

**SVC RESOURCES LIMITED**

**ANNUAL REPORT**

**2013 - 2014**

**Directors**

Rajesh Baheti – Chairman

Mohammed Ali – Managing Director

Zalak Shah – Non Executive Independent Director

Dr. Riyaz Khan – Non Executive Independent Director

Om Prakash Chugh – Non Executive Independent Director

**Auditors**

D N Khatri & Associates, Chartered Accountants

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

To the Members,

Your Directors have pleasure in presenting this Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2014.

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

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

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

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

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

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

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

## **DIVIDEND**

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

## **REGISTERED OFFICE**

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

## **BUSINESS SEGMENT**

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

## **RISK & CONCERNS**

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

## **Opportunities**

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

## **Threats**

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

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

## **OVERVIEW**

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

## **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The present internal control systems are commensurate with its size.

## **Subsidiary**

As per records available from BSE Website and MCA Website, Company has only one overseas subsidiary SVC Resources FZC, Sharjah, UAE. However, the company has no records pertaining to its subsidiary. Hence, subsidiary accounts are not enclosed.

## **PUBLIC DEPOSITS**

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

## **DIRECTORS**

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

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

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

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

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

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

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

## **CORPORATE GOVERNANCE**

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

## **HUMAN RESOURCES**

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

## **AUDITORS**

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

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

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

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

## **PARTICULARS OF EMPLOYEES**

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

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

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

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

## **DIRECTORS RESPONSIBILITY STATEMENT**

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

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

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

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

## **APPRECIATION**

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

Place: Mumbai  
Date: July 29, 2015

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

**Rajesh Baheti**  
**Chairman**

## Report on Corporate Governance

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

### BOARD OF DIRECTORS

#### Composition of Directors

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

The constitution of the Board is in conformity with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange. The Board consists of 5 Directors out of which 3 members are Independent Directors.

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

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

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



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

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

^*Resigned as director*

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

\$*Appointed as Director*

As the Old Management has not handed over the statutory records and minutes book, the company is not in a position to ascertain the number of Board Meetings, other directorships, attendance of directors in the Board Meeting etc. Company Law Board, New Delhi, vide its order dated June 04, 2015 has directed the old board to handover books of accounts and other records to the new board. However, the old board is yet to hand over the same.

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

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

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

As the Old Management has not handed over the statutory records and minutes book, the company is not in a position to ascertain the number of Committee Meetings, attendance of directors in the Committee Meeting etc. Company Law Board, New Delhi, vide its order dated June 04, 2015 has directed the old board to handover books of accounts and other records to the new board. However, the old board is yet to hand over the same.

## **Compliance Officer**

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

## **Composition of Investors Grievance Committee**

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

As the Old Management has not handed over the statutory records and minutes book, the company is not in a position to ascertain the number of Committee Meetings, attendance of directors in the Committee Meeting etc. Company Law Board, New Delhi, vide its order dated June 04, 2015 has directed the old board to handover books of accounts and other records to the new board. However, the old board is yet to hand over the same.

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

## **GENERAL BODY MEETINGS**

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

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

## **POSTAL BALLOT**

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

## **DISCLOSURES**

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

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