

# 68<sup>th</sup> ANNUAL REPORT 2015-2016

**Servani Industrial Syndicate Limited**

# Shervani Industrial Syndicate Limited

## BOARD OF DIRECTORS

### CHAIRMAN

Dr. Ashutosh Pratap Singh

### MANAGING DIRECTOR

Mr. Saleem Iqbal Shervani

### WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER

Mr. Tahir Hasan

### DIRECTORS

Mr. Azher Nisar Shervani

Mr. Saeed Mustafa Shervani

Mr. Kush Bhargava

Mr. Gopal Swarup Chaturvedi

Mr. Raju Verghese

Mr. Mohammad Aslam Sayeed

Mrs. Shefali Bansal

### COMPANY SECRETARY & Sr. ACCOUNTS MANAGER

Mr. B. K. Misra

### AUDITORS

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

Chartered Accountants,

Kanpur

### BANKERS

State Bank of India

Union Bank of India

Central Bank of India

ICICI Bank Ltd.

HDFC Bank Ltd.

### REGISTERED OFFICE

Shervani Nagar,

Sulem Sarai, Harwara

Allahabad - 211011

Uttar Pradesh

## Annual Report 2015-2016

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

#### ORDINARY BUSINESS

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

#### SPECIAL BUSINESS

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

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

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

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

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

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

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

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

By Order of the Board  
For Shervani Industrial Syndicate Limited

B.K. Misra  
Company Secretary

Place : Allahabad  
Date : May 28, 2016

#### NOTES:

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

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

2. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total

- share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. The Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts in respect of Special Business under Item Nos. 5 and 6 as set out above is annexed hereto.
  4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
  5. Members / Proxies are requested to bring their attendance slip duly filled in along with their copy of Annual Report to the Meeting.
  6. In case of Joint Holders attending the Meeting, only such Joint Holder who is higher in the order of names will be entitled to vote.
  7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Annual General Meeting.
  8. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 23<sup>rd</sup> September, 2016 to Thursday, 29<sup>th</sup> September, 2016 (both days inclusive).
  9. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred unpaid / unclaimed dividend upto financial year 2007-2008 to Investor Education and Protection Fund (IEPF) established by the Central Government. The unpaid / unclaimed dividend for the financial year 2008-2009 and thereafter which remains unpaid / unclaimed for a period of seven years from the date it became due for payment will be transferred by the Company to the IEPF. Members who have not encashed their dividend warrants may approach Company or RTA for obtaining payment thereof.
  10. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts [as referred to in section 205C (2)] lying with the Company on the website of the Ministry of Corporate Affairs viz. <http://www.iepf.gov.in>. The concerned Members are requested to verify the details of their unclaimed amounts, if any, from the said website and lodge their claim with the Company's Registrar and Transfer Agents (RTA), before the same is due for transfer to the IEPF.
  11. Members holding shares in electronic form are requested to intimate immediately any change in their Address or Bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrar and Transfer Agents (RTA).
  12. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Transfer Agents (RTA).
  13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
  14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in Form No. SH-13 prescribed under Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014 which can be obtained from the Company or its RTA.
  15. Members desirous of obtaining any information / clarifications, intending to raise any query concerning the annual accounts or operations of the Company, are requested to forward the same at least seven days prior to the date of meeting to the Company Secretary at the Registered office of the Company, so that the same may be attended appropriately.
  16. In terms of Sections 107 and 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing its members the facility to exercise their right to vote at the meeting by electronic means on any or all of the businesses specified in the accompanying Notice. The necessary arrangements have been made by the Company with Central Depository Services Ltd ("CDSL") to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the General Meeting.
- The instructions for shareholders voting electronically are as under:**
- (i) The voting period begins on Monday, 26<sup>th</sup> September, 2016 at 10.00 A.M. and ends on Wednesday, 28<sup>th</sup> September, 2016 at 5.00 P.M. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the 22<sup>nd</sup> September, 2016 (the cut-off-date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to

www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding Shares in Demat and Physical Form	
PAN	Enter your 10 digit alpha-numeric **PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  **Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Date of Birth	Enter the Date of Birth (DOB) as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

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

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the <Shervani Industrial Syndicate Limited> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password

