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# **SVC RESOURCES LIMITED**

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**Annual Report 2018 - 19**

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**DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting this Annual Report of your Company together with the Annual Audited Statements of Accounts for the year ended March 31, 2019.

Despite of Company Law Board Order dated April 4, 2014 for change in management of the Company and Company Law Board Order dated June 4, 2015 the Old management did not handover all records of the Company to the new management.

Your Company financial performance during the year 2018-19 is summarized below:

<i>(Rs. in Lakhs)</i>		
<b>Financial Results</b>	<b>Year Ended 31.03.2019</b>	<b>Year Ended 31.03.2018</b>
Income	27.53	18.20
Less: Expenditure	(31.63)	(26.7)
Profit before Extraordinary Items and Tax	(4.09)	(8.56)
Add/Less : Extraordinary Items	11.05	68.90
Profit Before Tax	6.96	60.34
Less : Tax Expense	0.00	12.16
Profit after Tax	6.96	48.18
EPS (in Rs.)	0.10	0.69

**FINANCIAL SUMMARY**

The Company's net profit after tax for the Financial Year ended March 31, 2019 stood at Rs. 6.96 lakhs as against net profit after tax of Rs. 48.18 lakhs in the previous year.

**CHANGE IN NATURE OF BUSINESS, IF ANY:**

There is no change in the nature of the business of the Company.

**TRANSFER TO RESERVES**

No amount is transferred to reserves in the financial year under review.

**CHANGES IN SHARE CAPITAL**

The Authorised Share Capital of the company is Rs. 15,00,00,000/- divided into 1,50,00,000 equity shares of Rs. 10/- each and the Paid Up Share Capital of the company is Rs. 6,95,54,000/- divided into 69,55,400 equity shares of Rs. 10/- each.

The Company has neither bought back its shares nor has issued any sweat equity or Bonus shares during the year under review. Hence, there was no change in share capital of the company during the year under review.

**DIVIDEND**

As there was minimal income in the current year, to strengthen the financial position of the Company and to augment working capital, your directors regret to declare any dividend.

**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.

The new management of the Company has not accepted any deposit from public since the new management has taken charge of the Company.

During the year, the Company has not accepted any deposit from public nor during the previous financial year.

**BUY-BACK / SWEAT EQUITY / BONUS SHARES**

The Company has neither bought back its shares nor has issued any sweat equity or Bonus shares during the year under review.

**EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the Employees.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the Companies Act, none of the Directors are liable to retire by rotation at the ensuing Annual General Meeting.

On November 18, 2016, Mr. Akhilesh Malvi was appointed as Managing Director of the Company for a period of three years. His term is expiring on November 17, 2019. The Board recommends his reappointment as Managing Director of the Company for a further period of three years from November 18, 2019 to November 17, 2022 at the ensuing Annual General Meeting.

During the FY 2018-19, Ms. Tulsa Silwal resigned as the Independent Director of the Company w.e.f. February 22, 2019.

After the end of FY 2018-19, Ms. Archana Vyas was appointed as Independent Director of the Company with effect from May 29, 2019. The appointment is subject to regularisation at the ensuing Annual General Meeting of the Company.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **Annexure I**. Copy of the same is also placed on the website of the Company. The web link for the same is as under:

<http://svcreources.co.in/wp-content/uploads/2018/08/Extract-of-Annual-Report-MGT-9-WEBSITE-2018-19.pdf>

**DETAILS OF SUBSIDIARIES/ASSOCIATES/JOINT VENTURES, IF ANY:**

As per records available from BSE Website and MCA Website, Company had only one overseas subsidiary SVC Resources FZC, Sharjah, UAE. However, the Company has no records pertaining to its subsidiary as old management has not handed over the records to the new management despite of the Company Law Board Order. Hence, subsidiary accounts are not enclosed.

**DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information pertaining to conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure II**.

**VIGIL MECHANISM**

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. In the case of any concerns the employees can write to the Chairperson of Audit Committee. The policy on Vigil Mechanism forms part of the website of the Company. The Web link for the policy of vigil mechanism is:

<http://svcreources.co.in/wp-content/uploads/2015/12/Whistle-Blower-Policy.pdf>

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As the Company does not fall within the purview of Section 135(1) of the Companies Act, 2013, the provisions of Corporate Social Responsibility are not applicable to the Company.

**RELATED PARTY TRANSACTIONS**

There were no contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013. The related party transactions as per IND AS 24 are given in the notes to the financial accounts and forms part of the Annual Report.

The web link for related party transaction policy is

<http://svcreources.co.in/wp-content/uploads/2015/12/Related-Party-Transaction.pdf>

## **RISK MANAGEMENT**

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The Policy provides for identifying internal and external risks and implementing risk mitigation steps.

## **STATEMENT OF COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:**

The Board hereby states that the Company has complied with all the applicable secretarial standards to the extent possible.

