



**SVC  
INDUSTRIES  
LIMITED**

(Formerly known as SVC Superchem Ltd.)

**ANNUAL REPORT  
2018-2019**

## SVC INDUSTRIES LIMITED

### Corporate Information

#### BOARD OF DIRECTORS :

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

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

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

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

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

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

#### BOARD COMMITTEES :

##### AUDIT COMMITTEE

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

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

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

#### STAKEHOLDERS RELATIONSHIP COMMITTEE :

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

**Mr. Jaffar Imam** - Member

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

#### NOMINATION AND REMUNERATION COMMITTEE :

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

**Mr. Jaffar Imam** - Member

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

#### CHIEF FINANCIAL OFFICER :

**Mr. Sanjay Agarwal**

#### COMPANY SECRETARY

**Mohd. Faiyaz Mansuri** (up to 14.07.2019)

#### STATUTORY AUDITORS :

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

Chartered Accountants

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

#### REGISTERED OFFICE:

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

#### SITE :

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

#### REGISTRAR AND TRANSFER AGENT :

**Sharex Dynamic India Pvt. Ltd.**

Branch Off: C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai-400083.

Phone:(022) 28515606, 28515644

Email:sharexindia@vsnl.com

Website: www.sharexindia.com

#### LISTING OF EQUITY SHARES :

**BSE Limited,**

Phiroze Jeejeebhoy Tower,  
Mumbai - 400 001.

**BSE STOCK CODE** - 524488

#### INVESTOR EMAIL ID :

svcindustriesltd@gmail.com

#### CORPORATE IDENTITY NUMBER :

L15100MH1989PLC053232

#### SECRETARIAL AUDITOR

**Ranjeet Kumar Sharma & Associates**

#### WEBSITE :

www.svcindustriesltd.com



## NOTICE

**NOTICE** is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of **SVC Industries Limited (formerly known as SVC Superchem Limited)** will be held on Monday, 23<sup>rd</sup> September 2019 at 11:30 a.m. at Indian Merchants' Chamber, Walchand Hirachand Hall, 4<sup>th</sup> Floor, LNM IMC Building, Churchgate, Mumbai- 400 020 to transact the following business: -

### ORDINARY BUSINESS: -

1. To receive, consider and adopt the Audited Statements of Accounts Standalone & Consolidated for the financial year ended on 31<sup>st</sup> March, 2019 and the Balance Sheet as at that date and the Auditor's Report thereon along with the Report of the Board of Directors.
2. To appoint a Director in place of Mr. Suresh Chaturvedi (DIN 00577689), who retires by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS: -

3. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

**"RESOLVED THAT** pursuant to the provision of section 149, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Dr. P.P. Shastri (holding DIN 02199254), Director of the Company who was appointed as an Independent Director who holds office of Independent Director till 31<sup>st</sup> March, 2019 and being eligible, and in respect of whom the Company has received recommendation from the Nomination and Remuneration Committee and as approved by the Board of Directors in its Board Meeting proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 years consecutive years on the Board of the Company up to 31<sup>st</sup> March, 2024."

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

**"RESOLVED THAT** pursuant to the provision of section 149, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. I G Mehrotra (holding DIN 00579544), Director of the Company who was appointed as an Independent Director who holds office of Independent Director till 31<sup>st</sup> March, 2019 and being eligible, and in respect of whom the Company has received recommendation from the Nomination and Remuneration Committee and as approved by the Board of Directors in its -

Board Meeting proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 years consecutive years on the Board of the Company up to 31<sup>st</sup> March, 2024."

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

**"RESOLVED THAT** pursuant to the provision of section 149, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. G S Dahotre (holding DIN 00009789), Director of the Company who was appointed as an Independent Director who holds office of Independent Director till 31<sup>st</sup> March, 2019 and being eligible, and in respect of whom the Company has received recommendation from the Nomination and Remuneration Committee and as approved by the Board of Directors in its Board Meeting proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 years consecutive years on the Board of the Company up to 31<sup>st</sup> March, 2024."

