

**SVC RESOURCES LIMITED**

**ANNUAL REPORT**

**2013 - 2014**

**Directors**

Rajesh Baheti – Chairman

Mohammed Ali – Managing Director

Zalak Shah – Non Executive Independent Director

Dr. Riyaz Khan – Non Executive Independent Director

Om Prakash Chugh – Non Executive Independent Director

**Auditors**

D N Khatri & Associates, Chartered Accountants

## **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, 2014.

Some of the members had expressed displeasure on the style of working of the previous Board of Directors and filed a Company Petition before Company Law Board for their ouster from the Company citing Oppression and Mismanagement.

The Company Law Board vide its order dated December 11, 2013 directed an Extraordinary General Meeting to be held on January 11, 2014. In the said meeting, members removed all the then Directors of the Company and appointed 3 new directors on the Board. The said appointment and removal was confirmed by the Company Law Board, Principle Bench, Delhi vide its order dated April 4, 2014.

The Old Board had also irregularly allotted 1,08,44,426 Equity Shares to themselves, their relatives and associate company on May 8, 2013 and 2,97,00,000 Equity Shares to another associate company on August 5, 2013. The said shares have been cancelled by the Company Law Board, Principle Bench, Delhi vide its order dated June 4, 2015.

The old board did not handover the old records of the Company. Hence, the new Board filed a Company Petition No. 10 of 2014 for handover of old records and for cancellation of irregular allotments. Company Law Board, Principle Bench, Delhi vide its order dated June 4, 2015 directed the old Board of directors to forthwith handover all records to the new Board.

The erstwhile statutory auditors of the Company didn't extend their co-operation to the new Board. Hence, it was not possible for the Company to convene its Annual General Meeting within the prescribed time limit. Company Law Board, Principle Bench, Delhi vide its order dated June 4, 2015 has granted an extension of 6 months for holding its Annual General Meeting.

In the mean time, your company approached the Regional Director, Western Region for removal of Auditors. The erstwhile Statutory Auditors of the company ceased to be the Auditors of the Company pursuant to order dated December 10, 2014 passed by the Regional Director, Western Region. The said order also allowed the Company to appoint new Statutory Auditors for the Company.

	<b>(Rs. in Lacs)</b>	
<b>Financial Results</b>	Year Ended 31.03.2014	Year Ended 31.03.2013
Income	-	427.38
Profit before Tax	(3.09)	(1,874.13)
Less : Provision for Taxation	-	-
Profit after Tax	(3.09)	(1,874.13)
Add : Profit brought forward from Previous Year	-	-
Balance carried forward	(3.09)	(1,874.13)

## **DIVIDEND**

As there was no income in the year under review the Company expresses its inability to give any dividend for the year under review.

## **REGISTERED OFFICE**

The members of the company have approved the Shifting of Registered Office of the Company from 3, Prime Rose, Near Airtel Gallery, Lokhandwala Complex, Andheri (West), Mumbai – 400 053 to Office No.8, Rainbow House, Above Idea Showroom, Opp Deepak Hospital, Savedi, Ahmednagar – 414 003. The resolution was approved by the members on January 23, 2015 through Postal Ballot. The said shifting is subject to the approval of Central Government.

## **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 and is also in the process of reporting the same to Serious Fraud Investigation Office.

## **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. 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.

## **DIRECTORS**

During the year under review the following directors were removed by the members in their Extraordinary General Meeting held on January 11, 2014 and confirmed by Company Law Board, Principle Bench, Delhi vide its order dated April 4, 2014

1. Ashok Gupta
2. Akshat Gupta
3. Vinod Bansal
4. Vinay Poddar
5. Siddharth Bihani
6. Abhijeet Mittal
7. Kunal Raheja

The members appointed the following directors in their Extraordinary General Meeting held on January 11, 2014 and confirmed by Company Law Board, Principle Bench, Delhi vide its order dated April 4, 2014:

1. Mr. Zalak Shah
2. Mr. Om Prakash Chugh
3. Dr. Riyaz Khan

The Board of Directors appointed Mr. Mohammed Ali as Managing Director in their Meeting held on April 9, 2014.

Pursuant to successful completion of voluntary Open Offer given by Lorgan Lifestyle Limited to the members of SVC as per SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 2011, Mr. Rajesh Baheti has been appointed as Chairman of the Company in the Board Meeting held on October 7, 2014 and Lorgan Lifestyle Limited became the new promoter of the company.

Both the appointments i.e. appointment of Mr. Mohammed Ali as Managing Director and appointment of Mr. Rajesh Baheti as Chairman has been approved by the members of the company vide resolutions passed by Postal Ballot on January 23, 2015.

## **CORPORATE GOVERNANCE**

A separate section on Corporate Governance forms part of the Directors' Report and the certificate from your Company's Auditors on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

## **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**

The erstwhile Statutory Auditors of the company ceased to be the Auditors of the Company pursuant to order dated December 10, 2014 passed by the Regional Director, Western Region.