## **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. Details of the Familiarization program for Independent Directors forms part of the website of the Company. The web link of Familiarization program is as under: <http://svcreources.co.in/wp-content/uploads/2015/12/Familiarisation-of-Independent-Director.pdf>

## **NOMINATION AND REMUNERATION POLICY**

The Company's policy relating to director's appointment, payment of remuneration and discharge of their duties is annexed herewith as **Annexure III**. The web link of the policy is:

<http://svcreources.co.in/wp-content/uploads/2015/12/Nomination-and-Remuneration-Policy.pdf>

## **CORPORATE GOVERNANCE**

Pursuant to Regulation 15(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, compliance of Corporate Governance is not mandatory. However, the company has complied with the provisions of Regulation 17 to 27 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent possible. A separate section on Corporate Governance forms part of the Directors' Report as stipulated in Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in the Annual Report as **Annexure IV**.

## **MEETING OF INDEPENDENT DIRECTORS**

The Board of Directors of the Company meets once in every Financial Year without the presence of Executive Directors and Management of the Company. The role of the Directors is as per the provisions of Companies Act, 2013 as well as the

Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**DECLARATION BY INDEPENDENT DIRECTOR**

Pursuant to Section 149(6) of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, the Independent Directors of the Company have given the declaration to the Company that they qualify the criteria of independence as required under the Act.

**BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders' Relationship Committee, including the Chairperson of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairperson and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN OR INVESTMENTS MADE UNDER SECTION 186 OF COMPANIES ACT, 2013**

Particulars of loans, guarantees and investments made by Company pursuant to Section 186 of the Companies Act, 2013 are given in the notes to the financial accounts and forms part of the Annual Report. The Company has not given any loan, guarantee or investment during the financial year under review.

The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products sold by the Company.

**MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of the report.

Receivables and payables which are more than 4 years old and are not supported by any documentary evidence are being written off.

**PARTICULARS OF EMPLOYEES**

The Company has no directors or employees who are in receipt of remuneration exceeding the sum prescribed under section 197 of the Companies Act, 2013 read

with Rule (5) of Companies (Appointment and Remuneration of Managerial Person) Rules, 2014.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company had constituted an Internal Complaints Committee for prevention and redressal of complaints of sexual harassment against women. The Board constituted a sexual harassment committee where the chairperson of the Committee is Ms. Sanam Barot. It was also decided that Ms. Archana Vyas and Mr. Ghanshyam Chudasama shall be Members of the Committee. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

- a. number of complaints filed during the financial year - NIL
- b. number of complaints disposed of during the financial year - NIL
- c. number of complaints pending as on end of the financial year - NIL

### **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

No significant and/or material order was passed by any Regulator, any Court in India or any Tribunal, impacting the going concern status and the Company's operations in future during the financial year under review.

### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

The Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

### **INTERNAL AUDITOR**

Ms. Srashti Jain is the Internal Auditor of the Company for the FY 2018-19. Further, in the Board meeting held on May 29, 2019, the Internal Auditor was appointed for a further period of three years from FY 2019-20 to FY 2021-22

### **STATUTORY AUDITORS**

The Board had appointed M/s. DD & Company (erstwhile M/s. Dinesh H. Agarwal & Company), Chartered Accountants, as Statutory Auditor of the Company for a period of three years from FY 2018-19 till FY 2020-21, as approved by the members in the Annual General Meeting held on September 29, 2018.

The Board recommends continuation of M/s. DD & Company. as statutory auditors of the company till FY 2020-21.

### **STATUTORY AUDIT REPORT**

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory, and therefore does not require any further explanation. The Company has already submitted declaration



pursuant to Regulation 33 (3) (d) of SEBI (LODR) Regulations, 2015 to the Stock Exchange(s).

### **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Person) Rules, 2014, the Company has appointed M/s. Maithili Nandedkar & Associates, Practicing Company Secretaries, as Secretarial Auditor of the Company for a period of three years from FY 2018-19 till FY 2020-21.

In terms of provisions of Section 204(1) of the Companies Act, 2013, Secretarial Audit Report is annexed to this Board Report.

### **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 Annual Report for the year ended March 31, 2013.

The Company Law Board, Principal 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.

Pursuant to Section 134 of the Companies Act, 2013 the Directors state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended March 31, 2019;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively;
- (f) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143**

There are no frauds reported by the Statutory Auditors of the Company under Section 143(12).

**REGISTERED OFFICE**

During the period under review, there is no change in Registered Office Address. However, the Company has closed its Corporate Office.

**INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The present internal control systems are commensurate with its size. The Company has adequate internal financial controls besides timely statutory audit and limited reviews of performance taking place periodically.

**HUMAN RESOURCES**

The 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 organization.

**ACKNOWLEDGEMENT**

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: August 14, 2019**

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

**Chairperson**