

ANNUAL REPORT

1999-2000

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Shervani Industrial Syndicate Limited

Formerly **Geep Industrial Syndicate Limited**

BOARD OF DIRECTORS

Mr. Saleem Iqbal Shervani
Managing Director

Mr. Tahir Hasan
Whole-time Director

Mr. Saeed Mustafa Shervani

Mrs. Salma Hasan

Mr. R. R. Kumar

Mr. Kush Bhargava

Mr. Aslam Qadar Khan

Mr. Gopal Swaroop Chaturvedi

COMPANY SECRETARY

Mr. Rashid J. Malik

AUDITORS

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

M. G. Marg, The Mall,
Kanpur-208001

BANKERS

Central Bank of India

State Bank of India

REGISTERED OFFICE :

28, South Road,
ALLAHABAD -211001 (UP)

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 52nd Annual General Meeting of the members of '**Shervani Industrial Syndicate Limited**' will be held on Wednesday, the 6th September, 2000 at 11:30 A. M. at the Registered Office of the Company at 28, South Road, Allahabad to transact the following business:

ORDINARY BUSINESS:

1. To consider and, if thought fit, to approve and adopt the audited accounts of the Company for the year ended 31st March, 2000 and the Balance Sheet at that date together with the Directors' Report and Auditors' Report thereon.
2. To approve interim dividend.
3. To elect a Director in place of Mr. Tahir Hasan, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in place of Mr. Kush Bhargava, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Aslam Qadar Khan who was appointed as an Additional Director of the Company by the Board of Directors with effect from 18th October, 1999 and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing u/s 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. G. S. Chaturvedi who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12th January, 2000 and who holds office upto the date of this Annual General Meeting, and in

respect of whom the Company has received a notice in writing u/s 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

Place : Allahabad

Date : July 05, 2000

By Order of the Board

For Shervani Industrial Syndicate Limited

RASHID J. MALIK
Company Secretary

Registered Office:

28, South Road,

Allahabad - 211001 (U.P.)

NOTES:

1. The explanatory statement as required under Section 173(2) of the Companies Act, 1956 in respect of the item no. 6 & 7 is given hereinafter.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a poll to vote instead of himself, and the proxy need not be a member. A proxy form is enclosed. Proxy forms in order to be effective must be duly stamped, completed, signed and deposited at the Regd. Office of the Company not less than 48 hours before the meeting.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 1st September, 2000 to 5th September, 2000 (both days inclusive) for the purpose of Annual General Meeting.
4. Interim Dividend announced by the Board has been paid to the registered shareholders whose names appear on the Company's Register of Members as on record date 16th May, 2000 or to their mandates.

5. Members are requested to intimate to the Company immediately any change in their address alongwith Pin Code Number indicating their Folio Numbers.

6. As per Section 205A and 205C of the Companies Act, 1956, the amount of dividend for the Year 1995-96, 96-97, 97-98 & 98-99 remaining unclaimed over a period of seven years from the date it became due for payment, shall be transferred to the 'Investor Education and Protection Fund' to be established by the Government of India, and after that no claim shall lie against the Fund or the Company in respect of the amount so transferred. The claims for the dividend of above mentioned financial years may be sent to the Company before the expiry of period of seven years from the date of dividend became due for payment.

Those shareholders who have so far not claimed their dividend upto the financial year 1994-95, are requested to claim the dividend from the Registrar of Companies, UP, by submitting an application in the prescribed form.

7. As per the provisions of the amended Companies Act, 1956, the facility for making nominations is now available to the shareholders in respect of the Equity and Deferred Shares held by them. Members who desire to avail of this facility may send Form 2B duly filled in and signed to the Company at its Registered Office. The facility would be made available followwise to individual shareholders including jointholders.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 6 & 7

Mr. Aslam Qadar Khan and Mr. Gopal Swaroop Chaturvedi were co-opted as Directors of the Company on 18.10.1999 and 12.01.2000 respectively under Article 72(1) of the Articles of Association. Their term of office expires at this Annual General Meeting. The notices in writing under Section 257 of the Companies Act, 1956 from the members signifying their intention to propose the names of Mr. A. Q. Khan and Mr. G. S. Chaturvedi as candidates for the Office of Directors have been received by the Company.

The Directors recommend the appointment of Mr. A. Q. Khan and Mr. G. S. Chaturvedi as Directors of the Company.

No Director except appointees, is directly or indirectly interested in the resolutions.

By Order of the Board

Rashid J. Malik
Company Secretary

Place: Allahabad

Date: July 05, 2000

Registered Office:

28, South Road,

Allahabad - 211001 (U.P.)

