



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

Contents

- ❖ Directors' Report
- ❖ Report on Corporate Governance
- ❖ Auditors' Certificate on Corporate Governance
- ❖ Auditors' Report
- ❖ Balance Sheet
- ❖ Profit & Loss Account
- ❖ Schedules
- ❖ Notes to Accounts
- ❖ Cash Flow Statement
- ❖ Balance Sheet Abstract
- ❖ Statement pursuant to Section 212
- ❖ Auditors' Report on Consolidated Financial Statements
- ❖ Consolidated Balance Sheet
- ❖ Consolidated Profit & Loss Account
- ❖ Schedules forming a part of Consolidated Accounts
- ❖ Notes forming a part of Consolidated Accounts
- ❖ Consolidated Cash Flow Statement

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.

Financial Results	(Rs. in Lacs)	
	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 its 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 Chairmanship	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

REMUNERATION COMMITTEE**Remuneration Committee upto March 31, 2011**

Name	Date of Appointment
Mr. Chandra Sen*	April 20, 2010
Mr. Rajesh Kapoor	December 21, 2009
Mr. Ashish Jain	April 20, 2010

*Chairman of Committee

Details of Remuneration paid to Directors

Remuneration to the Managing Directors/ Whole Time Directors of your Company w. e. f. April 1, 2010 are as follows:

Name	Designation	Gross Salary Amount in Rs.
Ashok Gupta	Managing Director	9,60,000
Vishal Singh	Joint Managing Director	7,20,000
Mukesh Arora	Whole Time Director	7,20,000
Sunil Jain	Whole Time Director	7,20,000
R K Tiwari	Whole Time Director	9,60,000

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

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

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

SHARE TRANSFER COMMITTEE

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

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

- Transfer/transmission/transposition of shares;
- Consolidation/splitting of shares/folios;
- Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- Review of Shares dematerialized and all other related matters; and
- Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Company and the Registrar and Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. attend to all shareholders and investors grievances complaints received directly or through SEBI, Stock Exchanges or other regulatory authorities etc.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Compliance Officer

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

Composition of Investors Grievance Committee

During the year, twelve meetings of the Committee of Directors were held on April 1, May 3, June 1, July 1, August 2, September 1, October 1, November 1, and December 1 in year 2010 and on January 3, February 3 and March 1 in the year 2011.

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

Investor Grievance Committee upto March 31, 2011

Name	Position	Category	Meetings Attended	Date of Appointment
Mr. Ashok Gupta*	Chairman	Chairman & Managing Director	12	April 20, 2010
Mr. Mohit Surekha**	Member	Director	0	December 15, 2002
Mr. Ashish Lodge	Member	Independent, Non-Executive Director	0	April 20, 2010
Ms. Deanne Dsouza	Member	Company Secretary	12	April 20, 2010

*Chairman of Committee

** Resigned w.e.f April 20, 2010

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

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

Details of Shareholders' Complaints

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

GENERAL BODY MEETINGS**Location & time for the last three Annual General Meetings:**

Annual General Meeting	Date & Time	Venue
34 th Annual General Meeting	September 25 2010, 1.00 P.M	518, Sagar Tech Plaza, A Wing, Saki Naka Jn, Andheri Kurla Road, Andheri East, Mumbai 400072
33 rd Annual General Meeting	September 29 2009, 11.00 A.M	Show Room No. 1& 2, Concord CHS Ltd. N. S. Road No. 10, JVPD, Vile Parle (W), Mumbai-400 049
32 st Annual General Meeting	September 26 2008, 11.00 AM	Show Room No. 1& 2, Concord CHS Ltd. N. S. Road No. 10, JVPD, Vile Parle (W), Mumbai-400 049

POSTAL BALLOT

- 1) Whether any special resolution passed in the previous three AGMs?
No.
- 2) Whether any special resolution passed last year through Postal Ballot?
Yes.
- 3) Who conducted the Postal Ballot ?
 1. M/s. VKM & Associates, Practicing Company Secretary.
 2. M/s. S.S.Risbud & Co., Practicing Company Secretary.
- 4) Whether any special resolution is proposed to be conducted through Postal Ballot?
No.
- 5) Procedure for Postal Ballot.
(A) Name of the scrutinizer: M/s. VKM & Associates, Practising Company Secretary, date of result May 31, 2010

Sr. No	Business Approved
1.	Appointment of Mr. Chandra Sen as Independent Non Executive Director
2.	Appointment of Dr. Ashish Lodge as Independent Non Executive Director
3.	Appointment of Mr. Dattatray Shankar Sakhalkar as Independent Non Executive Director
4.	Appointment of Mr. Rajesh Kapoor as Independent Non Executive Director
5.	Appointment of Mr. Ashish Jain as Independent Non Executive Director
6.	Appointment and payment of remuneration to Mr. Ashok Gupta, Chairman & Managing Director
7.	Appointment and payment of remuneration to Mr. Vishal Singh, Joint Managing Director
8.	Appointment and payment of remuneration to Mr. Sunil Jain as Whole Time Director
9.	Appointment and payment of remuneration to Dr. Mukesh Arora as Whole Time Director
10.	Appointment and payment of remuneration to R.K. Tiwari as Whole Time Director

All the above resolutions were approved by majority votes.

(B) Name of the scrutinizer M/s. S.S.Risbud & Co., Practising Company Secretary, date of result December 20, 2010

Sr. No	Business Approved
1.	Split in Face Value of Equity Shares
2.	Increase in Authorised Share Capital
3.	Alteration in Memorandum of Association
4.	Alteration in Articles of Association
5.	Resolution for issue of securities upto USD 150 Million
6.	Resolution for increase in limit of investment by FII's

All the above resolutions were approved by majority votes.

(C) Name of the scrutinizer M/s. S.S.Risbud & Co., Practising Company Secretary, date of result March 10, 2011

Sr. No	Business Approved
1.	Increase in Authorised Share Capital
2.	Alteration in Memorandum of Association
3.	Alteration in Articles of Association of the Company
4.	Issue of Bonus Shares

All the above resolutions were approved by majority votes.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

DISCLOSURES

- (a) There were no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with your Company at large. The details of the related Party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- (b) There has been no instance of non-compliance by your Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on your Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, your Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of your Company and cautioning them on the consequences of non-compliance thereof.

- (d) Secretarial Audit: A qualified Practicing Company Secretary carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

DISCLOSURES ON NON-MANDATORY REQUIREMENTS

Your Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of your Company has served for the tenure of exceeding nine years. Your Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to your Company and which in the opinion of your Company would enable him to contribute effectively to your Company in his capacity as an Independent Director.
- b) Your Company has setup a Remuneration Committee.
- c) Your Company publishes quarterly results, half yearly and annual financial results in widely circulated newspapers. However, no results are being circulated to the shareholders. Results are also uploaded on your Company's website www.svcresources.com and are submitted to Bombay Stock Exchange for uploading on their website.
- d) The company always strives for unqualified financial statement.
- e) Your Company has not adopted a Whistle Blower Policy till date however all the employees have access to the chairman of the Audit Committee.

MEANS OF COMMUNICATIONS

- Your Company regularly provides relevant information to the Stock Exchange as per the requirements of the provisions of the Listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers i.e. "Free Press Journal" and in vernacular language Newspaper i.e. "Navshakti" and also on the company's website www.svcresources.com.
- Your Company has posted all its Official News releases on its website.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report and the same is being posted to the shareholders of your Company.

