.81) | (2,420.16) |
| Balance at the end of the year | 6,974.22 | 8,800.03 |
| Retained Earnings | | |
| Balance at the beginning of the year | 1,059.53 | 678.35 |
| Add: Net Profit for the year as per IND AS | 1,992.69 | 3,405.69 |
| Interim Dividend Paid | - | (2,508.81) |
| Tax on Interim Dividend | - | (515.70) |
| Balance at the end of the year | 3,052.22 | 1,059.53 |
| Other Comprehensive Income(OCI) | | |
| As per last balance sheet | 22.67 | 56.41 |
| Add: Movement in OCI(Net of Tax) during the year | (45.52) | 11.65 |
| Less: Investment sold during the year | (28.88) | (45.39) |
| Closing balance at the end of the year | (51.73) | 22.67 |
| Total | 13041.76 | 14,982.78 |

| | | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| | NON CURRENT LIABILITIES | | |
| 14 | Borrowings | | |
| | Secured Loan | | |
| | Vehicle Loans(Secured by hypothecacation of vehicle) | 142.37 | 123.47 |
| | Total | 142.37 | 123.47 |
| 15 | Provisions | | |
| | Provision for Employees Benefit | 14.76 | 12.10 |
| | Total | 14.76 | 12.10 |
| | CURRENT LIABILITIES | | |
| 16 | Deferred Tax Liabilities (Net) | | |
| | Deferred Tax Liabilities: | | |
| | Related to Property, Plant and Equipment | 64.46 | 61.38 |
| | Deferred Tax Assets: | | |
| | Mat Credit Entitlement | - | 59.63 |
| | Total | 64.46 | 1.75 |
| 17 | Borrowings | | |
| | Secured Loan From Banks | | |
| | Overdraft from Union Bank of India | 377.27 | 543.77 |
| | (Secured by hypothecation of fixed deposit) | | |
| | Total | 377.27 | 543.77 |
| 18 | Trade Payables | | |
| | Dues towards Micro Enterprises & Small Enterprises | | |
| | Dues towards others | 116.03 | 206.28 |
| | Total | 116.03 | 206.28 |
| 19 | Other Financial Liabilities | | |
| | Current Maturity of Long Term Debt | 72.04 | 52.70 |
| | Unpaid Dividend | 98.70 | 102.34 |
| | Temporary Book Overdraft | 0.23 | 3.76 |
| | Total | 170.97 | 158.80 |
| 20 | Other Current Liabilities | | |
| | Advance from Customer | 1,998.03 | 5,910.95 |
| | Security Deposits | 13.56 | 53.12 |
| | GST Payable | 5.61 | 7.31 |
| | Other Payables* | 284.12 | 346.06 |
| | Total | 2,301.32 | 6,317.44 |
| | *Other paybles includes statutory liability , employee liability etc. | | |
| 21 | Provisions | | |
| | Deferred Tax | 520.85 | 446.20 |
| | Provision For Employees Benefit | 0.14 | 0.18 |
| | Total | 520.99 | 446.38 |
| | | Year ended March 31, 2020 | Year ended March 31, 2019 |
| 22 | Revenue from Operations | | |
| | Sale of Plot & Flat (Including transfer from revaluation reserve Rs.1825.81 Lacs Previous year Rs. 2420.15 Lacs) | 8,736.49 | 7,307.97 |
| | Sale of product (Job Charges) | 496.25 | 544.30 |
| | Total | 9,232.74 | 7,852.27 |
| 23 | Other Income | | |
| | Interest Income | 114.86 | 174.68 |
| | Dividend Income | 0.32 | 0.36 |

| | | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| | Other Non-Operating Income | | |
| | Rent | 1.08 | 2.69 |
| | Provision of Liability No Longer Required | 2.79 | 0.44 |
| | Profit on Sale Of Investments (Net) | 11.13 | 122.10 |
| | Miscellaneous Receipts | 2.47 | 39.73 |
| | Total | 132.65 | 340.00 |
| 24 | COST OF CONSTRUCTION AND DEVELOPMENT EXPENSES | 3,451.80 | 2,951.31 |
| | Total | 3,451.80 | 2,951.31 |
| 25 | CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE | | |
| | Inventories (at close) | | |
| | Finished Goods | - | 3.21 |
| | Stock in trade(Real Estate) | 7,136.37 | 8,988.14 |
| | Work-in-Progress | 5,924.23 | 6,214.91 |
| | | 13,060.60 | 15,206.26 |
| | Inventories(at commencement) | | |
| | Finished Goods | 3.21 | 3.21 |
| | Stock in trade(Real Estate) | 8,988.14 | 10,933.23 |
| | Work-in-Progress | 6,214.91 | 3,817.47 |
| | | 15,206.26 | 14,753.91 |
| | Total | 2,145.66 | (452.35) |
| 26 | EMPLOYEE BENEFIT EXPENSE | | |
| | Salaries And Wages | 339.27 | 385.36 |
| | Contribution To Provident And Other Funds | 11.55 | 10.58 |
| | Staff Welfare Expenses | 6.31 | 5.26 |
| | Total | 357.13 | 401.20 |
| 27 | OTHER EXPENSES | | |
| | Establishment Expenses | | |
| | Rent | 6.54 | 5.21 |
| | Power & Fuel | 184.40 | 207.50 |
| | Repair Buildings | 20.51 | 7.51 |
| | Repair to Plant & Machinery | 12.08 | 10.92 |
| | Other Manufacturing Expenses | 4.17 | 2.62 |
| | Insurance | 7.23 | 5.24 |
| | Rates And Taxes | 2.24 | 1.41 |
| | Vehicle Maintenance | 19.69 | 20.45 |
| | Professional Charges | 96.91 | 90.79 |
| | Travelling And Conveyance Expenses | 6.18 | 6.10 |
| | Safety & Protection | - | - |
| | Payments To The Auditors | | |
| | As Auditor | 2.07 | 1.80 |
| | For Other Services | 0.94 | 0.86 |
| | Directors' Sitting Fee | 7.85 | 8.75 |
| | Loss On Sale Of Assets (Net) | 10.10 | 8.86 |
| | Sundry balances written off | - | |
| | Electricity expenses | - | - |
| | CSR Expenses | 48.00 | 27.00 |
| | Share Buyback Expenses | 24.20 | 16.55 |
| | Miscellaneous Expenses | 179.74 | 145.92 |
| | Total (A) | 632.84 | 567.49 |
| | Selling and Distribution Expenses | | |
| | Brokerage | 155.55 | 83.32 |
| | Total (B) | 155.55 | 83.32 |
| | Total (A+B) | 788.39 | 650.81 |

| | | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| | | | (Rs. In Lakhs) |
| 28 | Exceptional Items | | |
| | Investment Written Off | - | (331.07) |
| | | - | (331.07) |
| 29 | Tax expenses | 2019-20 | 2018-19 |
| | Amount recognised in Profit and Loss | | |
| | Current Tax | | |
| | Income tax for the year | 443.70 | 707.41 |
| | Adjustment related to previous year -Net | 80.67 | 83.29 |
| | Total Current Tax (A) | 524.37 | 790.70 |
| | Deferred Tax | | |
| | Deferred Tax for the year | | |
| | Adjustment related to previous year -Net | (3.08) | (54.26) |
| | Total Deferred Tax (B) | (3.08) | (54.26) |
| | Total Tax Expense (A+B) | 527.45 | 844.96 |

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

| | | 2019-20 | 2018-19 |
|---|---|---|---|
| 31 | Earning Per Share | | |
| | Net profit available for equity shareholders (Numerator used for calculation) | 1,992.69 | 3405.68 |
| | Weighted Average No. of equity shares (Used as Denominator for calculating EPS) | 27.95 | 31.36 |
| | Basic and Diluted Earning per share of Rs. 10/- | 71.29 | 108.60 |

32 Related Party Disclosures as required under Ind AS-24 are given below

Wholly Owned Subsidiary Company
Farco Foods Private Limited

Associate Companies
Star Hotels Limited
Youngtronics India Private Limited

Key Managerial Personnel (KMP)

Mr. Saleem Iqbal Shervani, Managing Director
Mr. Tahir Hasan, Whole-time Director & C.F.O.
Mr. S. K. Shukla, Company Secretary

Executive Directors
Mr. Sadiq Husain Siddiqui, Director (C.A.)

Non Executive Directors

Dr. A.P. Singh, Chairman, Independent Non Executive
Mr. A.N. Shervani, Director Non Executive
Mr. S.M. Shervani, Director Non Executive
Mr. Raju Verghese, Director Non Executive
Mr. G.S. Chaturvedi, Director Independent Non Executive
Mrs. Shefali Bansal, Director Independent Non Executive
Mr. Mohd. Aslam Sayeed, Director Independent Non Executive
Mr. Syed Zafar Subhan (Non Executive Director)
Mr. T. Nadesan, Director (Non Executive Director)
Mr. Mohd. Aslam Sayeed (Nominee Director)
Mr. Sajid Husain Siddiqui (Non Executive Director)

