

BOARD OF DIRECTORS

Ashok Gupta	Chairman & Managing Director
Sunil Jain	Whole Time Director
Vinay Poddar	Director
Abhijeet Mittal	Independent Director
Akshat Gupta	Director
Siddharth Bihani	Independent Director
Vinod Bansal	Independent Director

36th
Annual Report
2011 - 2012

COMPANY SECRETARY & COMPLIANCE OFFICER

Deanne Dsouza

AUDITORS

M/s. D. P. Agarwal & Co.
Chartered Accountants

REGISTERED OFFICE

104, Baba House, 1st Floor,
M.V. Road, Near Cine Magic Cinema,
Andheri (E), Mumbai-400 093

REGISTRAR & SHARE TRANSFER AGENT

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

ANNUAL GENERAL MEETING

Date : December 24th, 2012

Time : 9.00 a.m.

Venue : 104, Baba House, 1st Floor,
M.V. Road, Near Cine Magic Cinema,
Andheri (E), Mumbai - 400 093

Contents

- ❖ Directors' Report
- ❖ Report on Corporate Governance
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- ❖ Auditors' Report
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- ❖ Notes forming parts of Accounts
- ❖ Cash Flow Statement
- ❖ Balance Sheet Abstract
- ❖ Statement pursuant to Section 212

SVC Resources Limited 2011 - 2012

Directors' Report, Management Discussion & Analysis

To the Members,

Your Directors have pleasure in presenting the 36th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2012.

(Rs. in Lacs)

Financial Results	Year Ended 31.03.2012	Year Ended 31.03.2011
Income	1,001.02	573.87
Profit before Tax	(6.20)	261.32
Less : Provision for Taxation	0.00	90.93
Profit after Tax	(6.20)	170.39
Add : Profit brought forward from Previous Year	419.79	249.40
Balance carried forward	413.59	419.79

DIVIDEND

With a view to conserve the financial resources, no dividend has been recommended for the year under review.

AUTHORISED SHARE CAPITAL

The Company Authorised Share Capital remains the same.

BONUS

The company did not issue bonus shares during the year.

REGISTERED OFFICE

The Registered Office of the Company has shifted from 518, Sagar Tech Plaza, A Wing, Saki Naka Jn., Andheri Kurla Road, Andheri East, Mumbai 400 072 to 104, Baba House, 1st Floor, M.V. Road, Near Cine Magic Cinema, Andheri

SVC Resources Limited 2011 - 2012

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SVC Resources Limited 2011 – 2012

PERFORMANCE & CURRENT YEAR PROSPECTS

Your Company has diversified into mining and is in the activities of mining of iron ore and trading in minerals.

During the year under review the turnover of your Company was Rs.1001.02 Lacs and company suffered a loss of Rs. 6.20 lacs.

The performance of your subsidiary company SVC Resources FZC, Sharjah, engaged in the business of trading in minerals was remarkable during the year under review. The consolidated turnover of the company, while the consolidated net profit before tax was not available

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

BUSINESS SEGMENT

Your Company primarily operates in the business segment of mining and trading of iron ore, white earth, ochre, manganese, laterite etc. 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 Dhamki and Dilar in the state of Madhya Pradesh.

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

RISK & CONCERNS

It is a well known fact that risk is an integral part of any business. If these risks are properly managed, a company will have ample opportunity to run smoothly and expand its activities. As a matter of fact Enterprise Risk Management

(ERM) is a process that covers the entire organisation in which all the functions are involved to identify and assess the various strategic, operational, social and economic risks being faced by the company in its day to day activities and thereafter determine the responses to either mitigate the risk or eliminate the same.

Most of the companies in India now recognise ERM as a critical management issue. This is apparent from the importance assigned to ERM within the organisation and the resources being devoted to building ERM capabilities.

SVC Resources Limited 2011 - 2012

Opportunities

1. Rapid domestic growth
2. Robust growth in transportation, infrastructure, power capacity addition and packaging
3. Diversification into steel production
4. Exploration and mining opportunities in India and abroad for extraction and trading of high value minerals

Threats

1. Domestic competition from established players
2. Change in government policies
3. Price volatility
4. Trade policy uncertainties
5. Environmental concerns
6. Cyclic nature of industry

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

OVERVIEW

SVC Resources Limited is a Public Limited Company engaged in the business of extraction, processing & sale of Ore and exploration & development of mining assets.

Your company will continue to build capabilities and nurture a talent pool with diverse skills set to deliver continuous results. Your Company has also strengthened its presence in 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 Indian market. The management has worked steadily to make SVC a company that can deliver sustained, high quality growth.