M/s D N Khatri, Chartered Accountants were appointed as Statutory Auditor of the Company pursuant to resolution approved by the members on January 23, 2015 through Postal Ballot

## **COMMENTS ON AUDITORS' REPORT:**

The notes referred to in the Auditors' Report are self explanatory and as such they do not call for any further explanation as required under Section 217(3) of the Companies Act, 1956. Further, the company has complained to Economic Offence Wing regarding misappropriation of funds and is also in the process of reporting the same to Serious Fraud Investigation Office.

## **PARTICULARS OF EMPLOYEES**

There is no information as required pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Amendments Rules, 1988 to be reported.

## **PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956**

Further, pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, there is no material information regarding conservation of energy, technology absorption, foreign exchange earnings and out go concerning your Company to be reported.

Your Company has taken the necessary steps to conserve energy, absorb upgraded technology where ever necessary. However there is no material information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 to be reported.

## **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 last Annual Report.

The accounts for the current year has been prepared on the basis of Bank Statements and records available in public domain.

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.

In view of the above the Directors' Responsibility Statement, pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 is not being annexed.

## **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: July 29, 2015

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

**Rajesh Baheti**  
**Chairman**

## Report on Corporate Governance

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

SVC 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 Clause 49 of the Listing Agreement of the Stock Exchange. The Board consists of 5 Directors out of which 3 members are Independent Directors.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below:-

#### Board of Directors upto March 31, 2014

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment/ Resignation</b>
*Mr. Ashok Gupta	Chairman & Managing Director	April 4, 2014
*Mr. Akshat Gupta	Director	April 4, 2014
*Mr. Vinay Poddar	Director	April 4, 2014
*Mr. Vinod Bansal	Director	April 4, 2014
^Mr. Siddharth Bihani	Independent Director	May 25, 2013
^Mr. Abhijeet Mittal	Independent Director	May 03, 2013
^Mr. Raheja Kunal Deepak	Independent Director	May 03, 2013
#Mr. Zalak Shah	Independent Director	April 4, 2014



#Mr. Om Prakash Chugh	Independent Director	April 4, 2014
#Mr. Dr. Riyaz Khan	Independent Director	April 4, 2014
\$Mr. Mohd. Ali	Managing Director	April 9, 2014
\$Mr. Rajesh Baheti	Chairman	October 7, 2014

\* *Removed by the Shareholders in their EGM held on January 11, 2014 and implemented vide CLB Order April 4, 2014.*

^*Resigned as director*

#*Appointed by the Shareholders in their EGM held on January 11, 2014 and implemented vide CLB Order April 4, 2014*

\$*Appointed as Director*

As the Old Management has not handed over the statutory records and minutes book, the company is not in a position to ascertain the number of Board Meetings, other directorships, attendance of directors in the Board Meeting etc. Company Law Board, 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.

### **COMMITTEE'S OF THE BOARD**

There are three committees of the Board viz. the Audit Committee, the Shareholders and Grievance's Committee and Remuneration Committee.

The Members of the Company have removed the old board of directors and have appointed new directors on the Board.

As the Old Management has not handed over the statutory records and minutes book, the company is not in a position to ascertain the number of Committee Meetings, attendance of directors in the Committee Meeting etc. Company Law Board, 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.

### **Compliance Officer**

Mr. Mohammed Ali is the Compliance Officer of the Company w.e.f April 9, 2014.

### **Composition of Investors Grievance Committee**

The Members of the Company have removed the old board of directors and have appointed new directors on the Board.

As the Old Management has not handed over the statutory records and minutes book, the company is not in a position to ascertain the number of Committee Meetings, attendance of directors in the Committee Meeting etc. Company Law Board, 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.

In view of the above, the Company is unable to provide data regarding Investors Grievances Committee

## **GENERAL BODY MEETINGS**

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

<b>Annual Meeting</b>	<b>General</b>	<b>Date &amp; Time</b>	<b>Venue</b>
37 <sup>th</sup> General Meeting	Annual	August 2013,	30 104, Baba House, 1st Floor, M V Road, Near Cine Magic Cinema, Andheri (East), Mumbai – 400093
36 <sup>th</sup> General Meeting	Annual	December 2012,	24 104, Baba House, 1 <sup>st</sup> Floor, M V Road, Near Cine Magic Cinema, Andheri (East), Mumbai - 400093
35 <sup>th</sup> General Meeting	Annual	September 2011	25 Tech Plaza, Saki Naka Andheri East, Mumbai 400093

## **POSTAL BALLOT**

- 1) Whether any special resolution passed in the previous three AGMs?  
Yes.
- 2) Whether any special resolution passed last year through Postal Ballot?  
No
- 3) Who conducted the Postal Ballot?  
NA
- 4) Whether any special resolution is proposed to be conducted through Postal Ballot?  
No
- 5) Procedure for Postal Ballot.  
NA

## **DISCLOSURES**

The Members of the Company in their EGM held on January 11, 2014 removed all the old directors of the company and appointed new directors on the Board.