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

**"RESOLVED THAT** pursuant to the provision of section 149, 152 read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. Jaffar Imam (holding DIN 00579549), Director of the Company who was appointed as an Independent Director who holds office of Independent Director till 31<sup>st</sup> March, 2019 and being eligible, and in respect of whom the Company has received recommendation from the Nomination and Remuneration Committee and as approved by the Board of Directors in its Board Meeting proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 years consecutive years on the Board of the Company up to 31<sup>st</sup> March, 2024."

7. To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 196, 197 and 203 read with other applicable provisions and Schedule V of the Companies Act, 2013 read with rules made there under (including any statutory modification(s) and re-enactment thereof for the time being in force) and subject to such approvals, permission and sanctions, as may be required, and subject to the approval of the Central Government, wherever

required and such other approvals as may be necessary, and the provisions of Articles of Association of the company and as agreed by the Board of Directors (hereinafter referred to as the 'Board', which term shall unless repugnant to the context and meaning thereof, be deemed to include any committee thereof, and any person authorised by Board on this behalf), approval of the members be and is hereby accorded to appoint Mr. Sanjay Agrawal, Chief Financial Officer of the Company as Manager of the Company, giving him an additional designation of Manager for a period of three years w.e.f 20<sup>th</sup> March, 2019, to perform the duties required to be performed by a Key Managerial Personnel on the terms and conditions set out in the Statement annexed to the Notice convening this meeting, with the authority to Directors to alter and vary or alter such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V of the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Sanjay Agarwal."

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

**Suresh V. Chaturvedi**  
Director

Place: Mumbai  
Date: 7<sup>th</sup> August, 2019

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. Proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from 17th September 2019 to 23rd September 2019 (both days inclusive).
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Sundays between 09.00 a.m. and 5.00 p.m. upto the date of the Annual General Meeting.
6. The Members/ Proxies are requested to bring their attendance slip duly filled along with the copy of Annual Report to the Meeting.

7. Members are requested to notify to the Company any change in their addresses specifying full address in block letters with pin code of the post office and their Folio No. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Directors for his appointment/ reappointment.
10. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
11. Members who hold the shares in dematerialized form are requested to write their client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
12. In case of joint holders, attending the meeting, only such joint-holder who is higher in the order of names will be entitled to vote.
13. As part of the Green Initiative circulars issued by the Ministry of Corporate Affairs, the Notice and Annual Report of the Company are being sent to the shareholders on their respective mail addresses. However, shareholders requiring a physical copy of the Annual Report may write to the Company at its registered office at 301, 3rd Floor, Shubham Centre-1, 491, Cardinal Gracias Road, Andheri (East), Mumbai - 400099.
14. Electronic copy of the Notice of the 28<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 28<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. Members may also note that the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website [www.svcindustriesltd.com](http://www.svcindustriesltd.com) for their download. The physical copies of the aforesaid documents will also be available at the

Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [svcindustriestld@gmail.com](mailto:svcindustriestld@gmail.com)

16. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).

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

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

(I) The voting period begins on Friday, 20<sup>th</sup> September, 2019 (11.00 a.m.) and ends on Sunday, 22<sup>nd</sup> September, 2019 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 16<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Click on Shareholders / Members

(iv) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

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

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

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

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

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

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

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

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

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

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

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
17. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
18. Ranjeet Kumar & Associates, a practising Company Secretary (Certificate of Practice 13241) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
19. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
20. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
21. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.svcindustriesltd.com](http://www.svcindustriesltd.com) and on the website of CDSL i.e. [www.cdslindia.com](http://www.cdslindia.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on all working days except Saturdays and Sundays up to and including the date of the Annual General Meeting of the Company.

