



# **SVC INDUSTRIES LIMITED**

**(Formerly known as SVC Superchem Ltd.)**

## **ANNUAL REPORT 2017-2018**

## SVC INDUSTRIES LIMITED

### Corporate Information

#### BOARD OF DIRECTORS :

**Mr. Suresh V. Chaturvedi**, Promoter Director  
(DIN-00577689)

**Mr. I.G. Mehrotra**, Non – Executive & Independent Director  
(DIN – 00579544)

**Dr. P.P. Shastri**, Non-Executive & Independent Director  
(DIN- 02199254)

**Mr. Jaffar Imam**, Non- Executive & Independent Director  
(DIN- 00579549)

**Mr. G.S. Dahotre**, Non-Executive & Independent Director  
(DIN -00009789)

**Ms. Abha Ravi**, Non-Executive Director  
(DIN- 07127554)

#### BOARD COMMITTEES :

##### AUDIT COMMITTEE

**Mr. G.S. Dahotre** - Chairman

**Dr. P.P. Shastri** - Member

**Mr. I.G. Mehrotra** - Member

#### STAKEHOLDERS RELATIONSHIP COMMITTEE :

**Mr. Suresh V. Chaturvedi** - Chairman

**Mr. Jaffar Imam** - Member

**Mr. G.S. Dahotre** - Member

#### NOMINATION AND REMUNERATION COMMITTEE :

**Mr. G.S. Dahotre** - Chairman

**Mr. Jaffar Imam** - Member

**Mr. I.G. Mehrotra** - Member

#### CHIEF FINANCIAL OFFICER :

**Mr. Sanjay Agarwal**

#### COMPANY SECRETARY

:

**Ms. Karuna Naik**

#### STATUTORY AUDITORS :

**M/s. Chaturvedi SK & Fellows**

Chartered Accountants

402, Dev Plaza, S.V. Road, Andheri West,  
Mumbai - 400 058

#### REGISTERED OFFICE:

301-A, Shubham Centre-1, 3rd Floor,  
491, Cardinal Gracious Road,  
Andheri (East), Mumbai - 400 099.

#### SITE :

Chhata Barsana Road, Chhata,  
Dist. - Mathura,  
Uttar Pradesh - 281 401.

#### REGISTRAR AND TRANSFER AGENT :

Sharex Dynamic (India) Private Limited  
Unit-1, Luthra Ind. Premises, Safed Pool,  
Andheri - Kurla Road, Andheri (East),  
Mumbai - 400 072.

#### LISTING OF EQUITY SHARES :

BSE Limited,  
Phiroze Jeejeebhoy Tower,  
Mumbai - 400 001.

**BSE STOCK CODE** - 524488

#### INVESTOR EMAIL ID :

svcindustriesltd@gmail.com

#### CORPORATE IDENTITY NUMBER :

L23201MH1989PLC053232

#### SECRETARIAL AUDITOR

Ranjeet Kumar Sharma & Associates

#### WEBSITE :

www.svcindustriesltd.com

## NOTICE

**NOTICE** is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of **SVC Industries Limited (formerly known as SVC Superchem Limited)** will be held on 8<sup>th</sup> September, 2018 Saturday at 11:30a.m. at Indian Merchants' Chamber, Walchand Hirachand Hall, 4<sup>th</sup> Floor, LNM IMC Building, Churchgate, Mumbai- 400 020 to transact the following business: -

### ORDINARY BUSINESS: -

1. To receive, consider and adopt the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2018 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Abha Ravi (DIN - 07127554), who retires by rotation and being eligible, offers herself for re-appointment.

By Order of the Board of Directors  
For **SVC Industries Limited**

**Suresh V. Chaturvedi**  
Director

Place: Mumbai  
Date: 7<sup>th</sup> July, 2018

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. Proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from 31<sup>st</sup> August, 2018 to 10<sup>th</sup> September, 2018 (both days inclusive).
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 09.00 a.m. and 5.00 p.m. upto the date of the Annual General Meeting.
6. The Members/ Proxies are requested to bring their attendance slip duly filled along with the copy of Annual Report to the Meeting.