The Company Law Board, vide its order dated April 04, 2014 approved the said removal and appointment of new directors.

The Company Law Board, vide its order dated June 04, 2015 cancelled the illegally allotted 1,08,44,426 equity shares allotted on May 08, 2013 and 2,97,00,000 Equity Shares allotted on August 05, 2013 and directed the old board to hand over books of accounts, minutes books and other statutory records to the new board.

## **MEANS OF COMMUNICATIONS**

- Your Company regularly provides relevant information to the Stock Exchange as per the requirements of the provisions of the Listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd.
- 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 38<sup>th</sup> Annual General Meeting for the financial year ended on 31st March 2014 is as follows :-

Day & Date	:	Friday, August 28, 2015
Time	:	09.00 a.m.
Venue	:	Gomantak Seva Sangh, Malviya Road, Vile Parle (East), Mumbai - 400057

- b. Financial Calendar : 1st April to 31st March
- 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 2014	August, 2014
Financial Reporting of 2 <sup>nd</sup> Quarter ended on 30 <sup>th</sup> September 2014	November, 2014
Financial Reporting of 3 <sup>rd</sup> Quarter ended on 31 <sup>st</sup> December 2014	February, 2015

Financial Reporting of 4 <sup>th</sup> Quarter ended on 31 <sup>st</sup> March 2015	May, 2015
Date of Annual General Meeting	During September 2015

- d. Date of Book Closure : August 25, 2015 to August 27, 2015. (Both days inclusive).
- e. Dividend Payment: Nil.
- f. Listing of Shares : Bombay Stock Exchange Limited.
- g. Listing Fees : Company has paid Annual Listing Fees and Custodian fees for the year 2014-15.
- h. Stock Code & ISIN : 512449, Demat ISIN No. in NSDL & CDSL - INE254H01036.
- i. Market Price Data :

Month	Price on BSE (Rs.)		BSE Sensitive Index	
	High	Low	High	Low
April 2013	2.04	1.43	19,623	18,144
May 2013	1.85	1.42	20,444	19,451
June 2013	1.74	1.24	19,860	18,467
July 2013	1.18	0.84	19,352	20,351
August 2013	0.88	0.64	19,569	17,449
September 2013	1.37	0.65	20,740	18,166
October 2013	1.43	1.22	21,205	19,263
November 2013	1.49	1.08	21,322	20,138
December 2013	2.38	1.04	21,484	20,569
January 2014	3.39	2.37	21,410	20,344
February 2014	4.66	3.29	21,141	19,963
March 2014	5.08	3.68	22,467	20,921

- j. Registrar & Share Transfer Agent

M/s. Purva Shareregistry (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. Purva Sharegistry (India) Pvt. Ltd.  
 9, Shiv Shakti Indl. Estate, Ground Floor, J. R. Boricha Marg, 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, Purva Sharegistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are in order, within stipulated days from the date of lodgment.-

1. Shareholding Pattern as on March 31, 2014

<b>Categories</b>	<b>No. of Shares</b>	<b>% of Shareholding</b>
Promoters, Directors, Relatives & Person acting in concert	43,30,784	6.23
Indian Bank	0	0.00
Others (NRI)	5,10,592	0.73
Private Corporate Bodies	3,56,57,812	51.28
Indian Public	2,90,34,145	41.76
<b>Total</b>	<b>6,95,33,333</b>	<b>100.00</b>

m. Dematerialization of Equity Shares & 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.

100% of your Company's Equity Share Capital are in demat.

n. Listing Fees and Annual Custodial Fees

Your Company has paid the Annual Listing Fees for year 2014-15 to Bombay Stock Exchange Limited and Annual Custodian Fees of the Depositories for the year 2014-15 has been paid.

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 bye-

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:**

**SVC Resources Limited**

3, Prime Rose, Near Airtel Gallery,  
Lokhandwala Complex, Andheri (W),  
Mumbai – 400 053

**Subsidiary office:**

**SVC Resources FZC**

Sharjah, UAE PO Box 121639

**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.

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

Place: Mumbai  
Date: July 29, 2015

**Rajesh Baheti**  
**Chairman**

## **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of the condition of corporate governance by SVC Resources Limited (The Company) for the year ended March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's, management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statement of the Company.

As the Old Management has not handed over the statutory records and minutes book, we are not in a position to ascertain compliance of the provisions of the Corporate Governance.

Company Law Board, 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.

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

**Deepesh Khatri**  
Proprietor  
Membership No.143579

Place: Mumbai  
Date: July 29, 2015





**D N Khatri & Associates**  
Chartered Accountants

Flat No. 2, Chanchal Apts.,  
Next to Bank of Maharashtra,  
D. P. Road, Aundh  
Pune -411007

Telephone: +91 20 41203948  
E-mail: deepesh.n.khatri@gmail.com

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## Independent Auditor's Report

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 comprises of the Balance Sheet as at March 31st, 2014, and the Statement of Profit and Loss and 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***

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error.