SVC Resources Limited 2011 - 2012

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company's present internal control systems are commensurate with its size. However, looking at the growth in the size of the Company and its operations it is strengthening these systems further. The Company places great emphasis on the maintenance of effective internal controls, both from the point of view of compliance with statutory requirements as well as supporting the smooth and efficient running of the business.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The employees of your Company are 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 relations have 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 Mining Industry. Your Company's diversification project needs people with specific skill and knowledge in other industries viz. upgradation 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 has only one overseas subsidiary SVC Resources FZC, Sharjah, UAE

PUBLIC DEPOSITS

The Company has neither invited nor accepted any public deposits, during the year, under Section 58A of the Companies Act, 1956 and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

DIRECTORS

During the year under review there has been no change in the Board of Directors of your Company.

In accordance with the provisions of the Companies Act, 1956 and pursuant to the provisions of Articles of Association of your Company Mr Sunil Jain and Mr Vinay Poddar are liable to retire by rotation and being eligible, offer themselves for re-appointment 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.

SVC Resources Limited 2011 - 2012

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

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

M/s. D. P. Agarwal & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received letter from M/s. D. P. Agarwal & Co. Chartered Accountants, Mumbai to the effect that their reappointment if made would be within prescribed limits under Section 224 (1B) of the Companies Act, 1956. Members are requested to re-appoint M/s. D. P. Agarwal & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company and authorize the Board of Directors to fix their remuneration.

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.

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 of your 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.

SVC Resources Limited 2011 - 2012

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

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 2012, 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, & Government and Statutory Authorities for their continued support.


Place: Mumbai

Date: September 2, 2012

Registered Office:

104, Baba House, 1st Floor,
M.V. Road, Near Cine Magic Cinema,
Andheri (E), Mumbai - 400093

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


Ashok Gupta
Chairman & Managing Director

SVC Resources Limited 2011 – 2012

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

SVC believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value, over a sustained period of time.

The corporate governance framework of SVC is based on an effective independent Board, the separation of the Board's supervisory role from the executive management and the constitution of Board Committees, generally comprising a majority of independent/non-executive Directors and chaired by independent/non-executive Directors, to oversee critical areas.

Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain the best practices in corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

Our corporate governance philosophy is based on the following principles:

1. Satisfy the spirit of the law and not just the letter of the law
2. Be transparent and maintain a high degree of disclosure levels
3. Make a clear distinction between personal conveniences and corporate resources
4. Comply with the laws in all the countries in which the Company operates
5. Have a simple and transparent corporate structure driven solely by business needs
6. Management is the trustee of the shareholders' capital and not the owner

BOARD OF DIRECTORS

Composition of Directors

At the core of our corporate governance practice is the Board, which oversees how the management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

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 twelve Directors out of which six members are Independent Directors.

The Board of Directors met regularly and conducted the meetings for the year 2011-12

SVC Resources Limited 2011 – 2012

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, 2012.

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	Date of Appointment/ Resignation	No. of Directorship in other Public Ltd. Co.
Shankar Prasad	Chairman & Managing Director	7	Yes	1	1	Since July,26,2004	4
Sunil Kumar	Whole Time Director	7	Yes	NIL	NIL	Since October 9, 2009	0
Vinay Kumar	Promoter Director	6	No	NIL	NIL	Since June 11,2005	3
Vinod Kumar	Independent Director	7	Yes	NIL	NIL	Since June 11, 2005	0
Ashish Kumar	Independent Director						
Shankar Prasad	Director						
Ashish Kumar	Independent Director						
Vinod Kumar	Independent Director						

SVC Resources Limited 2011 – 2012

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.

The Audit Committee provides direction to the audit function and monitors the quality of statutory audit. The responsibilities of the Audit Committee include overseeing the financial reporting process to ensure fairness, sufficiency and credibility of financial statements, recommendation of appointment and removal of statutory auditors and fixation of their remuneration, approval of payment to statutory auditors for other permitted services rendered by them, review of the quarterly and annual financial statements before submission to the Board, review of compliance with inspection and audit reports and reports of statutory auditors, review of the findings of internal investigations, review of statement of significant related party transactions, review of management letters issued by statutory auditors.

FUNCTIONS OF THE COMMITTEE

1. Review of functioning of the company with the management and Statutory Auditors with regard:

- i) company's financial statements and reports;
- ii) disclosure of company's financial information to ensure that the same are correct, sufficient and credible;
- iii) changes / improvements in financial / accounting practices;
- iv) adequacy of Internal Audit functions and systems: and

2. Holding discussions with :

- i) statutory auditors, before and after audit on the scope and area of concern;
- ii) management before submission of financial statements to the Board.

3. Compliance with Accounting Standards, legal requirements and ethical code.

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

The Company Secretary Ms. Deanne Dsouza is also the secretary of the Audit Committee.