GENERAL SHAREHOLDER INFORMATION

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

SHAREHOLDERS' INFORMATION

a. Next Annual General Meeting

The information regarding 35h Annual General Meeting for the financial year ended on 31st March 2011 is as follows :-

Day & Date : Friday, September 30, 2011
 Time : 11.00 a.m.
 Venue : 104, Baba House, 1st Floor, M.V. Road, Near Cine Magic Cinema, Mumbai – 400093

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

c. Future Calendar :

Subject Matter	Date
Financial Reporting of 1 st Quarter ended on 30 th June 2011	2 nd week of August, 2011
Financial Reporting of 2 nd Quarter ended on 30 th September 2011	2 nd week of November, 2011
Financial Reporting of 3 rd Quarter ended on 31 st December 2011	2 nd of week February, 2012
Financial Reporting of 4 th Quarter ended on 31 st March 2012	2 nd of week May, 2012
Date of Annual General Meeting	During September 2012

d. Date of Book Closure : September 26 to September 30, 2011. (Both days inclusive).

e. Dividend Payment : Nil.

f. Listing of Shares : Bombay Stock Exchange Limited.

g. Listing Fees : Company has paid Annual Listing Fees and Custodian fees for the year 2011-12.

h. Stock Code & ISIN : 512449, Demat ISIN No. in NSDL & CDSL – INE254H01036.

i. Market Price Data :

Month	Price on BSE (Rs.)		Volume of Shares	BSE Sensitive Index	
	High	Low		High	Low
April 2010	206.40	174.40	75,84,441	18,047.86	17,276.80
May 2010	230.00	183.70	95,83,927	17,536.86	15,960.15
June 2010	270.00	196.10	1,03,01,603	17,919.62	16,318.39
July 2010	273.75	216.80	80,64,486	18,237.56	17,395.58
August 2010	277.00	247.00	73,87,787	18,475.27	17,819.99
September 2010	324.00	261.00	79,24,036	20,267.98	18,027.12
October 2010	320.00	242.80	83,57,000	20,854.55	19,768.96
November 2010	358.70	275.15	87,81,735	21,108.64	18,954.82
December 2010	326.00	33.15	23,41,563	20,552.03	19,074.57
January 2011	31.50	13.45	4,71,23,712	20,664.80	18,038.48
February 2011	17.81	12.80	1,46,17,919	18,690.97	17,295.62
March 2011	17.50	12.55	83,61,811	19,575.16	17,792.17

Split in Face Value of Equity Shares from 1 Equity Share of Face Value of Rs. 2/- to 2 Equity Shares of Face Value of Re 1/- on December 30, 2010.

j. Registrar & Share Transfer Agent

M/s. Purva Shareregistry (India) Pvt. Ltd. are the Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. Purva Shareregistry (India) Pvt. Ltd.

9, Shiv Shakti Indl. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel (East), Mumbai-400 011

Tel: 022-23016761, Fax: 91-22-2301 2517, email Id: busicomp@vsnl.com

k. Share Transfer Systems

The Trading in Equity Shares of your Company is permitted only in dematerialized form as per circular issued by Securities & Exchange Board of India (SEBI) on September 24, 1998.

The Share transfers are processed by the Registrar & Share Transfer Agent, Purva Shareregistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are in order, within stipulated days from the date of lodgment.-

I. Shareholding Pattern as on March 31, 2011

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

m. Dematerialization of Equity Shares & Liquidity

Your Company's Equity Shares are in Demat trading segment and your Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

87.45% of your Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2011.

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

n. Listing Fees and Annual Custodial Fees

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

o. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from your Company's Registrar and Share Transfer Agent.

p. Brief Resume of the Directors Seeking Re-Appointment

Mr. Vishal Singh

Mr. Vishal Singh, Director of Navbharat Fuse Company Limited & Navbharat Explosives Company Limited, one among the largest & organized private sector companies in the field of Industrial Explosives manufacturing.

Mr. Vishal Singh Joined Navbharat Group of Companies in the early 90s & initiated Navbharat's backward integration in terms of setting up of Ammonium Nitrate conversion plant at Bharuch, Gujarat & packaging units at Raipur, Chhattisgarh, to facilitate & supplement the explosives activity of the group. In this process, he directed the creation of several new world-class manufacturing facilities involving diverse technologies that have raised Navbharat's Explosives manufacturing capacities from 10,000 tonnes to 1,00,000 tonnes per year.

As a diversification measure & to promote & develop backward region of Chhattisgarh, Navbharat entered into an MOU with the Government of Chhattisgarh to set up Integrated Steel Plant Project in Chhattisgarh. As a step towards that, Mr. Vishal Singh directed & led the setting up of a Sponge Iron Plant at Bastar, Chhattisgarh, one of the most socially backward and difficult terrains of India.

As a long term vision & as a step towards backward integration of Sponge Iron Plant, Mr. Vishal Singh directed & led the acquisition of Coal Blocks & Iron Ore Blocks to secure the future availability & viability of the Integrated Steel Plant Project.

Mr. Vishal Singh is also Director in the following companies:

- Bharuch Nitrates Pvt.Ltd.
- Konark Natural Resources Pvt. Ltd.
- Madanpur (North) Coal Co.Pvt. Ltd.
- Navbharat Coalfields Ltd.
- Navbharat Dwellings Pvt. Ltd
- Navbharat Explosive Co. Ltd.
- Navbharat Fuse Co. Ltd.
- Titan Cements Pvt. Ltd.
- Titan Manganese Pvt. Ltd.
- Titan Metaliks Pvt. Ltd.
- Tital Ferrow Aloys Pvt. Ltd.
- Nandlal Mines and Minerals Pvt. Ltd.
- Navbharat Real Home Developers Pvt Ltd
- Delta Ispat Limited
- NFC Leasing and Finance Co. Pvt Ltd
- Crown Star Entertainment Pvt. Ltd.

Mr. Vishal Singh, Joint Managing Director of the Company of the Company does not hold any other Committee chairmanship or membership.

Mr. Vishal Singh, Joint Managing Director of the Company is liable to retire by rotation in the ensuing Annual General Meeting.

He offers himself for re-appointment.

As on date Mr. Vishal Singh does not hold any shares in the Company and does not have any relationship with any Directors of the Company.

Dr Mukesh Arora

Dr. Mukesh Arora, M. Sc., M. Phil (Coal Sedimentology), Ph. D (Sedimentary Geochemistry). He has over twenty two years of experience both in academics as well as in industries of mining sector. He has served the National Geophysical Research Institute (NGRI), a flag ship organization of Council of Science and Industrial Research, New Delhi, India for about eight years. While working with NGRI he contributed significantly in the field of basic and applied aspects of the genesis of various metallic and non metallic mineral resources of economic importance.

He has worked about eleven years with National Mineral Development Corporation (NMDC), one of the top ten public sector companies of Government of India. His expertise in Geo-statistics has been utilized for the reserve estimation and grade control practices in operational iron ore mines of India. He has also worked and gained experience by working over six years as operation in-charge of gold exploration projects in different parts of Africa and India. As a mark of recognition of his services in mining sector, he has been registered as "Recognized

Qualified Person (RQP)" by the India Bureau of Mines, Government of India, and Key member in Iran Mine House.

He has worked in over thirty five countries in three continents. He is a life Member of Geological Society of India, and SE Association of Economic Geologists, Member of National Geographic Society and India Association of Sedimentology. Recently he has been elected as member of Committee on International Affairs of Mining Engineer's Association of India.

Dr. Mukesh Arora is also Director in the following companies:

- Terra Mining & Mineral Industries Ltd.
- Terra Reserves Determination Technologies Ltd.
- Terra Resources Development Technologies Pvt. Ltd.
- Terra Soft Solutions Pvt. Ltd.

Dr. Mukesh Arora, Wholetime Director of the Company of the Company does not hold any other Committee chairmanship or membership.

Dr. Mukesh Arora, Wholetime Director of the Company is liable to retire by rotation in the ensuing Annual General Meeting.

He offers himself for re-appointment.

As on date Dr. Mukesh Arora does not hold any shares in the Company and does not have any relationship with any Directors of the Company.