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

Our responsibility is to express an opinion on these financial statements based on our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Because of the matters described in the Basis for Disclaimer of Opinion Paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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

*We were appointed auditors of the Company on January 23th, 2015. 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 11th, 2014 and supported by the an order of the Company Law Board, Delhi dated April 4th, 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 4th, 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.*

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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. *The order of the Company Law Board dated June 4th, 2015 has created doubts over the genuineness of the balances of loans and advances taken and given, creditor and debtors. The Company has already filed a complaint against the Old Management with the Economic Offences Wing (EOW).*
3. As required by section 227(3) of the Companies Act, 1956, we report that;
  - a. As described in the Basis of Disclaimer Opinion paragraph, we were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of accounts as required by law have been kept by the Company.
  - c. *Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.*
  - d. *Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act.*

- e. On the basis of written representations received from the New Management as on January 23, 2015, all the directors as on March 31, 2014 are disqualified, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act. All directors of the Company as on March 31, 2014 were superseded by the directors appointed in an Extraordinary General Meeting and confirmed by the Company Law Board, Delhi by an order dated April 4, 2014.
  
- f. Since the Central Government has not issued any notification as to the rate at which cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Place **Mumbai**  
Date **July 29, 2015**

**Deepesh Khatri**  
Proprietor  
Membership No. 143579

## Annexure to Auditor's Report

### Referred to in Point No. 1 of the Paragraph "Report on Other Legal and Statutory Requirements" of our report of even date

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that;

Particulars			Auditor's Remarks
(i)	(a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	See Note (1)
	(b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of accounts;	See Note (1)
	(c)	If a substantial part of fixed assets have been disposed of during the year, whether it has affected the going concern;	See Note (2)
(ii)	(a)	Whether physical verification of inventory has been conducted at reasonable intervals by the management;	See Note (1)
	(b)	Are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	See Note (1)
	(c)	Whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of accounts;	See Note (1)
(iii)	(a)	Has the company granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. If so, give the number of parties and amount involved in the transactions; and	See Note (1)
	(b)	Whether the rate of interest and other terms and conditions of loans given by the company, secured or unsecured, are prima facie prejudicial to the interest of the company; and	See Note (1)
	(c)	Whether receipt of the principal amount and interest are also regular; and	See Note (1)
	(d)	If overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	See Note (1)
	(e)	Has the company taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. If so, give the number of parties and amount involved in the transactions; and	See Note (1)
	(f)	Whether the rate of interest and other terms and conditions of loans	See Note

		taken by the company, secured or unsecured, are prima facie prejudicial to the interest of the company; and	(1)
	(g)	Whether payment of the principal amount and interest are also regular.	See Note (1)
(iv)		Is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Whether there is a continuing failure to correct major weaknesses in internal control system.	See Note (1)
(v)	(a)	Whether the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and	See Note (1)
	(b)	Whether the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;	See Note (1)
		(This information is required only in case of transactions exceeding the value of five lakh rupees in respect of any party and in any one financial year).	
(vi)		In case the company has accepted deposits from the public, whether the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under, where applicable, have been complied with. If not, the nature of contraventions should be stated. If an order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court of any other Tribunal whether the same has been complied with or not?	See Note (1)
(vii)		In the case of listed companies and/or other companies having paid-up capital and reserves exceeding Rs. 50 lakhs as at the commencement of the financial year concerned, or having an average turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned, whether the company has an internal audit system commensurate with its size and nature of its business;	See Note (1)
(viii)		Where maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, whether such accounts and records have been made and maintained;	See Note (3)
(ix)	(a)	Is the company regular in depositing undisputed dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	See Note (4)
	(b)	In case of dues of Income-tax/Sales-tax/Wealth Tax/Service Tax/Custom Duty/Excise Duty/cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned.	See Note (1)
		(A mere representation to the Department shall not constitute a dispute)	

(x)	Whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty percent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	See Note (5)
(xi)	Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	See Note (1)
(xii)	Whether adequate documents and records are maintained in cases where the company has granted loans and advances on the basis of security by the way of pledge of shares, debentures and other securities. If not, the deficiencies to be pointed out.	See Note (1)
(xiii)	Whether the provisions of any special statute applicable to chit fund have been duly complied with? In respect of nidhi/mutual benefit fund/societies;	See Note (1)
	(a) Whether the net-owned funds to deposit liability ratio is more than 1:20 as on the date of balance sheet;	See Note (1)
	(b) Whether the company has complied with the prudential norms on income recognition and provisioning against sub-standard/doubtful/loss assets;	See Note (1)
	(c) Whether the company has adequate procedures for appraisal of credit proposals/requests, assessment of credit needs and repayment capacity of the borrower;	See Note (1)
	(d) Whether the repayment schedule of various loans granted by the nidhi is based on the repayment capacity of the borrower;	See Note (1)
(xiv)	If the company is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also whether the shares, securities, debentures and other investments have been held by the company, in its own name except to the extent exemption, if any, granted under section 49 of the Act;	See Note (1)
(xv)	Whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	See Note (1)
(xvi)	Whether term loans were applied for the purpose for which loans were obtained;	See Note (1)
(xvii)	Whether the funds raised on short-term basis have been used for long term investment. If yes, the nature and amount to be indicated;	See Note (1)
(xviii)	Whether the company has made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act and if so whether the price at which shares have been issued is prejudicial to the interest of the company;	See Note (1)
(xix)	Whether security or charge has been created in respect of debentures issued;	See Note (1)
(xx)	Whether the management has disclosed on the end use of money raised by public issue and the same has been verified;	See Note (1)
(xxi)	Whether any fraud on or by the company has been noticed or reported during	See Note