The members of Audit Committee met four times during the financial year ended on 31st March 2012.

SVC Resources Limited 2011 – 2012

Audit Committee upto March 31, 2012

Name	No. of Meetings Held	Meetings Attended	Date of Appointment
Mr Rajesh Kapoor*	4	4	Since December 21, 2009
Mr Dattatray Sakhalkar	4	4	Since April 20, 2010
Mr Ashish Jain	4	1	Since April 20, 2010

* Chairman of the committee

REMUNERATION COMMITTEE

Details of Remuneration paid to Directors

Remuneration to the Managing Directors/ Whole Time Directors of your Company w. e. f. April 1, 2011 are as follows:

Name	Designation	Gross Salary Amount in Rs.
Ashok Gupta	Managing Director	9,60,000.00
Vishal Singh	Joint Managing Director	7,20,000.00
Mukesh Arora	Whole time Director	7,20,000.00
Sunil Jain	Whole time Director	7,20,000.00

The company does not have any stock option plans in force.

Independent directors were paid sitting fees for attending the Board/committee meetings.

None of the Independent Directors hold any shares in their name or in the name of their relatives, except Mr. Rajesh Kapoor, Director of the Company whose wife Mrs. Abha Kapoor holds shares.

SVC Resources Limited 2011 – 2012

SHARE TRANSFER COMMITTEE

The Board has constituted the Share Transfer Committee to consider and approve all related issues of Shares and Share transfers.

All share transfers are approved by the Company Secretary or the person authorized from Purva Sharegistry (India) Pvt. Ltd, the Registrar and Share Transfer Agent of the company. They handle matters relating to:

- Transfer/transmission/transposition of shares;
- Consolidation/splitting of shares/folios;
- Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, 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 Company and the Registrar and Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. attend to all shareholders and investors grievances complaints received directly or through SEBI, Stock Exchanges or other regulatory authorities 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

Ms. Deanne Dsouza is the Compliance Officer of the Company for the FY 2010-11 within the meaning of Listing Agreement.

Composition of Investors Grievance Committee

During the year, eight meetings of the Committee of Directors were held in the financial year ending 31st March, 2012.

SVC Resources Limited 2011 – 2012

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

Investor Grievance Committee upto March 31, 2012

Name	Position	Category	Meetings Attended	Date of Appointment
Mr Ashok Gupta*	Chairman	Chairman & Managing Director	8	April 20, 2010
Mr Ashish Lodge	Member	Independent , Non-Executive Director	0	April 20, 2010
Ms Deanne Dsouza	Member	Company Secretary	8	April 20, 2010

*Chairman of Committee

On May 14, 2011 the Committee was reconstituted, now the members of the committee are as follows:

Mr. Rajesh Kapoor – Chairman
Mr. Ashok Gupta – Member
Mr. Dattatray Sakhalkar – Member

Details of Shareholders' Complaints

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

SVC Resources Limited 2011 – 2012

GENERAL BODY MEETINGS

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

Annual General Meeting	Date & Time	Venue
35th Annual General Meeting	September ,30.2011	11.00 A.M. 104,Baba House, 1 st Floor, M. V. Road, Near Cine Magic Cinema, Andheri (E), Mumbai – 400 093
34th Annual General Meeting	September 25 2010,	1.00 P.M 518, Sagar Tech Plaza, A Wing, Saki Naka Jn, Andheri Kurla Road, Andheri East, Mumbai -400072
33rd Annual General Meeting	September 29 2009,	11.00 AM Show Room No. 1& 2, 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 ?
 1. M/s. VKM & Associates, Practicing Company Secretary.
 2. M/s. S.S.Risbud & Co., Practicing Company Secretary.
- 4) Whether any special resolution is proposed to be conducted through Postal Ballot?
No.

SVC Resources Limited 2011 – 2012

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 Authority 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 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 I D 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 of 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 a Remuneration Committee.

c) Your Company publishes quarterly results, half yearly and annual financial 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 are submitted to Bombay Stock Exchange for uploading on their website.

SVC Resources Limited 2011 – 2012

- d) The company always strives for unqualified financial statement.
- 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 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. and published in the leading English Newspapers i. e. "Free Press Journal" and in vernacular language Newspaper i. e. "Navshakti" and also on the company's website www.svcresources.com.
- 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 36th Annual General Meeting for the financial year ended on 31st March 2012 is as follows :-

Day & Date : Monday, December 24, 2012

Time : 9.00 a.m.