Mr. R.K.Tiwari

Mr. R. K. Tiwari, B. E (Mechanical), retired as an Executive Director of NMDC Ltd. (Government of India Undertaking), has over 39 years of experience in mechanical and mining industries with more than 12 years as head of various investigating, construction and production projects of NMDC Ltd.

Mr. R.K. Tiwari does not hold any other directorship in any other company.

Mr. R.K. Tiwari, Wholetime Director of the Company of the Company does not hold any other Committee chairmanship or membership.

Mr. R.K.Tiwari, Wholetime Director of the Company is liable to retire by rotation in the ensuing Annual General Meeting.

He offers himself for re-appointment.

As on date Mr. R.K. Tiwari does not hold any shares in the Company and does not have any relationship with any Directors of the Company.

Mr. Rajesh Kapoor

Mr. Rajesh Kapoor is having over a decade of successful exposure in the field of Finance in various segments. He is now focusing in the total Finance management of various companies and firms in the advisory capacity particularly in restructuring the finance portfolio and cost management including loan syndication as a part of the total restructuring.

Mr. Rajesh Kapoor is also Director in the following company:

- J. S. Wisner Apparels Pvt. Ltd

Mr. Rajesh Kapoor, Independent Non Executive Director of the Company does not hold any other Committee chairmanship or membership.

Mr. Rajesh Kapoor, Independent Non Executive Director of the Company is liable to retire by rotation in the ensuing Annual General Meeting.

He offers himself for re-appointment.

As on date Mr. Rajesh Kapoor does not hold any shares in the Company except his wife Mrs. Abha Kapoor holds shares in the name of the Company

- q. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity:

Not Applicable.

- r. Investors' Correspondence

Shareholders can contact the following officials for secretarial matters of your Company:-

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

- s. Code of Conduct

The Board of Directors of your Company has laid down Code of Conduct for Directors and Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

- t. Address for Correspondence

Registered Office:

SVC Resources Limited

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

Corporate Office:

SVC Resources Limited

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

Subsidiary office:

SVC Resources FZC

Sharjah, UAE PO Box 121639

u. Mine Locations

Your Company's Mines are located at:

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

Survey No. Khasra No 178
Dhamki Jabalpur, Madhya Pradesh

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

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that your Company has adopted a Code of Conduct for its employees including the Managing Director, Whole Time Directors and Independent Directors. This code is put up on the website of your Company.

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

Place: Mumbai

Date: September 2, 2011

Ashok Gupta
Chairman & Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of SVC Resources Limited

We have examined the compliance of the condition of corporate governance by SVC Resources Limited (The Company) for the year ended March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's, management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Prem Mishra & Co**
Chartered Accountants

Prem Lata Mishra
Partner
Membership No.92733

Place: Mumbai
Date: September 2, 2011

AUDITOR'S REPORT

To the Members of SVC RESOURCES LIMITED

We have audited the attached Balance Sheet of SVC Resources Limited as at 31st March 2011 and also the Profit & Loss Account for the year ended on that day annexed hereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- a. As required by the Companies (Auditors' Report) Order, 2003 issued by the Department of the Company Affairs in terms of section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matter specified in the said order to the extent applicable;
- b. Further to our comments in the annexure referred to in paragraph 1 above –
 - (a). We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b). In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
 - (c). The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (d). In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement together with notes of accounts dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956.
 - (e). On the basis of written representations received from the directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.
 - (f). In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 2. in the case of the Profit and Loss Account, of the profit for the year ended on that date;
 3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Prem Mishra & Co**
Chartered Accountants

Prem Lata Mishra
Partner

Membership No.92733

Place: Mumbai

Date: September 2, 2011

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

1. (a) The Company has maintained proper books of records showing full particulars including quantitative details and situations of fixed assets.
(b) As per the information and explanations given to us, the Company has carried out physical verification of fixed assets during the year. In our opinion, the frequency of such verification is reasonable.
(c) None of the fixed assets have been revalued during the year.
2. (a) As per the information and explanations given to us, the company has carried out physical verification of Inventories during the year. In our opinion, the frequency of such verification is reasonable.
(b) In our opinion, and according to the information and explanation given to us, the procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
(c) As per information and explanation given to us, no material discrepancies have been noticed on physical verification of stock as compared to the records.
(d) In our opinion and on the basis of our examination, the valuation of the stock is fair and proper in accordance with the normally accepted accounting principles.
3. (a) According to the information and explanation given to us and on the basis of records furnished before us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) In view of above, clause 4(iii) (a), (b), (c) and (d) of Companies (Auditors Report) Order, 2003 are not applicable.
(c) According to the information and explanation given to us and on the basis of records furnished before us for verification, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
(d) In the view of above, clause 4(iii)(e), (f) and (g) of Companies (Auditors Report) Order, 2003 are not applicable.
4. In our opinion and according the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of business with regard to purchase and sales. During the course of Audit, we have not observed any continuing failure to correct major weakness of internal audit.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered in the said register.
(b) In respect of transactions entered exceeding the value of five lacs in the register maintained in pursuance of section 301 of the Companies Act 1956, according to information and explanation given to us, the transactions made pursuance of such contracts or arrangements have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public hence clause 4(vi) of Companies (Auditors Report) Order 2003 is not applicable.

7. The company has adequate Internal Control System, on broadly reviewing the same and information and explanation given to us by the management, we are of the opinion that the internal audit is commensurate with the size of the Company and the nature of business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act 1956 in respect to products dealt with by the company.
9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investors Education & Protection Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues have been regularly deposited in time during the year with appropriate authorities and there are no undisputed statutory dues payable for a period of six months from the date they became payable as at 31st March 2011.

(b) According to the information and explanation given to us there are no disputes pending before the authorities in respect of Sales Tax, Income Tax, Custom Duty and CESS.
10. The Company does not have any accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and in the immediate preceding financial year.
11. According to the records made available to us and the information and explanation given to us by the management, the Company has not defaulted in repayment of any dues to financial institutions or banks.
12. According to the information and explanation given to us, the Company has not granted any loans & advances on the basis of security by the way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund, nidhi, mutual fund and societies and accordingly clause 4 (xiii) of companies (Auditors Report) order, 2003 is not applicable.
14. In our opinion and according to the information and explanation given to us, the Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments are held in the name of the company.
15. In our opinion and according to the information and explanation given to us, the Company has not given guarantees for loans taken by others from banks & financial institutions. Accordingly clause 4 (xv) of the Companies (Auditors' Report) Order, 2003 is not applicable.
16. In our opinion and according to the information and explanation given to us, the Company has not obtained any term loan, accordingly clause 4 (xvi) of Companies (Auditors' Report) Order, 2003 is not applicable.
17. According to the information and explanation given to us and on the basis of and overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been utilized for long term investment and vice versa.
18. During the period, the company has not issued any debentures. Accordingly clause 4 (xix) of Companies (Auditors' Report) Order, 2003 is not applicable.
19. The Company has not raised any money through a Public Issue during the year under audit. Accordingly clause 4 (xx) of Companies (Auditors' Report) Order, 2003 is not applicable.

20. During the course of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the period nor we have been informed of any such instances by the management.