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

**Suresh V. Chaturvedi**  
Director

#### EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, set out the material facts relating to the business mentioned in the accompanying notice dated 7<sup>th</sup> August 2019

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

#### Re-appointment by Rotation of Mr. Suresh V. Chaturvedi (Item No. 2

Name of the Director	Mr. Suresh V. Chaturvedi
Qualification	B.Com
Date of Appointment	29th August, 1989
Profile and expertise	Mr.Suresh V. Chaturvedi aged about 62 years is a non-executive director. He has over 40 years of rich experience in setting up of projects in sectors of Power Generation, Water, Sugar, Road & Infrastructure.
Directorship held in other companies	Chaturvedi Engineering and Trading Pvt. Ltd SVC Growth Funds Private Limited Krishna Advisors Pvt. Ltd.
Committee position held in other companies	Nil
Shareholding (No. of equity shares)	41,92,000

### **Re-appointment of Independent Director Dr.P.P Shastri (Item No. 3)**

Dr. P.P. Shastri is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company as a Nominee of UTI on 23rd April, 2008. His nomination was withdrawn by UTI effective 9th November, 2011. Thereafter Dr. P.P. Shastri was inducted as the Additional Director on the Board and approved by the shareholders at the 21st Annual General Meeting held on 28th September, 2012. Dr. P. P. Shastri is also member of Audit Committee of the Board.

He is a M.A. (Economics) with Industrial and Labour Economics Specialization (from Andhra University, 1968-70. Secured 4th Rank in M.A. Economics at the Andhra University Post-graduate Centre, Certificate in Research Methodology Course (conducted by the Indian Council of Social Science Research at Loyola College of Social Sciences, Thiruvananthapuram, May-July 1972), Postgraduate Diploma in Population Studies (From David Owen Centre for Population Studies, Cardiff, U.K., during 1978-79) and Ph.D. awarded by the International Institute for Population Sciences, Bombay at the convocation held on May 6, 2000 for the thesis "Modernization and Fertility in Maharashtra and Uttar Pradesh".

Dr. P.P. Shastri is also director in Velagapudi Steel Limited, NCR Limited and Unimers India Limited. He is also a member of Advisory Committee of SNTD Women's University as nominee of SUUTI Endorsement. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors has recommended re-appointment of Dr. P.P. Shastri as Independent Director for a second term of 5 (five) consecutive years on the Board of the Company. The Board bases on the performance evaluation of Independent Directors as per the recommendations of the Nomination and Remuneration Committee, considers that given this background and experience and contributions made by him during his tenure, the continued association of Dr. P.P. Shastri would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Dr. P.P. Shastri as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Companies Act, 2013 and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") *inter alia* prescribe that an independent Director of the Company shall meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Dr. P.P. Shastri is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Directors.

The Company has also received declarations from Dr. P.P. Shastri that they meet with the criteria of independence as prescribed both -

under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Dr. P.P. Shastri fulfil the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the Listing Regulations.

Details of Directors whose re-appointment as Independent Directors is proposed at Item No. 3 is provided pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letters of appointment of Dr. P.P. Shastri setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Dr. P.P. Shastri is interested in the resolutions set out respectively at item No. 3 to Notice with regard to his re-appointment. The relatives of Dr. P. P. Shastri may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolutions set out at Item No. 3 of the Notice for approval by the members.

### **Re-appointment of Independent Director Mr. I.G. Mehrotra (Item No. 4)**

Mr. I.G. Mehrotra is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 6th November, 2000. Mr. I.G. Mehrotra is also a member of Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

He is M.Com from Allahabad University. He has more than 4 decades of experience in administrative, Managerial, Marketing, underwriting, investments and managing portfolio of LIC of India. He retired from Life Insurance Corporation of India Limited. Mr. I.G. Mehrotra is also director in West End Investment and Finance Consultancy Private Limited.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors has recommended re-appointment of Mr. I.G. Mehrotra as Independent Director for a second term of 5 (five) consecutive years on the Board of the Company. The Board bases on the performance evaluation of Independent Directors as per the recommendations of the Nomination and Remuneration Committee, considers that given this background and experience and contributions made by him during his tenure, the continued association of Mr. I.G. Mehrotra would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. I.G. Mehrotra as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Companies Act, 2013 and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") *inter alia* prescribe that an independent Director of the Company shall meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Mr. I.G. Mehrotra is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Directors.

The Company has also received declarations from Mr. I.G. Mehrotra that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Mr. I.G. Mehrotra fulfil the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the Listing Regulations.