Venue : 104, Baba House, 1st Floor, M.V. Road, Near Cine Magic Cinema,
Mumbai – 400093

b. Financial Calendar : 1st April 2011 to 31st March 2012

SVC Resources Limited 2011 – 2012

- c. **Date of Book Closure** : December 18 to December 25, 2012. (Both days inclusive).
- d. **Dividend Payment** : Nil
- e. **Listing of Shares** : Bombay Stock Exchange Limited.
- f. **Listing Fees** : Company has paid Annual Listing Fees and Custodian fees for the year 2011-12.
- g. **Stock Code & ISIN** : 512449, Demat ISIN No. in NSDL & CDSL – INE254H01036.
- h. **Market Price Data**

Month	Price on BSE (Rs.)		Volume of Shares	BSE Sensitive Index	
	High	Low		High	Low
April 2011	206.40	174.40	75,84,441	18,047.86	17,276.80
May 2011	230.00	183.70	95,83,927	17,536.86	15,960.15
June 2011	270.00	196.10	1,03,01,603	17,919.62	16,318.39
July 2011	273.75	216.80	80,64,486	18,237.56	17,395.58
August 2011	277.00	247.00	73,87,787	18,475.27	17,819.99
Sept 2011	324.00	261.00	79,24,036	20,267.98	18,027.12
October 2011	320.00	242.80	83,57,000	20,854.55	19,768.96
Nov 2011	358.70	275.15	87,81,735	21,108.64	18,954.82
Dec 2011	326.00	33.15	23,41,563	20,552.03	19,074.57
January 2012	31.50	13.45	4,71,23,712	20,664.80	18,038.40
Feb 2012	17.81	12.80	1,46,17,919	18,690.97	17,295.62
March 2012	17.50	12.55	83,61,811	19,575.16	17,792.17

SVC Resources Limited 2011 – 2012

i. Registrar & Share Transfer Agent

M/s. Purva Sharegistry (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

j. 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 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.-

k. Shareholding Pattern as on March 31, 2012

Categories	No. of Shares	% of Shareholding
❖ Promoters, Directors, Relatives & Person acting in concert	87,05,464	12.52
❖ Indian Bank	0	0.00
❖ Others (NRI)	5,60,707	0.81
❖ Private Corporate Bodies	3,49,89,082	50.32
❖ Indian Public	2,52,78,080	36.35
Total	6,95,33,333	100.00

SVC Resources Limited 2011 – 2012

l. 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. 87.45% of your Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2012.

0.03% of your company's Equity shares are yet to be dematerialized and are held in physical Form.

m. Listing Fees and Annual Custodial Fees

Your Company has paid the Annual Listing Fees for year 2011-12 to Bombay Stock Exchange Limited and Annual Custodian Fees of the Depositories for the year 2011-12 has been paid.

n. 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.

SVC Resources Limited 2011 – 2012

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:-

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

104, Baba House, 1st Floor, M.V. Road,

Near Cine Magic Cinema,

Andheri (E), Mumbai – 400093

Corporate Office:

SVC Resources Limited

Navbharat Udyog Bhavan, 2nd Floor, Ring Road 1,
Telebandha, P. O. Ravigram,
Raipur, Chhattisgarh 492006

Subsidiary office:

SVC Resources FZC
Sharjah, UAE PO Box 121639

SVC Resources Limited 2011 – 2012

t. Mine Locations

Your Company's Mines are located at:

Survey No. Khasra No. 166/1
Dhamki Jabalpur, Madhya Pradesh

Survey No. Khasra No 178
Dhamki Jabalpur, Madhya Pradesh

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

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: December 1, 2012


Ashok Gupta

Chairman & Managing Director

SVC Resources Limited 2011 – 2012

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, 2012 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 D P Agarwal & Co
Chartered Accountants

sd/-
D P Agarwal

Place: Mumbai

Date: December 1, 2012

Membership No.035500

SVC Resources Limited 2011 – 2012

AUDITOR'S REPORT

To the Members of SVC RESOURCES LIMITED ,

We have audited the attached Balance Sheet of SVC Resources Limited as at 31st March 2012 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.

SVC Resources Limited 2011 – 2012

(e). On the basis of written representations received from the directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 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 :-

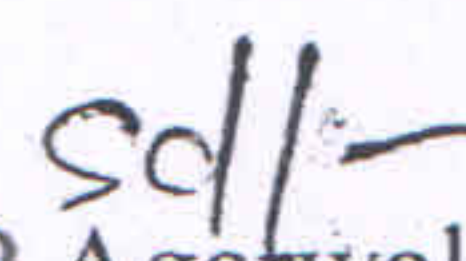
1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
2. in the case of the Profit and Loss Account, of the profit for the year ended on that date;
3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For D P Agarwal & Co

Chartered Accountants

Place: Mumbai

Date: December 1, 2012


D P Agarwal

Membership No.035500

SVC Resources Limited 2011 – 2012

ANNEXURE TO THE AUDITOR'S 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.