52nd ANNUAL REPORT (1999-2000)**DIRECTORS' REPORT**

Your Directors take pleasure in presenting the 52nd Annual Report together with the audited Statements of Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

	(Rs. In Lacs)
Profit before Depreciation and Interest	338
a) Depreciation	91
b) Interest	—
Profit Before Tax	247
Provision for Taxation	167
Profit After Tax	80
Add : Balance brought forward from last year	62
Surplus Available for Appropriation	142

APPROPRIATION

Interim Dividend	66
Tax on Dividend	07
Transfer to General Reserve	25
Balance Carried Forward	44

DIVIDEND

In the Board Meeting held on May 2, 2000 the Directors announced 20% interim dividend i.e. Rs. 2/- per Ordinary Share and Rs. 5/- per Deferred Share which has been paid to those shareholders whose names appear on the Register of Members of the Company on the Record Date 16-5-2000. The Interim dividend has absorbed Rs. 65.61 lacs, and Rs. 7.21 lacs has been paid towards tax on dividend.

Considering the audited results of the company, your Directors do not recommend any final dividend for the year 1999-2000.

OPERATIONS REVIEW

During the year under review, your company's performance figures are not comparable to any previous years' figures, as the company was doing job work only for M/s. Wilkinson Sword India Limited, an Indian subsidiary of the Gillette group as per their requirement and conforming to the terms of the Contract Manufacturing Agreement with them. Your company has further initiated restructuring and

re-engineering in its torch and battery divisions to have cost effectiveness in operations. The full benefit to this exercise shall be available from the next financial year.

SUBSIDIARY COMPANY - SHERVANI SUGAR SYNDICATE LIMITED

The Audited Statements of Accounts for the year ended 30th September 1999, of the Company's subsidiary 'M/s. Shervani Sugar Syndicate Limited' are attached together with the Statement pursuant to Section 212 of the Companies Act, 1956.

DIRECTORS

Your Directors record with deep feeling of sorrow the sad demise of Mrs. T.R. Shervani, Chairperson Emeritus, on 2nd Feb. 2000. Mrs. Shervani was one of the founders of the company. Her association with the company was for more than three decades in various positions.

During the year Mr. Mohd. Fazal resigned from the Board of the Company due to his appointment as Hon'ble Governor of State of Goa. The Directors express their appreciation for the valuable services rendered by him as Director of the Company.

Mr. Aslam Qadar Khan and Mr. Gopal Swaroop Chaturvedi were co-opted as Additional Directors on the Board of the Company on 18-10-1999 and 12-01-2000 respectively under the Article 72(1) of Articles of Association. Their term of office shall expire at this Annual General Meeting.

In accordance with the provisions of Companies Act, 1956 and the Articles of Association of the Company, Mr. Tahir Hasan and Mr. Kush Bhargava, Directors of the Company retire by rotation at this Annual General Meeting and are eligible for re-appointment.

AUDITORS

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

The shareholders are requested to appoint Auditors for the current financial year till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring auditors of your company M/s. P.L. Tandon & Co. Chartered Accountants, are eligible for re-appointment.

52nd ANNUAL REPORT (1999-2000)**DIRECTORS' REPORT****LISTING OF SHARES & PAYMENT OF FEES**

The Ordinary Shares of your Company are listed at three Stock Exchanges named as under :

- The Stock Exchange, Kanpur
- The Stock Exchange, Mumbai
- The Stock Exchange, Delhi

The listing fee for the financial year 2000-01 has been paid to Kanpur & Delhi Stock Exchanges. The Mumbai Stock Exchange has not raised its bill so far.

Y2K COMPLIANCE

The computer facilities utilized for office services have been upgraded to be Y2K compliant.

CORPORATE GOVERNANCE

The members are aware that a new Corporate Governance Code has come in to existence for the listed companies pursuant to the recommendations of the Kumar Mangalam Birla Committee Report. As per Schedule of Implementation, the recommendations of the committee shall be applicable to your company in the financial year 2001-02 onwards. Since your Board of Directors believe in transparency and shareholders' right to information about the activities and progress of the company, the process of implementation has been started from this year. Accordingly, available information pursuant to various recommendations of the committee are provided in this Annual Report.

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES

Information in accordance with Sub-Section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time and forming part of Directors' Report are given as Annexure 'B' to this report.

DEPOSITS

During the year, fixed deposits amounting to Rs. 99.74 lacs were paid. 31 Deposits, amounting to Rs. 1,88,000 due for payment on or before 31st March, 2000 were not claimed by the depositors till 31-03-2000. Since then 2 depositors have claimed deposits of Rs. 10,000/-. Depositors were intimated well in advance regarding the maturity of deposits with requests to claim their deposits on maturity.

