

69th ANNUAL REPORT 2016-2017

Servani Industrial Syndicate Limited

Servani Industrial Syndicate Limited

BOARD OF DIRECTORS

CHAIRMAN

Dr. Ashutosh Pratap Singh

MANAGING DIRECTOR

Mr. Saleem Iqbal Servani

WHOLE TIME DIRECTOR & CHIEF FINANCIAL OFFICER

Mr. Tahir Hasan

DIRECTORS

Mr. Azher Nisar Servani

Mr. Saeed Mustafa Servani

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

Servani Nagar,

Sulem Sarai, Harwara

Allahabad - 211011

Uttar Pradesh

Annual Report 2016-2017

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NOTICE is hereby given that the 69th Annual General Meeting of the Members of Shervani Industrial Syndicate Limited will be held on Thursday, the 28th September, 2017 at 11.30 A.M. at 2, New Cantonment, Kanpur Road, Allahabad to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt :
 - (a) the Audited Financial Statements for the Financial Year ended 31st March, 2017 together with the Reports of the Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements for the Financial Year ended 31st March, 2017 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Raju Verghese (DIN: 01086812) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Shefali Bansal (DIN: 07090579) who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Gupta Vaish & Co., Chartered Accountants (Firm Registration No. 005087C) be and are hereby appointed as Statutory Auditors of the Company, in place of the retiring Statutory Auditors M/s. P.L. Tandon & Co., Chartered Accountants (Firm Registration No. 000186C), to hold office for a term of five years from the conclusion of the Sixty Ninth Annual General Meeting until the conclusion of the Seventy Fourth Annual General Meeting of the Company, subject to ratification of the appointment by the Members at every Annual General Meeting held after this Sixty Ninth Annual General Meeting, on such remuneration as may be fixed by the Board of Directors of the Company.”

By Order of the Board
For Shervani Industrial Syndicate Limited

B.K. Misra
Company Secretary

Place : Allahabad
Date : August 14, 2017

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 Business under Item No. 4 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. 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 2009-2010, 2010-2011 2011-2012 and 2013-2014 are requested to lodge their claims with Company or Registrar and Transfer Agents (RTA). 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.
9. 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).

10. 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).
11. 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.
12. 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.
13. 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.
14. 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 at the meeting by electronic means on all 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, 25th September, 2017 at 10.00 a.m. and ends on Wednesday, 27th September, 2017 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 21st September, 2017 (the cut off date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding Shares in Demat and Physical Form	
PAN	Enter your 10 digit alpha-numeric **PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) **Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / 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.
- 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 become member of the Company after 25th August, 2017 i.e. BENPOS date considered for dispatch of the notice and holding shares as on the cut off date i.e. 21st September, 2017, may obtain the login Id and password by sending a request at helpdesk.evoting@cdslindia.com.
- vi. M/s. Sidiqqe & 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.
- 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:

- 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 21st September, 2017 (i.e. the “Cut-Off Date”).
15. 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 RE-APPOINTMENT

Particulars	Mr. Raju Verghese	Mrs. Shefali Bansal
Director Identification Number	01086812	07090579
Date of Birth / Age	05.11.1947 / 70 years	06.12.1956 / 61 years
Date of Appointment on the Board	27.01.2007	09.02.2015
Qualifications	B.Sc.	B.A.
Expertise in specific functional area	Finance, Account and Taxation	Social and Cultural
Chairman/ Director of other Companies	Reed Finance Pvt. Ltd. Capon Food Specialities Ltd.	NIL
Chairman/ Member of Committee of the Board of other Companies of which he is a Director (a) Audit Committee (b) Stakeholders' Relationship Committee	NIL NIL	NIL NIL
Shareholding of Director in the Company	540 Equity shares	NIL
Relationship with other Director / KMPs	None	None
No. of Board Meetings held during the tenure and attended by the Director during the Financial year 2016-17	Held Four Attended One	Held Four Attended One

By Order of the Board
For Shervani Industrial Syndicate Limited

B.K. Misra
Company Secretary

Place : Allahabad
Date : August 14, 2017

ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM No. 4

This Explanatory Statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.