Details of Directors whose re-appointment as Independent Directors is proposed at Item No. 4 is provided pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letters of appointment of Mr. I.G. Mehrotra setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. I.G. Mehrotra is interested in the resolutions set out respectively at item No. 4 to Notice with regard to his re-appointment. The relatives of Mr. I.G. Mehrotra may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolutions set out at Item Nos. 4 of the Notice for approval by the members.

#### **Re-appointment of Independent Director Mr. G.S. Dahotre (Item No. 5)**

Mr. G.S. Dahotre is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 20th August, 1998. Mr. G.S. Dahotre is also a Chairman of Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

He is a Graduate from Pune University and Certified Associate of Indian Institute of Bankers (CAIIB). A Veteran Banker with a distinguished career in banking spanning over three decades. He retired as the Chairman and Managing Director of Bank of India and was also the Chairman of Dena Bank. Mr. G.S. Dahotre is not a director in any other company.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors has recommended re-appointment of Mr. G.S. Dahotre as Independent Director for a second term of 5 (five) consecutive years on the Board of the Company. The Board bases on the performance evaluation of Independent Directors as per the recommendations of the Nomination and Remuneration Committee, considers that given this background and experience and contributions made by him during his tenure, the continued -

association of Mr. G.S. Dahotre would be beneficial to the Company and it is desirable to continue to avail his services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. G.S. Dahotre as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Companies Act, 2013 and the provisions of the securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") *inter alia* prescribe that an independent Director of the Company shall meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Mr. G.S. Dahotre is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Directors.

The Company has also received declarations from Mr. G.S. Dahotre that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Mr. G.S. Dahotre fulfil the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the Listing Regulations.

Details of Directors whose re-appointment as Independent Directors is proposed at Item No. 5 is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letters of appointment of Mr. G.S. Dahotre setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. G.S. Dahotre is interested in the resolutions set out respectively at item No. 5 to Notice with regard to their respective re-appointments. The relatives of Mr. G.S. Dahotre may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolutions set out at Item Nos. 5 of the Notice for approval by the members.

#### **Re-appointment of Independent Director Mr. Jaffar Imam (Item No. 6)**

Mr. Jaffar Imam is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 28<sup>th</sup> September 2015. Mr. Jaffar Imam is also a member of Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr. Jaffar Imam is a Master in Social Science, specializing in Human Relations and Industrial Communications. Mr. Jaffar Imam has -



occupied senior executive positions in national and multinational firms and on the board of several companies. Extensively travelled, his professional roots are deeply entrenched in the corporate world. An industrial consultant by profession, he has a passion for Urdu and English literature, besides a keen interest in art and poetry. A person deeply influenced by Sufism, he hails from the ruling family of Kamadhia, an erstwhile state in Gujarat and is a scion of H.H. Nawab Mir. Jaffar Ali Khan of Surat. "MirzaGhalib and The Mirs of Gujarat" are the books written by him.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors has recommended re-appointment of Mr. Jaffar Imam as Independent Director for a second term of 5 (five) consecutive years on the Board of the Company. The Board bases on the performance evaluation of Independent Directors as per the recommendations of the Nomination and Remuneration Committee, considers that given this background and experience and contributions made by him during his tenure, the continued association of Mr. Jaffar Imam would be beneficial to the Company and it is desirable to continue to avail his services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Jaffar Imamas Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Section 149 of the Companies Act, 2013 and the provisions of the securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") *inter alia* prescribe that an independent Director of the Company shall meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms. Mr. Jaffar Imam is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Directors.

The Company has also received declarations from Mr. Jaffar Imam that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Mr. Jaffar Imam fulfil the conditions for appointment as Independent Director as specified in the Companies Act, 2013 and the Listing Regulations.

Details of Directors whose re-appointment as Independent Directors is proposed at Item No. 6 is provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letters of appointment of Mr. Jaffar Imam setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. Jaffar Imam is interested in the resolutions set out respectively at item No. 5 to Notice with regard to his re-appointment. The relatives of Mr. Jaffar Imam may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key -

Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations. The Board commends the Special Resolutions set out at Item Nos. 6 of the Notice for approval by the members.

