

**SVC RESOURCES LIMITED**

**ANNUAL REPORT**

**2015 - 2016**

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**DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS**

To the Members,

Your Directors have pleasure in presenting this Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2016.

Despite of Company Law Board Order dated April 04, 2014 for change in management of the Company and Company Law Board Order dated June 04, 2015 the Old management did not handover all records of the Company to the new management.

| <b>Financial Results</b>                        | <b>Year Ended<br/>31.03.2016</b> | <b>Year Ended<br/>31.03.2015</b> |
|---|----------------------------------|----------------------------------|
| Income  | 32,35,578                        | -                                |
| Less: Expenditure                               | 30,44,344                        | 7,58,277                         |
| Profit before Tax                               | 1,91,234                         | (7,58,277)                       |
| Less : Income Tax For Current Year              | 56,000                           | -                                |
| Profit after Tax                                | 1,35,234                         | (7,58,277)                       |
| Add : Profit brought forward from Previous Year | -                                | -                                |
| Balance carried forward                         | 1,35,234                         | (7,58,277)                       |

**DIVIDEND**

As there was minimal income in the current year, to strengthen the financial position of the Company and to augment working capital your directors regret to declare any dividend.

**RESERVES & SURPLUS**

Total profit of Rs.1,35,234/- for the financial year is proposed to be transferred to the General Reserve.

**BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR**

Your Directors have pleasure to inform you that Company has succeeded in starting the trading and has generated gross revenue of Rs.32 lacs and profit after tax is 1.35 lacs.

**CHANGES IN SHARES CAPITAL**

The Company has not issued any kind of shares or securities during the year under review.

**REGISTERED OFFICE AND CORPORATE OFFICE**

During the period under review Company shifted its registered office from 3, Prime Rose, Near Airtel Gallery, Lokhandwala Complex, Andheri (West), Mumbai – 400053, to Unit No. 42, Citi Mall, Link Road, Andheri (West), Mumbai – 400053.

The Company has also opened a new corporate office at C-1, Fortune Delight, Hoshangabad Road, Bhopal, Madhya Pradesh – 462026.

**BUSINESS SEGMENT**

Your Company primarily operates in the business segment of mining and trading.

**RISK & CONCERNS**

Subsequent to the Company Law Board, Principle Bench, Delhi vide its order dated June 4, 2015, the company is trying to recover from its financial mess done by its old board. The Board is confident of its recovery. The company has complained to Economic Offence Wing regarding misappropriation of funds.

**OPPORTUNITIES**

The overall downturn in the fuel prices will only benefit the company and lower the operational cost of the company.

**THREATS**

The Board of directors perceives that competition from established players and change in government policies as major threats. These coupled with Price volatility, Trade policy uncertainties and Environmental concerns also possess its own challenges.

The Company business is of cyclic nature which has its own problems.

**OVERVIEW**

SVC Resources Limited (SVC) is a BSE listed company. SVC is a professionally managed Company with the Board Members having rich and varied experience in Exploration, Mining, Processing, Trading, Finance and other fields.

**INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The present internal control systems are commensurate with its size.

**SUBSIDIARY**

As per records available from BSE Website and MCA Website, Company has only one overseas subsidiary SVC Resources FZC, Sharjah, UAE. However, the company has no records pertaining to its subsidiary as old management has not handed

over the records to the new management despite of the Company Law Board Order. Hence, subsidiary accounts are not enclosed.

**PUBLIC DEPOSITS**

As the Old Board has not handed over the books of accounts, statutory records and minutes book, the company is not in a position to ascertain acceptance of public deposits. Company Law Board, New Delhi, vide its order dated June 4, 2015 has directed the old board to handover books of accounts and other records to the new board. However, the old board is yet to hand over the same. The new management of the Company has not accepted any deposit from public since the new management has taken charge of the Company.

**PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN OR INVESTMENTS MADE UNDER SECTION 186 OF COMPANIES ACT, 2013**

Particulars of loans, guarantees and investments made by Company pursuant to Section 186 of the Companies Act, 2013 are given in the notes to the financial accounts and forms part of the Annual Report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors, in their meeting held on November 18, 2015, accepted the resignation tendered by Mr. Mohammed Ali, Managing Director of the Company. In the same Board meeting Mr. Akhilesh Malvi was appointed as Managing Director of the Company, subject to approval of members. Your Board places on records its appreciation for outstanding contribution made by Mr. Mohammed Ali during his tenure as Managing Director of the Company.

Mr. Zalak Shah tendered his resignation with effect from September 03, 2015. Ms. Tulsa Silwal was appointed as Non Executive Independent Director, in the Board meeting held on December 30, 2015, subject to the approval of members. Mr. Mandar Desai, was appointed as Company Secretary of the Company on March 03, 2016. Mr. Tushar Moghe who was appointed as Chief Financial Officer of the Company tendered his resignation subsequent to the end of the financial year.

Appointment of Managing Director and Additional Director will be confirmed in ensuing the Annual General Meeting.

**COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

Company's policy relating to directors appointment, payment of remuneration and discharge of their duties is annexed herewith as Annexure II.

**CORPORATE GOVERNANCE**

Pursuant to Regulation 15(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, compliance of Corporate Governance is not mandatory. However, the company has complied with the

provisions of Regulation 17 to 27 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent possible. A separate section on Corporate Governance forms part of the Directors' Report as Annexure V.

## **HUMAN RESOURCES**

Company encourages a culture that develops and empowers people, promotes team building and nurtures new ideas. The Company's recruitment practice ensures that suitable candidates with merit are recruited and provided with the right opportunities to grow within the organisation.

## **AUDITORS**

### **Statutory Auditors**

The current Auditors of the company M/s D N Khatri, Chartered Accountants whose term of Appointment expires at the ensuing Annual General Meeting. They have expressed their desire not to be re-appointed. Board has considered appointment of M/s Jain and Jain, Chartered Accountants as Statutory Auditors subject to approval of members of the company.

The Auditors have give a qualified Audit Report with the following qualification:-

### ***Basis for Disclaimer of Opinion***

*So far as information and explanations given to us, the Old Management of the Company was removed in an Extraordinary General Meeting held on January 11, 2014 and supported by the an order of the Company Law Board, Delhi dated April 4, 2014.*

*Thereafter, the Old Management did not hand over books of accounts, statutory records, minutes books, bank statements, subsidiary details and any other records/documents to the New Management. Since then, the New Management of the Company is engaged in a legal battle with the Old Management. As such, the Company does not have books of accounts or any other records. In this regard, the Company had filed petition with the Company Law Board, Delhi. The case was decided in favour of the New Management on June 4, 2015. However, the New Management are yet to receive the books of accounts and other records of the company from the Old Management.*

*We have not been able to access the books of accounts and other records of the company; the elements making up the Balance Sheet and the Statement of Profit and Loss and Cash Flow.*

### ***Disclaimer of Opinion***

*Because of the significance of the matters described in the Basis of Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit*

*evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.*

**Management Representation**

Subsequent to Company Law Board Order dated June 04, 2015 the new management is in continues touch for handover of Books of Accounts and Statutory Records. The company has also filed a complaint with the police station for the same. The company is yet to receive Books of Accounts and Statutory Records. Financial statements have been prepared on the basis of records available with the Company, Banks, BSE and Government Authorities.

**Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Person) Rules, 2014, the Company has appointed M/s. Ramesh Chandra Bagdi& Associates to undertake the Secretarial Audit of the Company.

In terms of provisions of Section 204(1) of the Companies Act, 2013, Secretarial Audit Report is annexed to this Board Report as Annexure III.

**PARTICULARS OF EMPLOYEES**

The Company has no directors or employees who are in receipt of remuneration exceeding the sum prescribed under section 197 of the Companies Act, 2013 read with Rule (5) of Companies (Appointment and Remuneration of Managerial Person) Rules, 2014.

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

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complain during the year 2015-16.

**BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders' Relationship Committee, including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of

the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

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

The information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed to this report as Annexure I.

### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

### **DIRECTORS RESPONSIBILITY STATEMENT**

As the Old Board has not handed over the books of accounts, statutory records and minutes book, the company is not in a position to confirm and ascertain the genuineness of various balances and advances shown in the Annual Report for the year ended March 31, 2013.

The Company Law Board, Principle Bench, New Delhi, vide its order dated June 04, 2015 has directed the old board to handover books of accounts and other records to the new board. However, the old board is yet to hand over the same.

Pursuant to Section 134 of the Companies Act, 2013 the Directors state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) Appropriate accounting policies have been selected and applied consistently and have 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 March 31, 2016 and of the profit and loss of the Company for the year ended March 31, 2016;
- (c) Proper and sufficient care has been taken 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;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively;
- (f) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**DECLARATION BY INDEPENDENT DIRECTOR**

Pursuant to Section 149(6) of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, the Independent Directors of the Company have given the declaration to the Company that they qualify the criteria of independence as required under the Act.

**VIGIL MEGHANISM**

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. The web link for the Whistle Blower Policy is <http://svcreources.co.in/wp-content/uploads/2015/12/Whistle-Blower-Policy.pdf>

**CORPORATE SOCIAL RESPONSIBILITY**

The provision of Corporate Social Responsibility does not apply to the company.

**RELATED PARTY TRANSACTIONS**

No transactions were carried out between any of the related parties in the year under review. The web link for related party transaction policy is <http://svcreources.co.in/wp-content/uploads/2015/12/Related-Party-Transaction.pdf>

**RISK MANAGEMENT**

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The Policy provides for creating a Risk Register, identifying internal and external risks and implementing risk mitigation steps.

**FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

**SEPARATE INDEPENDENT DIRECTOR MEETING**

The Board of Directors of the Company meet once in every Financial Year without the presence of Executive Directors and Management of the Company. The role of the Committee is as per the provisions of Companies Act, 2013 as well as the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure IV.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

On August 21, 2015, BSE Limited suspended the trading in securities of the Company. The Company had applied to BSE Limited for revocation of suspension and got the same revoked on June 07, 2016 along with monetary penalty.

**APPRECIATION**

The Board of Directors wishes to convey their appreciation to all your Company's employees for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Government and Statutory Authorities for their continued support.

Place: Mumbai

Date: August 10, 2016

For and on behalf of the Board  
For **SVC Resources Limited**

**Chairman**

**ANNEXURE TO DIRECTORS' REPORT****Annexure I****A. CONSERVATION OF ENERGY****(a) Major energy conservation measures taken during the year:**

The Company has taken adequate measures to conserve energy by continuous monitoring and effective use of energy, which is continuous process.

**(b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:** No additional investment proposed.**(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:**

Since it is continuous process of monitoring and usage, the impact is not quantifiable.

**(d) Electricity consumed during the year - NIL****B. TECHNOLOGY ABSORPTION**

Particulars with respect to technology absorption are given below:

**A. Research and Development (R & D)**

- i. Specific areas in which R & D carried out by the Company:  
The Company has not carried out any research and development activities during the year under review.
- ii. Benefits derived as a result of the above R & D: Not Applicable
- iii. Future plan of Action: Nil
- iv. Expenditure on R & D.: Nil

**B. Technology absorption, adaption and innovations: Nil****C. FOREIGN EXCHANGE EARNINGS AND OUTGO: Nil****Annexure II****POLICY RELATING TO DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

**Extracts of the Policy are as under:**

**Appointment of Directors:**

The appointments of Directors are recommended by the Nomination and Remuneration Committee of the Company however all the appointments are subject to approval of Board of Directors of the Company.

**Remuneration to Directors and Key Managerial Personnel:**

None of the directors are entitled to any Remuneration or any sitting fees however reimbursement of expenses is allowed wherever expense is made for the Company. Company Secretary and Chief Financial Officer of the Company are entitled to fixed remuneration which is fixed by the Managing Director of the Company.

**Discharge of Duties:**

Directors and KMP are required to perform all the duties which are mentioned under the Articles and all other duties as may be prescribed by the Board of Directors of the Company.

**ANNEXURE III****SECRETARIAL AUDIT REPORT****Form No. MR-3**

For the financial year ended on 31st March, 2016

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

To,  
The Members,  
**SVC RESOURCES LTD.**,  
Unit 42, Citi Mall, Link Road,  
Andheri (west), Mumbai – 400053.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SVC RESOURCES LTD.** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under and Companies Act, 1956 and Rules made there under to the extent applicable;

***Except – Mr. Rajesh S Baheti (Din -00718018) appointed on 07/10/2014 as additional director and regularized by the Company in the AGM held on September 30, 2015, the Company is yet to file necessary e-form DIR- 12 till date hence his designation is stated as additional director till date;***

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;

- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under. The Company is having subsidiary in Sharjah (UAE) namely SVC Resources FZC. As per current management no activity has been carried out in the subsidiary Company. As per CLB Order dated June 04, 2015 the old removed management is yet to handover all records, books of accounts, statutory registers, minutes books etc. to the new management.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(not applicable to the company during the audit period);**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(not applicable to the company during the audit period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(not applicable to the company during the audit period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(not applicable to the company during the audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(not applicable to the company during the audit period);**
- (vi) I have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

Since the company is engaged in **MINING OF IRON ORE & TRADING IN MINERALS** hence following special Enactments/Rules/ Regulations as are applicable to Mining industries are applicable to the company, in my opinion :-

- MINES ACT, 1952
- MINES AND MINERALS (DEVELOPMENT AND REGULATION) ACT, 1957

- IRON ORE MINES, MANGANESE ORE MINES AND CHROME ORE MINES LABOUR WELFARE CESS ACT,1976
- IRON ORE MINES, MANGANESE ORE MINES AND CHROME ORE MINES LABOUR WELFARE FUND ACT,1976

***But as per management representation and explanations, the Company has provided mining related services for which service tax has been paid and also traded in ore for which Company is in the process of applying for VAT. I have relied on the written representation of the management of the company in this regard. Since the Company is engaged in providing mining related consultancy services and trading in minerals hence no specific Acts are applicable except Service Tax and Sales Tax Laws.***

I have also examined compliances of the following:

- (i) The Company has complied with Secretarial Standards pursuant to Section 118(10) of the Companies Act, 2013 with regard to Annual General Meeting and Board of Directors Meetings.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges and W.E.F. 02/09/2015, various Regulations of SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

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

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that:**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and guidelines.

**I further report that:**

During the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of Shares/debentures/ sweat equity.
- (ii) Redemption/buy-back of securities.
- (iii) Merger/ amalgamation/ reconstruction etc.
- (iv) Foreign technical collaborations.

I further report that during audit period under review :-

- (i) The present status of the company is '**SUSPENDED**' due to surveillance measure.
- (ii) As per CLB Order dated June 4, 2015, the AGM for F.Y. 2013-14 was conducted on August 28, 2015 and the AGM for F.Y. 2014-15 was conducted on September 30, 2015.
- (iii) As per CLB Order dated June 04, 2015 the old removed management is yet to handover all records, books of accounts, statutory registers, minutes books etc. to the new management.

For **Ramesh Chandra Bagdi& Associates**  
**Company Secretaries**

**CS Ramesh Chandra Bagdi**  
**Proprietor**  
**FCS: 8276, C P No 2871**

**Place : Indore**  
**Dated : May 26, 2016**

**Note: This report is to be read with my letter of even date which is annexed as Annexure herewith and forms and integral part of this report.**

To,  
The Members,  
**SVC RESOURCES LTD.,**  
Unit 42, Citi Mall, Link Road,  
Andheri (west), Mumbai – 400053.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representations about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Ramesh Chandra Bagdi & Associates**  
**Company secretaries**

**CS Ramesh Chandra Bagdi**  
**Proprietor**  
**FCS: 8276, C P No 2871**  
**Place: Indore**  
**Dated: May 26, 2016**

**Annexure IV**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2016**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company(Management & Administration) Rules, 2014.**

| <b>I. REGISTRATION &amp; OTHER DETAILS:</b> |  |  |
|---|--|--|
| 1   | CIN  | L10100MH1976PLC018861  |
| 2   | Registration Date  | 28-02-76   |
| 3   | Name of the Company  | SVC RESOURCES LIMITED  |
| 4   | Category/Sub-category of the Company                                       | COMPANY LIMITED BY SHARES<br>INDIAN NON-GOVERNMENT COMPANY   |
| 5   | Address of the Registered office & contact details                         | Unit 42, Citi Mall, Link Road, Andheri (west), Mumbai – 400053.<br>Email id – svcresourceslimited@gmail.com  |
| 6   | Whether listed company   | LISTED   |
| 7   | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Purva Share Registry (India) Pvt. Ltd ,No 9, Shiv Shakti Industrial Estate, Ground Floor, J R BorichaMarg, Opp Kasturba Hospital, Lower Parel, Mumbai – 400011 |

| <b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>  |  |                                 |                                    |
|--|--|---------------------------------|------------------------------------|
| (All the business activities contributing 10 % or more of the total turnover of the company shall be stated) |  |                                 |                                    |
| S. No.   | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
| 1  | MINING AND TRADING IN MINERALS                   | 7                               | 100                                |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| SN | Name and address of the Company | CIN/GLN         | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|----|---------------------------------|-----------------|--------------------------------|------------------|--------------------|
| 1  | SVC RESOURCES FZE               | FOREIGN COMPANY | SUBSIDIARY                     | 85               | 2(87)              |

## IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

## (i) Category-wise Share Holding

| Category of Shareholders         | No. of Shares held at the beginning of the year<br>[As on 31-March-2015] |          |             |                   | No. of Shares held at the end of the year<br>[As on 31-March-2016] |          |             |                   | % Change during the year |
|----------------------------------|--|----------|-------------|-------------------|--|----------|-------------|-------------------|--------------------------|
|                                  | Demat  | Physical | Total       | % of Total Shares | Demat  | Physical | Total       | % of Total Shares |                          |
| <b>A. Promoters</b>              |  |          |             |                   |  |          |             |                   |                          |
| (1) <b>Indian</b>                |  |          |             |                   |  |          |             |                   |                          |
| a) Individual/HUF                | -  | -        | -           | -                 | -  | -        | -           | -                 | -                        |
| b) Central Govt                  | -  | -        | -           | 0.00%             | -  | -        | -           | 0.00%             | 0.00%                    |
| c) State Govt(s)                 | -  | -        | -           | 0.00%             | -  | -        | -           | 0.00%             | 0.00%                    |
| d) Bodies Corp.                  | 19,935,658   | -        | 19,935,658  | 28.67%            | 19,935,658   | -        | 19,935,658  | 28.67%            | 28.67%                   |
| e) Banks / FI                    | -  | -        | -           | -                 | -  | -        | -           | 0.00%             | 0.00%                    |
| f) Any other                     | -  | -        | -           | -                 | -  | -        | -           | 0.00%             | 0.00%                    |
| <b>Sub Total (A) (1)</b>         | 19,935,658   | -        | 19,935,658  | 28.67%            | 19,935,658   | -        | 19,935,658  | 28.67%            | 0.00%                    |
| (2) <b>Foreign</b>               |  |          |             |                   |  |          |             |                   |                          |
| a)NRI Individuals                | -  | -        | -           | -                 | -  | -        | -           | 0.00%             | 0.00%                    |
| b)Other Individuals              | -  | -        | -           | -                 | -  | -        | -           | 0.00%             | 0.00%                    |
| c)Bodies Corp.                   | -  | -        | -           | -                 | -  | -        | -           | 0.00%             | 0.00%                    |
| d) Any other                     | -  | -        | -           | -                 | -  | -        | -           | 0.00%             | 0.00%                    |
| <b>Sub Total (A) (2)</b>         | -  | -        | -           | -                 | -  | -        | -           | 0.00%             | 0.00%                    |
| <b>TOTAL (A)</b>                 | 19,935,658   | -        | 19,935,658  | 28.67%            | 19,935,658   | -        | 19,935,658  | 28.67%            | 0.00%                    |
| <b>B. Public Shareholding</b>    |  |          |             |                   |  |          |             |                   |                          |
| <b>1. Institutions</b>           |  |          |             |                   |  |          |             |                   |                          |
| a) Mutual Funds                  | -  | -        | -           | 0.00%             | -  | -        | -           | 0.00%             | 0.00%                    |
| b) Banks / FI                    | -  | -        | -           | 0.00%             | -  | -        | -           | 0.00%             | 0.00%                    |
| c) Central Govt                  | -  | -        | -           | 0.00%             | -  | -        | -           | 0.00%             | 0.00%                    |
| d) State Govt(s)                 | -  | -        | -           | 0.00%             | -  | -        | -           | 0.00%             | 0.00%                    |
| e) Venture Capital Funds         | -  | -        | -           | 0.00%             | -  | -        | -           | 0.00%             | 0.00%                    |
| f) Insurance Companies           | -  | -        | -           | 0.00%             | -  | -        | -           | 0.00%             | 0.00%                    |
| g) FIIs                          | 800,453  | -        | 800,453     | 1.15%             | 800,453  | -        | 800,453     | 1.15%             | 0.00%                    |
| h) Foreign Venture Capital Funds | -  | -        | -           | 0.00%             | -  | -        | -           | 0.00%             | 0.00%                    |
| i) Others (specify)              | -  | -        | -           | 0.00%             | -  | -        | -           | 0.00%             | 0.00%                    |
| <b>Sub-total (B)(1):-</b>        | 800,453  | -        | 800,453     | 1.15%             | 800,453  | -        | 800,453     | 1.15%             | 0.00%                    |
| <b>2. Non-Institutions</b>       |  |          |             |                   |  |          |             |                   |                          |
| a) Bodies Corp.                  |  |          |             |                   |  |          |             |                   |                          |
| i) Indian                        | 1,56,32,357  | -        | 1,56,32,357 | 22.48%            | 1,42,60,043  | 0        | 1,42,60,043 | 20.51%            | -1.97%                   |
| ii) Overseas                     | -  | -        | -           | 0.00%             | 0  | 0        | -           | 0.00%             | 0.00%                    |
| b) Individuals                   |  |          |             |                   |  |          |             |                   |                          |

|  |                    |          |                    |                 |                    |            |                    |                 |              |
|--|--------------------|----------|--------------------|-----------------|--------------------|------------|--------------------|-----------------|--------------|
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 1,25,82,260        | -        | 1,25,82,260        | 18.10%          | 1,28,88,254        | 100        | 1,28,88,354        | 18.54%          | 0.44%        |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1,75,86,067        | -        | 1,75,86,067        | 25.29%          | 1,86,19,866        | 0          | 1,86,19,866        | 26.78%          | 1.49%        |
| c) Others (specify)  | -                  | -        |                    |                 |                    |            |                    |                 |              |
| Non Resident Indians   | 5,18,376           | -        | 5,18,376           | 0.75%           | 5,27,993           | 0          | 5,27,993           | 0.76%           | 0.01%        |
| Overseas Corporate Bodies  |                    |          | -                  | 0.00%           |                    |            | -                  | 0.00%           | 0.00%        |
| Foreign Nationals  |                    |          | -                  | 0.00%           |                    |            | -                  | 0.00%           | 0.00%        |
| Clearing Members   | 7,32,871           | -        | 7,32,871           | 1.05%           | 4,94,306           | 0          | 4,94,306           | 0.71%           | -0.34%       |
| Trusts   |                    |          | -                  | 0.00%           |                    |            | -                  | 0.00%           | 0.00%        |
| HUF  | 17,45,291          | -        | 17,45,291          | 2.51%           | 20,03,460          | -          | 20,03,460          | 2.88%           | 0.37%        |
| <b>Sub-total (B)(2):-</b>  | <b>4,87,97,222</b> | <b>-</b> | <b>4,87,97,222</b> | <b>70.18%</b>   | <b>4,87,97,122</b> | <b>100</b> | <b>4,87,97,222</b> | <b>70.18%</b>   | <b>0%</b>    |
| <b>Total Public (B)</b>  | <b>4,95,97,675</b> | <b>-</b> | <b>4,95,97,675</b> | <b>71.33%</b>   | <b>4,95,97,575</b> | <b>100</b> | <b>4,95,97,675</b> | <b>71.33%</b>   | <b>0%</b>    |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           |                    |          | -                  | 0.00%           |                    |            |                    | 0.00%           | 0.00%        |
| <b>Grand Total (A+B+C)</b>   | <b>69,533,333</b>  | <b>-</b> | <b>69,533,333</b>  | <b>100.00 %</b> | <b>69,533,333</b>  | <b>-</b>   | <b>69,533,333</b>  | <b>100.00 %</b> | <b>0.00%</b> |

**(ii) Shareholding of Promoter**

| SN | Shareholder's Name       | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|----|--------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|    |                          | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1  | Lorgan Lifestyle Limited | 19,935,658                                | 28.67%                           | 0  | 19,935,658                          | 28.67%                           | 0  | 0  |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

- **There is no change in the promoters shareholding during the year**

**(iv) Shareholding Pattern of top ten Shareholders***(Other than Directors, Promoters and Holders of GDRs and ADRs):*

| SN | For each of the Top 10 shareholders | Date     | Shareholding at the beginning of the year |                   |
|----|-------------------------------------|----------|---|-------------------|
|    |                                     |          | No. of shares                             | % of total shares |
| 1  | Name                                |          |   |                   |
|    | RohitKhullar                        |          |   |                   |
|    | At the beginning of the year        | 01-04-15 | 37,56,081                                 | 5.40%             |
|    | Changes during the year             | Sale     | (11000)                                   | (0.02%)           |
|    | At the end of the year              | 31-03-16 | 37,45,081                                 | 5.39%             |

|   |                              |          |           |       |
|---|------------------------------|----------|-----------|-------|
| 2 | Name                         |          |           |       |
|   | Gurminderpal Singh Arneja    |          |           |       |
|   | At the beginning of the year | 01-04-15 | 33,00,950 | 4.75% |
|   | Changes during the year      | -        | -         | -     |
|   | At the end of the year       | 31-03-16 | 33,00,950 | 4.75% |

|   |                              |          |           |       |
|---|------------------------------|----------|-----------|-------|
| 3 | Name                         |          |           |       |
|   | MohitKhullar                 |          |           |       |
|   | At the beginning of the year | 01-04-15 | 21,50,000 | 3.09% |
|   | Changes during the year      | -        | -         | -     |
|   | At the end of the year       | 31-03-16 | 21,50,000 | 3.09% |

|   |                              |          |           |       |
|---|------------------------------|----------|-----------|-------|
| 4 | Name                         |          |           |       |
|   | Globe Fincap Limited         |          |           |       |
|   | At the beginning of the year | 01-04-15 | 13,94,267 | 2.01% |
|   | Changes during the year      | Sale     | (1,674)   | 0.01% |
|   | At the end of the year       | 31-03-16 | 13,92,593 | 2.00% |

|   |                               |          |           |       |
|---|-------------------------------|----------|-----------|-------|
| 5 | Name                          |          |           |       |
|   | VimalFinstock Private Limited |          |           |       |
|   | At the beginning of the year  | 01-04-15 | 11,25,000 | 1.62% |
|   | Changes during the year       |          | 0         | 0.00% |
|   | At the end of the year        | 31-03-16 | 11,25,000 | 1.62% |

|   |                              |          |           |       |
|---|------------------------------|----------|-----------|-------|
| 6 | Name                         |          |           |       |
|   | Ashok Kumar Gupta            |          |           |       |
|   | At the beginning of the year | 01-04-15 | 10,33,020 | 1.49% |
|   | Changes during the year      |          | 0         | 0.00% |
|   | At the end of the year       | 31-03-16 | 10,33,020 | 1.49% |

|   |                              |          |           |       |
|---|------------------------------|----------|-----------|-------|
| 7 | Name                         |          |           |       |
|   | BhaijeeInfin Private Limited |          |           |       |
|   | At the beginning of the year | 01-04-15 | 10,00,000 | 1.44% |
|   | Changes during the year      |          | 0         | 0.00% |
|   | At the end of the year       | 31-03-16 | 10,00,000 | 1.44% |

|   |                              |          |          |       |
|---|------------------------------|----------|----------|-------|
| 8 | Name                         |          |          |       |
|   | Madhukar C Sheth             |          |          |       |
|   | At the beginning of the year | 01-04-15 | 8,94,006 | 1.29% |
|   | Changes during the year      |          | 0        | 0.00% |
|   | At the end of the year       | 31-03-16 | 8,94,006 | 1.29% |

|   |                                       |          |          |       |
|---|---------------------------------------|----------|----------|-------|
| 9 | Name                                  |          |          |       |
|   | ShriParasram Holdings Private Limited |          |          |       |
|   | At the beginning of the year          | 01-04-15 | 9,01,470 | 1.30% |
|   | Changes during the year               | Buy      | 32       | 0%    |
|   |                                       | Sale     | 131      | 0%    |
|   | At the end of the year                | 31-03-16 | 9,01,371 | 1.30% |

|    |                              |          |            |        |
|----|------------------------------|----------|------------|--------|
| 10 | Name                         |          |            |        |
|    | ParmeshFinlease Limited      |          |            |        |
|    | At the beginning of the year | 01-04-15 | 7,59,000   | 1.09%  |
|    | Changes during the year      | Sale     | (7,59,000) | -1.09% |
|    | At the end of the year       | 31-03-16 | 0          | 0%     |

**(v) Shareholding of Directors and Key Managerial Personnel:**

**NO DIRECTORS OR KMP HOLD ANY SHARES IN THE COMPANY**

**V. INDEBTEDNESS**

**NOT APPLICABLE**

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits during the year.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

- A. Remuneration to Managing Director, Whole-time Directors and/or Manager: The Company does not pay any remuneration to Managing Director, Whole-time Director and/or Manager of the Company.
- B. Remuneration to other Directors: The Company do not pay remuneration to the Directors of the Company.