INDUSTRIAL RELATIONS

Industrial relations remained satisfactory during the period under review.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for assistance and co-operation received from Banks and Financial Institutions during the year.

Your Directors also wish to place on record their deep sense of appreciation for the devoted services of all the employees of the Company.

For and on behalf of the Board

Tahir Hasan
Whole - time Director

S. I. Shervani
Managing Director

Place : Allahabad
Date : July 05, 2000

52nd ANNUAL REPORT (1999-2000)**DIRECTORS' REPORT**

Information under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as amended from time to time and forming part of Directors' Report for the year ended 31st March, 2000.

A. CONSERVATION OF ENERGY**a)- ENERGY CONSERVATION MEASURES TAKEN**

Inducted the Temperature Controllers for Mother Tanks on C/A Lines and Extrusion Press heaters, thereby reduced the running hours of the heaters which resulted approx. 30% direct saving in energy consumption of above machines.

b)- ADDITIONAL INVESTMENTS & SCHEMES BEING IMPLEMENTED

NIL

c)- IMPACT OF MEASURE (a) & (b) ABOVE

Attained marked improvement in energy efficiency.

B. TECHNOLOGY ABSORPTION**RESEARCH AND DEVELOPMENT****1- Specific area in which R&D is carried out by the Company**

Batteries & Flashlights developments.

2- Benefits derived as a result of above R & D

The research and development activities are being carried out in the following :

- (i) Development of paper lined batteries to replace mercury and cadmium.
- (ii) Use of waxed carbon midget electrode instead

ANNEXURE 'A' TO THE DIRECTORS' REPORT

of oiled rods.

(iii) Gold plating on torch components.

(iv) Electrophoretic coating on 555 torch.

3. Expenditure on R & D. (Rs. in thousands)

(i) Capital	30.16
(ii) Recurring	3472.58
(iii) Total	3502.74
(iv) Total R & D expenditure as percentage of total turnover	1.06%

4. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGOING

Foreign Exchange used equivalent to Rs. 2.77 lacs and Foreign Exchange earned Rs. NIL

For and on behalf of the Board

Mr. Tahir Hasan
Whole-time Director

S. I. Shervani
Managing Director

Place: Allahabad
Dated: July 05, 2000

ANNEXURE 'B' TO THE DIRECTORS' REPORT

STATEMENT UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2000

A. Employed through the year

Sl. No.	Name	Designation/ Nature of Duties	Total Remuneration (Rs.)	Qualifications	Experience (Years)	Date of Commencement of Employment	Age (Year)	Particulars of Previous Employment
1.	Mr. S.I. Shervani Director	Managing	9,44,400	B.A (Hons) AMIMA	24	03-04-1998	47	Ex-Managing Director of the company

B. Employed for part of the year and were in receipt of remuneration not less than Rs. 50,000/ per month. NA**Notes**

1. Nature of employment is contractual.
2. Besides salary and allowances, the remuneration shown above includes Company's contribution to Super-annuation Fund, Gratuity, Provident Fund and benefits like Housing, Medical etc.
3. Remuneration is as per the provisions of Schedule XIII of the Companies Act, 1956.
4. Mr. S. I. Shervani is related to Mr. S. M. Shervani, Mr. Tahir Hasan and Mrs. Salma Hasan who are the Directors of the Company.

52nd ANNUAL REPORT (1999-2000)**CORPORATE GOVERNANCE REPORT**

Shervani Industrial Syndicate Limited has always been committed to have transparency and fairness in its affairs. Therefore, instead of waiting for the year 2001-02 when Corporate Governance Report will be compulsorily applicable, the company has started the process of implementation of it from this year itself. Accordingly, available disclosures are given in this report.

BOARD OF DIRECTORS

Your Company has optimum combination of Executive Directors, Non-Executive Directors and Independent Directors. The Board currently comprises of one Managing Director, one Whole-time Director and six Non Executive Directors of whom three are Independent Directors.