#### **Appointment of Mr. Sanjay Agrawal as the Manager (Item No. 7)**

Mr. Sanjay Agrawal is at present the Chief Financial Officer of the Company w.e.f 29<sup>th</sup> May, 2014. The Board of Directors at its meeting held on 20<sup>th</sup> March 2019 at the recommendation made by the Nomination and Remuneration Committee approved the proposal for appointing his with the additional designation of Manager of the Company w.e.f 20<sup>th</sup> March, 2019 at no additional remuneration.

Mr Sanjay Agrawal is a graduate in Bachelor of Commerce and Bachelor of Laws. He has also complete his Master of Business Administration. He is associated with the Company since 1997. And he has work experience of more than 25 years in the field of Accounts, Taxation, Finance and Legal and Companies.

In terms of the provisions of Companies Act, 2013, consent of shareholders is required for Appointment of Mr. Sanjay Agrawal as Manager of the Company. The Board hereby recommend his appointment as the Manager of the Company for the approval of the members as an Ordinary Resolution.

The terms set out in the resolution and explanatory statement may be treated as an abstract of the terms and conditions of appointment and remuneration in terms of Section 196, 197 and 203 of Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the terms of remuneration specified above are now being placed before the Members for their approval.

Mr. Sanjay Agarwal is interested in the Resolution set out at Item No. 7 of the Notice with regard to his appointment as Manager. The relatives of Mr. Sanjay Agarwal may be deemed to be interested in the resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

## **DIRECTORS' REPORT**

### **TO THE MEMBERS**

Your Directors present the 28<sup>th</sup> Annual Report together with the Audited Statements of Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2019.

### **FINANCIAL RESULTS:**

	(Rs. in Lacs)	
<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Revenue from Operations	4.50	NIL
Other Income	187.94	85.94
Total Income	192.44	85.94
Expenditure	(600.14)	(114.85)
Loss due to Assets Discarded	(3407.58)	Nil
Profit / Loss Before Tax	(3815.28)	(28.91)
Other Comprehensive Income	Nil	(1012.85)
Total Comprehensive Income (Net of Tax)	(3815.28)	(1041.76)

### **PROJECT:**

Company's Plant under construction has been under shut down since September, 2000 and with the passage of time and in the absence of any operation since then, the corrosion is taking place in the Plant due to climatic and cyclonic conditions in the area. During the previous year, provision of Ind AS became applicable to the Company and thus the Company has decided to adopt for fair valuation of Property, Plant & Equipments as at 01.04.2016. On the basis of valuation from reputed valuer the plant and equipments under construction of the Company were fair valued and a loss of Rs. 688.07 crore was provided on transition to Ind AS in the year 2017-2018.

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

### **DIVIDEND:**

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

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

The Strategic Investor of the Company has received a proposal for setting up of Mega Food Park as provided under the Mega Food -

Park Scheme Guidelines issued by Ministry of Food Processing Industries, Government of India. Strategic Investor of the Company has received "Final" approval on dated 28.01.2019 of the competent Authority for establishment of Mega Food Park at Village Bhadawal, Chhatta, Chhatta-Barsana Road, District Mathura, Uttar Pradesh. The primary object these guidelines is to provide modern infrastructure facilities for the food processing along the value chain from the farm to the market. It will include creation of the processing infrastructure near the farm, transportation, logistic and centralized processing centers. This scheme aims to facilitate the establishment of a strong food processing industry backed by an efficient supply chain, which include collection centers, primary processing centers and cold chain infrastructure. The food processing units, under the scheme, would be located at a Central Processing Centre with need based common infrastructure required for processing, packaging, environmental protection systems, quality control labs, etc. The Food Park to be completed within 30 months from the date of final approval by MOFPI (Ministry of Food Processing Industry)

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

Company has granted a 76 years lease of its investment properties to its associate company Nandvan Mega Food Park Pvt Limited, a Government approved project for Mega Food Park. The lease rent is payable from third year onwards with 5% increment periodically. Token lease rent of Rs 18 lakh for 1st year commencing from January, 2019 and Rs 35 lakh for the 2nd year is receivable.