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| SN | Particulars of Remuneration   | Name of Key Managerial Personnel |                           |                           | Total Amount<br>(Rs/Lac) |
|----|---|----------------------------------|---------------------------|---------------------------|--------------------------|
|    |   | CEO                              | CFO                       | CS                        |                          |
|    | Designation   |                                  |                           |                           |                          |
|    | Gross salary  |                                  | 3,00,000/-<br>p.a         | 3,00,000/-<br>p.a         |                          |
| 1  | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                                  |                           |                           | -                        |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                                  |                           |                           | -                        |
|    | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                                  |                           |                           | -                        |
| 2  | Stock Option  |                                  |                           |                           | -                        |
| 3  | Sweat Equity  |                                  |                           |                           | -                        |
| 4  | Commission  |                                  |                           |                           |                          |
|    | - as % of profit  |                                  |                           |                           | -                        |
|    | - others, specify   |                                  |                           |                           | -                        |
| 5  | Others, please specify  |                                  |                           |                           | -                        |
|    | Total   | -                                | <b>3,00,000/-<br/>p.a</b> | <b>3,00,000/-<br/>p.a</b> | -                        |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:****NOT APPLICABLE**

There were no penalties / punishment / compounding of offences for breach of any Section of the Companies Act against the Company or its Directors or other officers in default, if any, during the year.

**Annexure V****Report on Corporate Governance****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Pursuant to Regulation 15(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, compliance of Corporate Governance is not mandatory. However, the company has complied with the provisions of Regulation 17 to 27 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent possible.

SVC Resources Limited believes that Corporate Governance is an integral part of an organizational system. Keeping eye on this, SVC has adopted good policies for corporate governance.

**BOARD OF DIRECTORS****Composition of Directors**

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

The constitution of the Board is in conformity with the provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, and Companies Act, 2013. The Board, currently, consists of 5 Directors out of which 3 members are Independent Directors.

Details of Composition of Board, category of the Directors, number of other directorship are given below:-

| <b>Name</b>          | <b>Date of Appointment</b> | <b>Category</b>                     | <b>Directorship in other Companies#</b> | <b>Membership of Committee*</b> | <b>Member as Chairman of Committee*</b> |
|----------------------|----------------------------|-------------------------------------|---|---------------------------------|---|
| Mr. Rajesh Baheti    | October 7, 2014            | Promoter Chairman                   | 5                                       | 0                               | 0                                       |
| Mr. Akhilesh Malvi   | November 11, 2015          | Managing Director                   | 3                                       | 2                               | 0                                       |
| Mr. Om Prakash Chugh | April 4, 2014              | Non -executive Independent Director | 1                                       | 2                               | 0                                       |
| Dr. Riyaz Khan       | April 4, 2014              | Non -executive Independent Director | 4                                       | 2                               | 0                                       |
| Ms. Tulsa Silwal     | December 30, 2015          | Non -executive Independent Director | 1                                       | 2                               | 2                                       |

#Includes this Entity, Private Companies but excludes Limited Liability Partnership, Foreign Companies, Section 8 Companies & Alternate Directorship

\*includes Audit Committee and Stakeholders Relationship Committee only

Note: None of the Director is a member of more than 10 committees or acting as Chairman of more than 5 committees across all companies in which he is a director.

During the financial year 2015-16, Thirteen (13) Board Meetings were held on May 29, 2015, June 08, 2015, July 30, 2015, August 11, 2015, September 02, 2015, September 03, 2015, November 09, 2015, November 18, 2015, December 09, 2015, December 30, 2015, January 25, 2016, February 05, 2016 and March 03, 2016.

### Attendance of Directors for the year 2015-16

| Name of Director     | Board Meeting | Audit Committee | Nomination and Remuneration Committee | Stakeholders Relationship Committee |
|----------------------|---------------|-----------------|---------------------------------------|-------------------------------------|
| Mr. Rajesh Baheti    | 7 of 13       | 3 of 7          | 2 of 4                                | 2 of 6                              |
| Mr. Akhilesh Malvi   | 5 of 5        | 3 of 3          | 2 of 2                                | 1 of 1                              |
| Mr. Om Prakash Chugh | 1 of 13       | 0 of 7          | 0 of 4                                | 0 of 6                              |
| Dr. Riyaz Khan       | 1 of 13       | 0 of 7          | 0 of 4                                | 0 of 6                              |
| Ms. Tulsa Silwal     | 3 of 3        | 3 of 3          | 2 of 2                                | 1 of 1                              |
| Mr. Mohammed Ali     | 8 of 8        | 5 of 5          | 1 of 1                                | 5 of 5                              |
| Mr. Zalak Shah       | 6 of 6        | 4 of 4          | -                                     | 5 of 5                              |

### COMMITTEE'S OF THE BOARD

There are various committees of the Board viz. the Audit Committee, the Stakeholders' Relationship Committee and Nomination and Remuneration Committee.

### AUDIT COMMITTEE

The terms of reference of the Audit committee include the matters specified under Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee, inter alia, include the following:

- oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;

- d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
- reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - approval or any subsequent modification of transactions of the listed entity with related parties;
  - scrutiny of inter-corporate loans and investments;
  - valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - evaluation of internal financial controls and risk management systems;
  - reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - discussion with internal auditors of any significant findings and follow up there on;
  - reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - to review the functioning of the whistle blower mechanism;
  - approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee met seven (7) times during the year under review on May 29, 2015, July 30, 2015, August 11, 2015, September 02, 2015, November 09, 2015 January 25, 2016 and February 05, 2016.

The Composition of Audit Committee is as under

| Sr. No | Name                | Status   |
|--------|---------------------|----------|
| 1      | Ms. Tulsa Silwal    | Chairman |
| 2      | Mr. AkhileshMalvi   | Member   |
| 3      | Mr. Om PrakashChugh | Member   |
| 4      | Dr. Riyaz Khan      | Member   |

#### **NOMINATION AND REMUNERATION COMMITTEE**

##### **a) Brief description of terms of reference**

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Nomination and Remuneration Committee met four (4) times during the year under review on November 18, 2015, December 30, 2015, January 25, 2016 and March 03, 2016.

##### **b) Composition**

The Remuneration Committee of the Company has the following composition

| Sr. No | Name                | Status   |
|--------|---------------------|----------|
| 1      | Ms. Tulsa Silwal    | Chairman |
| 2      | Mr. AkhileshMalvi   | Member   |
| 3      | Mr. Om PrakashChugh | Member   |
| 4      | Dr. Riyaz Khan      | Member   |

There was no remuneration paid to any directors. However remuneration paid to Company Secretary and Chief Executive officer is decided by the members of Nomination and Remuneration Committee and Managing Director of the Company.

#### **STAKEHOLDERS GRIEVANCE COMMITTEE**

- a. The Committee looks into issues relating to shareholders / investors, including complaints relating to transfer / transmission of shares, issue of duplicate share certificates, non-receipt of annual report etc. and their redressal.
- b. The Stakeholders' Grievance Committee presently comprises of:-

| Sr. No | Name                | Status   |
|--------|---------------------|----------|
| 1      | Ms. Tulsa Silwal    | Chairman |
| 2      | Mr. AkhileshMalvi   | Member   |
| 3      | Mr. Om PrakashChugh | Member   |
| 4      | Dr. Riyaz Khan      | Member   |

- c. The Board has delegated power of approving transfer of shares to RTA.
- d. Ms. Tulsa Silwal, Non-Executive Independent Director is heading the committee.
- e. Company Secretary is the Compliance Officer.
- f. During the year under review, no Investor complaints were outstanding.

The Stakeholder Grievance Committee met six (6) times during the year under review on May 29, 2015, July 30, 2015, August 11, 2015, September 02, 2015, November 09, 2015 and February 05, 2016.

