

Notice

Notice is hereby given that the Thirty Fourth Annual General Meeting of the members of **SVC Resources Limited** (Formerly Pace Textiles Ltd.) will be held on Saturday, the 25th day of September, 2010 at 1.00 P.M. at 518, Sagar Tech Plaza, A-Wing, Saki Naka Jn., Andheri Kurla Road, Andheri East, Mumbai 400072 to transact the following business as:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended March 31, 2010.
2. To appoint Director in place of Mr. Vinay Poddar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr. Vinod Bansal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Director in place of Mr. Ashok Gupta, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Director in place of Mr. Sunil Jain, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

To appoint Statutory Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

“RESOLVED THAT M/s. Prem Mishra & Co., Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration to be decided by the Board in consultation with the Auditors of the Company in place of M/s. Jain Anil & Associates, Chartered Accountants.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

Notes:

1. Proxies, in order to be effective, must be received at the Registered Office of your Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of your Company will remain closed from September 18, 2010 to September 25, 2010 (both days inclusive).
3. Members are requested to intimate change in their address immediately to M/s. Purva Sharegistry (India) Pvt. Ltd., your Company's Registrar and Share Transfer Agents, at their office at 9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel East, Mumbai-400 011.

4. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s. Purva Shareregistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of your Company, at their address given above.
5. Members are requested to bring copies of Annual Report to the Annual General Meeting.
6. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
7. Members are requested to quote Folio Number/Client ID & DP ID in their correspondence.
8. Members are requested to send their queries in regard to the accounts atleast 10 days in advance to the Registered Office of your Company.

Place: Mumbai
Date: July 31, 2010

By Order of the Board
For SVC Resources Limited

Registered Office :

518, Sagar Tech Plaza,
A Wing, Saki Naka Jn.,
Andheri Kurla Road,
Andheri East, Mumbai 400072

Sd/-
Deanne Dsouza
Company Secretary & Compliance Officer

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956

Item No. 6

Appointment of Statutory Auditors

The Board of Directors of your Company have recommended appointment of M/s. Prem Mishra & Co., Chartered Accountants as statutory Auditors in place of M/s. Jain Anil & Associates, Chartered Accountants, who have expressed their desire not to be re - appointed in the ensuing Annual General Meeting of the Company due to pre -occupation.

Board recommends the resolution to the members for their approval.

None of the Directors of the Company are deemed to be concerned or interested in this resolution.

Place: Mumbai
Date: July 31, 2010

By Order of the Board
For SVC Resources Limited

Sd/-
Deanne Dsouza
Company Secretary & Compliance Officer



SVC Resources Limited

518, Sagar Tech Plaza, A- Wing, Saki Naka Jn., Andheri Kurla Road, Andheri East, Mumbai 400072

PROXY FORM

I/We _____ resident of _____ in the district of _____ being member/members of the above named Company, hereby appoint _____ resident of _____ in the district of _____ or failing him/her _____ resident of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of your Company to be held on Saturday, the 25th day of September 2010 at 1.00 P.M., at 518, Sagar Tech Plaza, A- Wing, Saki Naka Jn., Andheri Kurla Road, Andheri East, Mumbai 400072 and any adjournment thereof.

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signed on this _____ day of _____ 2010

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____



SVC Resources Limited

518, Sagar Tech Plaza, A- Wing, Saki Naka Jn., Andheri Kurla Road, Andheri East, Mumbai 400072

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of your Company held on Saturday, the 25th day of September 2010 at 1.00 P.M., at the Registered Office of your Company at 518, Sagar Tech Plaza, A- Wing, Saki Naka Jn., Andheri Kurla Road, Andheri East, Mumbai 400072.

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

Registered Folio No. / DP-Client ID _____ No. of Shares held _____

Signature of the Shareholder(s) or Proxy or Company Representative _____

SVC Resources Limited

(Formerly Pace Textiles Limited)

BOARD OF DIRECTORS

Ashok Gupta	Chairman & Managing Director
Vishal Kumar Singh	Joint Managing Director
Sunil Jain	Whole Time Director
Dr. Mukesh Arora	Whole Time Director
R.K.Tiwari	Whole Time Director
Vinay Poddar	Director
Chandra Sen	Independent Director
Dattatray Sakhalkar	Independent Director
Rajesh Kapoor	Independent Director
Dr. Ashish Lodge	Independent Director
Ashish Jain	Independent Director
Vinod Bansal	Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Deanne Dsouza

AUDITORS

Jain Anil & Associates
Chartered Accountant

BANKERS

Axis Bank
State Bank of India
Corporation Bank
Dena Bank

REGISTERED OFFICE

518, Sagar Tech Plaza,
A Wing, Saki Naka Jn.,
Andheri Kurla Road,
Andheri East,
Mumbai 400072

REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.
No. 9, Shiv Shakti Indl. Estate
Gr. Floor, J. R. Boricha Marg
Lower Parel, Mumbai-400 011

ANNUAL GENERAL MEETING

Date : September 25th, 2010
Time : 1.00 P.M.
Venue : 518, Sagar Tech Plaza,
A- Wing, Saki Naka Jn.,
Andheri Kurla Road,
Andheri East, Mumbai 400072



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Directors' Report, Management discussion & Analysis

To the Members,
Your Directors have pleasure in presenting the 34th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2010.

(Rs. in Lacs)

Financial Results	Year Ended 31.03.2010	Year Ended 31.03.2009
Income	1448.14	26.71
Profit before Tax	231.18	22.36
Less : Provision for Taxation	86.56	7.08
Profit after Tax	144.62	15.28
Add : Profit brought forward from Previous Year	104.78	89.50
Balance carried forward	249.40	104.78

DIVIDEND

With a view to conserve resources for future operations, your Directors do not recommend any dividend for the financial year ended March 31, 2010.

PERFORMANCE & CURRENT YEAR PROSPECTS

During the year under review, the operations of your Company have been streamlined. Your Company will continue to maintain these levels of operations and is fairly optimistic about contributing to SVC's growth plans in 2010-11.

Your company changed its name from Pace Textiles Limited to SVC Resources Limited. Your Company has diversified into mining and is in the activities of manufacturing & trading of Textiles products and mining of iron ore and trading in minerals. Due to recession company's performance was not up to the mark however due to diversification into mining industry your company could perform better than the previous year.

The slow down in global economy has not only affected the business of the Company but also the entire market of textile goods as well as the mining segment, which is still continuing. The lack of demand forced the Company to cut down prices of its products and tough competition has again worsened the situation.

The Board of Directors and its team of employees have put in full efforts and performed excellently to sustain profitability of the Company.

BUSINESS SEGMENT

Your Company primarily operates in the business segment of mining and trading of iron ore, white earth, ochre, manganese, laterite etc and manufacturing & trading of textiles products. As per the management's perspective, the risks and returns from its sales do not materially vary geographically. The mines of your company are located at Kodamukur, Dhamki and Dilari in the state of Madhya Pradesh.