### **ORDER RECEIVED FROM BSE**

The Company has received letter from SEBI dated 7th August, 2017, SEBI vide its letter bearing no. SEBI / HO/ ISD/ OW/ P/ 2017/ 18183 as forwarded a list of 331 shell companies as identified by Ministry of Corporate Affairs and has directed the Exchanges to identify the companies listed on their trading platform and to initiate some measures. Where trading in all such listed securities shall be placed in Stage VI of the Graded Surveillance Measure (GSM) with immediate effect. Therefore, as per the provisions of GSM framework, the securities were not be available for trading from 9th August, 2017. Trading in these securities are permitted only on first Monday of the month.

The Company had filed an application/representation dated August 17<sup>th</sup>, 2017 with BSE to remove the name of the Company from the list of suspected shell companies and from Graded Surveillance Measures Stage VI and BSE vide its order dated 8<sup>th</sup> of March, 2018, had rejected the application/representation of Company.

Thereafter, Company had filed an appeal to SEBI Appellate Tribunal (SAT) against the order of BSE dated 8<sup>th</sup> of March, 2018, and on 27<sup>th</sup> May, 2019 SAT has given its order in favor of the Company. SAT has stated that the approach adopted by SEBI as well as BSE is totally erroneous and that the impugned order passed by the BSE cannot be sustained and is quashed. It further directed SEBI and BSE not to place the Company in the category of a shell Company or place it in GSM Stage VI. The shares of the Company are traded under listed category.

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

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

**INTERNAL FINANCIAL CONTROL (IFC):**

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

The Audit Committee reviews and evaluates adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. Management Assurance and Audit is an independent and objective assurance and consulting activity designed to add value and improve the Company's operations. Management Assurance and Audit function is accountable to the Board of Directors through the Chairman of the Audit Committee. Management Assurance and audit also assist the management in identifying operational opportunities for revenue leakage, cost savings and revenue enhancements; ensures working within the regulatory and statutory framework and facilitate early detection and prevention of frauds.

The Company has internal control system commensurate with the size, scale and complexity of its operation. The Company has appointed Mr. S.K. Khandelwal, Chartered Accountants as the Internal Auditor at a remuneration of Rs. 66,000/- p.a. in compliance with section 138 of the Companies Act, 2013. The scope of audit and the outcome of the audit are reviewed by Audit Committee at regular interval.

**FIXED DEPOSITS:**

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

**STATURORY AUDITORS:**

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

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

**AUDITOR'S REPORT:**

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

**SHARE CAPITAL:**

At present we have only one class of shares i.e. equity shares of Rs. 10 each. Our authorized share capital is Rs. 170 Crores divided into

17 Crores equity shares of Rs. 10 each. The issued, subscribed and paid-up capital of the Company is Rs. 161.86 Crores as on March 31, 2019.

**EXTRACT OF THE ANNUAL RETURN:**

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

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

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

**FOREIGN EXCHANGE EARNINGS & OUTGO:**

The Company has not utilized any foreign exchange and has not earned any foreign exchange during the financial year ended 31<sup>st</sup> March, 2019.

**CORPORATE SOCIAL RESPONSIBLITY:**

The Provision with respect to Corporate Social Responsibility is not attracted to the Company as the Company is yet to commence the production.

**DIRECTORS:**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Suresh Chaturvedi (DIN 00577689), Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment. Details about Mr. Suresh Chaturvedi (DIN 00577689) is given in the Notice of the ensuing Annual General Meeting sent to the shareholders along with the Annual Report.

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

A declaration by an Independent Directors have been received stating that they meet the criteria of independence as provided in sub-section (6) of section 149 of the Companies Act, 2013. An independent director shall hold office for a maximum of two term of five consecutive years on the Board of a Company. The resolutions re-appointment of the Independent Directors i.e. Mr. P.P. Shashtri, Mr. G.S Dahotre, Mr. I.G. Mehtrotra and Mr. Jaffar Imam is incorporated in the Notice to the Annual General Meeting for the approval of the shareholders.

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

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

**MEETING OF INDEPENDENT DIRECTOR:**

During the year 2018-19, a separate meeting of the Independent Directors was held on 8<sup>th</sup> Sept., 2018 without the presence of the non-Independent Directors, in accordance with the provisions of the

Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015.