7. Members are requested to notify to the Company any change in their addresses specifying full address in block letters with pin code of the post office and their Folio No. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Directors for his appointment/ reappointment.
10. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
11. Members who hold the shares in dematerialized form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
12. In case of joint holders, attending the meeting, only such joint-holder who is higher in the order of names will be entitled to vote.
13. As part of the Green Initiative circulars issued by the Ministry of Corporate Affairs, the Notice and Annual Report of the Company are being sent to the shareholders on their respective mail addresses. However, shareholders requiring a physical copy of the Annual Report may write to the Company at its registered office at 301, 3rd Floor, Shubham Centre-1, 491, Cardinal Gracias Road, Andheri (East), Mumbai - 400099.
14. Electronic copy of the Notice of the 27<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 27<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. Members may also note that the Notice of the 27<sup>th</sup> Annual General Meeting and the Annual Report for 2017-18 will also be available on the company's website [www.svcindustriesltd.com](http://www.svcindustriesltd.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such

communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: svcindustriesltd@gmail.com.

#### 16. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 27<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

(I) The voting period begins on 05<sup>th</sup> September, 2018 Wednesday (11.00 a.m.) and ends on 7<sup>th</sup> September, 2018 Friday (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 1<sup>st</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID.

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat - shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
17. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
18. Ranjeet Kumar & Associates, a practising Company Secretary (Certificate of Practice 13241) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
19. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
20. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter

unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

21. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.svcIndustriesLtd.com](http://www.svcIndustriesLtd.com) and on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on all working days except Saturdays and Sundays up to and including the date of the Annual General Meeting of the Company.

By Order of the Board of Directors  
For **SVC Industries Limited**

**Suresh V. Chaturvedi**  
Director

#### EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, set out the material facts relating to the business mentioned in the accompanying notice dated 7<sup>th</sup> July, 2018

#### DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

##### Re-appointment of Ms. Abha Ravi (Item No. 2)

Name of the Director	Ms. Abha Ravi
Qualification	Diploma in Occupational Therapy with Masters in Arts, specializing in Political Science
Date of Appointment	25th March, 2015
Profile and expertise	Instrumental in encouraging occupational therapists to think beyond just occupational performance and address other modes of occupational interaction such as occupational deprivation, competence, and justice.
Directorship held in other companies	Nil
Committee position held in other companies	Nil
Shareholding (No. of equity shares)	Nil

## **DIRECTORS' REPORT**

### **TO THE MEMBERS**

Your Directors present the 27<sup>th</sup> Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2018.

### **FINANCIAL RESULTS: (Rs. in Lacs)**

Particulars	2017-18	2016-17
Revenue from operation	NIL	NIL
Other Income	85.94	NIL
Total Income	85.94	NIL
Expenditure	(114.85)	NIL
Profit / Loss Before Tax	(28.91)	NIL
Other comprehensive Income	(1012.85)	NIL
Total Comprehensive Income (Net of Tax)	(1041.76)	NIL

The Ministry of Corporate Affairs ('MCA') has notified the mandatory adoption of Indian Accounting Standards (Ind-AS) by all companies other than Insurance Companies, Banking companies and Non-Banking Finance companies.

### **PROJECT:**

Company's Plant under construction has been under shut down since September, 2000 and with the passage of time and in the absence of any operation since then, the corrosion is taking place in the Plant due to climatic and cyclonic conditions in the area. During the year, provision of Ind AS became applicable to the Company and thus the Company has decided to adopt for fair valuation of Property Plant & Equipments as at 01.04.2016. On the basis of valuation from reputed valuer the plant and equipments under construction of the Company were fair valued and a loss of Rs. 688.07 crore was provided on transition to Ind AS.