Your Company offers its services to customers through best industry practices in textile and mining.

Statement Pursuant To Part IV of schedule VI of Companies Act 1956**Balance Sheet Abstract and Company's General Business Profile****I Registration Details**

Registration No.	18861
State Code No.	11
Balance Sheet Date	31.03.2010

II Capital Raised During the year

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III Position of Mobilisation and Deployment of Funds**(Amount in Rs.)**

Total Liabilities	142,199,418
Total Assets	142,199,418

Sources of Funds:

Paid-up Capital	52,150,000
Reserves & Surplus	89,965,218
Secured Loan	Nil
Unsecured Loan	84,200

Application of funds

Net Fixed assets	1,901,280
Capital WIP	4,155,357
Investments & Inventories	2,501,985
Net Current Assets	121,090,315
Miscellaneous Expenditure	12,550,481
Accumulated Losses	Nil

IV Performance of Company

Turnover	144,813,586
Total Expenditure	121,695,096
Profit before Taxes	23,118,490
Profit after Taxes	14,461,774
Earning Per Share	0.55
Dividend Rate	Nil

V Generic Names of Three Principal Products/ Services of the Company

Product Description	Item Code No.
Trading in Textile and Mining	NA

RISK & CONCERNS**Opportunities**

- Diversification into steel production
- Financial powers for investment in new projects.
- Exploration and mining opportunities in India and abroad for high value minerals.
- Diversification into other areas for sustained growth.

Threats

- Intense competition from private sector in securing fresh mining leases, resulting in denial of leases in many cases and litigation delaying actions.
- Entry of MNCs and other Indian private companies into mining.
- The industry being cyclic in nature, company is exposed to sharp fluctuations in demand for its products.
- Your Company faces risks in respect of high inventory of stocks and its disposal.

The ever changing business environment necessitates continuous monitoring, evaluation & management of significant risks faced by the organization.

OVERVIEW

Your company will continue to build capabilities and nurture a talent pool with diverse skills sets to deliver continuous results. Your Company has also strengthened its presence in textile industry with improved quality and variety of its products as well as diversified into mining and trading of minerals. Your Company is geared up to meet market demands and delivery schedules and is confident of increasing its share in the global market. We have worked steadily to make SVC a company that can deliver sustained, high-quality growth.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

SVC has put in place all the necessary internal controls and they are found quite adequate.

Your company's internal control procedures are tailored to match the organization's pace of growth and increasing complexity of operations. These ensure compliance with various policies, practices, regulations and statutes. The internal control systems are regularly checked by both statutory and internal auditors.

There is an adequate internal control system commensurate with the size of your Company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.

There are documented and well established operating procedures in your Company and its subsidiaries in India & overseas. The Finance function of your Company is also adequately staffed with professionally qualified and experienced personnel.

The Company's well defined organizational structure, documented policy guidelines and adequate internal controls ensure efficiency of operations, compliance with internal policies and applicable laws and regulations, protection of resources and assets, and accurate reporting of financial transactions. Moreover, your Company continuously upgrades these systems in line with the best available practices.

The internal control system is supplemented by extensive internal audits, conducted by independent firms of Chartered Accountants so as to cover various operations on a continuous basis.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

Your Company's industrial relations continued to be harmonious during the year under review.

The employees of your Company have been dedicated and loyal to your Company. Though there has been attrition in certain disciplines, the employees in general have remained with your Company through thick and thin. On the part of the Management, it is ensuring all-round comfort levels to its employees, including the required training at all levels based on the need. It is worth highlighting that industrial relation has been cordial all along. Any difference is sorted out through discussions at appropriate levels. The support of workmen needs special mention. The employees of your Company are exposed to Textile and Mining Industry. Your Company's diversification project needs people with specific skill and knowledge in other industries viz. up gradation of skills for operating equipment with latest technology. In order to get people with requisite knowledge and skills, your Company has to train / retrain its existing manpower and also to go for fresh induction.

Subsidiary

Your Company is in the process of acquiring / setting up following subsidiaries

Indian Subsidiaries

Terra Mining & Mineral Industries Pvt. Ltd.
Terra Reserves Determination Technologies Pvt. Ltd.
Terra Soft Solutions Pvt. Ltd.

Overseas Subsidiary

SVC Resources FZC, Sharjah UAE.

Step down subsidiaries

SVC Gold DMCC, Dubai.

SVC Minerals DMCC, Dubai.

Terra Nova Overseas Resources FZC, Hamriya, UAE.

No activities have been started by the Subsidiary Companies for the financial year 2009-2010 and some of the subsidiaries have been acquired / setup subsequent to the end of the year, hence statement under section 212 is not required to be annexed.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

DIRECTORS

During the year under review your Company through Postal Ballot approved the change in the Management and the names of the new directors are as follows:

Statement of Cash Flow Annexed to the Balance Sheet
as at 31st March 2010

	31.03.2010	31.03.2009	Amount in Rs.
A			
Cash Flow From Operating Activities			
Net Profit before tax and Extraordinary Items	23,118,490	2,236,151	
Adjustment for			
Depreciation	127,564	115,384	
Miscellaneous Expenditure Written off	24,578	-	
Operating Profit before working Capital Changes	23,270,632	2,351,535	
Adjustment for Capital Changes:			
Increase in Debtors	(81,903,310)	5,764,192	
Decrease in Inventories	210,910	595,367	
Decrease in Deposits & Advances	53,689,768	-	
Increase in Creditors	36,895,788	-	
Decrease in Payables & Provisions	(894,077)	(8,024,747)	
Cash Generated From Operations	-	686,347	
Income Tax Paid	-	(708,000)	
Extraordinary Items	-	-	
Net cash from operating Activities	31,269,711	(21,653)	
B			
Cash Flow From Investing Activities			
Investments	(2,100,000)	-	
Capital WIP	(4,155,357)	-	
Purchase of Fixed Assets	(879,620)	-	
Net Cash From Investing Activities	(7,134,977)	-	
C			
Cash Flow From Financing Activities			
Pre operative & Preliminary Expenses	(12,378,431)	24,578	
Unsecured loan taken	84,200	-	
Net Cash From Financing Activities	(12,294,231)	24,578	
Net Increase In Cash & Cash Equivalents	11,840,503	2,925	
Opening Balance of Cash & Cash Equivalents	79,367	76,443	
Closing Balance of Cash & Cash Equivalents	11,919,870	79,368	

For and on behalf of the Board

Sd/-
Ashok Gupta
Chairman & Managing Director
Mumbai, May 29, 2010

Sd/-
Vishal Singh
Joint Managing Director
Sd/-
Sunil Jain
Whole Time Director

We have verified the attached Cash Flow Statement of SVC Resources Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on March 31, 2010 and found the same in agreement therewith.