SVC Resources Limited 2011 – 2012

4. In our opinion and according 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.

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 adequate Internal Control System, on broadly reviewing the same 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 2012.

(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.

SVC Resources Limited 2011 – 2012

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.

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 D P Agarwal & Co
Chartered Accountants

sd/-
D P Agarwal

Place: Mumbai

Date: December 1, 2012

Membership No.035500

SVC Resources Limited 2011 – 2012

Balance Sheet as at 31st March, 2012

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
EQUITY AND LIABILITIES			
1) Shareholder's Funds			
a) Share Capital	1	69,533,333.00	69,533,333.00
b) Reserves and Surplus	2	89,000,802.00	89,620,858.00
3) Non-Current Liabilities			
a) Long-term borrowings	3	35,865,267.00	38,500,000.00
b) Other Long term liabilities	4	33,981,393.00	4,831,807.00
c) Long term provisions	5	10,949,718.00	10,757,718.00
4) Current Liabilities			
a) Trade payables	6	47,546,712.00	42,473,363.00
Total		286,877,225.00	255,717,079.00
I.Assets			
1) Non-current assets			
<i>a) Fixed assets</i>			
(i) Tangible assets	7	4,226,021.00	5,060,370.00
(jii) Capital work-in-progress	8	42,342,490.00	42,342,490.00
b) Non-current investments	9	4,705,891.00	4,705,891.00
c) Long term loans and advances	10	33,084,821.00	2,506,608.00
d) Other non-current assets	11	89,425,848.00	89,305,426.00
2) Current assets			
a) Inventories	12	88,090.00	50,980.00
b) Trade receivables	13	111,698,394.00	109,899,553.00
c) Cash and cash equivalents	14	1,305,670.00	1,845,761.00
Total		286,877,225.00	255,717,079.00

As per our report of even date
D P Agarwal & Co.
Chartered Accountants

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

sd/-
(Proprietor)

sd/-
(Director)

sd/-
(Director)

Place : Mumbai

Place : Mumbai

Date : December 1, 2012

Date : December 1, 2012

SVC Resources Limited 2011 – 2012

Profit and Loss statement for the year ended 31st March, 2012

Particulars	Note No	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
Revenue from operations	15	100,102,000.00	57,386,680.00
I. Other Income			
III. Total Revenue (I +II)		100,102,000.00	57,386,680.00
<u>V. Expenses:</u>			
Cost of materials consumed	16	71,168,890.00	13,877,136.00
Purchase of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-trade			
Employee benefit expense	17	5,898,000.00	7,222,908.00
Financial costs	18	31,446.00	43,867.00
Depreciation and amortization expense	7	834,349.00	688,637.00
Other expenses	19	22,789,371.00	9,422,521.00
Total Expenses		100,722,056.00	31,255,069.00
V. Profit before exceptional and extraordinary items and tax (III - IV)		(620,056.00)	26,131,611.00
VI. Profit before extraordinary items and tax		(620,056.00)	26,131,611.00
VII. Profit before tax		(620,056.00)	26,131,611.00
VIII. Tax expense:			
(1) Current tax		-	9,092,638.00
X. Profit(Loss) from the period from continuing operations		(620,056.00)	17,038,973.00
XI. Profit/(Loss) for the period		(620,056.00)	17,038,973.00
XII. Earning per equity share:			
(1) Basic		-	0.25
(2) Diluted		-	0.32

As per our report of even date
D P Agarwal & Co.
Chartered Accountants

sd/-
(Proprietor)

Place : Mumbai

Date : December 1, 2012

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

sd/- *sd/-*
(Director) (Director)

Place : Mumbai

Date : December 1, 2012

SVC Resources Limited 2011 – 2012

NOTES FORMING PARTS OF ACCOUNTS

NOTE 1 : SHARE CAPITAL

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
<u>Authorised Share Capital</u>		
5,00,00,000 Equity Shares of Re.1/- each	150,000,000.00	150,000,000.00
<u>Issued, Subscribed and Paid-up Capital</u>		
69,533,333 Equity shares of Re.1/- each	69,533,333.00	69,533,333.00
3,83,333 Equity shares issued as Bonus shares		
	69,533,333.00	69,533,333.00

<u>NOTE 1.1 :</u>		
<u>Particulars of Shareholding</u>	<u>Quantity</u>	<u>% of Shareholding</u>
<u>Promoter, Director, Relatives & Person acting in concert</u>	8,705,464.00	12.52%
<u>Others (NRI)</u>	560,707.00	0.81%
<u>Private Corporate Bodies</u>	34,989,082.00	50.32%
<u>Indian Public</u>	25,278,080.00	36.35%
	69,533,333.00	

NOTE 1.2 :

The Company has only one class of equity shares having a par value of Re.1 per share . Each equity Shareholder is eligible for one vote per share . The dividend proposed by the Board of Directors is subject to the approval of shareholders , except in case of interim dividend .In event of liquidation , the equity Shareholders are eligible to receive the remaining assets of the company , after distribution of all preferential amounts , in proportion of their shareholding.