For **Prem Mishra & Co**
Chartered Accountants

Prem Lata Mishra
Partner
Membership No.92733

Place: Mumbai
Date: September 2, 2011

BALANCE SHEET AS AT MARCH 31, 2011

	SCH	March 31, 2011 RUPEES	March 31, 2010 RUPEES
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share Capital	1	6,95,33,333	5,21,50,000
Reserves & Surplus	2	8,96,20,858	8,99,65,218
Secured Loan	3	2,60,00,000	-
Unsecured Loan	5	1,25,00,000	84,200
TOTAL		19,76,54,191	14,21,99,418
<u>APPLICATION OF FUNDS</u>			
Fixed Assets	4		
Gross Block		57,49,007	43,08,709
Less : Depreciation		6,88,637	24,07,429
Net Block		50,60,370	19,01,280
Capital Work-in-Progress		4,23,42,490	41,55,357
Investments	6	47,05,891	25,01,985
Current Assets, Loans & Advances	7		
Sundry Debtors		10,98,99,553	13,74,02,683
Inventories		50,980	-
Deposits & Advances		5,27,32,550	2,08,87,473
Cash & Bank Balances		18,45,761	1,19,19,870
		16,45,28,844	17,02,10,026
Less : Current Liabilities & Provisions	8		
Sundry Creditors		4,24,73,363	3,87,24,972
Liabilities & Provisions		1,55,89,525	1,03,94,739
		5,80,62,888	4,91,19,711
Net Current Assets		10,64,65,956	12,10,90,315
Miscellaneous Expenses	9	3,90,79,484	1,25,50,481
(To the extent not written off or adjusted)			
TOTAL		19,76,54,191	14,21,99,418
Notes forming part of Accounts & significant Accounting Policies	17		

As per our Report of even date

For and on behalf of the Board

For **Prem Mishra & Co.**
Chartered Accountants

Ashok Gupta
Chairman & Managing Director

Prem Lata Mishra
Partner
Place : Mumbai
Date : September 2, 2011

Sunil Jain
Wholetime Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	SCH	March 31, 2011 RUPEES	March 31, 2010 RUPEES
INCOME			
Sales & Other Income	10	5,73,86,680	14,48,13,586
		5,73,86,680	14,48,13,586
EXPENDITURE			
Cost of Sales	11	1,27,53,862	11,47,84,429
Payment to & Provision for Employees	12	72,22,908	32,91,669
Manufacturing & Other Direct Expenses	13	11,23,274	15,37,901
Administrative & Other Expenses	14	92,78,133	18,56,168
Selling & Distribution Expenses	15	1,19,810	55,204
Interest & Financial Charges	16	43,867	17,583
Depreciation	4	6,88,637	1,27,564
Miscellaneous Expenses W/off	9	24,578	24,578
		3,12,55,069	12,16,95,096
Profit before Tax		2,61,31,611	2,31,18,490
Provision for Income Tax			
For Current Year		90,92,638	84,57,000
For Earlier Years		-	1,99,716
Profit after Tax		1,70,38,973	1,44,61,774
Balance brought forward from previous year		2,49,40,218	1,04,78,444
Balance Carried to Balance Sheet		4,19,79,191	2,49,40,218
Notes forming part of Accounts & significant Accounting Policies	17		

As per our Report of even date

For **Prem Mishra & Co.**
Chartered Accountants**Prem Lata Mishra**
Partner
Place : Mumbai
Date : September 2, 2011

For and on behalf of the Board

Ashok Gupta
Chairman & Managing Director**Sunil Jain**
Wholetime Director

SCHEDULE TO ACCOUNTS

	March 31, 2011 RUPEES	March 31, 2010 RUPEES
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
15,00,00,000 (3,50,00,000) Equity Shares of Rs.1/- (Rs.2/-) each	15,00,00,000	7,00,00,000
Issued, Subscribed & Paid-up		
6,95,33,333 (2,60,75,000) Equity Shares of Rs.1/- (Rs.2/-) each.	6,95,33,333	5,21,50,000
1,73,83,333 Equity Shares issued as Bonus Shares		
	6,95,33,333	5,21,50,000
SCHEDULE 2		
RESERVES & SURPLUS		
Share Premium A/c	4,76,41,667	6,50,25,000
1,73,83,333 Equity Shares issued as Bonus Shares		
Profit & Loss Account - Balance	2,49,40,218	1,04,78,444
Add : Transfer from Profit & Loss Account	1,70,38,973	1,44,61,774
	4,19,79,191	2,49,40,218
	8,96,20,858	8,99,65,218
SCHEDULE 3		
SECURED LOAN		
SREI Equipment Finance Pvt. Ltd.	2,60,00,000	-
	2,60,00,000	

SCHEDULE 4 : FIXED ASSETS

Particulars	Rate of Dep.	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2010	Additions	Deletions	As at 31.03.2011	As at 01.04.2010	Dep. For the Year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land		Rs. 8,79,620	Rs. 3,18,400	Rs. -	Rs. 11,98,020	Rs. -	Rs. -	Rs. -	Rs. 11,98,020	Rs. 8,79,620
Building	10%	1,44,545	-	1,44,545	-	-	-	-	-	-
Furniture & Fixture	18.10%	3,54,337	26,46,690	3,54,337	26,46,690	-	2,38,794	2,38,794	24,07,896	-
Plant & Machinery	13.91%	5,21,555	3,09,074	5,21,555	3,09,074	-	42,992	42,992	2,66,082	-
Elec. Installation	13.91%	-	9,238	-	9,238	-	419	419	8,819	-
Lab Equipment	13.91%	-	1,48,226	-	1,48,226	-	15,026	15,026	1,33,200	-
Office Equipment	13.91%	-	3,38,379	-	3,38,379	-	44,054	44,054	2,94,325	-
Computers & Access.	40%	1,223	6,92,540	1,223	6,92,540	-	2,32,376	2,32,376	4,60,164	-
Computer S/W (ERP)	40%	-	4,06,840	-	4,06,840	-	1,14,976	1,14,976	2,91,864	-
SUB TOTAL		19,01,280	48,69,387	10,21,660	57,49,007	-	6,88,637	6,88,637	50,60,370	8,79,620
Capital Work-in-Progress :										
ERP - HO		3,76,840	-	3,76,840	-	-	-	-	-	3,76,840
Lab Equipment		1,48,226	-	1,48,226	-	-	-	-	-	1,48,226
Computer & Access.		6,46,370	46,170	6,92,540	-	-	-	-	-	3,00,120
Weighbridge		1,38,419	33,067	-	1,71,486	-	-	-	1,71,486	1,38,419
Building (Jabalpur)		6,84,918	63,264	-	7,48,182	-	-	-	7,48,182	6,84,918
Furniture & Fixture		17,56,720	8,89,970	26,46,690	-	-	-	-	-	17,56,720
Plant & Mach.		3,09,074	-	3,09,074	-	-	-	-	-	3,09,074
Office Equipment		94,790	-	94,790	-	-	-	-	-	94,790
WIP- Washery Plant		-	4,14,22,822	-	4,14,22,822	-	-	-	4,14,22,822	-
SUB TOTAL		41,55,357	4,24,55,293	42,68,160	4,23,42,490	-	-	-	4,23,42,490	38,09,107
GRAND TOTAL		60,56,637	4,73,24,680	52,89,820	4,80,91,497	-	6,88,637	6,88,637	4,74,02,860	46,88,727

	March 31, 2011 RUPEES	March 31, 2010 RUPEES
SCHEDULE 5 UNSECURED LOAN		
From Directors	-	84,200
From Others	1,25,00,000	-
	1,25,00,000	84,200