For Jain Anil & Associates
Chartered Accountants

Sd/-
Anil Jain
Proprietor

Place: Mumbai
Date: May 29, 2010

19. EARNING PER EQUITY SHARE

	Unit	31.03.2010	31.03.2009
Net profit after tax available for shareholders	Rs.	144,61,774	15,28,071
No. of Equity Shares of Rs. 2/- each.	No.	2,60,75,000	2,60,75,000
Basic & diluted earning per share (Rs.)	Rs.	0.56	0.06

20. Previous year's figures have been regrouped, rearranged wherever necessary to make them comparable with those of current year.

For And on Behalf of The Board

As per our report of even date
For Jain Anil & Associates
Chartered accountant

Sd/-
Ashok Gupta
Chairman & Managing Director

Sd/-
Anil Jain
Proprietor

Sd/-
Vishal Singh
Joint Managing Director

Place: Mumbai,
Date: May 29, 2010

Sd/-
Sunil Jain
Wholetime Director

Sr. No.	Names	Designation
1	Ashok Gupta	Chairman & Managing Director
2	Vishal Kumar Singh	Joint Managing Director
3	Sunil Jain	Whole Time Director
4	Dr. Mukesh Arora	Whole Time Director
5	R. K. Tiwari	Whole Time Director
6	Vinay Poddar	Director
7	Chandra Sen	Independent Director
8	Dattatray Sakhalakar	Independent Director
9	Rajesh Kapoor	Independent Director
10	Dr. Ashish Lodge	Independent Director
11	Ashish Jain	Independent Director
12	Vinod Bansal	Independent Director

In accordance with the provisions of the Companies Act, 1956 and pursuant to the provisions of Articles of Association of your Company Mr. Vinod Bansal, Mr. Vinay Poddar, Mr. Ashok Gupta and Mr. Sunil Jain are liable to retire by rotation and being eligible, offer themselves for re-appointments in the forthcoming Annual General Meeting.

Further, none of the Directors of your Company are disqualified under section 274(1)(g) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Your Company follows the principles of effective corporate governance practices. Clause 49 of Listing Agreement deals with Corporate Governance requirements which has been complied by your company.

A separate section on Corporate Governance forming 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

Human Resources have always been most valuable asset for SVC and the Company constantly seeks to attract and retain the best available talent. Human Resource management incorporates a process driven approach that invests regularly in the training and development needs of its employees through succession planning, job rotation, on the job training and extensive training workshops & programmes. During the year, the leadership and management in the back end functions was further strengthened with the joining of senior and highly experienced industry persons.

AUDITORS

The term of the Auditor M/s. Jain Anil & Associates, Chartered Accountants, Mumbai expires in the ensuing Annual General Meeting and they have expressed their intention not to seek re-appointment.

The Board has recommended M/s. Prem Mishra & Co., Chartered Accountants as new Statutory Auditors of the Company.

Members are requested to approve their appointment.

Members are requested to appoint Auditors and authorize the Board of Directors to fix their remuneration.

COMMENTS ON AUDITOR'S REPORT:

The notes referred to in the Auditor's 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.

PARTICULARS OF EMPLOYEES

People are the backbone of our operations. It is a matter of great satisfaction for your Company that our employees have been very supportive to the Company's plan. By far the employee's relations have been cordial throughout the year.

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 wherever 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.

Your Company has not earned or used foreign exchange earnings/ outgoings during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annuals accounts, for the year ended March 31, 2010, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed.
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

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 Governmental and Statutory Authorities for their continued support.

Place: Mumbai
Date: July 31, 2010

Registered Office:

518, Sagar Tech Plaza,
Wing, Saki Naka Jn.,
Andheri Kurla Road,
Andheri East, Mumbai 400072.

By order of the Board
For SVC RESOURCES LIMITED

Sd/-
ASHOK GUPTA
Chairman & Managing Director

INVESTMENTS

8. Investments are valued at cost.

CONTINGENT LIABILITIES

9. Contingent liabilities are not provided for : Nil

OTHERS

10. None of the raw materials, stores, spares and components consumed or purchased during the year have been imported.

11. None of the expenditure has been incurred in foreign currency.

12. None of the earnings are in foreign currency

13. Balance of Debtors, Creditors, Depositors, Loans and Advances are subject to confirmation.

14. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.

15. Investments of the Company have been considered by management to be of a long term nature and hence they are long term investments and are valued at cost of acquisitions.

SEGMENT REPORT

16. Segment Accounting Policies are in line with the accounting policies of the Company.

DEFERRED TAX ON INCOME

17. The deferred tax has not been recognized in financial statement, as there is no reasonable certainty of future taxable income.

RELATED PARTY TRANSACTIONS

18. Following Transactions are effected with related parties during the financial year under review

Nature of Transaction	Amount Received or Paid Rs.	Name of the Party	Relation
Processing Charges Received	44,68,166	Subhrex (India) Ltd.	Director of the company is interested as a Director & Shareholder in Subhrex (India) Ltd.
Hire Charges Paid	60,000	Subhrex (India) Ltd.	Director of the company is interested as a Director & Shareholder in Subhrex (India) Ltd.

SCHEDULE 14			
SELLING & DISTRIBUTION EXPENSES			
Trial / Testing Expenses	29,289		-
Advertisement & Publicity Expenses	25,915		-
Stores & Consumables	-	40,517	
Sales Promotion & Commission Paid	-	36,259	
	55,204	76,776	
SCHEDULE 15			
INTEREST & FINANCIAL CHARGES			
Bank Charges & Commission	12,231		6,006
Other Interest	5,352		
	17,583		6,006

SCHEDULE: 16**ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS:****Significant Accounting Policies General**

1. Accounting Policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.
2. Expenses & income considered payable and receivable respectively are accounted for on actual basis.
3. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provisions of all known liabilities are adequate and not in excess of the amount reasonably necessary.

FIXED ASSETS & CAPITAL WIP

4. a) Fixed assets are capitalized at cost inclusive of all incidental expenses related thereon of Textile Division.
b) The assets under construction in relation to mining division are recorded at cost inclusive of incidental expenses & reflected as Capital WIP.

TURNOVER

5. Turnover is stated after adjusting rebates and discounts and excluding Sales Tax, if any.

DEPRECIATION

6. Depreciation on Fixed Assets has been provided for on diminishing balance method at rates specified in Schedule XIV of the Companies Act 1956. Depreciation on Assets purchased/sold during the year has been provided for on pro-rata basis.

INVENTORIES

7. Inventories of Work-in-Progress, Raw Materials, Stores & Spares and Finished Goods are valued at cost and the same is done on FIFO basis. Stock of Shares is valued at cost.

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

SVC believes in financial prudence, customer satisfaction, transparency, accountability and commitment to values. The good governance it practices is based on its stated belief and the guidelines of the Government of India issued from time to time should go a long way in enhancing value for all those who are associated with your Company: shareholders, customers, suppliers, creditors, Government of India, State Governments, Government agencies/ departments and the society at large.

Your Company's philosophy on Code of Governance is aimed at the efficient conduct of its business and in meeting its obligations to shareholders. Your Company has adopted a codified Corporate Governance Charter, inter-alia, to fulfill its corporate responsibilities and achieve its financial objectives.