NOTE 1.3 :

Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting

	<u>(Number of shares in thousands)</u>	
	<u>31.03.2012</u>	<u>31.03.2011</u>
<u>Equity Shares</u>		
<u>at the beginning of the period</u>	69,533.33	69,533.33
<u>Added : Issued during the period</u>	-	-
<u>Less: Bought back during the year</u>	-	-
<u>Outstanding at the end of the period</u>	69,533.33	69,533.33

SVC Resources Limited 2011 – 2012

NOTES FORMING PARTS OF ACCOUNTS

NOTE 2 : RESERVES AND SURPLUS

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
<u>a) Share Premium</u>		
173,83,333 Equity shares issued as Bonus shares	47,641,667.00	47,641,667.00
	47,641,667.00	47,641,667.00
<u>b) Profit and Loss Account</u>		
Opening Reserves	41,979,191.00	24,940,218.00
Add/(Less) : Profit/(Loss) during the Current/Previous year	(620,056.00)	17,038,973.00
Closing Reserves	41,359,135.00	41,979,191.00
	89,000,802.00	89,620,858.00

NOTE 3 : LONG TERM BORROWINGS

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
<u>Secured Loan</u>		
SREI Equipment Finance Pvt Ltd	21,817,567.00	26,000,000.00
<u>Unsecured Loan</u>		
From Others	12,500,000.00	12,500,000.00
Ashok Gupta	768,000.00	
Ashok Gupta HUF	29,700.00	
R K Behuria	750,000.00	
	35,865,267.00	38,500,000.00

NOTE 4 : OTHER LONG TERM LIABILITIES

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Other Liabilities	4,831,807.00	4,831,807.00
Corporation Bank	29,149,586.00	
	33,981,393.00	4,831,807.00

SVC Resources Limited 2011 – 2012

NOTES FORMING PARTS OF ACCOUNTS

NOTE 5 : LONG TERM PROVISIONS

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Provision for taxation	10,757,718.00	10,757,718.00
TDS payable	192,000.00	-
	10,949,718.00	10,757,718.00

NOTE 6 : TRADE PAYABLES

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Sundry Creditors for Goods	30,326,094.00	42,146,856.00
Sundry Creditors for Expenses	17,220,618.00	326,507.00
	47,546,712.00	42,473,363.00

NOTE 7 : TANGIBLE FIXED ASSETS

Sr. No.	Particulars	Rate	Opening as on 01/04/2011	Additions/ (Deletion)	Depreciation	Closing as on 31/03/2012
					During the year	
1	Land	-	1,198,020.00	-	-	1,198,020.00
2	Furniture & Fixtures	18.10%	2,407,896.00	-	435,829.00	1,972,067.00
3	Plant & Machinery	13.91%	266,082.00	-	37,012.00	229,070.00
4	Electrical Installation	13.91%	8,819.00	-	1,227.00	7,592.00
5	Lab Equipment	13.91%	133,200.00	-	18,528.00	114,672.00
6	Office Equipment	13.91%	294,325.00	-	40,941.00	253,384.00
7	Computers & Accessories	40%	460,164.00	-	184,066.00	276,098.00
8	Computer Software	40%	291,864.00	-	116,746.00	175,118.00
			5,060,370.00		834,349.00	4,226,021.00

NOTE 8 : CAPITAL WORK IN PROGRESS

	CURRENT YEAR	PREVIOUS YEAR
Weighbridge	171,486.00	171,486.00
Building (Jabalpur)	748,182.00	748,182.00
Washery Plant	41,422,822.00	41,422,822.00
	42,342,490.00	42,342,490.00

SVC Resources Limited 2011 – 2012

NOTES FORMING PARTS OF ACCOUNTS

NOTE 9 : NON CURRENT INVESTMENTS

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
<u>Investment in Equity Instruments</u>		
Unquoted Shares	401,985.00	401,985.00
<u>Investment in Associates and Firms</u>	4,303,906.00	4,303,906.00
	4,705,891.00	4,705,891.00

NOTE 10: LONG TERM LOANS AND ADVANCES

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Loans and advances	32,124,821.00	2,506,608.00
Salaries	960,000.00	
	33,084,821.00	2,506,608.00

MOTE 11 : OTHER NON CURRENT ASSETS

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Deposits	50,225,942.00	50,225,942.00
Miscellaneous Expenses	122,894.00	147,472.00
Preoperative Expenses	1,588,141.00	37,488,871.00
Preliminary Expenses	37,488,871.00	1,443,141.00
	89,425,848.00	89,305,426.00