#### **AUDIT COMMITTEE:**

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

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

Your Company believes that its members are amongst its most important stakeholder. The Stakeholder Relationship Committee of the Company consists of Mr. Suresh V. Chaturvedi as Chairman, Mr. Jaffar Imam and Mr. G.S. Dahotre members. During the year under review, the Stakeholders Relationship Committee met for 26 times.

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

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personal and their remuneration. The Nomination and Remuneration Committee consist of Mr. G.S. Dahotre as chairman, Mr. Jaffar Imam and Mr. I.G. Mehrotra as members. This Committee has been constituted as per terms or provision of the Companies Act and under regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review the Committee met three times.

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

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

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

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

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

The policy on materiality of Related Party Transactions is uploaded on the website of the company.

#### **RISK MANAGEMENT:**

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

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

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

#### **MANAGERIAL REMUNERATION:**

In order to control expenses as advised by the shareholders in the earlier Annual General Meeting, the Company proposes to appoint the Mr. Sanjay Agarwal, Chief Financial Officer of the Company as the Manager under the Companies Act, 2013 in compliance with the Companies Act, 2013 no additional remuneration. The resolution for the appointment is incorporated in the Notice to Annual General Meeting for the approval of the shareholders.

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

#### **SECRETARIAL AUDIT REPORT:**

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

#### **SECRETARIAL COMPLIANCE REPORT:**

While the Annual Secretarial Audit shall cover a broad check on compliance with all laws applicable to the entity, listed entities shall additionally, on an annual basis, require a check by the Company Secretary in Practice on compliance of all applicable the SEBI Regulations and circulars / guidelines issued thereunder, consequent to which, the Company Secretary in Practice shall submit a report to the listed entity in the manner specified in the SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019. Your Company has appointed Ranjeet Kumar Sharma & Associates, a practicing Company Secretaries in practice to give Secretarial Compliance Report of the Company. The report of the Secretarial Audit is annexed herewith as "**Annexure C**".



#### MANAGEMENT, DISCUSSION AND ANALYSIS:

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

#### FRAUD REPORTING:

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

#### DIRECTORS' RESPONSIBILITY STATEMENT:

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

- I. In the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2019, the applicable accounting standards have been followed along with explanation relating to material departures;
- II. They have selected such accounting policies and applied them consistently except for the non-provision of interest on all secured loans as mentioned in Note No. 12 forming part of the Balance Sheet and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March 2019;
- III. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- IV. The Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2019 on a going concern basis.
- V. They have laid down 'internal financial controls' to be followed by the Company and that such internal financial control are adequate and were operating effectively.
- VI. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

#### CORPORATE GOVERNANCE:

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

#### RECONCILIATION OF SHARE CAPITAL AUDIT REPORT:

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

#### CODE OF CONDUCT:

The Board has adopted, the Code of Ethics and Business for the Non-Executive Directors as also for the employees and other members of Senior Management. The said code has been communicated to all the Directors and Members of the Senior Management. Board members and senior management personnel have affirmed compliance with the Code for the financial year 2017-19.

#### CEO / CFO CERTIFICATION:

As there is no CEO in the Company, CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the Listing Regulations for the year ended 31<sup>st</sup> March, 2019.

#### INSIDER TRADING:

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

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

#### DEMATERIALIZATION OF SHARES:

As part of its efforts to provide better investor services, your Company has admitted its equity in the Depository System of the National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) since 07.03.2000 and 23.03.2000 respectively and has offered investors the facility to hold the shares in electronic form and enter into script less trades. Your Company has always paid utmost attention to improve investor's relationship. As on 31<sup>st</sup> March, 2019 approximately 87.38 % of the total shares of the Company has already been dematerialized.