Your Company believes in and has consistently practiced good corporate governance. Your Company creates an environment for the efficient conduct of the business and to enable management to meet its obligations to all its stakeholders, including amongst others, shareholders, customers, employees and the community in which your Company operates along with fulfillment of its objectives.

BOARD OF DIRECTORS**Composition of Directors**

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 twelve Directors out of which six members are Independent Directors.

The Board of Directors met 11 times on June 29, July 31, Sept 2, Sept 30, October 9, October 28, November 11 and December 21 in the year 2009 and January 4, January 28 and February 10 in the year 2010 during the financial year 2009-2010.

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, 2010

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	Date of Appointment/Resigned**	No. of Directorship in other Public Ltd. Co.
Mr. Ashok Gupta	Chairman & Managing Director	11	Yes	Nil	1	Since previous FY	3
Mr. Raj Ni. Sureka	Director	0	Yes	1	Nil	December 21, 2009	0
Mr. Mohit Sureka	Director	0	Yes	1	Nil	Since previous FY	0
Mr. Vinay Poddar	Director	4	Yes	2	1	Since previous FY	3
Mr. Vinod Bansal	Independent Director	4	Yes	3	1	Since previous FY	0
Mr. Vishal Singh	Joint Managing Director	7	No	1	Nil	October 9, 2009	4
Mr. Sunil Jain	Independent Director	7	No	Nil	Nil	September 2, 2009	0
Dr. Mukesh Arora	Independent Director	0	No	Nil	Nil	December 21, 2009	0
Mr. Rajesh Kapoor	Independent Director	0	No	2	1	December 21, 2009	0

Board of Directors with effect from April 1, 2010

Name	Designation	Date of Appointment/Resignation
Mr. Ashok Gupta	Chairman & Managing Director	April 1, 2010
Mr. Vishal Singh	Joint Managing Director	April 1, 2010
Mr. Sunil Jain	Whole Time Director	April 1, 2010
Dr. Mukesh Arora	Whole Time Director	April 1, 2010
Mr. R.K. Tiwari	Whole Time Director	April 1, 2010
Mr. Chandra Sen	Independent Director	April 20, 2010
Mr. Dattatray Sakhalakar	Independent Director	April 20, 2010
Dr. Ashish Lodge	Independent Director	April 20, 2010
Mr. Rajesh Kapoor	Independent Director	Since previous FY
Mr. Ashish Jain	Independent Director	April 20, 2010
Mr. Vinod Bansal	Independent Director	Since previous FY
Mr. Vinay Poddar	Director	Since previous FY
Mr. Mohit Sureka (Date of Resignation)	Director	April 20, 2010

AUDIT COMMITTEE

The Audit Committee consists of three Independent Directors. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

Brief description of terms of reference:

The role of the Audit Committee shall include the following:

Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending to the Board the fixation of audit fees.

Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Sec 217 of the Companies Act, 1956.

Changes, if any, in accounting policies and practices and reasons for the same.

Major accounting entries involving estimates based on the exercise of judgment by the management.

SCHEDULE 9			
SALES & OTHER INCOME			
Sale of Goods & Processing Charges	144,813,586		26,707,833
		Total	26,707,833
SCHEDULE 10			
COST OF SALES			
Opening Stock of Goods	210,910		806,277
Add : Purchases of Raw Materials / Finished Goods	114,573,519		14,554,119
Less : Closing Stock	-		210,910
Cost Of Sales	114,784,429		15,149,486
SCHEDULE 11			
PAYMENT TO & PROVISIONS FOR EMPLOYEES			
Salary & Wages & Other Allowances	3,281,564		5,532,213
Staff / Labour Welfare Expenses	10,105		88,153
	3,291,669		5,620,366
SCHEDULE 12			
MAUNUFACTURING & OTHER DIRECT EXPENSES			
Electricity Charges-Works	806,355		1,673,493
Power & Fuel Exp.	177,930		488,340
Repairs & Maintenance	339,345		116,705
Otroi Paid	22,590		-
Packing Material Expenses	5,000		-
Other Factory Expenses	177,271		-
Carriage Inward	2,270		-
Trading Expenses	1,500		-
CST - Purchases	5,640		-
	1,537,901		2,278,538
SCHEDULE 13			
ADMINISTRATION & OTHER EXPENSES			
Advertisement Expenses	26,111		15,700
Printing & Stationery	46,579		28,096
Telephone & Mobile Phone Expenses	41,106		15,928
Conveyance Expenses	160,733		44,074
Transportation Expenses	30,000		320,105
Travelling Expenses	-		37,750
Repairs & Maintenance	197,791		-
Auditors' Remuneration	10,000		10,000
Rent Paid	795,194		55,600
Legal & Professional Fees	252,692		56,200
Hire Charges	60,000		120,000
ROC Filing Fees	-		1,500
Listing & Membership Fees	34,886		4,495
Share Registrar & Depository Fees	35,830		39,702
Postage & Courier	7,413		8,070
Office & General Exp.	20,701		89,494
Books & Periodicals	92,585		-
Donations	12,000		-
Insurance Expenses	12,445		-
Staff Canteen Expenses	-		313,243
Electricity Charges	20,102		9,072
	1,856,168		1,169,029

SCHEDULE 5			
INVESTMENTS IN SHARES			
Unquoted (Valued at cost) In Equity Shares	401,985		401,985
Investments in Associates & Firms	2,100,000		
	2,501,985		401,985
SCHEDULE 6			
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors			
(Unsecured, Considered Good)			
Outstanding for more than six months	50,035,702		48,878,556
Other Debtors	87,366,981		6,620,817
	137,402,683		55,499,373
Inventories			
	-		210,910
Cash & Bank Balances			
Cash Balance	416,458		76,806
Balance with Schedule Bank in Current A/c	11,503,412		2,561
	11,919,870		79,367
Inter Division A/c			
Deposit And Advances			
(Unsecured, Considered Good)			
Deposits	6,121,400		55,000,000
Loans & Advances	14,766,073		19,577,241
	20,887,473		74,577,241
Total	170,210,026		130,366,891
SCHEDULE 7			
CURRENT LIABILITIES & PROVISIONS			
Sundry Creditors for Goods	36,970,313		1,802,184
Sundry Creditors for Expenses	1,754,659		27,000
	38,724,972		1,829,184
Inter Division A/c			
Liabilities & Provisions			
Provisions for Taxation	10,184,946		2,632,100
Other Liabilities	209,793		-
	10,394,739		2,632,100
Total	49,119,711		4,461,284
SCHEDULE 8			
Miscellaneous Expenses			
Miscellaneous Expenses - Op. Balance	196,628		221,206
Less :- Amount W/off	24,578		24,578
	172,050		196,628
Preoperative Expenses	10,330,235		
Preliminary Expenses	2,048,196		-
	12,550,481		196,628

Significant adjustments made in the financial statements arising out of audit findings.

Compliance with listing and other legal requirements relating to financial statements.