### GENERAL BODY MEETINGS

#### Location & time for the last three Annual General Meetings:

| Annual General Meeting                  | Date & Time                   | Venue  |
|---|-------------------------------|--|
| 39 <sup>th</sup> Annual General Meeting | September 30, 2015, 1.00 P.M. | Dalvi Hall Court Lane, Above Borivali West Post Office, Opposite Borivali Railway Station, Borivali(West), Mumbai – 400091 |
| 38 <sup>th</sup> Annual General Meeting | August 28, 2014, 9.00 A.M.    | GomantakSevaSangh, Malviya Road, Vile Parle (East), Mumbai – 400 57  |
| 37 <sup>th</sup> Annual General Meeting | August 30, 2013, 1.00 P.M.    | 104, Baba House, 1st Floor, M V Road, Near Cine Magic Cinema, Andheri (East), Mumbai – 400093                              |

Mr. Rajesh Baheti, Chairman of the Company attended the last Annual General Meeting. The Company had availed the e-voting facility offered by Central Depository Services (India) Limited (“CDSL”) for conducting e-voting by the shareholders of the Company. The company also provided voting by physical ballot form to the shareholders of the Company. The postal ballot notice was issued on September 02, 2015 pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

The Company had appointed an Independent Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner and ascertaining the requisite majority for the said voting. M/s.Ajit K. Sharma & Associates conducted the Postal Ballot as Scrutinizer of the Postal Ballot.

There were no resolutions taken through postal ballot during the financial year 2015-16.

**DISCLOSURES**

- a. No transaction of material nature has been entered into by the Company with its Directors or Management and their relatives, etc. that may have a potential conflict with the interest of the Company.
- b. The Register of Contracts/ Statement of related party transactions is placed before the Board/ Audit Committee regularly.
- c. The Company has adopted the Vigil Mechanism/Whistle Blower Policy with direct access to Chairman of Audit Committee.
- d. None of the shares of the Company are held by the non-executive Directors of the Company.
- e. There were no pecuniary transactions of the Non-executive Directors viz-a-viz the Company.
- f. The Auditors has given an un-modified opinion on the Financial statement.
- g. Internal Audit Report is placed before the Audit committee.

**MEANS OF COMMUNICATIONS**

- Your Company regularly provides relevant information to the Stock Exchange as per the requirements of the provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- The financial results of the Company are emailed / uploaded with BSE Limited.
- The results and official news are available on [www.bseindia.com](http://www.bseindia.com) and the website of the Company [www.svcresources.co.in](http://www.svcresources.co.in)
- Your Company has posted all its Official News releases on its website.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report and the same is being posted to the shareholders of your Company.

**GENERAL SHAREHOLDER INFORMATION**

Detailed information in this regard is provided in section “Shareholders Information” which forms part of this Annual Report.

**SHAREHOLDERS’ INFORMATION****a. Next Annual General Meeting**

The information regarding 40<sup>th</sup> Annual General Meeting for the financial year ended on 31st March 2016 is as follows :-

Day & Date: Friday, September 30, 2016

Venue: Dalvi Hall, Court Lane, Above Borivali West Post Office, Opposite Borivali Railway Station, Borivali (West), Mumbai – 400091

**b. Financial Calendar: April 01, 2015 to March 31, 2016**

## c. Future Calendar :

| <b>Subject Matter</b>   | <b>Date</b>           |
|---|-----------------------|
| Financial Reporting of 1 <sup>st</sup> Quarter ended on 30 <sup>th</sup> June 2016      | August, 2016          |
| Financial Reporting of 2 <sup>nd</sup> Quarter ended on 30 <sup>th</sup> September 2016 | November, 2016        |
| Financial Reporting of 3 <sup>rd</sup> Quarter ended on 31 <sup>st</sup> December 2016  | February, 2017        |
| Financial Reporting of 4 <sup>th</sup> Quarter ended on 31 <sup>st</sup> March 2017     | May, 2017             |
| Date of Annual General Meeting  | During September 2017 |

d. Date of Book Closure :September 27, 2016 to September 29, 2016. (Both days inclusive).

e. Dividend Payment: Nil.

f. Listing of Shares : BSE Limited.

g. Listing Fees : Company has paid Annual Listing Fees and Custodian fees for the year 2016-17.

h. Stock Code & ISIN : 512449, Demat ISIN No. in NSDL & CDSL – INE254H01036.

## i. Market Price Data:

| Month           | Price on BSE (Rs.) |      |      |       |
|-----------------|--------------------|------|------|-------|
|                 | Open               | High | Low  | Close |
| April 2015      | 1.48               | 2.05 | 1.37 | 2.03  |
| May 2015        | 2.01               | 2.05 | 1.12 | 1.12  |
| June 2015       | 1.17               | 1.61 | 1.12 | 1.12  |
| July 2015       | 1.55               | 1.55 | 1.10 | 1.10  |
| August 25, 2015 | 1.05               | 1.20 | 1.10 | 1.10  |

**Since August 25, 2015 trading has been suspended by BSE. The Company had applied to BSE Limited for revocation of suspension and got the same revoked on June 07, 2016.**

## j. BSE Sensex

| Month  | Open     | High     | Low      | Close    |
|--------|----------|----------|----------|----------|
| Apr-15 | 27954.86 | 29094.61 | 26897.54 | 27011.31 |
| May-15 | 27204.63 | 28071.16 | 26423.99 | 27828.44 |
| Jun-15 | 27770.79 | 27968.75 | 26307.07 | 27780.83 |
| Jul-15 | 27823.65 | 28578.33 | 27416.39 | 28114.56 |
| Aug-15 | 28089.09 | 28417.59 | 25298.42 | 26283.09 |
| Sep-15 | 26127.04 | 26471.82 | 24833.54 | 26154.83 |
| Oct-15 | 26344.19 | 27618.14 | 26168.71 | 26656.83 |
| Nov-15 | 26641.69 | 26824.3  | 25451.42 | 26145.67 |
| Dec-15 | 26201.27 | 26256.42 | 24867.73 | 26117.54 |
| Jan-16 | 26101.5  | 26197.27 | 23839.76 | 24870.69 |
| Feb-16 | 24982.22 | 25002.32 | 22494.61 | 23002    |
| Mar-16 | 23153.32 | 25479.62 | 23133.18 | 25341.86 |

## k. Distribution of Holding

| Shareholding of Nominal Value | Shares      | %          | Rupees          | %             |
|-------------------------------|-------------|------------|-----------------|---------------|
| Upto 5,000                    | 2986        | 81.76      | 2773755         | 3.99          |
| 5,001 – 10,000                | 231         | 6.33       | 1743357         | 2.51          |
| 10,001 – 20,000               | 144         | 3.94       | 2072476         | 2.98          |
| 20,001 – 30,000               | 89          | 2.44       | 2296190         | 3.30          |
| 30,001 – 40,000               | 41          | 1.12       | 1426820         | 2.05          |
| 40,001 – 50,000               | 33          | 0.90       | 1494521         | 2.15          |
| 50,001 – 1,00,000             | 53          | 1.45       | 3673261         | 5.28          |
| 1,00,001 and above            | 75          | 2.05       | 54052953        | 77.74         |
| <b>Total</b>                  | <b>3652</b> | <b>100</b> | <b>69533333</b> | <b>100.00</b> |

## j. Registrar &amp; Share Transfer Agent

M/s. PurvaShareregistry (India) Pvt. Ltd. are the Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. PurvaShareregistry (India) Pvt. Ltd.  
9, Shiv Shakti Indl. Estate, Ground Floor, J. R. BorichaMarg, Lower Parel(East), Mumbai-400 011  
Tel: 022-23016761, Fax: 91-22-2301 2517, email Id: busicomp@vsnl.com

## k. Share Transfer Systems

The Trading in Equity Shares of your Company is permitted only in dematerialized form as per circular issued by Securities & Exchange Board of India.

The Share transfers are processed by the Registrar & Share Transfer Agent, PurvaShareregistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are in order, within stipulated days from the date of lodgment.-

## l. Shareholding Pattern as on March 31, 2016

| <b>Categories</b>  | <b>No. of Shares</b> | <b>% of Shareholding</b> |
|--|----------------------|--------------------------|
| Promoters, Directors, Relatives & Person acting in concert | 1,99,35,658          | 28.67                    |
| FII  | 8,00,453             | 1.15                     |
| Others   | 30,28,959            | 4.36                     |
| Private Corporate Bodies                                   | 1,42,60,043          | 20.51                    |
| Indian Public  | 3,15,08,220          | 45.31                    |
| <b>Total</b>   | <b>6,95,33,333</b>   | <b>100.00</b>            |

## m. Dematerialization of Equity Shares &amp; Liquidity

Your Company's Equity Shares are in Demat trading segment and your Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

## n. Listing Fees and Annual Custodial Fees

Your Company has paid the Annual Listing Fees for year 2016 -17 to BSE Limited.

## o. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the by-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from your Company's Registrar and Share Transfer Agent.

## p. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity:Not Applicable.

## q. Investors' Correspondence

Shareholders can contact the following officials for secretarial matters of your Company:-svcreourceslimited@gmail.com

## r. Code of Conduct

The Board of Directors of your Company has laid down Code of Conduct for Directors and Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

## s. Address for Correspondence

**Registered Office:** Unit 42, Citi Mall, Link Road,Andheri (west), Mumbai – 400053.

**Corporate Office:** C-1, Fortune Delight, Hoshangabad Road, Bhopal, Madhya Pradesh – 462026.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that your Company has adopted a Code of Conduct for its employees including the Managing Director, Whole Time Directors and Independent Directors. This code is put up on the website of your Company.

**CEO/CFO CERTIFICATION**

A certificate signed by Director is attached with this report.

**DECLARATION**

It is hereby declared that all the Board Members and Senior Managerial Personnel have affirmed compliance of code of conduct, pursuant to Corporate Governance, for the year ended 31<sup>st</sup> March 2016.