Further during the year the Company has approached various agencies for advice to utilise the plant under construction for alternative uses however Technical Advisor has given health assessment report of the plant and has categorically stated that if the Company tries to repair the equipment after some inspections, it will not be possible to guarantee overall safety & reliability of high pressure equipment for hazardous plant operation. He stated that it is not considered safe to operate the equipment in Company's plants & offsite facilities at this stage and concluded that Company's plant and equipments under construction are not considered fit for operation and hence should be discarded.

Based on above advice the Company has provided Impairment losses of Rs. 113.43 crore in line with provisions of Ind AS 36 Impairment of Assets and thus considering the scrap value of the plant under construction being realisable value for the asset. Company has appointed largest plant disposal & management consultant to auction the disposal of plant & equipments under construction by scraping subject to necessary approval from lenders. The impairment loss has been accounted in reserves of the company under other comprehensive income (Refer Note No. 21). The Capital work in progress after impairment is transferred to respective heads of tangible fixed assets on 31.03.2018 and therefore no depreciation has been provided on the same. As on -

31.03.2018 the Company has received an advance of Rs. 401 lacs from one of the party interested in purchase of plant & equipments under construction by auction process.

### **DIVIDEND:**

Your Directors have not recommended any dividend on equity shares for the year as there is no profit in the year.

### **STATE OF COMPANY'S AFFAIRS:**

The Strategic Investor of the Company has received a proposal for setting up of Mega Food Park as provided under the Mega Food Park Scheme Guidelines issued by Ministry of Food Processing Industries, Government of India. Strategic Investor of the Company has received "In-principal" approval of the competent Authority for establishment of Mega Food Park at Village Bhadawal, Chhatta, Chatta-Barsana Road, District Mathura, Uttar Pradesh. The primary object these guidelines is to provide modern infrastructure facilities for the food processing along the value chain from the farm to the market. It will include creation of the processing infrastructure near the farm, transportation, logistic and centralized processing centers. This scheme aims to facilitate the establishment of a strong food processing industry backed by an efficient supply chain, which include collection centers, primary processing centers and cold chain infrastructure. The food processing units, under the scheme, would be located at a Central Processing Centre with need based common infrastructure required for processing, packaging, environmental protection systems, quality control labs, etc.

For the purpose of entering into new venture of Mega Food Park, the Company has taken approval of the shareholders vide postal ballot on 22nd February, 2018 to sale, lease, transfer its PTA plant, as it has not been in operation since Sept' 2000 due to various reasons beyond its control and has also changed its object clause vide postal ballot on 22nd February, 2018. Company is in the process of utilizing its infrastructure for some new Industry as advised by international consultants EY.

The Company has leased 57.42 acres of land for 75 years to its 100 % subsidiary for food park or other industry. The Company shall get Equity shares or any other consideration for the value of assets lease out. The Company shall sell the infrastructure built or constructed on the above leased land including administrative buildings, warehouses, weigh bridge, ETP, STP, Internal roads, Boundary wall, SWD, Underground water storage, Fire and Raw Water Sump, Etc. to SPV.

### **CHANGE OF NAME OF THE COMPANY**

With the consent of the Members through Special Resolution passed at the 26<sup>th</sup> Annual General Meeting held on 1<sup>st</sup> July, 2017, the name of the Company was changed from SVC Superchem Limited to SVC Industries Limited in order to emphasis focus of various activities apart from manufacturing of chemicals, which is the main line of Company's business.

A fresh Certificate of Incorporation consequent to change of name was given by Registrar of Companies, Mumbai on 13<sup>th</sup> August, 2017.

### **ORDER RECEIVED FROM BSE**

The Company has received letter from SEBI dated 7th August, 2017, SEBI vide its letter bearing no. SEBI / HO / ISD / OW / P / 2017/ 18183 as forwarded a list of 331 shell companies as identified



by Ministry of Corporate Affairs and has directed the Exchanges to identify the companies listed on their trading platform and to initiate some measures. Where trading in all such listed securities shall be placed in Stage VI of the Graded Surveillance Measure (GSM) with immediate effect. Therefore, as per the provisions of GSM framework, the securities were not be available for trading from 9th August, 2017. Trading in these securities are permitted only on first Monday of the month. The Company replied to SEBI through its letter dated 10th August, 2017.