Disclosure of any related party transactions.

Qualifications 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 etc) the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency the utilization of proceeds of a public or right issue, and making appropriate recommendation to the Board to take up the steps in the matter.

Reviewing, with the management, performance of internal auditors and 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 and/or auditors any significant findings and follow up thereon.

Reviewing the findings of any internal investigations by the internal auditors/ auditors/ agencies 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.

Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The members of Audit Committee met four times on June 29, July 31 & October 28 in year 2009 and on January 28 in year 2010 during the financial year ended on March 31, 2010.

Audit Committee upto March 31, 2010

Name	Number of Meetings Held	Meetings Attended	Date of Appointment
Mr. Ashok Gupta***	4	3	Since previous FY
Mr. Mohit Sureka***	4	3	Since previous FY
Mr. Vinod J. Bansal	4	4	December 21, 2009
Mr. Vinay Poddar*	4	4	December 21, 2009
Mr. Rajesh Kapoor**	4	1	December 21, 2009

* Chairman of the committee upto December 20, 2009
** Chairman of the committee w.e.f December 21, 2009
*** Member of the committee upto December 20, 2009

Audit Committee with effect from April 1, 2010

Name	Date of Appointment
Mr. Rajesh Kapoor*	December 21, 2009
Mr. Dattatray Sakalkar	April 20, 2010
Mr. Ashish Jain	April 20, 2010

* Chairman of the committee w.e.f. December 21, 2009

REMUNERATION COMMITTEE

Remuneration Committee upto March 31, 2010

Name	Number of Meetings Held	Meetings Attended	Date of Appointment
Mr. Vinay Poddar*	1	1	Since previous FY
Mr. Rajesh Kapoor	1	1	December 21, 2009
Mr. Vinod Bansal	1	1	Since previous FY

The Remuneration Committee was constituted on December 21, 2009

*Chairman of Committee upto April 20, 2010

Remuneration Committee with effect from April 1, 2010

Name	Date of Appointment
Mr. Chandra Sen*	April 21, 2010
Mr. Rajesh Kapoor	December 21, 2009
Mr. Ashish Jain	April 21, 2010

*Chairman of Committee from April 21, 2010

Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2009-2010. However w. e. f. April 1, 2010 Remuneration has been paid to the Managing Directors / Whole Time Directors of your Company.

No Stock option has been allotted to any of the Directors during the financial year 2009-2010.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

Subsequent to the end of the Financial Year each Independent Directors are being paid sitting fees of Rs 10,000/- per meeting.

Subsequent to the end of Financial Year the Board has recommended and the members have approved payment of Remuneration to Whole Time Directors.

Sr. No.	Name	Designation	Gross Salary Amount in Rs.
1	Ashok Gupta	Chairman & Managing Director	80,000
2	Vishal Singh	Joint Managing Director	60,000
3	Dr. Mukesh Arora	Whole Time Director	60,000
4	Sunil Jian	Whole Time Director	60,000
5	R K Tiwari	Whole Time Director	80,000

SCHEDULE TO ACCOUNTS	Year ended on 31.03.2010	Year ended on 31.03.2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
3,50,00000 Equity Shares of Rs. 2/- each	70,000,000	70,000,000
Issued, Subscribed & Paid-up		
2,60,75,000 Equity Shares of Rs. 2/- each	52,150,000	52,150,000
	52,150,000	52,150,000
SCHEDULE 2		
RESERVES & SURPLUS		
Share Premium A/c	65,025,000	65,025,000
Profit & Loss Account - Balance	10,478,444	8,950,293
Add : Transfer from Profit & Loss Account	14,461,774	1,528,151
	24,940,218	10,478,444
	89,965,218	75,503,444
SCHEDULE 3		
UNSECURED LOAN		
From Directors or their relatives	84,200	-
From Others	-	-
	84,200	-

SCHEDULE 4 : FIXED ASSETS

SCHEDULE TO ACCOUNTS AS AT 31/3/2010

Particulars	Rate of Dep.	As at 01.04.2009	GROSS BLOCK		DEPRECIATION		NET BLOCK	
			Additions	Deletions	Dep. for the Year	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Building	100%	1,676,910	879,620		879,620	-	879,620	160,606
Furniture & Fixture	5%	401,657			401,657	28,671	354,337	372,986
Plant & Machinery	15%	843,505			843,505	92,039	521,555	613,594
Computers & Access.	40%	307,433			307,433	815	306,210	1,223
Healthcare Equip.	0%	199,584			199,584	-	199,584	-
SUB TOTAL		3,429,089	879,620	-	4,308,709	127,564	2,407,429	1,901,280
Capital Work-in-Progress :								
ERP - HO		-	376,840		376,840	-	-	376,840
Lab Equipment		-	148,226		148,226	-	-	148,226
Computer & Access.		-	646,370		646,370	-	-	646,370
Weightbridge		-	138,419		138,419	-	-	138,419
Building (lab/par)		-	684,918		684,918	-	-	684,918
Furniture & Fixture		-	1,756,720		1,756,720	-	-	1,756,720
Plant & Mach.		-	309,074		309,074	-	-	309,074
Office Equipment		-	94,790		94,790	-	-	94,790
SUB TOTAL		-	4,155,357	-	4,155,357	-	-	4,155,357
GRAND TOTAL		3,429,089	5,034,977	-	8,464,066	127,564	2,407,429	6,056,637
Previous Year		3,397,569	31,520		3,429,089	2,132,962	1,149,224	1,264,607

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Year ended on 31.03.2010	Year ended on 31.03.2009
	Rs.	Rs.
INCOME		
Sales & Other Income	144,813,586	26,707,833
	144,813,586	26,707,833
EXPENDITURE		
Cost of Sales	114,784,429	15,149,486
Payment to & Provision for Employees	3,291,669	5,620,366
Manufacturing & Other Direct Expenses	1,537,901	2,278,538
Administrative & Other Expenses	1,856,168	1,169,029
Selling & Distribution Expenses	55,204	76,776
Interest & Financial Charges	17,583	6,006
Depreciation	127,564	146,903
Miscellaneous Expenses W/off	24,578	24,578
	121,695,096	24,471,682
Profit before Tax	23,118,490	2,236,151
Provision for Income Tax		
For Current Year	8,457,000	700,000
For Earlier Years	199,716	-
Provision for FBT		8,000
Profit after Tax	14,461,774	1,528,151
Balance brought forward from previous year	10,478,444	8,950,293
Balance Carried to Balance Sheet	24,940,218	10,478,444
Notes forming part of Accounts & significant Accounting Policies	16	

As per our Report of even date.