	the year. If yes, the nature and the amount involved is to be indicated.	(6)
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**Notes:**

1. 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 this matter.
2. The Washery Plant at Jabalpur does not exist in its location and has been written off. Hence a significant part of fixed assets has been disposed off during the year. Its effect on the going concern assumption cannot be ascertained.
3. The Company is engaged in trading of minerals. As per section 209(1)(d) of the Act, maintenance of cost records has not been prescribed for the same.
4. 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 this matter. However, the Balance Sheet of the Company shows outstanding Income Tax Provision of Rs. 107,57,718/- and Tax Deducted at Source liability of Rs. 1,92,000/-.
5. The accumulated losses of the Company as on 31<sup>st</sup> March, 2014 are more than its net worth. The company has incurred cash losses in financial year 2013-14 as well as financial year 2012-13.
6. The order of the Company Law Board dated June 4th, 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. However, fraudulent activities are suspected in the following cases;

<b>Particulars</b>	<b>Amount of Suspected Fraud (Rs.)</b>
Unsecured Loans (Liabilities)	32,466,553.00
Washery Plant (Asset)	10,825,216.00
Cash Balance (Asset)	582,147.00

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

Place **Mumbai**  
Date **July 29, 2015**

**Deepesh Khatri**  
Proprietor  
Membership No. 143579

**SVC Resources Limited**  
Balance Sheet as at 31st March, 2014

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY &amp; LIABILITIES</b>			
<b>I Shareholders' Funds</b>			
(a) Share Capital	2	69,533,333	69,533,333
(b) Reserves & Surplus	3	(98,722,154)	(98,412,701)
<b>II Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	73,559,560	103,894,413
<b>III Current Liabilities</b>			
(a) Trade Payables	5	97,735,137	100,235,503
(b) Other Current Liabilities	6	83,687,579	83,687,579
(c) Short Term Provisions	7	50,000	-
<b>TOTAL</b>		<b>225,843,455</b>	<b>258,938,127</b>
<b>ASSETS</b>			
<b>I Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	8	1,198,020	1,198,020
(ii) Capital Work-in-Progress	9	-	10,825,216
(b) Non-Current Investments	10	1,553,906	-
(c) Long Term Loans and Advances	11	4,000,000	9,500,000
<b>II Current Assets</b>			
(a) Trade Receivables	12	169,589,227	187,113,123
(b) Cash and Cash Equivalents	13	42,253	841,719
(c) Short-Term Loans and Advances	14	49,460,049	49,460,049
<b>TOTAL</b>		<b>225,843,455</b>	<b>258,938,127</b>

**Notes Forming Part of Financial Statements** 1

As per our Report of even date  
**For D N Khatri & Associates**  
Chartered Accountants  
Firm Registration No. 133251W

For and on behalf of the Board

**Rajesh Baheti**  
Chairman

**Deepesh Khatri**  
Proprietor  
Membership No. 143579

**Mohammad Ali**  
Managing Director

Place **Mumbai**  
Date **July 29, 2015**



**SVC Resources Limited**

Profit &amp; Loss Statement for the year ended 31st March, 2014

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>I Revenue From Operations</b>	15	-	42,738,000
<b>II Total Revenue</b>		-	42,738,000
<b>III Expenses:</b>			
(a) Cost of Materials Consumed	16	-	42,932,920
(b) Employee Benefit Expense	17	-	4,627,000
(c) Finance Costs	18	-	12,352,339
(d) Depreciations & Amortization Costs	8	-	-
(e) Other Expense	19	<b>309,453</b>	5,377,014
<b>Total Expenses</b>		<b>309,453</b>	65,289,273
<b>IV Profit before Exceptional and Extraordinary Items and Tax (II-III)</b>		<b>(309,453)</b>	(22,551,273)
<b>V Exceptional Items</b>	20	-	75,436,382
<b>VI Profit Before Extraordinary Items and Tax (IV-V)</b>		<b>(309,453)</b>	(97,987,655)
<b>VII Extraordinary Items</b>	21	-	89,425,848
<b>VIII Profit before Tax (VI-VII)</b>		<b>(309,453)</b>	(187,413,503)
<b>IX Tax Expense:</b>			
(a) Current Tax		-	-
(b) Deferred Tax	-	-	-
<b>X Profit/(Loss) for the Period (VIII-IX)</b>		<b>(309,453)</b>	(187,413,503)
<b>XI Earnings Per Equity Share:</b>			
(a) Basic		<b>(.004)</b>	(2.695)
(b) Diluted		<b>(.004)</b>	(2.695)
<b>Notes Forming Part of Financial Statements</b>	1		