Thereafter, the company received letter from BSE under SEBI directions w.r.t. Listed Shell Companies to submit required documents. The company filled respective documents to BSE.

The Company has again made the representation vide its letter dated 12th April, 2018 & 22nd May, 2018 to BSE Limited & SEBI requesting them to reconsider the decision narrating the flow of the events since the date of issue of notice by BSE Limited dated 10th August, 2017. BSE is yet to revert back.

#### **DETAILS OF SIGNIFICATION AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE:**

In the year under review no material order has been passed by above said authorities impacting the going concerned status.

#### **SALE OR DISPOSAL OF THE PLANT**

Company's PTA plant has been closed since September, 2000 and with the passage of time, in spite of time to time maintenance by the Company and in the absence of any operation since, then, the corrosion is taking place in the plant due to climatic and cyclonic conditions in the area. Now because the capacity of our plant has economically reduced and technologically obsolete, the Company wants to utilize its infrastructure for some new Industry as advice by international consultant.

The Company has leased the available land for short term and /or long term period to its subsidiary and other unit for Food Park and other industry. The Company shall sell the infrastructure built or constructed on the above leased land including administrative buildings, warehouses, weigh bridge, ETP, STP, Internal roads, Boundary wall, SWD, Underground water storage, Fire and Raw Water Sump, Etc. to SPV at a fair valuation.

#### **INTERNAL FINANCIAL CONTROL (IFC):**

Your Company has a Management Assurance and Audit Department, which provides comprehensive audit coverage of functional areas and operations of the Company to examine the adequacy of and compliance with policies, procedures, statutory and regulatory requirements. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

The Audit Committee reviews and evaluates adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. Management Assurance and Audit is an independent and objective assurance and consulting activity designed to add value and improve the Company's operations. Management Assurance and Audit function is accountable to the Board of Directors through the Chairman of the Audit Committee. Management Assurance and audit also assist the management in identifying operational opportunities for revenue leakage, cost -

savings and revenue enhancements; ensures working within there gulatory and statutory framework and facilitate early detection and prevention of frauds.

The Company has internal control system commensurate with the size, scale and complexity of its operation. The Company has appointed Mr. S.K. Khandelwal, Chartered Accountants as the Internal Auditor at a remuneration of Rs. 60,000/- p.a. in compliance with section 138 of the Companies Act, 2013. The scope of audit and the outcome of the audit are reviewed by Audit Committee at regular intervals.

#### **FIXED DEPOSITS:**

We have not accepted any fixed deposit and as such no amount of principal or interest was outstanding as on the date of balance sheet.

#### **STATURORY AUDITORS:**

M/s. Chaturvedi SK & Fellow, Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 1<sup>st</sup> July, 2017, for a term of five consecutive years i.e upto the date of Annual General Meeting in 2021-22.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

#### **AUDITOR'S REPORT:**

The observations by the Auditors in their report are self-explanatory and, in the opinion of the Board, do not require any further explanation.

#### **SHARE CAPITAL:**

At present we have only one class of shares i.e. equity shares of Rs. 10 each. Our authorized share capital is Rs. 170 Crores divided into 17 Crores equity shares of Rs. 10 each. The issued, subscribed and paid-up capital of the Company is Rs. 161.86 Crores as on March 31, 2018.

#### **EXTRACT OF THE ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure – "A"**

#### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

Your Company shall take sufficient care in the technical design of food park to optimize the energy consumption to the maximum. However the company makes all efforts towards conservation of energy, protection of environment & ensuring safety.

#### **FOREIGN EXCHANGE EARNINGS & OUTGO:**

The Company has not utilized any foreign exchange and has not earned any foreign exchange during the financial year ended 31<sup>st</sup> March, 2018.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

The Provision with respect to Corporate Social Responsibility is not

attracted to the Company as the company never commenced the production & has not earned any profit / income.

#### **DIRECTORS:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Abha Ravi, Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment. Details about Ms. Abha Ravi is given in the Notice of the ensuring Annual General Meeting sent to the shareholders along with the Annual Report.