For And on Behalf of The Board

As per our Report of even date.
For **Jain Anil & Associates**
Chartered Accountants**Sd/-**
Ashok Gupta
Chairman & Managing Director**Sd/-**
(Anil Jain)
Proprietor**Sd/-**
Vishal Singh
Joint Managing DirectorPlace : Mumbai
Date : 29 May, 2010**Sd/-**
Sunil Jain
Wholetime Director**SHARE TRANSFER COMMITTEE**

All share transfers are approved by the Company Secretary or the person authorized from Purva Sharegistry (India) Pvt. Ltd. They shall look into matters relating to:

- ✓ Transfer/transmission/transposition of shares;
- ✓ Consolidation/splitting of shares/folios;
- ✓ Issue of Share Certificates for lost, sub-divided, consolidated, rematerialized, defaced etc;
- ✓ Review of Shares dematerialized and all other related matters; and
- ✓ Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of your Company and the Registrar & Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Compliance Officer

Mr. Ashok Bothra was appointed as a Compliance officer upto November 10, 2009 and Ms. Deanne Dsouza was appointed as a Compliance Officer w.e.f November 11, 2009 within the meaning of Listing Agreement.

Composition of Shareholders/Investors Grievance Committee

During the year, twelve meetings of the Committee of Directors were held on April 1, May 2, June 2, July 1, August 1, September 1, October 1, November 1, and December 1 in year 2009 and on January 6, February 2 and March 2 in the year 2010.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Shareholders/Investor Grievance Committee upto March 31, 2010

Name	Position	Category	Meetings Attended	Date of Appointment
Mr. Vinay J. Poddar*	Chairman	Director	9	Since previous F.Y.
Mr. Vinod J. Bansal**	Member	Independent, Non-Executive	12	December 21, 2009
Mr. Mohit R. Sureka***	Member	Promoter, Executive	12	December 21, 2009
Ms. Deanne Dsouza@	Member	Company Secretary	4	November 11, 2009

*Chairman of Committee upto December 19, 2009

**Chairman of the committee w.e.f December 21, 2009

***Resigned w.e.f December 21, 2009

@Appointed on November 11, 2009

Shareholders/Investor Grievance Committee with effect from April 1, 2010

Name	Position	Date of Appointment/Resignation
Mr. Ashok Gupta *	Chairman	April 20, 2010
Mr. Mohit Surekha (Date of Resignation)	Member	April 20, 2010
Mr. Ashish Lodge	Member	April 20, 2010
Ms. Deanne Dsouza	Member	April 20, 2010

*Chairman of Committee from April 20, 2010

Details of Shareholders' Complaints

During the year your Company did not receive any complaint from any of the shareholder and there were no pending complaints at the close of the financial year.

GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings:

Annual General Meeting	Date & Time	Venue
33 rd Annual General Meeting	September 29, 2009, 11 A.M	Show Room No. 1& 2, Concord CHS Ltd. N. S. Road No. 10, JVPD, Vile Parle (W), Mumbai-400 049
32 nd Annual General Meeting	September 26, 2008, 11.00 AM	Same as Above Address
31 th Annual General Meeting	September 28, 2007, 10.30 AM	Same as Above Address

Location and time of last Extra-Ordinary General Meetings:

Extra-Ordinary General Meeting	Date & Time	Venue
Extra-Ordinary General Meeting	November 6, 2009, 11.00 A.M.	Show Room No. 702, Concord CHS Ltd. N. S. Road No. 10, JVPD, Vile Parle (W), Mumbai-400 049

POSTAL BALLOT

1) Whether any special resolution passed in the previous three AGMs?

No

2) Whether any special resolution passed last year through postal ballot?

Yes

3) Who conducted the postal ballot?

M/s. VKM & Associates, Practising Company Secretary.

4) Whether any special resolution is proposed to be conducted through postal ballot?

No.

5) Procedure for postal ballot.

Resolution for change in object clause of Memorandum of Association was passed by Postal ballot on November 16, 2009. The same was approved by all the members who submitted their Postal ballot Forms. M/s. VKM & Associates Practising Company Secretary was appointed as the scrutinizer for conducting the Postal Ballot and the Scrutinizer submitted his report to the Chairman of the Board of Directors of your Company and the results were announced on November 16, 2009 at the corporate office of your Company at 518, Sagar Tech Plaza, A Wings, Saki Naka Jn., Andheri Kurla Road, Andher East, Mumbai 400072.

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	52,150,000	52,150,000
Reserves & Surplus	2	89,965,218	75,503,444
Unsecured Loan	3	84,200	-
TOTAL		142,199,418	127,653,444
APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		4,308,709	3,429,089
Less : Depreciation		2,407,429	2,279,865
Net Block		1,901,280	1,149,224
Capital Work-in-Progress		4,155,357	-
Investments	5	2,501,985	401,985
Current Assets, Loans & Advances	6		
Sundry Debtors		137,402,683	55,499,373
Inventories		-	210,910
Deposits & Advances		20,887,473	74,577,241
Cash & Bank Balances		11,919,870	79,367
		170,210,026	130,366,891
Less : Current Liabilities & Provisions	7		
Sundry Creditors		38,724,972	1,829,184
Inter Division A/c		-	-
Liabilities & Provisions		10,394,739	2,632,100
Net Current Assets		49,119,711	4,461,284
		121,090,315	125,905,607
Miscellaneous Expenses	8	12,550,481	196,628
(To the extent not written off or adjusted)			
TOTAL		142,199,418	127,653,444
Notes forming part of Accounts & significant Accounting Policies	16		

For And on Behalf of The Board

As per our Report of even date.

For **Jain Anil & Associates**
Chartered Accountants

Sd/-
(Anil Jain)
Proprietor

Place : Mumbai
Date : 29 May, 2010

Asish Gupta
Chairman & Managing Director

Sd/-
Vishal Singh
Joint Managing Director

Sunil Jain
Wholtime Director

20. During the course of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the period nor we have been informed of any such instances by the management.

For **JAIN ANIL & ASSOCIATES**
Chartered Accountants

Sd/-
ANIL JAIN
Proprietor
Place: Mumbai
Date: May 29, 2010

The above Special Resolution has been approved by the shareholders.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

DISCLOSURES

- (a) There were no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with your Company at large. The details of the related Party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- (b) There has been no instance of non-compliance by your Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on your Company by the Stock Exchange or SEBI or any Statutory Authorities does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, your Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with the shares of your Company and cautioning them on the consequences of non-compliance thereof.
- (d) **Secretarial Audit:** A qualified Practicing Company Secretary carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued /paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

Your Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure ID to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of your Company has served for the tenure exceeding nine years. Your Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to your Company and which in the opinion of your Company would enable him to contribute effectively to your Company in his capacity as an Independent Director.
- b) Your Company has setup Remuneration Committee on December 21, 2009. However the Remuneration Committee was re-constituted w.e.f April 20, 2010
- c) We publish our quarterly results and half yearly results in widely circulated newspapers. However no results are being circulated to the shareholders. Results are also uploaded on your Company's website www.svcresources.com and on Bombay Stock Exchange website.
- d) The financial statements of your Company are unqualified.
- e) Your Company has not adopted a Whistle Blower Policy till date however all the employees have access to the Chairman of the Audit Committee.