As per our Report of even date  
**For D N Khatri & Associates**  
Chartered Accountants  
Firm Registration No. 133251W

For and on behalf of the Board

**Rajesh Baheti**  
Chairman

**Deepesh Khatri**  
Proprietor  
Membership No. 143579

**Mohammad Ali**  
Managing Director

Place **Mumbai**  
Date **July 29, 2015**

**SVC Resources Limited**  
Cash Flow Statement for the year ended 31st March, 2014

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
<b>I Cash Flow from Operating Activities</b>		
Profit after tax	(309,453)	(187,413,503)
Adjustments for:		
Depreciations/amortisation	-	-
	-	-
Operating profit before working capital changes	(309,453)	(187,413,503)
Adjustments for:		
Inventories	-	88,090
Trade receivables	2,542,500	(2,676,868)
Other current and non-current assets	-	39,199,906
Trade payables and acceptances	(2,500,366)	3,228,742
Provisions	50,000	-
	92,134	39,839,870
Cash generated from operations	(217,319)	(147,573,633)
Income taxes paid (net)	-	-
Net cash from operating activities	(217,319)	(147,573,633)
<b>II Cash Flow from Investing Activities</b>		
Sale of fixed assets	-	3,028,001
Sale of work-in-progress	-	31,517,274
Sale of shares	-	4,705,891
Net cash from/(used in) investing activities	-	39,251,166
<b>III Cash Flow from Financing Activities</b>		
Proceeds from long term borrowings	-	34,047,753
Proceeds from long term advances	-	73,810,763
Net cash (used in)/from financing activities	-	107,858,516
Net (decrease)/increase in cash and cash equivalents	(217,319)	(463,951)
Cash and cash equivalents as at 31st March, (opening balance)	841,719	1,305,670
Opening Cash balance written off	(582,147)	-
<b>Cash and cash equivalents as at 31st March, (closing balance)</b>	<b>42,253</b>	<b>841,719</b>

Previous year's figures have been restated, wherever necessary, to conform to this year's classification.

In terms of our Report attached  
**For Name**  
Chartered Accountants  
Firm Registration No. 133251W

**Deepesh Khatri**  
Proprietor  
Membership No. 143579

Place **Mumbai**  
Date **July 29, 2015**

For and on behalf of the Board

**Rajesh Baheti**  
Chairman

**Mohammad Ali**  
Managing Director

## 1. Significant Accounting Policies

### (a) Basis of preparation

The Company Law Board, vide its order dated 4th April, 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 4th, 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 written off balances of some unsecured loans, which stood in previous years balance sheet, wherein the Company Law Board, Delhi has declared them non-genuine.

The Washery plant at Jabalpur does not exist in its location and is being written off.

The Company has written off cash balance, balances of some advances given and some sundry debtors.

The Company has also written back investment made in Sharjah subsidiary.

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).

### (b) Use of estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

### (c) Going Concern

As per Annual Reports available, the Company has incurred cash losses for two consecutive years.

The Company is currently not carrying out any operations and entangled in legal matters. This may affect the going concern assumption. However, the Company and its New Management is positive of turning the Company around by resolving the legal hurdles and resuming operations thereafter.

<b>2. Share Capital</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
<b>(a) Authorized</b>		
1500,00,000 Ordinary shares of Rs. 1 each (as at 31st March, 2013: 1500,00,000 shares of Rs. 1 each)	<b>150,000,000</b>	150,000,000
<b>Total</b>	<b>150,000,000</b>	150,000,000
<b>(b) Issued, subscribed and fully paid up</b>		
695,33,333 Ordinary shares of Rs. 1 each (as at 31st March, 2013: 695,33,333 shares of Rs. 1 each)	<b>69,533,333</b>	69,533,333
<b>Total</b>	<b>69,533,333</b>	69,533,333

**Notes:****(i) Movement of shares:**

	<b>2013-14</b>		<b>2012-13</b>	
	<b>No. of Shares</b>	<b>Figures in Rs.</b>	<b>No. of Shares</b>	<b>Figures in Rs.</b>
<b>Ordinary Shares:</b>				
Shares as on 1st April	<b>69,533,333</b>	<b>69,533,333</b>	69,533,333	69,533,333
Add: Issue of Shares through Private Placement	-	-	-	-
Shares as on 31st March	<b>69,533,333</b>	<b>69,533,333</b>	69,533,333	69,533,333