	March 31, 2011 RUPEES	March 31, 2010 RUPEES
SCHEDULE 6		
INVESTMENTS IN SHARES		
Unquoted (Valued at cost) In Equity Shares	4,01,985	4,01,985
Investments in Associates & Firms	43,03,906	21,00,000
	47,05,891	25,01,985
SCHEDULE 7		
CURRENT ASSETS, LOANS & ADVANCES		
Sundry Debtors		
(Unsecured, Considered Good)		
Outstanding for more than six months	10,98,99,553	5,00,35,702
Other Debtors	-	8,73,66,981
	10,98,99,553	13,74,02,683
Inventories	50,980	-
	50,980	-
Cash & Bank Balances		
Cash Balance	10,78,375	4,16,458
Balance with Schedule Bank in Current A/c	7,67,386	1,15,03,412
	18,45,761	1,19,19,870
Deposit And Advances		
(Unsecured, Considered Good)		
Deposits	5,02,25,942	61,21,400
Loans & Advances	25,06,608	1,47,66,073
	5,27,32,550	2,08,87,473
	16,45,28,844	17,02,10,026
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors for Goods	4,21,46,856	3,69,70,313
Sundry Creditors for Expenses	3,26,507	17,54,659
	4,24,73,363	3,87,24,972
Liabilities & Provisions		
Provisions for Taxation	1,07,57,718	1,01,84,946
Other Liabilities	48,31,807	2,09,793
	1,55,89,525	1,03,94,739
	5,80,62,888	4,91,19,711

	March 31, 2011 RUPEES	March 31, 2010 RUPEES
SCHEDULE 9		
Miscellaneous Expenses		
Miscellaneous Expenses – Op. Balance	1,72,050	1,96,628
Less :- Amount W/off	24,578	24,578
	1,47,472	1,72,050
Preoperative Expenses	3,74,88,871	1,03,30,235
Preliminary Expenses	14,43,141	20,48,196
	3,90,79,484	1,25,50,481
SCHEDULE 10		
SALES & OTHER INCOME		
Sale of Goods & Processing Charges	5,73,86,680	14,48,13,586
	5,73,86,680	14,48,13,586
SCHEDULE 11		
COST OF SALES		
Opening Stock of Goods	-	2,10,910
Add : Purchases of Raw Materials / Finished Goods	1,28,04,842	11,45,73,519
Less : Closing Stock	50,980	-
	1,27,53,862	11,47,84,429
SCHEDULE 12		
PAYMENT TO & PROVISIONS FOR EMPLOYEES		
Salary & Wages & Other Allowances	71,99,970	32,81,564
Staff / Labour Welfare Expenses	22,938	10,105
	72,22,908	32,91,669
SCHEDULE 13		
MANUFACTURING & OTHER DIRECT EXPENSES		
Electricity Charges-Works	-	8,06,355
Power & Fuel Exp.	-	1,77,930
Repairs & Maintenance	-	3,39,345
Octroi Paid	-	22,590
Packing Material Expenses	-	5,000
Other Factory Expenses	-	1,77,271
Carriage Inward	2,07,379	2,270
Trading Expenses	9,12,259	1,500
CST – Purchases	3,636	5,640
	11,23,274	15,37,901

	March 31, 2011 RUPEES	March 31, 2010 RUPEES
SCHEDULE 14		
ADMINISTRATION & OTHER EXPENSES		
Advertisement Expenses	4,98,207	26,111
Printing & Stationery	1,71,545	46,579
Telephone & Mobile Phone Expenses	1,24,635	41,106
Conveyance Expenses	92,564	1,60,733
Transportation Expenses	-	30,000
Travelling Expenses	16,39,915	-
Repairs & Maintenance	6,01,038	1,97,791
Auditors' Remuneration		
Statutory Audit	50,000	10,000
Tax Audit	25,000	-
Rent Paid	27,22,880	7,95,194
Legal & Professional Fees	9,20,584	2,52,692
Hire Charges	-	60,000
ROC Filing Fees	70,885	-
Listing & Membership Fees	6,57,252	34,886
Share Registrar & Depository Fees	11,000	35,830
Sitting Fees	3,47,000	-
Postage & Courier	84,345	7,413
Office & General Exp.	2,48,795	20,701
Books & Periodicals	15,603	92,585
Donations	1,19,675	12,000
Insurance Expenses	-	12,445
Mines Operative Expenses	7,67,253	-
Electricity Charges	1,09,957	20,102
	92,78,133	18,56,168
SCHEDULE 15		
SELLING & DISTRIBUTION EXPENSES		
Trial / Testing Expenses	48,914	29,289
Advertisement & Publicity Expenses	64,457	25,915
Sales Promotion & Commission Paid	6,439	-
	1,19,810	55,204
SCHEDULE 16		
INTEREST & FINANCIAL CHARGES		
Bank Charges & Commission	24,163	12,231
Other Interest	19,704	5,352
	43,867	17,583

SCHEDULE: 17**ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS:****Significant Accounting Policies General**

1. Accounting Policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.
2. Expenses & income considered payable and receivable respectively are accounted for on actual basis.
3. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provisions of all known liabilities are adequate and not in excess of the amount reasonably necessary.

FIXED ASSETS & Capital WIP

4.
 - a) Fixed assets are capitalized at cost inclusive of all incidental expenses related thereon of Textile Division.
 - b) The assets under construction in relation to mining division are recorded at cost inclusive of incidental expenses & reflected as Capital WIP.

TURNOVER

5. Turnover is stated after adjusting rebates and discounts and excluding Sales Tax, if any.

DEPRECIATION

6. Depreciation on Fixed Assets has been provided for on diminishing balance method at rates specified in Schedule XIV of the Companies Act 1956. Depreciation on Assets purchased/sold during the year has been provided for on pro-rata basis.

INVENTORIES

7. Inventories of Work-in-Progress, Raw Materials, Stores & Spares and Finished Goods are valued at cost and the same is done on FIFO basis. Stock of Shares is valued at cost.

INVESTMENTS

8. Investments are valued at cost.

CONTINGENT LIABILITIES

9. Contingent liabilities: Nil

OTHERS

10. None of the raw materials, stores, spares and components consumed or purchased during the year have been imported.
11. None of the expenditure has been incurred in foreign currency.
12. None of the earnings are in foreign currency
13. Balance of Debtors, Creditors, Depositors, Loans and Advances are subject to confirmation.
14. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
15. Investments of the Company have been considered by management to be of a long term nature and hence they are long term investments and are valued at cost of acquisitions.

SEGMENT REPORT

16. Segment Accounting Policies are in line with the accounting policies of the Company.

DEFERRED TAX ON INCOME

17. The differed tax has not been recognized in financial statement, as there is no reasonable certainty of future taxable income.

RELATED PARTY TRANSACTIONS

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

Nature of Transaction	Amount Received or Paid Rs.	Name of the Party	Relation
Creditors	2,83,55,378	Subhtex (India) Ltd.	Director of the company is interested as a Director & Shareholder in Subhtex (India) Ltd.
Directors Remuneration			
Salary	9,60,000	Ashok Gupta	Chairman & Managing Director
Salary	7,20,000	Vishal Kumar Singh	Joint Managing Director
Salary	7,20,000	Sunil Jain	Whole Time Director
Salary	7,20,000	Mukesh Arora	Whole Time Director
Salary	9,60,000	R.K.Tiwari	Whole Time Director
Sitting Fee	3,47,000		Independent Directors

EARNING PER EQUITY SHARE

	Unit	31.03.2011	31.03.2010
Net profit after tax available for shareholders	Rs.	1,70,38,973	1,44,61,774
No. of Equity Shares of Rs.1/- (Rs.2/-) each.	No.	6,95,33,333	2,60,75,000
Basic earnings per share (Rs.)	Rs.	0.25	0.56
Diluted earnings per share (Rs.)	Rs.	0.32	0.56