MEANS OF COMMUNICATIONS

- Your Company regularly provides information to the Stock Exchanges as per the requirements of the Listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers i.e. "Free Press Journal" and in vernacular language Newspaper i.e. "Navshakti".
- Your Company has posted its Quarterly Results/Half Yearly/ Nine Months results on its website.
- Official News releases are also posted 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 34th Annual General Meeting for the financial year ended on March 31, 2010 is as follows:-

Day & Date : Saturday, September 25, 2010
 Time : 1.00 P.M.
 Venue : 518, Sagar Tech Plaza, A-Wing, Saki Naka Jn., Andheri Kurla Road, Andheri East, Mumbai 400072.

b. Financial Calendar : 1st April to 31st March.

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1 st Quarter ended on 30 th June 2010	End July, 2010
Financial Reporting of 2 nd Quarter ended on 30 th September 2010	End October, 2010
Financial Reporting of 3 rd Quarter ended on 31 st December 2010	End January, 2011
Financial Reporting of 4 th Quarter ended on 31 st March 2011	End April, 2011
Date of Annual General Meeting	During September, 2011

d. Date of Book Closure : September 18 to September 25, 2010. (Both days inclusive)

e. Dividend Payment : Nil

f. Listing of Shares : Bombay Stock Exchange Ltd.

g. Listing Fees : Company has paid Annual Listing Fees for the year 2010-11.

h. Stock Code & ISIN : 512449, Demat ISIN No. in NSDL & CDSL -INE254H01028

6. The company has not accepted any deposits from the public hence clause 4(vi) of Companies (Auditors Report) Order 2003 is not applicable.
7. The company has appointed a firm of Chartered Accountants, to carry out internal audit functions, on broadly reviewing the Audit Reports furnished before us and information and explanation given to us by the management, we are of the opinion that the internal audit is commensurate with the size of the Company and the nature of business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act 1956 in respect to products dealt with by the company.
9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investors Education & Protection Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues have been regularly deposited in time during the year with appropriate authorities and there are no undisputed statutory dues payable for a period of six months from the date they became payable as at 31st March 2010.
 (b) According to the information and explanation given to us there are no disputes pending before the authorities in respect of Sales Tax, Income Tax, Custom Duty and CESS.
10. The Company does not have any accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and in the immediate preceding financial year.
11. According to the records made available to us and the information and explanation given to us by the management, the Company has not defaulted in repayment of any dues to financial institutions or banks.
12. According to the information and explanation given to us, the Company has not granted any loans & advances on the basis of security by the way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund, nidhi, mutual fund and societies and accordingly clause 4 (xiii) of companies (Auditors Report) order, 2003 is not applicable.
14. In our opinion and according to the information and explanation given to us, the Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments are held in the name of the company.
15. In our opinion and according to the information and explanation given to us, the Company has not given guarantees for loans taken by others from banks & financial institutions. Accordingly clause 4 (xv) of the Companies (Auditors' Report) Order, 2003 is not applicable.
16. In our opinion and according to the information and explanation given to us, the Company has not obtained any term loan, accordingly clause 4 (xvi) of Companies (Auditors' Report) Order, 2003 is not applicable.
17. According to the information and explanation given to us and on the basis of and overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been utilized for long term investment and vice versa.
18. During the period, the company has not issued any debentures. Accordingly clause 4 (xix) of Companies (Auditors' Report) Order, 2003 is not applicable.
19. The Company has not raised any money through a Public Issue during the year under audit. Accordingly clause 4 (xx) of Companies (Auditors' Report) Order, 2003 is not applicable.

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

1. (a) The Company has maintained proper books of records showing full particulars including quantitative details and situations of fixed assets.
- (b) As per the information and explanations given to us, the Company has carried out physical verification of fixed assets during the year. In our opinion, the frequency of such verification is reasonable.
- (c) None of the fixed assets have been revalued during the year.
2. (a) As per the information and explanations given to us, the company has carried out physical verification of Inventories during the year. In our opinion, the frequency of such verification is reasonable.
- (b) In our opinion, and according to the information and explanation given to us, the procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- (c) As per information and explanation given to us, no material discrepancies have been noticed on physical verification of stock as compared to the records.
- (d) In our opinion and on the basis of our examination, the valuation of the stock is fair and proper in accordance with the normally accepted accounting principles.
3. (a) According to the information and explanation given to us and on the basis of records furnished before us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In view of above, clause 4(iii) (a), (b), (c) and (d) of Companies (Auditors Report) Order, 2003 are not applicable.
- (c) According to the information and explanation given to us and on the basis of records furnished before us for verification, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (d) In the view of above, clause 4(iii)(e), (f) and (g) of Companies (Auditors Report) Order, 2003 are not applicable.
4. In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of business with regard to purchase and sales. During the course of Audit, we have not observed any continuing failure to correct major weakness of internal audit.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered in the said register.
- (b) In respect of transactions entered exceeding the value of five lacs in the register maintained in pursuance of section 301 of the Companies Act 1956, according to information and explanation given to us, the transactions made pursuance of such contracts or arrangements have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time.

i. Market Price Data :	Month	Price on BSE (Rs.)		Volume of Shares	BSE Sensitive Index	
		High	Low		High	Low
	April 2009	18.30	14.00	3,66,017	11,492.10	9,546.29
	May 2009	23.95	16.75	9,00,910	14,930.54	11,621.30
	June 2009	29.10	22.85	6,61,773	15,600.30	14,016.95
	July 2009	45.75	24.10	64,44,654	15,732.81	13,219.99
	August 2009	72.00	46.15	75,62,888	16,002.46	14,684.45
	September 2009	104.85	69.30	64,42,863	17,142.52	15,356.72
	October 2009	119.75	97.00	73,26,353	17,493.17	15,805.20
	November 2009	133.90	112.50	57,72,999	17,290.48	15,330.56
	December 2009	155.00	122.80	73,15,540	17,530.94	16,577.78
	January 2010	180.50	150.00	69,53,735	17,790.33	15,982.08
	February 2010	182.00	157.00	73,13,437	16,669.25	15,651.99
	March 2010	194.95	169.90	87,72,793	17,793.01	16,438.45

j. Registrar & Share Transfer Agent.

M/s. Purva Sharegistry (India) Pvt. Ltd. has been appointed as 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

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 (SEBI) on September 24, 1998.

The Share Transfer is processed by the Registrar & Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

l. Shareholding Pattern as on March 31, 2010

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	3265050	12.52
Indian Bank	0	0.00
Others (NRI)	40654	0.16
Private Corporate Bodies	17324304	66.44
Indian Public	5444992	20.88
Total	26075000	100.00

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.

The Shares of your Company are traded under "B" category on Bombay Stock Exchange Ltd. 87.48% of your Company's Equity Share Capital held under Public category.