**(ii) Rights, preferences and restrictions attached to shares:****Ordinary shares of Rs. 1 each:**

- (a) In respect of every Ordinary share, voting right shall be in same proportion as the capital paid upon such Ordinary share bears to the total paid up ordinary capital of the Company.
- (b) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- (c) In the event of liquidation, the shareholders of Ordinary Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

**(iii) Number of shares held by each shareholder holding more than 5 percent of the issued share capital:**

	<b>As at 31st March, 2014</b>		<b>As at 31st March, 2013</b>	
	<b>% of Issued Share Capital</b>	<b>No. of Shares</b>	<b>% of Issued Share Capital</b>	<b>No. of Shares</b>
<b>Ordinary Shares:</b>				
(a) Lorgan Lifestyle Ltd	<b>24.86%</b>	<b>17,285,658</b>	0.00%	-
(b) Rohit and Mohit Khullar	<b>9.87%</b>	<b>6,864,679</b>	0.00%	-
(c) Leman Diversified Fund	<b>0.00%</b>	-	8.52%	5,925,236
(d) Religare Finvest Ltd	<b>0.00%</b>	-	8.05%	5,597,255

(iv) **Information regarding issue of shares in the last five years:**

- (a) The Company Law Board, Delhi has, by its order dated June 4th, 2015, declared illegal and cancelled allotment of following shares of the company; 10,844,426 allotted on May 8, 2013 and 29,700,000 allotted on August 5th, 2013.
- (b) The Company has not issued any bonus shares.
- (c) The Company has not undertaken any buy-back of shares.

<b>3. Reserves and Surplus</b>	<b>As at 31st March, 2013</b>	<b>Additions</b>	<b>Deductions</b>	<b>As at 31st March, 2014</b>
(a) Profit and Loss Account (Deficit) [Note (i)]	<b>(146,054,368)</b>	<b>(309,453)</b>	-	<b>(146,363,821)</b>
	41,359,135	(187,413,503)	-	(146,054,368)
(b) Securities Premium Account	<b>47,641,667</b>	-	-	<b>47,641,667</b>
	47,641,667	-	-	47,641,667
<b>Total</b>	<b>(98,412,701)</b>	<b>(309,453)</b>	-	<b>(98,722,154)</b>
	89,000,802	(187,413,503)	-	(98,412,701)

**Notes:**

	<b>2013-14</b>		<b>2012-13</b>	
	<b>Additions</b>	<b>Deductions</b>	<b>Additions</b>	<b>Deductions</b>
(i) <b>Profit and Loss Account (Surplus)</b>				
Profit/(Loss) after tax for the year	<b>(309,453)</b>	-	(187,413,503)	-
Proposed dividend	-	-	-	-
Tax on proposed dividend	-	-	-	-
Amount transferred to General Reserve	-	-	-	-
	<b>(309,453)</b>	-	(187,413,503)	-

<b>4. Long Term Borrowings</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
(a) <b>Unsecured</b>		
(1) <b>Other loans and advances</b>		
Others	<b>73,559,560</b>	103,894,413
<b>Total</b>	<b>73,559,560</b>	103,894,413

<b>5. Trade Payables</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
(a) Trade Payables	<b>97,735,137</b>	100,235,503
<b>Total</b>	<b>97,735,137</b>	100,235,503

<b>6. Other Current Liabilities</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
(a) Advance and progress payments from customers	<b>72,737,861</b>	72,737,861
(b) Statutory dues (VAT, Excise, Service tax, Octroi, etc.)	<b>10,949,718</b>	10,949,718
<b>Total</b>	<b>83,687,579</b>	83,687,579

<b>7. Short Term Provisions</b>	<b>As at 31st March, 2014</b>	<b>As at 31st March, 2013</b>
(a) Provision for audit fees	50,000	-
<b>Total</b>	<b>50,000</b>	<b>-</b>

## 8. Tangible Assets

Particulars	Cost as at 1st April, 2013	Additions	Deductions/a djustments	Cost as at 1st April, 2014	Accumulated depreciation as at 1st April, 2013	Depreciation for the year	Deductions/a djustments for the year	Accumulated depreciation as at 31st March, 2014	Net book value as at 31st March, 2014
(a) Land	<b>1,198,020</b> 1,198,020	- -	- -	<b>1,198,020</b> 1,198,020	- -	- -	- -	- -	<b>1,198,020</b> 1,198,020
<b>Total</b>	<b>1,198,020</b> 1,198,020	- -	- -	<b>1,198,020</b> 1,198,020	- -	- -	- -	- -	<b>1,198,020</b> 1,198,020