As per the provisions of Section 139 of the Companies Act, 2013 ("the Act") read with rules made thereunder, no Listed Company can appoint or re-appoint an Audit firm as Auditor for more than two terms of five consecutive years. Further, as per Section 139 of the Act, a period of three years has been provided to comply with this requirement. In view of the same, the tenure of the existing Statutory Auditors, M/s. P.L. Tandon & Co., Chartered Accountants is upto the conclusion of this Annual General Meeting.

The Board of Directors of the Company, based on the recommendations of the Audit Committee, at its meeting held on 30.05.2017, proposed the appointment of M/s. Gupta Vaish & Co., Chartered Accountants (Firm Registration No.005087C), as the Statutory Auditors of the Company for a period of five years, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Seventy Fourth Annual General Meeting of the Company subject to ratification of their appointment at every Annual General Meeting.

M/s. Gupta Vaish & Co., Chartered Accountants (Firm Registration No.005087C) have consented to their appointment as Statutory Auditors and have confirmed eligibility that their appointment, if made, will be in accordance with the provisions of Section 139 read with Section 141 of the Act.

None of the Directors and Key Managerial Personnel or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

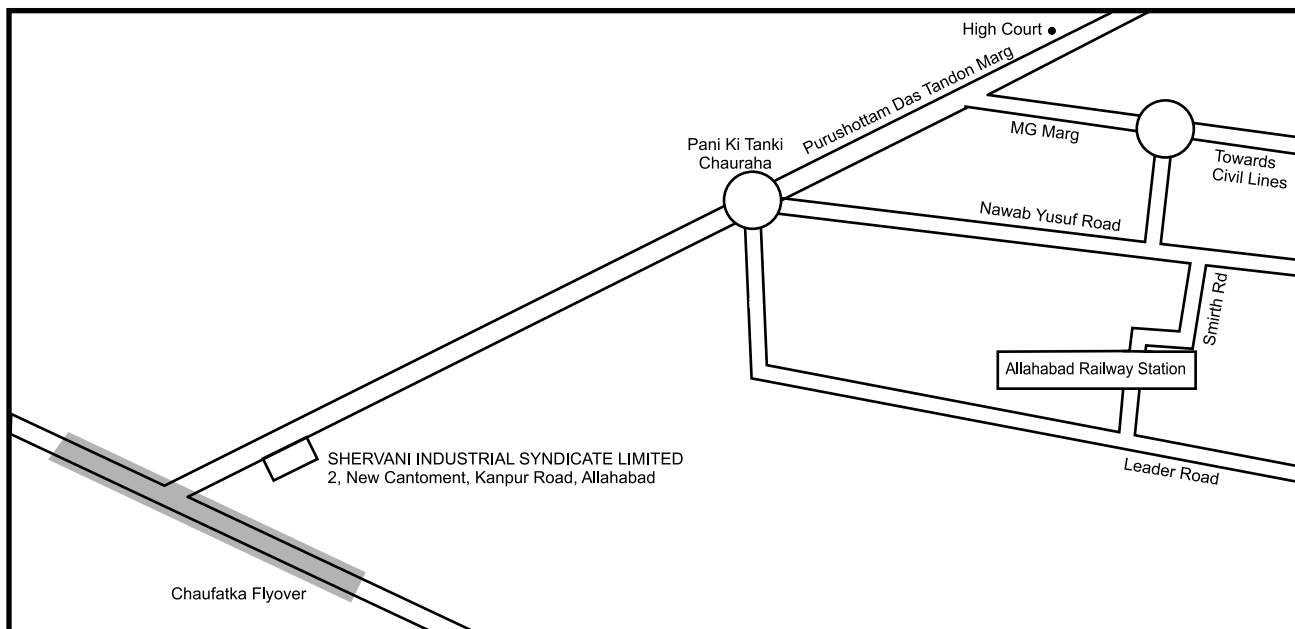
The Board recommends the ordinary resolution as set out in Item No. 4 of the Notice for your approval.