(Rs. In Lakhs)

Relatives:
Mrs. Salma Hasan
Mr. Mustafa Rashid Shervani
Mr Yasser Niaz Hasan

| Related parties with whom transactions have taken place | KMP | Relative of KMP and Other Directors | Associate Companies |
|---|---|---|---|
| Short Term Benefits (Remuneration) | | | |
| Current Year | 21.77 | 50.34 | - |
| (Previous Year) | (21.42) | (40.40) | - |
| Employee Benefit Expenses | | | |
| Current Year | 0.58 | 1.20 | - |
| (Previous Year) | (0.58) | (1.19) | - |
| Rent paid | | | |
| Current Year | 1.05 | - | - |
| (Previous Year) | (1.66) | - | - |
| Rent received | | | |
| Current Year | - | - | 0.96 |
| (Previous Year) | - | - | (0.89) |
| Sitting Fee | | | |
| Current Year | 7.85 | - | - |
| (Previous Year) | (8.75) | - | - |
| Loans | | | |
| Balance(Net of Provision) at the beginning and at the end of the year | | | |
| Current Year | - | - | - |
| (Previous Year) | - | - | - |
| Selling Commission | | | |
| Current Year | - | 0.50 | - |
| (Previous Year) | - | - | - |
| Purchase of Land | | | |
| Current Year | 92.05 | - | - |
| (Previous Year) | - | - | - |

The company has entered in to an agreement with Mr. Saleem Iqbal Shervani, Managing Director and KMP of Company on January 22nd, 2020 for construction of group housing on land situated at 36, S.N. Marg, Prayagraj for its upcoming project.

| 32 | Contingent Liabilities and Commitments | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| (A) | Guarantee given by Company in favour of Union Bank of India on behalf of Omnitel Technologies Private Limited for credit facility extended to them | Rs. 133.93 | Rs. 900.00 |

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

| Name of Enterprise | Net Assets i.e. Total Assets minus Total Liabilities | | Share in Profit or Loss | |
|---|---|---|---|---|
| | As % of consolidated Net Assets | Rs. in Lakhs | As % of consolidated Profit or Loss | Rs. in Lakhs |
| **Parent** | | | | |
| Shervani Indusrtrial Syndicate Limited | 102.00% | 13,591.26 | 98.00% | 1,915.65 |
| **Subsidiary** | | | | |
| Farco Foods Private Limited | -2.00% | (277.40) | 2.00% | 31.52 |
| **TOTAL** | **100.00%** | **13,313.86** | **100.00%** | **1,947.17** |

*Excluding the Share of Profit of Associate Companies

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

(Rs. In Lakhs)

| Sr. No. | Name of Subsidiary Company | Reporting Currency | Share Capital | Other Equity | Total Assets | Total Liabilities | Investments | Turnover / Total Income | Profit Before taxation | Provision for Taxation (Including Deferred Tax) | Profit After Taxation | Proposed Dividend | % of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Farco Foods Private Limited | INR | 90.00 | (277.40) | 570.60 | 757.99 | - | 506.66 | 42.59 | 11.07 | 31.52 | - | 100% |

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

| Sr No | Name of Associates | Shares of associates held by the company on year end | | | | | Profit/loss for the year | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Latest Audited Balance Sheet date | No of shares | Amount of investment in Associate | Extend of Holding % | Net Worth attributable to shareholding as per latest Balance Sheet | Considered in consolidation | Not considered in consolidation | Description of how there is significant influence | Reason why the associates is not consolidated |
| 1 | Star Hotels Ltd. | 31.03.2019 | 2,265,750 | 881.43 | 35.40% | - | *Please refer footnote | NIL | 35.40% Shares Held | *Please refer footnote |
| 2 | Youngtronic India Private Limited | 31.03.2020 | 85,000 | 8.50 | 46.33% | 4.52 | (9.46) | NIL | 46.33% Shares Held | - |

* Due to severe Corona Pandemic situation in New Delhi and disruptions caused by lock down imposed by Government of India on account of COVID-19, the financial statement of Star Hotels Limited could not be prepared and therefore not submitted to us to compile the company's share of profit/loss in consolidated financial statements.

36 The operation of the company remained closed after the month of March, 2020 due to nation-wide lockdown declared / announced by Government of India because of COVID-19 out break. The impact of COVID-19 may impact the underlying assumption and estimates used to prepare the company's financial statements which may differ from that considered at the time of approval of these financial statements but has no impact on the assumption relating to going concern.

**SHERVANI INDUSTRIAL SYNDICATE LIMITED**
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Manjaly's : 9335106310