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

(xviii) Note for Non-Individual Shareholders and Custodians

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

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

#### General Instructions:

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

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

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

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

By Order of the Board  
For Shervani Industrial Syndicate Limited

B.K. Misra  
Company Secretary

Place : Allahabad  
Date : May 28, 2016

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

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

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

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

**ITEM No. 6**

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

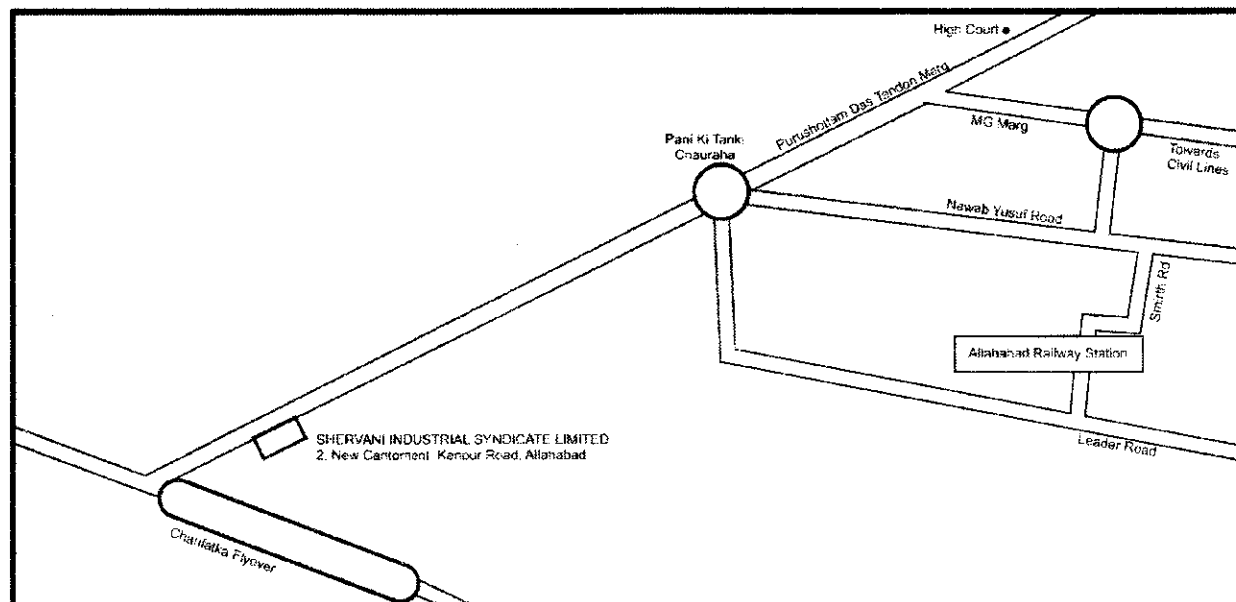
Accordingly, it is proposed to seek approval of Members to empower the Directors or Key Managerial Personnel to fix the fee in the Special Resolution set out at Item No. 6 of the Notice for approval by the Shareholders.

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

By Order of the Board  
For Shervani Industrial Syndicate Limited

B. K. Misra  
Company Secretary

Place : Allahabad  
Date : May 28, 2016

**LOCATION MAP OF VENUE OF ANNUAL GENERAL MEETING**



Dear Members,

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

#### FINANCIAL RESULTS

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

#### DIVIDEND

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

#### OPERATIONS REVIEW

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

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

#### MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

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

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

##### C. Subsidiary Company

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

##### D. Internal Financial Controls

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

##### E. Development in Human Resource and Industrial Relations

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

##### F. Research and Development

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

#### CORPORATE GOVERNANCE

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



**EXTRACT OF ANNUAL RETURN**

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

**BOARD MEETINGS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

**DECLARATION BY INDEPENDENT DIRECTORS**

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

**NOMINATION & REMUNERATION**

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

**AUDITORS REPORT**

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

**RELATED PARTY TRANSACTIONS**

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

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

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

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

**CORPORATE SOCIAL RESPONSIBILITY**

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

**BOARD EVALUATION**

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

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

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

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

**STATUTORY AUDITORS**

M/s P.L.Tandon & Co. Chartered Accountants, statutory auditors of the Company retire from their office at the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility under section 141 of the Companies Act, 2013 and the rules framed thereunder for re-appointment as Auditors of the Company. Your Directors recommend their re-appointment up to the conclusion of the next Annual General Meeting.

**SECRETARIAL AUDITORS**

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

**INTERNAL AUDITOR**

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

**DEPOSITS**

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

**CONSOLIDATED FINANCIAL STATEMENT**

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

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

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

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

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

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

**UNCLAIMED DIVIDEND**

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

**AUDIT COMMITTEE**

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

**VIGIL MECHANISM**

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

**LISTING WITH STOCK EXCHANGE**

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

**REPORTING OF FRAUD**

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

**INDUSTRIAL RELATIONS**

Industrial relations remained cordial during the period under review.

**ACKNOWLEDGEMENTS**

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

For and on behalf of the Board

Mohd. Aslam Sayeed  
Director  
DIN : 06652348

S I Shervani  
Managing Director  
DIN : 00023909

Place : Allahabad  
Date : May 28, 2016