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

As per our Report of even date

For **Prem Mishra & Co.**
Chartered Accountants

Prem Lata Mishra
Partner
Place : Mumbai
Date : September 2, 2011

For and on behalf of the Board

Ashok Gupta
Chairman & Managing Director

Sunil Jain
Wholetime Director

**Statement of Cash Flow Annexed to the Balance Sheet
as at 31st March 2011**

	March 31, 2011 RUPEES	March 31, 2010 RUPEES
<u>Cash Flow From Operating Activities</u>		
Net Profit before tax and Extraordinary Items	2,61,31,611	2,31,18,490
Adjustment for		
Depreciation	6,88,637	1,27,564
Miscellaneous Expenditure Written off	24,578	24,578
Operating Profit before working Capital Changes	2,68,44,826	2,32,70,632
Adjustment for Capital Changes:		
Decrease in Debtors	2,75,03,130	(8,19,03,310)
Increase in Inventories	(50,980)	2,10,910
Increase in Deposits & Advances	(3,18,45,077)	5,36,89,768
Increase in Creditors	37,48,391	3,68,95,788
Increase in Payables & Provisions	51,94,786	(8,94,077)
Cash Generated From Operations	3,13,95,076	-
Income Tax	90,92,638	-
<u>Net cash from Operating Activities</u>	2,23,02,438	3,12,69,711
<u>Cash Flow From Investing Activities</u>		
Investments	(22,03,906)	(21,00,000)
Capital WIP	(3,81,87,133)	(41,55,357)
Purchase of Fixed Assets	(38,47,727)	(8,79,620)
<u>Net Cash From Investing Activities</u>	(4,42,38,766)	(71,34,977)
<u>Cash Flow From Financing Activities</u>		
Pre operative & Preliminary Expenses	(2,65,53,581)	(1,23,78,431)
Secured loan taken	2,60,00,000	-
Unsecured loan taken	1,24,15,800	84,200
Increase in Share Holder's Capital	1,73,83,333	-
Decrease in Share Premium	(1,73,83,333)	-
<u>Net Cash From Financing Activities</u>	1,18,62,219	(1,22,94,231)
Net Increase In Cash & Cash Equivalents	(1,00,74,109)	1,18,40,503
Opening Balance of Cash & Cash Equivalents	1,19,19,870	79,367
Closing Balance of Cash & Cash Equivalents	18,45,761	1,19,19,870

As per our Report of even date

For and on behalf of the Board

For **Prem Mishra & Co.**
Chartered Accountants

Ashok Gupta
Chairman & Managing Director

Prem Lata Mishra
Partner
Place : Mumbai
Date : September 2, 2011

Sunil Jain
Wholetime Director

**Statement Pursuant To Part IV of schedule VI of Companies Act 1956
Balance Sheet Abstract and Company's General Business Profile**

Registration Details

Registration No.	18861
State Code No.	11
Balance Sheet Date	31.03.2011

Capital Raised During the year

Public Issue	Nil
Right Issue	Nil
Bonus Issue	1,73,83,333
Private Placement	Nil

Position Of Mobilisation and Deployment of Funds

	(Amount in Rs.)
Total Liabilities	19,76,54,191
Total Assets	19,76,54,191

Sources of Funds:

Paid-up Capital	6,95,33,333
Reserves & Surplus	8,96,20,858
Secured Loan	2,60,00,000
Unsecured Loan	1,25,00,000

Application of funds

Net Fixed assets	50,60,370
Capital WIP	4,23,42,490
Investments	47,05,891
Net Current Assets	10,64,65,956
Miscellaneous Expenditure	3,90,79,484
Accumulated Losses	Nil

Performance of Company

Turnover	5,73,86,680
Total Expenditure	3,12,55,069
Profit before Taxes	2,61,31,611
Profit after Taxes	1,70,38,973
Earnings Per Share - Basic	0.25
Dividend Rate	Nil

Generic Names of Three Principal Products/Services of the Company

Product Description – Trading in Minerals	Item Code No. N.A
For and on behalf of the Board	

Ashok Gupta
Chairman & Managing Director

Sunil Jain
Wholetime Director

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

Name of the Company

SVC Resources FZC

Sharjah, UAE
As on March 31, 2011
1 AED = Rs. 12.3278

Sr. No.	Particulars	Amount in Rs
1	Share Capital	1,849,170
2	Reserves	19,366,986
3	Total Asset	286,061,101
4	Total Liability	286,061,101
5	Details of Investment	35,750,620
6	Turnover	252,668,296
7	Profit before Tax	19,366,986
8	Provision for Taxation	Nil
9	Profit after Tax	19,366,986
10	Proposed Dividend	NA

For and on behalf of the Board

Ashok Gupta

Chairman & Managing Director

Sunil Jain

Wholetime Director

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

To the Members of SVC RESOURCES LIMITED

We have audited the attached Consolidated Balance Sheet of SVC Resources Limited as at 31st March 2011 and also the Consolidated Profit & Loss Account for the year ended on that day annexed hereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Department of the Company Affairs in terms of section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matter specified in the said order to the extent applicable;
2. Further to our comments in the annexure referred to in paragraph 1 above –
 - (a). We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b). In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
 - (c). The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (d). In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement together with notes of accounts dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956.
 - (e). On the basis of written representations received from the directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956.
 - (f). In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 2. in the case of the Profit and Loss Account, of the profit for the year ended on that date;
 3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Prem Mishra & Co**
Chartered Accountants

Prem Lata Mishra
Partner

Membership No.92733

Place: Mumbai

Date: September 2, 2011

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	SCH	March 31, 2011 RUPEES
<u>SOURCES OF FUNDS</u>		
Shareholders' Funds		
Share Capital	1	6,95,33,333
Reserves & Surplus	2	10,92,83,110
Secured Loan	3	2,60,00,000
Unsecured Loan	5	27,73,44,945
TOTAL		48,21,61,388
<u>APPLICATION OF FUNDS</u>		
Fixed Assets	4	
Gross Block		57,49,007
Less : Depreciation		6,88,637
Net Block		50,60,370
Capital Work-in-Progress		4,23,42,490
Investments	6	3,89,02,605
Current Assets, Loans & Advances	7	
Sundry Debtors		29,89,34,100
Inventories		64,86,363
Deposits & Advances		27,97,44,549
Cash & Bank Balances		<u>41,42,233</u>
		58,93,07,245
Less : Current Liabilities & Provisions	8	
Sundry Creditors		21,67,04,959
Liabilities & Provisions		<u>1,58,25,848</u>
Net Current Assets		23,25,30,807
		35,67,76,438
Miscellaneous Expenses	9	3,90,79,485
(To the extent not written off or adjusted)		
TOTAL		48,21,61,388
Notes forming part of Accounts & significant Accounting Policies	17	

As per our Report of even date

For **Prem Mishra & Co.**
Chartered Accountants**Prem Lata Mishra**
Partner
Place : Mumbai
Date : September 2, 2011

For and on behalf of the Board

Ashok Gupta
Chairman & Managing Director**Sunil Jain**
Wholetime Director

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
MARCH 31, 2011**

	SCH	March 31, 2011 RUPEES
INCOME		
Sales & Other Income	10	31,00,54,976
		31,00,54,976
EXPENDITURE		
Cost of Sales	11	24,40,61,347
Payment to & Provision for Employees	12	74,44,808
Other Direct Expenses	13	11,23,274
Administrative & Other Expenses	14	1,09,80,245
Selling & Distribution Expenses	15	1,19,810
Interest & Financial Charges	16	1,13,679
Depreciation	4	6,88,637
Miscellaneous Expenses W/off	9	24,578
		26,45,56,378
Profit before Tax		4,54,98,598
Provision for Income Tax		
For Current Year		90,92,638
Profit after Tax		3,64,05,960
Less : Minority Interest		29,05,048
		3,35,00,912
Balance brought forward from previous year		2,49,40,218
Balance Carried to Balance Sheet		5,84,41,130
Notes forming part of Accounts & significant Accounting Policies	17	