For and on behalf of the Board  
For **SVC Resources Limited**

Place: Mumbai

Date: August 10, 2016

**Rajesh Baheti**  
**Chairman**

## MANAGEMENT DISCUSSION AND ANALYSIS

The Company is into the business of trading and consultancy. The key issues of the Management Discussion and Analysis are given hereunder:

### **(a) Industry Structure and Developments**

The Mining industry in India is a major economic activity which contributes significantly to the economy of India. The GDP contribution of the mining industry varies from 2.2% to 2.5% only but going by the GDP of the total industrial sector it contributes around 10% to 11%. Even mining done on small scale contributes 6% to the entire cost of mineral production. Indian mining industry provides job opportunities to thousands of individuals.

India has long been recognized as a nation well endowed in natural mineral resources. India is ranked 4th amongst the mineral producer countries on the basis of volume of production. It is an extremely important sector and contributes significantly to our Gross Domestic Product.

### **(b) Strength**

The strength of a company is known from sound advices. It also depends on the Government policies of taxation. Introduction of GST may give a big boost to the market.

### **(c) Weakness**

The Indian mining industry however is passing through a critical phase, especially in the last two years, witnessing negative growth. As mining is interlinked with industrial development, availability of raw material is of prime importance and as such, the pro-active role of union and state governments is called for to ensure an era of mineral development.

There are a number of unresolved policy issues, which deserve serious consideration by the union and state governments.

### **(d) Internal control system and adequacy**

The system of internal control has been established to provide reasonable assurance of safeguarding assets, maintenance of proper accounting records in compliance with applicable Laws and Regulations to ensure reliability of financial statements and reports. The Statutory Auditors and the Audit Committee reviews all financial statements and ensure adequacy of internal control systems.

### **(e) Risks Management**

Risk evaluation and management of risk is an ongoing process in the company.

**(f) Cautionary Statement**

Statements in the Management discussion and analysis describing the company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and prices conditions in the domestic and overseas markets in which the company operates/ going to operate, changes in government regulations, tax laws and other statutes and other incidental factors.

**CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION**

To  
The Board of Directors,  
**SVC Resources Limited**

I, Director of the Company, do hereby certify that:

1. I have reviewed the financial statements and the cash flow statement for the year 2015-16 and to the best of my knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b. These statements present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal/ controls, if any, of which we are aware and the steps I have taken or propose to take to rectify these deficiencies.
4. I have indicated to the auditors and the Audit committee:
  - a. Significant changes in internal control over financial reporting during the year;
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board  
For **SVC Resources Limited**

Place: Mumbai  
Date: August 10, 2016

**Director**

**Director**

## **Independent Auditors' Report on Financial Statements**

### **To The Members of SVC Resources Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of SVC Resources Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the preparation of these financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the respective assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these financial statements by the Board of Directors of the Company.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected

depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

### ***Basis for Disclaimer of Opinion***

*So far as information and explanations given to us, the Old Management of the Company was removed in an Extraordinary General Meeting held on January 11, 2014 and supported by the an order of the Company Law Board, Delhi dated April 4, 2014.*

*Thereafter, the Old Management did not hand over books of accounts, statutory records, minutes books, bank statements, subsidiary details and any other records/documents to the New Management. Since then, the New Management of the Company is engaged in a legal battle with the Old Management. As such, the Company does not have books of accounts or any other records. In this regard, the Company had filed petition with the Company Law Board, Delhi. The case was decided in favour of the New Management on June 4, 2015. However, the New Management are yet to receive the books of accounts and other records of the company from the Old Management.*

*We have not been able to access the books of accounts and other records of the company for the periods before June 4, 2015, neither have we been able to ascertain the impact of the previous years transactions on the current and future years.*

### ***Disclaimer of Opinion***

*Because of the significance of the matters described in the Basis of Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.*

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, based on the comments in the auditors' report of the Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- a. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we have sought but not obtained any of the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the financial statements.
- b. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether proper books of account as required by law relating to preparation of the financial statements have been kept.
- c. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are not able to opine on whether the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
- d. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the Directors of the Company as on March 31, 2016, taken on record by the Board of Directors of the Company, none of the Directors of the Company is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014:
  - i. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the Company has disclosed the impact of pending litigations on the financial position in its financial statements as of March 31, 2016.
  - ii. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the Company has made provisions in its financial

statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts.

- iii. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether there has been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**For D N Khatri & Associates**  
Chartered Accountants  
Firm Registration No. 133251W

Place **Mumbai**

Date **May 26, 2016**

**Deepesh Khatri**  
Proprietor  
Membership No. 143579

**Annexure to Independent Auditors' Report**  
**(Referred to in paragraph 1 under "Report on Other Legal and Statutory Requirements" section of our report of even date)**

1. In respect of the fixed assets of the Company:
  - a. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which provides for physical verification of the fixed assets at reasonable intervals.
  - c. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the title deeds of immovable properties are held in the name of the Company.
2. In respect of the inventories of the Company:
  - a. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the inventories were physically verified during the year by the Management of the Company at reasonable intervals.
  - b. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether material discrepancies were noticed.
3. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the Company has granted any loans, secured or unsecured, to companies, firms or other parties covered in the Registers maintained under Section 189 of the Act by the respective entities.
4. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the provisions of section 185 and 186 of the Act have been complied with in respect of loans, investments, guarantees and security.
5. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the Company has accepted deposits during the year and have any unclaimed deposits.

6. The Company is not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. According to the information and explanations given to us, in respect of statutory dues of the Company:
  - a. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - b. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether there were any undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - c. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether there were any dues of Income Tax, Sales Tax, Value Added Tax, Service Tax, Wealth Tax, duty of Customs, duty of Excise and Cess which have not been deposited as at March 31, 2016 on account of dispute.

*However, a demand notice of Income Tax was given to the Company for the financial year ending March 31, 2013 for the amount of Rs. 5,37,12,930/- and the matter remains in dispute.*

8. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the Company has defaulted in repayment of dues to a bank during the year and any amount outstanding to financial institutions or debenture holders.
9. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loan during the year.
10. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether any fraud on or by the Company has been noticed or reported during the year.

However, suspected frauds were detected during the audit of the Company for financial year ending March 31, 2014 which, when confirmed, can have significant effect on the financial statements of the Company. We reproduce the observations made in that year's Audit Report;

*“The order of the Company Law Board dated June 4, 2015 has created doubts over the genuineness of the balances of loans and advances taken and given, creditors, debtors and cash. We suspect that the Old Management conducted fraudulent activities against the Company. The Company has already filed a complaint against the Old Management with the Economic Offences Wing (EOW). The exact nature of the frauds is not ascertainable because of the significance of the matters described in the Basis of Disclaimer of Opinion Paragraph.”*

11. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether, the managerial remuneration has been paid and/or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. The Company is not a Nidhi Company.
13. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion whether all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and whether the details have been disclosed in the financial statements.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. Due to the effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on whether the Company has entered into non-cash transactions with directors or persons connected with him and whether the provisions of section 192 of the Act have been complied with.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For D N Khatri & Associates**  
Chartered Accountants  
Firm Registration No. 133251W

Place **Mumbai**  
Date **May 26, 2016**

**Deepesh Khatri**  
Proprietor  
Membership No. 143579

SVC RESOURCES LIMITED  
BALANCE SHEET AS AT 31ST MARCH, 2016

| Particulars  | Note No | As At<br>31.03.2016<br>(Rupees) | As At<br>31.03.2015<br>(Rupees) |
|--|---------|---------------------------------|---------------------------------|
| <b>EQUITY AND LIABILITIES</b>                          |         |                                 |                                 |
| <b>I Shareholder's Funds</b>                           |         |                                 |                                 |
| (a) Share Capital                                      | 2       | 6,95,33,333                     | 6,95,33,333                     |
| (b) Reserves and Surplus                               | 3       | (9,93,48,367)                   | (9,94,80,431)                   |
| <b>II Non Current Liabilities</b>                      |         |                                 |                                 |
| (a) Long Term Borrowings                               | 4       | 7,37,84,560                     | 7,35,59,560                     |
| (b) Deferred Tax Liability                             |         | 3,170                           | -                               |
| <b>III Current Liabilities</b>                         |         |                                 |                                 |
| (a) Trade Payables                                     | 5       | 9,77,35,137                     | 9,77,35,137                     |
| (b) Other Current Liabilities                          | 6       | 8,40,24,538                     | 8,36,87,579                     |
| (c) Short Term Provisions                              | 7       | 56,000                          | 50,000                          |
| <b>Total</b>   |         | <b>22,57,88,371</b>             | <b>22,50,85,178</b>             |
| <b>ASSETS</b>  |         |                                 |                                 |
| <b>I Non-current assets</b>                            |         |                                 |                                 |
| (a) Fixed assets                                       |         |                                 |                                 |
| (i) Tangible Assets                                    | 8       | 13,93,280                       | 11,98,020                       |
| (b) Non-Current Investments                            | 9       | 15,53,906                       | 15,53,906                       |
| (c) Long Term Loans & Advances                         | 10      | 41,00,500                       | 40,00,000                       |
| <b>II Current assets</b>                               |         |                                 |                                 |
| (a) Trade Receivables                                  | 11      | 16,87,12,774                    | 16,88,19,774                    |
| (b) Cash and cash equivalents                          | 12      | 5,67,862                        | 53,429                          |
| (c) Short Term Loans & Advances                        | 13      | 4,94,60,049                     | 4,94,60,049                     |
| <b>Total</b>   |         | <b>22,57,88,371</b>             | <b>22,50,85,178</b>             |
| Overview and Significant Accounting Policies           |         | -                               | -                               |
| The notes are an integral part of Financial Statements | 18      |                                 |                                 |

As per our Report of even date.