0.02% of your company's Equity shares are yet to be dematerialized and are held in physical Form

n. Listing Fees and Annual Custodial Fees

Your Company has paid the Annual Listing Fees for year 2010-11 to Bombay Stock Exchange Ltd. and Annual Custodial Fees to the Depositories for the year 2010-11 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. Brief Resume of the Directors Seeking Re-Appointment**Mr. Vinay Poddar**

Mr. Vinay Poddar is well known personality in the field of Textile market and is having an experience of over 15 years in the textile related products. Besides he is having good knowledge of Accounts.

As on 31st March 2010, he is on the Board of Directors of the following Companies.

Ani-Anu Developers Pvt. Ltd.

Naaz Trading & Finance Ltd. (Power House Fitness Ltd.)

Subhtex India Ltd.

Sushanku Enterprises Ltd.

Mr. Vinod Bansal

Mr. Vinod Bansal is a well known businessman in Textile market and is having wide experience of over 35 years of business experience. Beside he is having vast knowledge of accounts. He is an Independent Director of your Company.

As on March 31, 2010, he is on the Board of Directors of the following Companies.
NIL

Mr. Ashok Gupta

Mr. Ashok Gupta, Chairman & Managing Director of your Company. Besides he is having a wide experience of trading activities and is involved in the related activities for past 20 years.

As on March 31, 2010, he is on the Board of Directors of the following Companies.

Ani-Anu Developers Pvt. Ltd.

Naaz Trading & Finance Ltd. (Power House Fitness Ltd.)

Subhtex India Ltd.

Sushanku Enterprises Ltd.

Jain Anil & Associates

Chartered Accountants

603, Gaurav Height, Mahavir Nagar,
Kandivali (West), Mumbai – 400067.
Tel No. – 29671839

AUDIT REPORT**To the Members of SVC RESOURCES LTD.**

(Formerly known as Pace Textiles Limited)

We have audited the attached Balance Sheet of SVC Resources Limited (formerly known as Pace Textiles Limited) as at 31st March 2010 and also the Profit & Loss Account for the year ended on that day annexed hereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- a.** As required by the Companies (Auditors' Report) Order, 2003 issued by the Department of the Company Affairs in terms of section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matter specified in the said order to the extent applicable;
- b.** Further to our comments in the annexure referred to in paragraph 1 above –
 - (a).** We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b).** In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
 - (c).** The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (d).** In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement together with notes of accounts dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956.
 - (e).** On the basis of written representations received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.
 - (f).** In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 1. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010.
 2. In the case of the Profit and Loss Account, of the profit for the year ended on that date.
 3. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **JAIN ANIL & ASSOCIATES**
Chartered Accountants

Place: Mumbai
Date: May 29, 2010

Sd/-
ANIL JAIN
Proprietor

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of SVC Resources Limited
(Formerly Pace Textiles Limited)

We have examined the compliance of the condition of corporate governance by **SVC Resources Limited** (Formerly Pace Textiles Limited) (The Company) for the year ended March 31, 2010 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.

In our opinion and to the best of our information and according to the explanations given to us the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **JAIN ANIL & ASSOCIATES**
Chartered Accountants

Place: Mumbai
Date: July 31, 2010

Sd/-
ANIL JAIN
Proprietor

Mr. Sunil Jain

Mr. Sunil Jain is the pillar behind a host of Companies having varied interests in the field of Real Estate Development, Construction, Mining, Education and holiday resorts. The Group Companies have a standing of over 24 years of dedicated service. Each and every project has been Designed, Developed and Delivered to the complete satisfaction and delight of its customers.

His companies use Leading Edge Construction Technology to deliver the dreams of his valued Clientele. The concrete trust created and developed has contributed in building the image of the group companies. Apart from various housing construction projects he is also involved in commercial projects in the heart of Mumbai city. He is also involved in mining activities in the state of Madhya Pradesh, a sponge Iron plant in the State of Chhattisgarh, coal mine in Jharkhand.

Apart from his entrepreneurship quality he is also involved in corporate social responsibilities through Kamaldevi Jain High School (named after the founder's mother) is dedicated in providing higher quality of advanced education. A proposed Technical College is also in pipeline in the same complex.

As on March 31, 2010, he is on the Board of Directors of the following Companies.

Konark Natural Resources Pvt. Ltd.
Nandalal Mines & Minerals Pvt. Ltd.
Navbharat Minerals & Metals Pvt. Ltd.
Manibhadra Properties Pvt. Ltd.

q. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Applicable.

r. Investors' Correspondence

Shareholders can contact the following officials for secretarial matters of your Company:-

Ms. Deanne Dsouza - investor.grievances@svcreources.com & company.secretary@svcreources.com

s. Code of Conduct

The Board of Directors of your Company has laid down Code of Conduct for Directors and for 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.

t. Address for Correspondence

Registered Office:
SVC Resources Limited
518, Sagar Tech Plaza,
A- Wing, Saki Naka Jn.,
Andheri Kurla Road,
Andheri East,
Mumbai-400 072.

Corporate Office:
SVC Resources Limited
 Navbharat Udyog Bhavan, 2nd Floor, Ring Road 1, Telebandha, P. O. Ravigram, Raipur,
 Chhattisgarh 492 006

Subsidiary office:
SVC Resources FZC
 Sharjah, UAE Po Box 121639, Sharjah, UAE

Indian Subsidiary

Terra Mining & Mineral Industries Pvt. Ltd.
 No.201 & 202 Acropolis Villa, Street No 6, Habsiguda,
 Hyderabad, Andhra Pradesh 500007.

Terra Reserves Determination Technologies Pvt. Ltd
 No.201 & 202, Acropolis Villa, Street No 6, Habsiguda,
 Hyderabad, Andhra Pradesh 500007.

Terra Soft Solutions Pvt. Ltd
 202 Acropolis villa, street no 6, Habsiguda,
 Hyderabad, Andhra Pradesh 500007

Step down subsidiary

SVC Gold DMCC
 1904, Indigo Icon Tower, Jumeriah Lake Tower,
 Dubai, UAE.

SVC Minerals DMCC
 1903, Indigo Icon Tower, Jumeriah Lake Tower,
 Dubai, UAE

Terra Nova Overseas Resources FZC
 Po Box - 49954, Hamriya Freezone,
 Sharjah, UAE

u.

Mine Locations

Your Company's Mines are located at:

Survey No. Khastra No. 50, 50/1, Village Kodamukur,
 Jabalpur, Madhya Pradesh

Survey No. Khastra No. 178, Dhamki
 Jabalpur, Madhya Pradesh

Survey No. Khastra No.123/2, Village Dilari,
 District Chhatarpur, Madhya Pradesh

Survey No. Khastra No.166/1, Gram Dhamki, Budagar,
 Jabalpur, Madhya Pradesh

Mathra Chhaya, Dev Nagar Colony
 Dhedava Pindwara – 307022
 Dist. Sirohi (Rajasthan), India

**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 and Whole Time Directors. In addition your company has adopted a code of conduct
 for its Independent Directors. This code is put up on the website of your Company.

For SVC Resources Limited

Place: Mumbai
 Date: July 31, 2010

Sd/-
 Ashok Gupta
 Chairman & Managing Director