#### **DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY:**

A declaration by an Independent Directors have been received stating that they meet the criteria of independence as provided in sub-section (6) of section 149 of the Companies Act, 2013. An independent director shall hold office for a maximum term upto five consecutive years on the Board of a Company.

#### **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the year 6 Board Meetings and 4 Audit Committee Meetings were held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### **MEETING OF INDEPENDENT DIRECTOR:**

During the year 2017-18, a separate meeting of the Independent Directors was held on 9th August, 2017 without the presence of the non-Independent Directors, in accordance with the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015.

#### **AUDIT COMMITTEE:**

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **STAKEHOLDER RELATIONSHIP COMMITTEE:**

Your Company believes that its members are amongst its most important stakeholder. The Stakeholder Relationship Committee of the Company consists of Mr. Suresh V. Chaturvedi as Chairman, Mr. Jaffar Imam and Mr. G.S. Dahotre members. During the year, the Stakeholders Relationship Committee met for 27 times.

#### **NOMINATION AND REMUNERATION COMMITTEE:**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personal and their remuneration. The Nomination and Remuneration Committee consist of Mr. G.S. Dahotre as chairman, Mr. Jaffar-

Imam and Mr. I.G. Mehrotra as members. This Committee has been constituted as per terms or provision of the Companies Act and under regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year the Committee met once to appoint Company Secretary of the Company.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has implemented a Whistle Blower Policy pursuant to which Whistle Blower can raise concerns relating to Reportable Matters (as defined in the policy) such as breach of Code of Conduct, fraud, bribery, corruption, employee misconduct, illegality, health and safety, environmental issues and wastage/ misappropriation of bank funds/assets, etc. Further, the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provides for adequate safe guards against victimization of Whistle Blower, who can avail such mechanism and has direct access to the Chairman of the Audit Committee, in exceptional cases.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time. None of the Whistle Blower has been denied access to the Audit Committee of the Board. The details of the Whistle Blower Policy are available on the website of the Company i.e. [www.svcindustriesltd.com](http://www.svcindustriesltd.com)

#### **CONTRACT / ARRANGEMENT WITH RELATED PARTIES:**

All related party transactions that were entered during the financial year were in ordinary course of the business of the company and were on arm's length basis. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company. The policy on materiality of Related Party Transactions is uploaded on the website of the company.

#### **RISK MANAGEMENT:**

Your Company has an elaborate Risk Management Framework, which is designed to enable risks to be identified, assessed and mitigated appropriately. The Board is entrusted with the responsibility to assist in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place, capable of addressing those risks.

#### **INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls, with reference to financial statement. It has established an integrated framework for managing risks and internal controls. The internal financial controls have been documented and embedded in the business processes. Such controls have been assessed during the year under review and were operating effectively.

#### **MANAGERIAL REMUNERATION:**

In order to control expenses as advised by the shareholders in the earlier Annual General Meeting, the Company did not appoint any Managing Director / Whole-time Director or manager as required under section 197 of the Companies Act, 2013.



There is no employee covered pursuant to section 197 read with rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence no particulars are given.

#### SECRETARIAL AUDIT REPORT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ranjeet Kumar Sharma & Associates, a practicing Company Secretaries to undertake the Secretarial Audit of the Company. The report of the Secretarial Audit is annexed herewith as "Annexure B".

#### MANAGEMENT, DISCUSSION AND ANALYSIS:

Separate section on Management, discussion and analysis forming part of the Directors' report is annexure as "Annexure C".

#### FRAUD REPORTING:

During the year under review the Company has not reported fraud of any nature to the Audit Committee or Board.

#### DIRECTORS' RESPONSIBILITY STATEMENT:

As required u/s 134 (5) of the Companies Act, 2013, the Directors confirm that.