**For D N Khatri & Associates**

**Chartered Accountants**

**FRN : 133251W**

Deepesh Khatri

Proprietor

Membership No.143579

Mumbai : May 26, 2016

**For and on behalf of Board of Directors**

**SVC Resources Limited**

**Director**

**Director**

**SVC RESOURCES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

| Particulars  | Note No | As At<br>31.03.2016<br>(Rupees) | As At<br>31.03.2015<br>(Rupees) |
|--|---------|---------------------------------|---------------------------------|
| <b><u>INCOME</u></b>   |         |                                 |                                 |
| Revenue from operations  |         | 32,32,000                       | -                               |
| Other Income   |         | 3,578                           | -                               |
| <b>Total</b>   |         | <b>32,35,578</b>                | <b>-</b>                        |
| <b><u>EXPENDITURE</u></b>  |         |                                 |                                 |
| Employee Benefit Expenses  | 14      | 5,53,000                        | -                               |
| Finance Cost   | 15      | 371                             | 44,847                          |
| Depreciation   | 8       | 4,740                           | -                               |
| Other expenses   | 16      | 24,86,233                       | 7,13,430                        |
| <b>Total</b>   |         | <b>30,44,344</b>                | <b>7,58,277</b>                 |
| Profit / (Loss) before exceptional and extraordinary items and tax |         | 1,91,234                        | (7,58,277)                      |
| Exceptional Items  |         | -                               | -                               |
| Profit before extraordinary items and tax                          |         | 1,91,234                        | (7,58,277)                      |
| Extraordinary Items  |         | -                               | -                               |
| Profit before tax  |         | 1,91,234                        | (7,58,277)                      |
| Tax expense:   |         |                                 |                                 |
| (a) Current tax expense for current year                           |         | 56,000                          | -                               |
| (b) (Less): MAT credit (where applicable)                          |         | -                               | -                               |
| (c) Current tax expense relating to prior years                    |         | -                               | -                               |
| (d) Net current tax expense  |         | -                               | -                               |
| (e) Deferred tax   |         | 3,170                           | -                               |
| Profit(Loss) for the year after taxation                           |         | <b>1,32,064</b>                 | <b>(7,58,277)</b>               |
| Earning per equity share:  |         |                                 |                                 |
| (1) Basic  | 18      | 0.0019                          | -0.0109                         |
| (2) Diluted  | 18      | 0.0019                          | -0.0109                         |
| Overview and Significant Accounting Policies                       |         |                                 |                                 |
| The notes are an integral part of Financial Statements             | 19      |                                 |                                 |

As per our Report of even date.

**For D N Khatri & Associates**

**Chartered Accountants**

**FRN : 133251W**

Deepesh Khatri

Proprietor

Membership No.143579

Mumbai : May 26, 2016

**For and on behalf of Board of Directors  
SVC Resources Limited**

**Director**

**Director**

## SVC RESOURCES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

| Particulars  | March 31, 2016   | March 31, 2015 |
|--|------------------|----------------|
| <b>A</b> <b><u>Cash Flow From Operating Activities</u></b> |                  |                |
| Net Profit before tax and Extraordinary Items              | 191,234          | (758,277)      |
| <b>Adjustment for :</b>                                    |                  |                |
| Depreciation   | 4,740            | -              |
| Operating Profit before working Capital Changes            | 195,974          | (758,277)      |
| <b>Adjustment for Capital Changes:</b>                     |                  |                |
| Increase/Decrease in Trade Receivable                      | 107,000          | 769,453        |
| Cash Generated From Operations                             | <b>302,974</b>   | <b>11,176</b>  |
| Income Tax Paid  | 56,000           | -              |
| Extraordinary items  | -                | -              |
| <b><u>Net cash from Operating Activities</u></b>           | <b>246,974</b>   | <b>11,176</b>  |
| <b>B</b> <b><u>Cash Flow From Investing Activities</u></b> |                  |                |
| Investments  |                  |                |
| Purchase of Fixed Assets                                   | (200,000)        | -              |
| <b><u>Net Cash From Investing Activities</u></b>           | <b>(200,000)</b> | -              |
| <b>C</b> <b><u>Cash Flow From Financing Activities</u></b> |                  |                |
| Increase/Decrease in Long Term Borrowing                   | 225,000          | -              |
| Increase/Decrease in Current Liabilities & Provisions      | 342,959          | -              |
| Increase / Decrease in Cash Loans and advances             | (100,500)        | -              |
| <b><u>Net Cash From Financing Activities</u></b>           | <b>467,459</b>   | -              |
| Net increase (Decrease) in cash & cash equivalent (A+B+C)  | <b>514,433</b>   | <b>11,176</b>  |
| Opening Balance of Cash & Cash Equivalents                 | 53,429           | 42,253         |
| Closing Balance of Cash & Cash Equivalents                 | 567,862          | 53,429         |

As per our Report of even date.

**For D N Khatri & Associates**  
**Chartered Accountants**  
**FRN : 133251W**

Deepesh Khatri  
Proprietor  
Membership No.143579  
Mumbai : May 26, 2016

**For and on behalf of Board of Directors**  
**SVC Resources Limited**

**Director**

**Director**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016****1. SIGNIFICANT ACCOUNTING POLICIES****(a) BASIS OF PRESENTATION OF FINANCIAL STATEMENTS:**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

**(b) USE OF ESTIMATES :**

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

The Company Law Board, vide its order dated April 4, 2014 had removed the management of the Company and asked to conduct an Extra Ordinary General Meeting (EGOM) to appoint new management.

The old management did not handover any records i.e. books of accounts, statutory records, minute books, bank statements, user id and log-in passwords, subsidiary details, bank account of subsidiary, trade licenses of subsidiary, etc to the new management.

In the meanwhile, the Company had filed Company Petition No. 10 of 2014 with Company Law Board, Delhi for handover of records from old management to new management. The matter was decided on June 4, 2015 in favour of the new management. However, the handover of records has not happened to date.

In view of the above, the Company neither has records of itself nor its subsidiary in Sharjah (UAE). Hence, the Company is unable to prepare consolidated accounts.

As such, the Company has prepared the financial statements on the basis of information and records that were available. On recovery of additional information and records, the necessary effect will be given in accounts.

The Company has already filed a complaint against the old management with the Economic Offences Wing (EOW) and is in the process of filing the same before Serious Fraud Investigation Office (SFIO).

**(c) DEPRECIATION AND AMORTISATION:**

In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation / amortisation is charged on a written down value basis so as to write-off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2015 is depreciated over the remaining useful life based on an evaluation.

Depreciation is charged as per Schedule II of the Companies Act, 2013.

Amortisation is charged as per Accounting Standard 26 issued by the ICAI.

**(d) REVENUE RECOGNITION**

Revenue from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

Revenue from the sale of goods and equipment are recognised upon delivery, which is when title passes to the customer.

Revenue from sale of software licences are recognised upon delivery.

Revenue from maintenance contracts are recognised pro-rata over the period of the contract.

Dividend is recorded when the right to receive payment is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

**(e) TAXATION :**

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

**(f) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

**(g) CASH AND CASH EQUIVALENTS**

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

**2 SHARE CAPITAL****PARTICULARS**

|   | <b>AS AT<br/>31.03.2016</b> | <b>AS AT<br/>31.03.2015</b> |
|---|-----------------------------|-----------------------------|
|   | <b>Amount (Rs)</b>          | <b>Amount (Rs)</b>          |
| <b>Authorised</b>   |                             |                             |
| 150,000,000 Equity Shares of Re.1each<br>(Previous Year 150,000,000 Equity Shares of Re.1 each) | 15,00,00,000                | 15,00,00,000                |
| <b>TOTAL</b>  | <b>15,00,00,000</b>         | <b>15,00,00,000</b>         |
| <b>Issued, Subscribed &amp; Paid-up</b>   |                             |                             |
| 695,33,333 Equity Shares of Re.1 each<br>(Previous Year 695,33,333 Equity Shares of Re.1 each)  | 6,95,33,333                 | 6,95,33,333                 |
| <b>TOTAL</b>  | <b>6,95,33,333</b>          | <b>6,95,33,333</b>          |

**2.1 Reconciliation of number and amount of shares**

| <b>Particulars</b>                                   | <b>As at March 31,2016</b> |                    | <b>As at March 31,2015</b> |                    |
|--|----------------------------|--------------------|----------------------------|--------------------|
|  | <b>Number</b>              | <b>Amount (Rs)</b> | <b>Number</b>              | <b>Amount (Rs)</b> |
| <b><u>Issued, Subscribed &amp; Fully Paid up</u></b> |                            |                    |                            |                    |
| Equity Shares of 1/- each                            |                            |                    |                            |                    |
| Balance as at the beginning of the year              | 6,95,33,333                | 6,95,33,333        | 6,95,33,333                | 6,95,33,333        |
| Add : Issued during the year                         | -                          | -                  | -                          | -                  |
| Less : Buy Back of Shares                            | -                          | -                  | -                          | -                  |
| <b>Balance as at the end of the year</b>             | <b>6,95,33,333</b>         | <b>6,95,33,333</b> | <b>6,95,33,333</b>         | <b>6,95,33,333</b> |

**2.2 Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

| <b>Particulars</b>   | <b>As at March 31,2016</b> |                     | <b>As at March 31,2015</b> |                     |
|----------------------|----------------------------|---------------------|----------------------------|---------------------|
|                      | <b>No. of shares held</b>  | <b>% of Holding</b> | <b>No. of shares held</b>  | <b>% of Holding</b> |
| Lorgan Lifestyle Ltd | 1,99,38,658                | 28.67%              | 1,99,38,658                | 28.67%              |
| Rohit&MohitKhullar   | 62,65,081                  | 9.01%               | 62,65,081                  | 9.01%               |