By Order of the Board
For Shervani Industrial Syndicate Limited

B. K.Misra
Company Secretary

Place : Allahabad
Date : August 14, 2017

LOCATION MAP OF VENUE OF ANNUAL GENERAL MEETING



Dear Members,

Your Director's take pleasure in presenting the 69th Annual Report together with the Audited Financial Statements for the year ended on 31st March, 2017.

FINANCIAL RESULTS

	(Rs. in Lac)
Total Revenue	3814
Profit before Depreciation	651
Depreciation	29
Profit after Depreciation before tax	622
Exceptional Item-Income	882
MAT Credit	1
Profit after tax	1505

DIVIDEND

Due to inadequacy of Profit and the provisions of the Companies Act, 2013, your Directors are not in a position to propose any dividend for the year that ended on 31st March, 2017.

OPERATIONS REVIEW

In the previous report to the shareholders we had stated that the development of infrastructure facilities for the 'Shervani Legacy Project' has been completed and the sale of plots has commenced and is progressing satisfactorily. During the current year the company also executed sale deeds in favour of customers who completed their respective payment schedules.

During the current year the company started the construction of Group Housing residential apartments which is progressing in accordance with the plan approved by ADA. However the time schedule for Group Housing has been adversely affected due to non-availability of coarse sand. The State Govt. stopped mining of sand to facilitate the review of policy on same. However, we are pleased to report that despite slow down in real state sector the company has during the current year been able to book more than 50% of the total flats under construction. We are very thankful for the trust the public has reposed in the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

A. Business Overview, Industry Structure and Development

During the year under review the real estate sector continued to suffer from economic slow-down. Hence the sale of plots did not reach the expected level. However, the booking of residential apartments is as per our expectations. During the period which follows the period under review the monsoon has been good, the Seventh Pay Commission Report has been implemented which together with easy availability of housing loan and cheaper credit lead towards recovery of economy and the real estate sector in particular specially in medium term.

B. Outlook on Opportunities, Threats Risks and Concern

In search of opportunities for better life, people

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 intermittent periods of slowdown, the growth in the construction industry is expected to pick up. The infrastructure facilities developed at 'Shervani Legacy' promise a green and healthy environment, which together with the high construction standards adopted by us has uplifted the trust of public in our project. 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 and margins. 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 5723 MT biscuits of Priyagold Brand on job work basis. The work relating to firing of furnace by gas supplied through pipe-line has been completed. As a result the efficiency of plant has improved considerably.

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 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 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. There are no changes among the Board of Directors and Key Managerial Personnel of the Company during the year under review.

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.31 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

Pursuant to provisions of section 135 of the Companies Act, 2013, a committee of Board of Directors has been formed and the members of the Committee are Mr. S.I. Shervani, Managing Director, Mr. T. Hasan Whole Time Director and Mr. M. A. Sayeed, Director.

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. Raju Verghese (DIN:01086812) and Mrs Shefali Bansal (DIN:07090579) 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 S I Shervani, Managing Director, Mr T Hasan, Chief Financial 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

In terms of provisions of section 139 and 142 of the Companies Act, 2013 and The Companies (Audit and

Auditors) Rules, 2014 the retiring auditors are not entitled for re-appointment. The Board of Directors, after scrutiny by the Audit Committee have approved the appointment of M/s Gupta Vaish & Co. Chartered Accountants, Kanpur as the auditors of the Company to audit the financial records of the Company for a period of 5 years from 1st April 2017 to 31st March, 2022 from the conclusion of ensuing Annual General Meeting till the conclusion of the Annual General Meeting for the year 2022 on remuneration to be fixed by the Board of Directors. They have confirmed their eligibility under section 141 of the Companies Act, 2013 and the rules framed thereunder for appointment as Auditors of the Company. The proposed appointment shall be subject to ratification by the shareholders in the Annual General Meeting every year. 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 Audit for the year 2016-17 is annexed herewith as Annexure-B. and forms integral part of this Report.

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 of the Company.

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.

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.

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 2008-09 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 BSE 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 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 30, 2017