The Board of the Company met 7 times after the last Annual Report. The meetings were held on 18th October, 1999, 12th January, 2000, 16th January, 2000, 28th January, 2000, 3rd April, 2000, 2nd May, 2000 and 28th June, 2000. The details of attendance of each director at said meetings and directorships held in other corporate are as follows:

Name of Director	Category	No. Of Board Meetings Attended	Last AGM Attended	No. of outside Directorships
Mr. S. I. Shervani	M D, Executive	6	Y	3
Mr. Tahir Hasan	WTD, Executive	6	Y	3
Mr. S. M. Shervani	Non Executive	2	N	1
Mr. R. R. Kumar	Independent	2	N	15
Mrs. Salma Hasan	Non Executive	5	N	Nil
Mr. Kush Bhargava	Independent	1	N	Nil
Mr. Aslam Q. Khan*	Non Executive	5	NA	3
Mr. G. S. Chaturvedi*	Independent	3	NA	Nil

* Mr. A. Q. Khan & Mr. G. S. Chaturvedi were co-opted as Directors on 18th October, 1999 and 12th January, 2000 respectively.

SHAREHOLDERS COMMITTEE

Presently the committee is being headed by Mr. S. I. Shervani, Managing Director. The other members of the committee are Mr. Tahir Hasan and Mr. S. M. Shervani. The committee shall be reconstituted in next few months according to the requirement of recommendations.

Mr. Rashid Jeelani Malik, Company Secretary is the Compliance Officer pursuant to the clause 47A of Listing Agreement. During the year the company received 4 complaints from the investors which were attended timely. No share transfer except those were incomplete, has been kept pending for more than 25 days.

GENERAL BODY MEETINGS

AGM/EGM	Date	Time	Venue
AGM (For 1996-97)	30.07.1997	11:00 A.M.	Registered Office
AGM (For 1997-98)	29.07.1998	11:00 A.M.	28, South Road, Allahabad-211001, U.P.
EGM	16.09.1998	11:30 A.M.	same as above
EGM	06.01.1999	11:30 A.M.	same as above
AGM (For 1998-99)	29.09.1999	11:30 A.M.	same as above
EGM	09.02. 2000	11:30 A.M.	same as above

Some Special Resolutions were proposed in the above meetings and were duly passed by show of hands. The company has not introduced the system of postal ballot.

52nd ANNUAL REPORT (1999-2000)**CORPORATE GOVERNANCE REPORT****STATUTORY DISCLOSURES**

The Company has not been penalised, nor have any strictures been imposed by the Stock Exchanges, SEBI or any Statutory Authority during the last three years on any matter relating to the capital market.

MEANS OF COMMUNICATIONS

- ➔ Half yearly report sent to each shareholder No
- ➔ Quarterly Results
 - ⊙ Which newspaper normally published in 1) Financial Express, 2) Aaj (Hindi)
 - ⊙ Any website, where displayed No
 - ⊙ Whether it also displays official news releases and presentations made to institutional investors or to analysts No

SHAREHOLDERS INFORMATION**ANNUAL GENERAL MEETING**

DATE	:	WEDNESDAY, September 6, 2000
TIME	:	11.30 a.m.
VENUE	:	28, South Road, Allahabad-211001, UP.

FINANCIAL REPORTING (Tentative)

Financial Reporting for the quarter ending June 30, 2000	End July, 2000
Financial Reporting for the half year ending September 30, 2000	End October, 2000
Financial Reporting for the quarter ending Dec. 31, 2000	End Jan. 2001
Financial Reporting for the year ending March 31, 2001	End June, 2001

DATE OF BOOK CLOSURE	1st Sep. 2000 to 5th Sep.2000 (both days inclusive)
DIVIDEND	Interim Dividend has been recommended as final dividend.
LISTING ON STOCK EXCHANGES	MUMBAI, DELHI, KANPUR.
STOCK CODE	26117(BSE) / 3079 (DSE)

MARKET PRICE DATA (Financial Year 1999-2000)

	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
High	70.00	53.40	50.00	53.95	45.00	41.25	49.00	46.25	48.60	52.25	45.00	42.00
Low	30.50	37.30	46.00	44.10	38.90	33.00	35.25	36.60	38.20	42.70	35.20	37.50

SHARE TRANSFER SYSTEM

To expedite the transfer, authority has been delegated to the Share Transfer Committee of the Board. The in-house share transfer department ensures the despatch of duly transferred share certificates with in 25 days of receipt. Mr. R. J. Malik, Company Secretary who is the Compliance Officer attends to the share transfer formalities at least once in a fortnight and reports the share transfer committee. In compliance with the Listing Agreement, at every six months, the share transfer system is audited by a Practicing Company Secretary and a certificate to that effect is issued by him.

PLANT LOCATION	Shervani Nagar, Harwara, Allahabad
ADDRESS FOR CORRESPONDANCE	SHERVANI INDUSTRIAL SYNDICATE LIMITED 28, South Road, Allahabad-211001, UP Phone : 0532-624538 Fax : 0532- 624251 e-mail: sisli@vsnl.com