- I. In the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2018, the applicable accounting standards have been followed along with explanation relating to material departures;
- II. They have selected such accounting policies and applied them consistently except for the non-provision of interest on all secured loans as mentioned in Note No. 12 forming part of the Balance Sheet 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 the Company as on 31<sup>st</sup> March 2018;
- III. The Directors had taken proper and sufficient care 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; and
- IV. The Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2018 on a going concern basis.
- V. They have laid down 'internal financial controls' to be followed by the Company and that such internal financial control are adequate and were operating effectively.
- VI. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Your Company did 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).

#### CORPORATE GOVERNANCE:

The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance, in terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with. A separate report on Corporate Governance is being incorporated as a part of the Annual Report along with a certificate from the Auditors of the Company regarding Compliance of the conditions of Corporate Governance which is annexed to the Directors' Report.

#### RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

As directed by the Securities and Exchange Board of India (Depositories and participants) Regulations, 1996, Reconciliation of Share Capital is being carried out at the specified periodicity by the practicing Company Secretary. The findings of the Reconciliation of Share Capital Audit are regularly taken at the Board Meeting, besides submitting it to the BSE Limited.

#### CODE OF CONDUCT:

The Board has adopted, the Code of Ethics and Business for the Non-Executive Directors as also for the employees and other members of Senior Management. The said code has been communicated to all the Directors and Members of the Senior Management. Board members and senior management personnel have affirmed compliance with the Code for the financial year 2017-18.

#### CEO/ CFO CERTIFICATION:

As there is no CEO in the Company, CFO of the Company has certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31<sup>st</sup> March, 2018.

#### INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies Act, 2013 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares beyond threshold limits. Further, it prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The disclosures obtained under the code are submitted to the BSE Limited, from time to time. The Company regularly follows the system of Share Trading Window mechanism as per the Insider Regulation.

#### DEMATERIALISATION OF SHARES:

As part of its efforts to provide better investor services, your Company has admitted its equity in the Depository System of the National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) since 07.03.2000 and 23.03.2000 respectively and has offered investors the facility to hold the shares in electronic form and enter into script less trades.

Your Company has always paid utmost attention to improve investor's relationship. As on 31<sup>st</sup> March, 2018 approximately 87.38 % of the total shares of the Company has already been dematerialized.

#### ACKNOWLEDGEMENT:

Your Directors would like to place on record their sincere thanks for the co-operation and support received from various agencies of the Central and State Governments, all Shareholders and Creditors.

Your Directors also take this opportunity to place on record their appreciation of the dedication and sense of commitment shown by the officers and employees of the Company at all levels.

For and on behalf of the Board

**Suresh V. Chaturvedi**  
Director

Place: Mumbai.  
Date: 7<sup>th</sup> July, 2018

#### Annexure – A

#### FORM NO. MGT - 9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2018

Pursuant to section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L23201MH1989PLC053232
Registration Date	29/08/1989
Name of the Company	SVC INDUSTRIES LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
Address of the Registered office and contact	301, Shubham Centre-1, 3rd Floor, Near Holy Family Church, 491, Cardinal Gracias Road, Andheri (East) Mumbai –400 099
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Sharex Dynamic (India) Pvt Ltd Unit –1, Luthra Ind. Premises, Safed Pool, Andheri-Kurla Road, Andheri (East), Mumbai –400 072. Tele No.28515606/28515644

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

S.No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of company
1	Manufacture of Food Products	2180	Nil *

\* The Company has not commenced the commercial production

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and address of the Company	CIN/ GLN	Holding/ Sub./ Associate	% of shares held	Applicable Section
1	Akhil Marketing Private Limited	U51900MH1992PTC064864	Associate	4.94%	2 (6)
2	Anaya Global Suppliers Private Ltd	U51900MH1989PTC052894	Associate	4.84%	2 (6)
3	Chaturvedi Engineering & Trading Pvt. Ltd.	U28920MH1987PTC044265	Associate	0.15 %	2 (6)
4	SVC Growth Funds Private Limited	U65990MH1984PTC034068	Associate	7.59%	2 (6)
5	Nandvan Mega Food Park Pvt. Ltd.	U15549MH2018PTC304537	Subsidiary	100%	2 (87)