Enriching resources globally

35th Annual Report 2010 - 2011

SVC RESOURCES LIMITED

BOARD OF DIRECTORS

Ashok Gupta	Chairman & Managing Director
Vishal Kumar Singh	Joint Managing Director
Sunil Jain	Whole Time Director
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
Ashish Lodge	Independent Director
Ashish Jain	Independent Director
Vinod Bansal	Independent Director

35th Annual Report 2010 - 2011

COMPANY SECRETARY & COMPLIANCE OFFICER

Deanne Dsouza

AUDITORS

M/s.Prem Mishra & 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 : September 30, 2011
Time : 11.00 a.m.
Venue : 104, Baba House, 1st Floor,
M.V. Road, Near Cine Magic Cinema,
Andheri (E), Mumbai – 400 093

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- Consolidated Profit & Loss Account
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Directors' Report, Management Discussion & Analysis

To the Members,

Your Directors have pleasure in presenting the 35th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2011.

(Rs. in Lacs)

Financial Results	**Year Ended 31.03.2011**	Year Ended 31.03.2010
Income	**573.87**	1,448.14
Profit before Tax	**261.32**	231.18
Less : Provision for Taxation	**90.93**	86.56
Profit after Tax	**170.39**	144.62
Add : Profit brought forward from Previous Year	**249.40**	104.78
Balance carried forward	**419.79**	249.40

DIVIDEND

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

AUTHORISED SHARE CAPITAL

The Company increased it Authorised Share Capital twice during the year under review.

The members of the Company approved the increase in the Authorised Share Capital from 7 Crores to 11 Crores on December 20, 2010

The approval of the members was once again sought for the increase in the Authorised Share Capital from 11 Crores to 15 Crores on March 10, 2011

SPLIT

The Equity Shares of your company were subdivided in the ratio of 2:1 i.e. 2 Equity shares of Rs.1/- each for every 1 Equity share of Rs. 2/- each the record date for the said sub-division being December 30, 2010.

BONUS

The Board of Directors of the Company ("the Board") at its meeting held on January 31, 2011 had recommended issue of bonus shares in the ratio of 1:3 i.e. One new fully paid-up Equity Share of Re.1/- each for every 3 shares held by the shareholders as on the record date for the said Bonus issue being March 22, 2011.

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 East, Mumbai – 400 093.

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. 573.87 Lacs and profit before tax was Rs. 261.32 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 was Rs. 3,100.55 Lakhs, while the consolidated net profit before tax was Rs. 454.99 Lakhs.

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.

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.

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. Vishal Singh, Dr. Mukesh Arora, Mr. R.K.Tiwari and Mr. Rajesh Kapoor 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.

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. Prem Mishra & Co., Chartered Accountants, New Delhi, 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. Prem Mishra & Co., Chartered Accountants, New Delhi to the effect that their re-appointment if made would be within prescribed limits under Section 224 (1B) of the Companies Act, 1956. Members are requested to re-appoint M/s. Prem Mishra & Co., Chartered Accountants, New Delhi, as the Statutory Auditors of the Company and authorise 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.

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 2011, 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 Government and Statutory Authorities for their continued support.

Place: Mumbai
Date: September 2, 2011

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

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

Ashok Gupta
Chairman & Managing Director

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 7 times on April 20, May 29, July 31, November 12, in the year 2010 and January 31, February 14 and March 23 in the year 2011 during the financial year 2010-2011.

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, 2011

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairman-ship	Date of Appointment/ Resignation	No. of Directorship in other Public Ltd. Co.
Mr. Ashok Gupta	Chairman & Managing Director	7	Yes	1	1	Since July 26, 2004	4
Mr. Vishal Singh	Joint Managing Director	2	Yes	Nil	Nil	Since October 9, 2009	4
Mr. R.K. Tiwari	Whole Time Director	0	No	Nil	Nil	Since April 1, 2010	0
Mr. Sunil Jain	Whole Time Director	7	Yes	Nil	Nil	Since October 9, 2009	0
Dr. Mukesh Arora	Whole Time Director	0	Yes	Nil	Nil	Since December 21, 2009	2
Mr. Mohit Sureka**	Independent Director	0	Yes	1	Nil	Since December 15, 2002	0
Mr. Vinay Poddar	Promoter Director	6	No	Nil	Nil	Since June 11, 2005	3
Mr. Vinod Bansal	Independent Director	7	Yes	Nil	Nil	Since June 11, 2005	0
Mr. Rajesh Kapoor	Independent Director	7	Yes	2	1	Since December 21, 2009	0
Mr. Ashish Jain	Independent Director	1	Yes	2	Nil	Since April 20, 2010	1
Mr. Ashish Lodge	Independent Director	0	Yes	1	Nil	Since April 20, 2010	0
Mr. Chandra Sen	Independent Director	2	Yes	1	1	Since April 20, 2010	0
Mr. Dattatray Sakhalkar	Independent Director	6	Yes	1	Nil	Since April 20, 2010	0

***Resigned w.e.f 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.

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 on May 29, July 31 & November 12 in year 2010 and on February 14 in year 2011 during the financial year ended on 31st March 2011.

Audit Committee upto March 31, 2011

Name	Number 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*