NOTE 12 : INVENTORIES

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Closing Stock	88,090.00	50,980.00
	88,090.00	50,980.00

SVC Resources Limited 2011 – 2012

NOTES FORMING PARTS OF ACCOUNTS

NOTE 13 : TRADE RECEIVABLES

	<u>CURRENTYEAR</u>	<u>PREVIOUS YEAR</u>
Sundry Debtors		
Outstanding for more than 6 months	111,698,394.00	109,899,553.00
	111,698,394.00	109,899,553.00

NOTE 14 : CASH AND CASH EQUIVALENT

	<u>CURRENTYEAR</u>	<u>PREVIOUS YEAR</u>
Cash Balance	1,197,124.00	1,078,375.00
Bank Balance	108,546.00	767,386.00
	1,305,670.00	1,845,761.00

NOTE 15 : REVENUE FROM OPERATIONS

	<u>CURRENTYEAR</u>	<u>PREVIOUS YEAR</u>
Sale of Goods and Processing Charges	100,102,000.00	57,386,680.00
	100,102,000.00	57,386,680.00

NOTE 16 : COST OF MATERIAL CONSUMED

	<u>CURRENTYEAR</u>	<u>PREVIOUS YEAR</u>
Opening Stock	50,980.00	-
Add : Purchase during the year	71,206,000.00	12,804,842.00
Add : Direct Expenses		
Carriage Inward	-	207,379.00
Trading Expenses	-	915,895.00
Less : Closing Stock	(88,090.00)	(50,980.00)
	71,168,890.00	13,877,136.00

SVC Resources Limited 2011 – 2012

NOTES FORMING PARTS OF ACCOUNTS

NOTE 17 : EMPLOYEE BENEFIT EXPENSES

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Salary & Wages	5,898,000.00	7,199,970.00
Staff Welfare Expenses	-	22,938.00
	5,898,000.00	7,222,908.00

NOTE 18 : FINANCIAL COST

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Bank Charges & Commission	31,446.00	24,163.00
Other Interest	-	19,704.00
	31,446.00	43,867.00

NOTE 19 : OTHER EXPENSES

	<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
Advertisement & Publicity expenses	36,856.00	64,457.00
Advertisement Expenses	-	498,207.00
Books & Periodicals	-	15,603.00
Conveyance expenses	-	92,564.00
Donations	1,000.00	119,675.00
Electricity charges	173,940.00	109,957.00
Legal & Professional fees	7,500.00	920,584.00
Listing and membership fees	81,071.00	657,252.00
Mines operative expenses	-	767,253.00
Miscellaneous expenses w/off	24,578.00	24,578.00
Office and General expenses	21,890,909.00	248,795.00
Postage & courier	-	84,345.00
Printing and stationary	-	171,545.00
Rent paid	-	2,722,880.00
Repairs and maintainance	-	601,038.00
ROC filing fees	-	70,885.00
Sales Promotion and Commission paid	77,428.00	6,439.00
Share registrar and depository fees	157,824.00	11,000.00
Sitting fees	-	347,000.00
Statutory Audit	-	50,000.00
Tax Audit	-	25,000.00
Telephone & mobile phone expenses	32,200.00	124,635.00
Travelling expenses	306,065.00	1,639,915.00
Trial/Testing Expenses	-	48,914.00
	22,789,371.00	9,422,521.00

SVC Resources Limited 2011 – 2012

ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS:

The Audited accounts are prepared on the basis of material available with the Company. The Company has filed a complaint with the MIDC Police station for missing/stolen of all the statutory records and books of accounts from the registered office of the company.

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.

SVC Resources Limited 2011 – 2012

INVESTMENTS

8. Investments are valued at cost.

CONTINGENT LIABILITIES

9. Contingent liabilities: 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 differed tax has not been recognized in financial statement, as there is no reasonable certainty of future taxable income.

SVC Resources Limited 2011 – 2012

RELATED PARTY TRANSACTIONS

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

Nature of Transaction	Amt Received or Paid Rs.	Name of the Party	Relation
Debtors	16618753.30	Subhtex (India) Ltd.	Director of the company is interested as a Director & Shareholder in Subhtex (India) Ltd.
Directors Remuneration			
Salary	9,60,000	Ashok Gupta	Chairman & Managing Director
Salary	7,20,000	Vishal Kumar Singh	Joint Managing Director
Salary	7,20,000	Sunil Jain	Whole Time Director
Salary	7,20,000	Mukesh Arora	Whole Time Director
<hr/>			
Sitting Fee	3,47,000		Independent Directors

SVC Resources Limited 2011 – 2012

EARNING PER EQUITY SHARE

	Unit	31.03.2012	31.03.2011
Net profit after tax available for shareholders	Rs.	(620056)	1,70,38,973
No. of Equity Shares of Rs.1/- (Rs.2/-) each.	No.	6,95,33,333	6,95,33,333
Basic earnings per share (Rs.)	Rs.	0.00	0.25
Diluted earnings per share (Rs.)	Rs.	0.00	0.32

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

As per our Report of even date

For and on behalf of the Board

For D. P. Agarwal & Co.