9. Capital Work-in-Progress	As at 31st March, 2013	Additions	Deductions	As at 31st March, 2014
(a) Washery Plant	10,825,216	-	10,825,216	-
<b>Total</b>	10,825,216	-	10,825,216	-
10. Non-Current Investments	Number	Face value per unit	As at 31st March, 2014	As at 31st March, 2013
(a) Trade Investments (at cost)				
(1) Investments in equity instruments				
(i) Subsidiaries				
SVC Resources (ZFC)	1,275	1,704.47	1,553,906	-
<b>Total</b>			1,553,906	-
<b>Notes:</b>			As at 31st March, 2014	As at 31st March, 2013
(i) Book value of unquoted investments			1,553,906	-
11. Long Term Loans and Advances			As at 31st March, 2014	As at 31st March, 2013
(a) Unsecured				
(1) Other Loans and Advances				
Others			4,000,000	9,500,000
<b>Total</b>			4,000,000	9,500,000
12. Trade Receivables			As at 31st March, 2014	As at 31st March, 2013
(a) Due over six months				
Considered doubtful			169,589,227	187,113,123
<b>Total</b>			169,589,227	187,113,123
13. Cash and Cash Equivalents			As at 31st March, 2014	As at 31st March, 2013
(a) Cash and cash equivalents				
Cash on hand			-	812,897
Current accounts with banks			42,253	28,822
<b>Total</b>			42,253	841,719



		<b>As at 31st</b>	<b>As at 31st</b>
<b>14. Short-Term Loans and Advances</b>		<b>March, 2014</b>	<b>March, 2013</b>
(a) <b>Unsecured</b>			
Advance from Vendors		<b>49,460,049</b>	49,460,049
	<b>Total</b>	<b>49,460,049</b>	49,460,049

				For the year ended 31st March, 2014	For the year ended 31st March, 2013	
<b>15. Revenue From Operations</b>						
(a) Sale of goods and processing charges				-	42,738,000	
<b>Total</b>				-	42,738,000	
<hr/>						
<b>16. Consumed</b>	<b>Cost of Materials</b>	<b>Opening stock as at 1st April, 2013</b>	<b>Purchases during the year 2013-14</b>	<b>Closing stock as at 31st March, 2014</b>	<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
<hr/>						
(a) Raw Materials						
	-	-	-	-	-	42,932,920
<b>Total</b>				-	-	42,932,920
<hr/>						
<b>17. Employee Benefit Expense</b>				For the year ended 31st March, 2014	For the year ended 31st March, 2013	
(a) Salary, wages and bonus				-	4,550,845	
(b) Contribution to provident fund and other funds				-	-	
(d) Staff welfare expenses				-	76,155	
<b>Total</b>				-	4,627,000	
<hr/>						
<b>18. Finance Costs</b>				For the year ended 31st March, 2014	For the year ended 31st March, 2013	
(a) Interest expense				-	12,352,339	
<b>Total</b>				-	12,352,339	
<hr/>						
<b>19. Other Expense</b>				For the year ended 31st March, 2014	For the year ended 31st March, 2013	
(a) Audit fees				50,000	25,000	
(b) Bank charges				43,312	20,363	
(c) Business promotion				-	139,257	
(d) Donations				-	5,100	
(e) Power and fuel				46,779	32,446	
(f) Other expenses				159,305	1,943,500	
(g) Postage and courier				-	20,520	
(h) Printing and stationery				-	297,660	
(i) Reimbursement of expense				-	1,871,000	
(j) Repairs and maintenance				-	268,702	

(k) Sundry expenses	10,057	567,526
(l) Telephone and mobile expense	-	35,340
(m) Travelling expense	-	150,600
<b>Total</b>	<b>309,453</b>	<b>5,377,014</b>
<hr/>		
	<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
<b>20. Exceptional Items</b>		
(a) Depletion of assets	-	75,436,382
<b>Total</b>	<b>-</b>	<b>75,436,382</b>
<hr/>		
	<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
<b>21. Extraordinary Items</b>		
(a) Balances written off	-	89,425,848
(b) Trade receivables written off	17,113,096	-
(c) Washery plant written off	10,825,216	-
(d) Advances given written off	5,500,000	
(e) Cash balance written off	582,147	
(f) Investment in subsidiary written back	(1,553,906)	
(g) Unsecured loans written off	(32,466,553)	
<b>Total</b>	<b>-</b>	<b>89,425,848</b>

**22. Related Party Disclosures for the year ended 31st March, 2014****(a) Related party and their relationship****(i) Key management personnel**

Ashok Gupta (MD)  
Independent Directors

<b>(b) Transactions with the related parties</b>	<b>Subsidiaries</b>	<b>Joint Venture</b>	<b>Associates</b>	<b>Key Management Personnel</b>	<b>For the year ended 31st March, 2014</b>
Services received	-	-	-	-	-
(previous year)	-	-	-	1,200,000	1,200,000
<b>Disclosure in respect of material transactions with related parties</b>				<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
<b>(1) Services received</b>					
	Ashok Gupta (MD)			-	960,000
	Independent Directors			-	240,000

<b>23. Payments to Auditor</b>	<b>For the year ended 31st March, 2014</b>	<b>For the year ended 31st March, 2013</b>
(a) Audit fees	<b>50,000</b>	25,000
<b>Total</b>	<b>50,000</b>	25,000

**24. Other Notes**

- (a) Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classifications/disclosure.
- (b) Current year figures are shown in bold prints.