**2.3 Terms/Rights of Shareholders**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- per share.

Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in

Indian rupees.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In the event of the liquidation of the Company, the holder of equity share will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion of the number of the equity shares held by the equity shareholders

**3 RESERVES & SURPLUS**

| PARTICULARS                             | AS AT                | AS AT                |
|---|----------------------|----------------------|
|   | 31.03.2016           | 31.03.2015           |
|   | Amount (Rs)          | Amount (Rs)          |
| Securities Premium                      | 4,76,41,667          | 4,76,41,667          |
| <u>Surplus</u>                          |                      |                      |
| Opening Balance                         | (14,71,22,098)       | (14,63,63,821)       |
| Add : Net profit after tax for the year | 1,32,064             | (7,58,277)           |
| <b>TOTAL</b>                            | <b>(9,93,48,367)</b> | <b>(9,94,80,431)</b> |

**4 LONG TERM BORROWINGS**

|                       |                    |                    |
|-----------------------|--------------------|--------------------|
| (a) Unsecured         |                    |                    |
| Term Loans from banks |                    |                    |
| Others                | 7,37,84,560        | 7,35,59,560        |
| <b>TOTAL</b>          | <b>7,37,84,560</b> | <b>7,35,59,560</b> |

**5 TRADE PAYABLES**

|                    |                    |                    |
|--------------------|--------------------|--------------------|
| (a) Trade Payables | 9,77,35,137        | 9,77,35,137        |
| <b>TOTAL</b>       | <b>9,77,35,137</b> | <b>9,77,35,137</b> |

**6 OTHER CURRENT LIABILITIES**

|   |                    |                    |
|---|--------------------|--------------------|
| (a) Advance and progress payments from customers          | 7,27,37,861        | 7,27,37,861        |
| (b) Statutory dues (VAT, excise, service tax, octroi etc) | 1,09,49,718        | 1,09,49,718        |
| (c) Expenses Payable                                      | 3,00,000           | -                  |
| (d) TDS Payable   | 36,959             | -                  |
| <b>TOTAL</b>  | <b>8,40,24,538</b> | <b>8,36,87,579</b> |

**7 SHORT TERM PROVISIONS**

|                          |               |               |
|--------------------------|---------------|---------------|
| Provision for audit fees | -             | 50,000        |
| Provision for Income Tax | 56,000        | -             |
| <b>TOTAL</b>             | <b>56,000</b> | <b>50,000</b> |

**8 FIXED ASSETS**

| Particulars   | Gross Block 01-04-2015 | Add | Deduct | Total     | Upto 01-04-2015 | For the year | Total | Net Block as on 31.03.16 | Net Block as on 31.03.15 |
|---------------|------------------------|-----|--------|-----------|-----------------|--------------|-------|--------------------------|--------------------------|
| Freehold Land | 1,198,020              | -   | -      | 1,198,020 | -               | -            | -     | 1,198,020                | 1,198,020                |

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|                   |                  |                 |          |                  |          |             |             |                  |                  |
|-------------------|------------------|-----------------|----------|------------------|----------|-------------|-------------|------------------|------------------|
| Plant & Machinery | -                | 2,00,000        | -        | 2,00,000         | -        | 4740        | 4740        | 1,95,260         | -                |
| <b>Total</b>      | <b>1,198,020</b> | <b>2,00,000</b> | <b>-</b> | <b>13,98,020</b> | <b>-</b> | <b>4740</b> | <b>4740</b> | <b>13,93,280</b> | <b>11,98,020</b> |

**9 NON CURRENT INVESTMENT PARTICULARS**

|                                   | Number | Face Value Per Unit | Amount (Rs)      | Amount (Rs)      |
|-----------------------------------|--------|---------------------|------------------|------------------|
| Investments in equity instruments |        |                     |                  |                  |
| (i) Subsidiaries                  |        |                     |                  |                  |
| SVC Resources (ZFC)               | 1,275  | 1,704               | 15,53,906        | 15,53,906        |
| <b>TOTAL</b>                      |        |                     | <b>15,53,906</b> | <b>15,53,906</b> |

**10 LONG TERM LOANS & ADVANCES****(a) Other Loans & Advances**

## Unsecured

|        |  |  |           |           |
|--------|--|--|-----------|-----------|
| Others |  |  | 40,00,000 | 40,00,000 |
|--------|--|--|-----------|-----------|

**(b) Security Deposits**

## Unsecured

|  |  |  |          |   |
|--|--|--|----------|---|
|  |  |  | 1,00,500 | - |
|--|--|--|----------|---|

|              |  |  |                  |                  |
|--------------|--|--|------------------|------------------|
| <b>TOTAL</b> |  |  | <b>41,00,500</b> | <b>40,00,000</b> |
|--------------|--|--|------------------|------------------|

**11 TRADE RECEIVABLES****(a) Due over six months**

## Considered doubtful

|        |  |  |              |              |
|--------|--|--|--------------|--------------|
| Others |  |  | 16,87,12,774 | 16,88,19,774 |
|--------|--|--|--------------|--------------|

|              |  |  |                     |                     |
|--------------|--|--|---------------------|---------------------|
| <b>TOTAL</b> |  |  | <b>16,87,12,774</b> | <b>16,88,19,774</b> |
|--------------|--|--|---------------------|---------------------|

**12 CASH AND CASH EQUIVALENTS**

## Current accounts with banks

3,32,605

14,591

## Cash on hand

2,35,257

38,838

|              |  |  |                 |               |
|--------------|--|--|-----------------|---------------|
| <b>TOTAL</b> |  |  | <b>5,67,862</b> | <b>53,429</b> |
|--------------|--|--|-----------------|---------------|

**13 SHORT TERM LOANS AND ADVANCES****(a) Unsecured**

## Advance from vendors

4,94,60,049

4,94,60,049

|              |  |  |                    |                    |
|--------------|--|--|--------------------|--------------------|
| <b>TOTAL</b> |  |  | <b>4,94,60,049</b> | <b>4,94,60,049</b> |
|--------------|--|--|--------------------|--------------------|

**14 EMPLOYEE BENEFIT EXPENSES**

## Salary &amp; Wages

5,53,000

-

|              |  |  |                 |          |
|--------------|--|--|-----------------|----------|
| <b>TOTAL</b> |  |  | <b>5,53,000</b> | <b>-</b> |
|--------------|--|--|-----------------|----------|

**15 FINANCE COST**

## Bank Charges &amp; Commission

371

44,847

|              |  |  |            |               |
|--------------|--|--|------------|---------------|
| <b>TOTAL</b> |  |  | <b>371</b> | <b>44,847</b> |
|--------------|--|--|------------|---------------|

**16 OTHER EXPENSES**

|                           |                  |                 |
|---------------------------|------------------|-----------------|
| Advertisement Expenses    | 1,12,310         | 50,176          |
| Audit Fees                | 91,756           | 50,000          |
| CDSL/NSDL Charges         | 68,036           | 43,127          |
| Listing Fee               | 2,24,940         | 1,12,738        |
| Postage & Courier         | 2,087            | 3,557           |
| Printing & Stationery     | 53,395           | 7,570           |
| Legal & Professional Fees | 3,78,819         | 57,500          |
| ROC Filing Fees           | 16,600           | 1,46,000        |
| Share transfer agent fees | -                | 2,41,512        |
| Sundry Expenses           | 3,30,900         | 1,250           |
| Credit Card Expenses      | 3,435            |                 |
| Rent, Rates & Taxes       | 2,07,000         | -               |
| Raw Material Charges      | 5,70,543         | -               |
| Transportation Charges    | 16,500           | -               |
| Labour Charges            | 1,97,959         | -               |
| Event Expenses            | 1,10,000         | -               |
| Service Tax               | 1,00,000         | -               |
| Telephone Expenses        | 753              | -               |
| Travelling Expenses       | 1,200            | -               |
| <b>TOTAL</b>              | <b>24,86,233</b> | <b>7,13,430</b> |

**17 PAYMENT TO AUDITOR**

|                    |          |               |
|--------------------|----------|---------------|
| (a) Audit Fees     | -        | 50,000        |
| (b) other services | -        | 7,000         |
| <b>TOTAL</b>       | <b>-</b> | <b>57,000</b> |

**18 EARNING PER SHARE**

|  |             |             |
|--|-------------|-------------|
| Net Profit / (Loss) after current and deferred tax | 1,32,064    | (7,58,277)  |
| No. of Shares                                      | 6,95,33,333 | 6,95,33,333 |
| EPS (Rs.) - Basic and Diluted                      | 0.0019      | -0.0109     |

**19 OTHER NOTES****19.1 Segment Reporting-**

The Company operates in one business segment of providing advisory services. As such, there are no separate reportable business segments as per Accounting Standard, AS-17 Segment Reporting, as prescribed by the Rules.

**19.2 Related party Disclosure**

As per Accounting Standard (AS18) on 'Related Party Disclosure', the related parties are as under :**Key Managerial Personnel**- During the current year, no transaction has been carried out with above mentioned related parties.

**19.3 Previous year figures have been regrouped, and reclassified wherever considered necessary to conform to current year's classification**

As per our Report of even date.

**For D N Khatri& Associates**  
**Chartered Accountants**  
FRN : 133251W

**For and on behalf of Board of Directors**  
**SVC Resources Limited**

DeepeshKhatri  
Proprietor  
Membership No.143579  
Mumbai : May 26, 2016

**Director**

**Director**

To,

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If Undelivered please return to:  
SVC RESOURCES LIMITED  
Unit 42, Citi Mall,  
Link Road, Andheri (west),  
Mumbai – 400053.