Ashok Gupta

Chartered Accountants

Chairman & Managing Director

Sd/-
D P Agarwal

Sd/-
Director

Place : Mumbai

Date : December 1, 2012

SVC Resources Limited 2011 – 2012

STATEMENT OF CASH FLOW ANNEXED TO THE BALANCE SHEET AS AT 31ST MARCH 2012

PARTICULARS	MARCH 31,2012 RUPEES	MARCH 31,2012 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extraordinary Items	(644,634.00)	26,131,611.00
Adjustment for		
Depreciation	834,349.00	688,637.00
Miscellaneous Expenditure Written Off	24,578.00	24,578.00
Operating Profit before working capital changes	214,293.00	26,844,826.00
Adjustment for Capital Changes		
(Increase)/Decrease in Debtors	(1,798,841.00)	27,503,130.00
(Increase)/Decrease in Inventories	(37,110.00)	(50,980.00)
(Increase)/Decrease in Deposits and Advances	(30,578,213.00)	(31,845,077.00)
Increase/(Decrease) in Creditors	5,073,349.00	3,748,391.00
Increase/(Decrease) in Payables and Provisions	192,000.00	5,194,786.00
Cash Generated from Operations	(26,934,522.00)	31,395,076.00
Income Tax	-	9,092,638.00
Net Cash from Operating Activities	(26,934,522.00)	22,302,438.00
Cash flow from Investing Activities		
Investments	-	(2,203,906.00)
Capital WIP	-	(38,187,133.00)
Purchase of Fixed Assets	-	(3,847,727.00)
Net Cash from Investing Activities	-	(44,238,766.00)
Cash Flow from Financing Activities		
Pre operative & Preliminary Expenses	(120,422.00)	(26,553,581.00)
Secured loan taken	(2,634,733.00)	26,000,000.00
Unsecured loan taken	29,149,586.00	12,415,800.00
Increase in Share Holder's Capital	-	17,383,333.00
Decrease in Share Premium	-	(17,383,333.00)
Net Cash from Financing Activities	26,394,431.00	11,862,219.00
Net Increase in Cash & Cash Equivalents	(540,091.00)	(10,074,109.00)
Opening Balance of Cash & Cash Equivalents	1,845,761.00	11,919,870.00
Closing Balance of Cash & Cash Equivalents	1,305,670.00	1,845,761.00

SVC Resources Limited 2011 – 2012

Statement Pursuant To Part IV of schedule VI of Companies Act 1956

Balance Sheet Abstract and Company's General Business Profile

Registration Details

Registration No.	18861
State Code No.	11
Balance Sheet Date	31.03.2012

Capital Raised During the year

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

Position Of Mobilisation and Deployment of Funds

	<u>(Amount in Rs.)</u>
Total Liabilities	28,68,77,225
Total Assets	28,68,77,225

Sources of Funds:

Paid-up Capital	6,95,33,333
Reserves & Surplus	8,90,00,802
Secured Loan	3,58,65,267
Unsecured Loan	3,39,81,393

Application of funds:

Net Fixed assets	42,26,021
Capital WIP	4,23,42,490
Investments	47,05,891
Net Current Assets	3,91,99,906
Miscellaneous Expenditure	3,90,79,484
Accumulated Losses	Nil

SVC Resources Limited 2011 – 2012

Performance of Company

Turnover	10,01,02,000
Total Expenditure	10,07,22,056
Profit before Taxes	(6,20,056)
Profit after Taxes	(6,20,056)
Earnings Per Share -	
Basic	Nil
Dividend Rate	Nil

Generic Names of Three Principal

Products/Services of the Company

Product Description – Trading in Minerals

Item Code No. N.A

For and on behalf of the Board

sd/-
Ashok Gupta

Chairman & Managing Director

sd/-
Vinay Poddar

Director

SVC Resources Limited 2011 – 2012

STATEMENT REGARDING SUBSIDIARY COMPANY PURSUANT TO SECTION 212
OF THE COMPANIES ACT, 1956

Name of the Company

SVC Resources FZC
Sharjah , UAE
As on March 31, 2012

The above details are not available with the Company

For and on behalf of the Board

sd/-
Ashok Gupta

Chairman & Managing Director

sd/-
Vinay Poddar

Director