As per our Report of even date

For **Prem Mishra & Co.**
Chartered Accountants

Prem Lata Mishra
Partner
Place : Mumbai
Date : September 2, 2011

For and on behalf of the Board

Ashok Gupta
Chairman & Managing Director

Sunil Jain
Wholetime Director

SCHEDULE TO CONSOLIDATED ACCOUNTS

March 31, 2011
RUPEES

SCHEDULE 1**SHARE CAPITAL****Authorised**

15,00,00,000 Equity Shares of Rs.1/- each	15,00,00,000
---	---------------------

Issued, Subscribed & Paid-up

6,95,33,333 Equity Shares of Rs.1/- each.	6,95,33,333
---	-------------

1,73,83,333 Equity Shares issued as Bonus Shares	6,95,33,333
	6,95,33,333

SCHEDULE 2**RESERVES & SURPLUS**

Share Premium A/c	4,76,41,667
-------------------	-------------

1,73,83,333 Equity Shares issued as Bonus Shares	2,49,40,218
--	-------------

Profit & Loss Account - Balance	3,35,00,912
---------------------------------	-------------

Add : Transfer from Profit & Loss Account	32,00,313
---	-----------

Add : Minority Interest	6,16,41,443
-------------------------	-------------

	10,92,83,110
--	---------------------

	10,92,83,110
--	---------------------

SCHEDULE 3**SECURED LOAN**

SREI Equipment Finance Pvt. Ltd.	2,60,00,000
----------------------------------	-------------

	2,60,00,000
--	--------------------

SCHEDULE 4 : FIXED ASSETS

Particulars	Rate of Dep.	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2010	Additions	Deletions	As at 31.03.2011	As at 01.04.2010	Dep. for the Year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land		Rs. 8,79,620	Rs. 3,18,400	Rs. -	Rs. 11,98,020	Rs. -	Rs. -	Rs. -	Rs. 11,98,020	Rs. 8,79,620
Building	10%	1,44,545	-	1,44,545	-	-	-	-	-	-
Furniture & Fixture	18.10%	3,54,337	26,46,690	3,54,337	26,46,690	-	2,38,794	2,38,794	24,07,896	-
Plant & Machinery	13.91%	5,21,555	3,09,074	5,21,555	3,09,074	-	42,992	42,992	2,66,082	-
Elec. Installation	13.91%	-	9,238	-	9,238	-	419	419	8,819	-
Lab Equipment	13.91%	-	1,48,226	-	1,48,226	-	15,026	15,026	1,33,200	-
Office Equipment	13.91%	-	3,38,379	-	3,38,379	-	44,054	44,054	2,94,325	-
Computers & Access.	40%	1,223	6,92,540	1,223	6,92,540	-	2,32,376	2,32,376	4,60,164	-
Computer S/W (ERP)	40%	-	4,06,840	-	4,06,840	-	1,14,976	1,14,976	2,91,864	-
SUB TOTAL		19,01,280	48,69,387	10,21,660	57,49,007	-	6,88,637	6,88,637	50,60,370	8,79,620
Capital Work-in-Progress :										
ERP - HO		3,76,840	-	3,76,840	-	-	-	-	-	3,76,840
Lab Equipment		1,48,226	-	1,48,226	-	-	-	-	-	1,48,226
Computer & Access.		6,46,370	46,170	6,92,540	-	-	-	-	-	3,00,120
Weighbridge		1,38,419	33,067	-	1,71,486	-	-	-	1,71,486	1,38,419
Building (Jabalpur)		6,84,918	63,264	-	7,48,182	-	-	-	7,48,182	6,84,918
Furniture & Fixture		17,56,720	8,89,970	26,46,690	-	-	-	-	-	17,56,720
Plant & Mach.		3,09,074	-	3,09,074	-	-	-	-	-	3,09,074
Office Equipment		94,790	-	94,790	-	-	-	-	-	94,790
WIP- Washery Plant		-	4,14,22,822	-	4,14,22,822	-	-	-	4,14,22,822	-
SUB TOTAL		41,55,357	4,24,55,293	42,68,160	4,23,42,490	-	-	-	4,23,42,490	38,09,107
GRAND TOTAL		60,56,637	4,73,24,680	52,89,820	4,80,91,497	-	6,88,637	6,88,637	4,74,02,860	46,88,727

March 31, 2011
RUPEES

**SCHEDULE 5
UNSECURED LOAN**

From Others	1,25,00,000
Epsco Loan A/c	26,48,44,945
	27,73,44,945

March 31, 2011
RUPEES

SCHEDULE 6**INVESTMENTS IN SHARES**

Unquoted (Valued at cost) In Equity Shares	4,01,985
Investments in Associates & Firms	3,85,00,620
	3,89,02,605

SCHEDULE 7**CURRENT ASSETS, LOANS & ADVANCES****Sundry Debtors**

(Unsecured, Considered Good)

Outstanding for more than six months	10,98,99,553
Other Debtors	18,90,34,547
	29,89,34,100

Inventories

64,86,363

64,86,363

Cash & Bank Balances

Cash Balance	10,78,375
Balance with Schedule Bank in Current A/c	30,63,858
	41,42,233

Deposit And Advances

(Unsecured, Considered Good)

Deposits	5,02,25,942
Loans & Advances	22,95,18,607
	27,97,44,549
	58,93,07,245

SCHEDULE 8**CURRENT LIABILITIES & PROVISIONS**

Sundry Creditors for Goods	21,63,78,452
Sundry Creditors for Expenses	3,26,507
	21,67,04,959

Liabilities & Provisions

Provisions for Taxation	1,07,57,718
Other Liabilities	50,68,130
	1,58,25,848
	23,25,30,807

March 31, 2011
RUPEES

SCHEDULE 9**Miscellaneous Expenses**

Miscellaneous Expenses - Op. Balance	1,72,050
Less :- Amount W/off	24,578
	1,47,472
Preoperative Expenses	3,74,88,871
Preliminary Expenses	14,43,142
	3,90,79,485

SCHEDULE 10**SALES & OTHER INCOME**

Sale of Goods & Processing Charges	31,00,54,976
	31,00,54,976

SCHEDULE 11**COST OF SALES**

Opening Stock of Goods	-
Add : Purchases of Raw Materials / Finished Goods	25,05,47,710
Less : Closing Stock	64,86,363
	24,40,61,347

SCHEDULE 12**PAYMENT TO & PROVISIONS FOR EMPLOYEES**

Salary & Wages & Other Allowances	74,21,870
Staff / Labour Welfare Expenses	22,938
	74,44,808

SCHEDULE 13**OTHER DIRECT EXPENSES**

Carriage Inward	2,07,379
Trading Expenses	9,12,259
CST - Purchases	3,636
	11,23,274

March 31, 2011
RUPEES

SCHEDULE 14**ADMINISTRATION & OTHER EXPENSES**

Administration & Other Expenses	17,02,112
Advertisement Expenses	4,98,207
Printing & Stationery	1,71,545
Telephone & Mobile Phone Expenses	1,24,635
Conveyance Expenses	92,564
Travelling Expenses	16,39,915
Repairs & Maintenance	6,01,038
Auditors' Remuneration	
Statutory Audit	50,000
Tax Audit	25,000
Rent Paid	27,22,880
Legal & Professional Fees	9,20,584
ROC Filing Fees	70,885
Listing & Membership Fees	6,57,252
Share Registrar & Depository Fees	11,000
Sitting Fees	3,47,000
Postage & Courier	84,345
Office & General Exp.	2,48,795
Books & Periodicals	15,603
Donations	1,19,675
Mines Operative Expenses	7,67,253
Electricity Charges	1,09,957
	1,09,80,245

SCHEDULE 15**SELLING & DISTRIBUTION EXPENSES**

Trial / Testing Expenses	48,914
Advertisement & Publicity Expenses	64,457
Stores & Consumables	-
Sales Promotion & Commission Paid	6,439
	1,19,810

SCHEDULE 16**INTEREST & FINANCIAL CHARGES**

Bank Charges & Commission	93,975
Other Interest	19,704
	1,13,679

SCHEDULE: 17**ACCOUNTING POLICIES & NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS:**

1. Summary of significant accounting policies:

1.1) Accounting convention

These financial statements have been prepared under historical cost convention basis.

Accounting Policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.

Expenses & income considered payable and receivable respectively are accounted for on actual basis.

In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provisions of all known liabilities are adequate and not in excess of the amount reasonably necessary.

1.2) Inventories

Inventories are stated at the lower of cost and net realizable value using FIFO method. Cost comprise direct material and where applicable, direct labour cost and the overhead that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to disposal.

1.3) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The Cost of property, plant and equipment is depreciated using the straight –line method over their estimated useful economic lives as follows:

Years	
	Machinery & Equipment 4
	Furniture & Fixtures 4
	Motor Vehicles 4
	Machinery and Tools 4

1.4) Trade receivables

Sales made on credit are included in trade receivables at their balance sheet date, and reduced by appropriate allowances for estimated doubtful amounts.

1.5) Trade payables

Trade payables are stated at their nominal value.

1.6) Cash and Cash equivalent

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, balances with bank and deposits with banks, within a maturity date of three months or less from the date of deposit, free of encumbrances.

1.7) Impairment of assets

Property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of income.

An assessment is made at the each balance sheet date to determine whether there is objective evidence, that the financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment losses are recognized in the statement of income.

1.8) Revenue recognition

The rendering services revenue shall be recognized by reference to the stage of completion of the transactions and shall be measured the cost and economic benefits at the balance sheet date.

1.9) Financial Services

Financial Services are accounted in the statement of income in the period in which they are incurred. Except to the extent, that the borrowing cost that are directly attributable to the acquisition, construction or production of qualifying assets shall be capitalized as part of cost of that asset.

1.10) Employees' terminal benefits

Employees' terminal benefits are accounted on cash payment basis.

1.11) Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

1.12) Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Gains and losses arising are included in the statement of income.

Non- monetary items that are measured in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

1.13) Statutory reserve

In accordance with the United Arab Emirates Federal Companies Law No. 8 of 1984 the Company has established a statutory reserve.

1.14) Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognized on the entity's balance sheet when the entity has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial assets, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavorable. Financial instruments of the Company comprises of cash at bank, trade receivables, other assets, trade payables, bills payable, due to banks and other liabilities.

Credit risk

Financial assets which potentially expose the Company to concentration of credit risk comprise principally bank accounts, trade receivables and other receivables.

The Company's bank accounts are placed with high credit quality financial institutions.

Currency Risk

There is no significant exchange rate risk as substantially all financial assets and financial liabilities are denominated in Arab Emirate Dirham's or US Dollars to which the conversion of Dirham's into US Dollar is fixed.

Interest rate risk

The Company is not exposed to any significant interest rate risk.

Fair values

At the balance sheet date, fair values of financial assets and liabilities at year end appropriate their carrying amounts.

Significant Accounting Policies General**FIXED ASSETS & Capital WIP**

4. a) Fixed assets are capitalized at cost inclusive of all incidental expenses related thereon of Textile Division.
- b) The assets under construction in relation to mining division are recorded at cost inclusive of incidental expenses & reflected as Capital WIP.

TURNOVER

5. Turnover is stated after adjusting rebates and discounts and excluding Sales Tax, if any.

DEPRECIATION

6. Depreciation on Fixed Assets has been provided for on diminishing balance method at rates specified in Schedule XIV of the Companies Act 1956. Depreciation on Assets purchased/sold during the year has been provided for on pro-rata basis.

INVENTORIES

7. Inventories of Work-in-Progress, Raw Materials, Stores & Spares and Finished Goods are valued at cost and the same is done on FIFO basis. Stock of Shares is valued at cost.

INVESTMENTS

8. Investments are valued at cost.

CONTINGENT LIABILITIES

9. Contingent liabilities: Nil

OTHERS

10. None of the raw materials, stores, spares and components consumed or purchased during the year have been imported.
11. None of the expenditure has been incurred in foreign currency.
12. None of the earnings are in foreign currency
13. Balance of Debtors, Creditors, Depositors, Loans and Advances are subject to confirmation.
14. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
15. Investments of the Company have been considered by management to be of a long term nature and hence they are long term investments and are valued at cost of acquisitions.

SEGMENT REPORT

16. Segment Accounting Policies are in line with the accounting policies of the Company.

DEFERRED TAX ON INCOME

17. The differed tax has not been recognized in financial statement, as there is no reasonable certainty of future taxable income.

RELATED PARTY TRANSACTIONS

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

Nature of Transaction	Amount Received or Paid Rs.	Name of the Party	Relation
Creditors	2,83,55,378	Subhtex (India) Ltd.	Director of the company is interested as a Director & Shareholder in Subhtex (India) Ltd.
Directors Remuneration			
Salary	9,60,000	Ashok Gupta	Chairman & Managing Director
Salary	7,20,000	Vishal Kumar Singh	Joint Managing Director
Salary	7,20,000	Sunil Jain	Whole Time Director
Salary	7,20,000	Mukesh Arora	Whole Time Director
Salary	9,60,000	R.K.Tiwari	Whole Time Director
Sitting Fee	3,47,000		Independent Directors

EARNING PER EQUITY SHARE

	Unit	31.03.2011
Net profit after tax available for shareholders	Rs.	3,35,00,912
No. of Equity Shares of Rs.1/- each	No.	6,95,33,333
Basic earnings per share (Rs.)	Rs.	0.48
Diluted earnings per share (Rs.)	Rs.	0.64

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

As per our Report of even date

For **Prem Mishra & Co.**
Chartered Accountants

Prem Lata Mishra
Partner
Place : Mumbai
Date : September 2, 2011

For and on behalf of the Board

Ashok Gupta
Chairman & Managing Director

Sunil Jain
Wholetime Director

**Statement of Consolidated Cash Flow Annexed to the Balance Sheet
as at 31st March 2011**

	March 31, 2011 RUPEES
<u>Cash Flow From Operating Activities</u>	
Net Profit before tax and Extraordinary Items	4,54,98,598
Adjustment for	
Depreciation	6,88,637
Miscellaneous Expenditure Written off	24,578
Operating Profit before working Capital Changes	4,62,11,813
Adjustment for Capital Changes:	
Increase in Debtors	(29,89,34,100)
Increase in Inventories	(64,86,363)
Increase in Deposits & Advances	(27,97,44,549)
Increase in Creditors	21,67,04,959
Increase in Payables & Provisions	1,58,25,848
Cash Generated From Operations	(30,64,22,392)
Income Tax	90,92,638
Extraordinary items	29,05,048
<u>Net cash from Operating Activities</u>	(29,44,24,706)
<u>Cash Flow From Investing Activities</u>	
Investments	(3,89,02,605)
Capital WIP	(4,23,42,490)
Purchase of Fixed Assets	(57,49,007)
<u>Net Cash From Investing Activities</u>	(8,69,94,102)
<u>Cash Flow From Financing Activities</u>	
Pre operative & Preliminary Expenses	(3,91,04,063)
Secured loan taken	2,60,00,000
Unsecured loan taken	27,73,44,945
Increase in Share Holder's Capital	6,95,33,333
Increase in Share Premium	5,17,86,826
<u>Net Cash From Financing Activities</u>	38,55,61,041
Net Increase In Cash & Cash Equivalents	41,42,233
Opening Balance of Cash & Cash Equivalents	-
Closing Balance of Cash & Cash Equivalents	41,42,233

As per our Report of even date

For and on behalf of the Board

For **Prem Mishra & Co.**
Chartered Accountants

Ashok Gupta
Chairman & Managing Director

Prem Lata Mishra
Partner
Place : Mumbai
Date : September 2, 2011

Sunil Jain
Wholetime Director