#### ACKNOWLEDGEMENT:

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

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

For and on behalf of the Board

**Suresh V. Chaturvedi**  
Director

Place: Mumbai.  
Date: 7<sup>th</sup> August, 2019

**Annexure – A**

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2019

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L15100MH1989PLC053232
Registration Date	29/08/1989
Name of the Company	SVC INDUSTRIES LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/Indian Non-Government Company
Address of the Registered office and contact details	301, Shubham Centre-1, 3rd Floor, Near Holy Family Church, 491, Cardinal Gracias Road, Andheri (East) Mumbai – 400 099
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt Ltd C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083. Tele No.28515606/28515644

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

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

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

\* The Company is yet to commence the commercial production

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

S. No	Name and address of the Company	CIN/GLN	Holding/ Sub./ Associate	% of shares held	Applicable Section
1	Nandvan Mega Food Park Private Limited	U15549MH2018PTC304537	Associate	26%	2 (6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2018				No. of Shares held at the end of the year 31/03/2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)PROMOTER'S</b>									
<b>(1) INDIAN</b>									
(a) individual	29158321	2088000	31246321	19.158	29158321	2088000	31246321	19.158	0
(b) Central Govt.		0				0			0
(c) State Govt(s).		0				0			0
(d) Bodies Corpp.	37608316	450000	38058316	23.335	38058316	0	38058316	23.335	0
(e) FIINS / BANKS.		0				0			0
(f). Any Other		0				0			0
Sub-total (A) (1):-	66766637	2538000	69304637	42.493	67216637	2088000	69304637	42.493	0
<b>(2) FOREIGN</b>									
(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0
(c). Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / Fil	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	66766637	2538000	69304637	42.493	67216637	2088000	69304637	42.493	0



**(B) PUBLIC SHAREHOLDING**

<b>(1) Institutions</b>									
(a) Mutual Funds	0	39600	39600	0.024	0	39600	39600	0.024	0
(b) Banks / FI	250	0	250	0	250	0	250	0	0
(c) Central Govt.	0	0	0	0	0	0	0	0	0
(d) State Govt.	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0			0	0	0		
(f) Insurance Companies	0	14800	14800	0.009	00	14800	14800	0.009	0
(g) FIs	0	0	0	0	0	00	0	00	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>250</b>	<b>54400</b>	<b>54650</b>	<b>0.033</b>	<b>250</b>	<b>54400</b>	<b>54650</b>	<b>0.033</b>	<b>0</b>

**(2) Non-Institutions**

**(a) BODIES CORP.**

(i) Indian	16975957	1625100	18601057	11.405	16812500	1625100	18437600	11.305	-0.100
(ii) Overseas	0	0	0	0	0	0	0	0	00

**(b) Individuals**

(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	25008343	15222767	40231110	24.667	24814910	15177067	39991977	24.521	-0.146
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	32989983	565250	33555233	20.574	33454534	565250	34019784	20.859	0.285

**(c) Other (specify)**

Non Resident Indians	666204	594100	1260304	0.773	663951	588700	1252651	0.768	0.005
Overseas Corporate Bodies	0	19700	19700	0.012	0	19700	19700	0.012	0
Foreign Nationals	200	0	200	0.000	200	0	200	0.000	0
Clearing Members	6500	0	6500	0.004	3350	0	3350	0.002	-0.002
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>75707548</b>	<b>18028517</b>	<b>93736065</b>	<b>57.472</b>	<b>75754848</b>	<b>17981217</b>	<b>93736065</b>	<b>57.474</b>	<b>0.002</b>

<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>75755098</b>	<b>18035617</b>	<b>93790715</b>	<b>57.507</b>	<b>75755098</b>	<b>18035617</b>	<b>93790715</b>	<b>57.507</b>	<b>0.002</b>
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**(C) SHARES HELD BY CUSTODIAN FOR GDRS & ADRS**

Grand Total (A+B+C)	142474435	20620917	163095352	100.00	142521735	20573617	163095352	100.00	0.002
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**(ii) Shareholding of Promoters**

SR No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the Year 31/03/2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged to total shares	
1	SVC GROWTH FUND PVT LTD	12377553	7.589	0	12377553	7.589	0	0
2	KRISHNA ADVISORS PVT LTD	9495500	5.822	0	9495500	5.822	0	0
3	ADVAIT CHATURVEDI	8595800	5.27	0.623	8595800	5.27	0.623	0
4	AMBUJ CHATURVEDI	8595800	5.27	0	8595800	5.27	0	0
5	AKHILL MARKETING PRIVATE LIMITED	8050000	4.936	0	8050000	4.936	0	0
6	KRISHNA SUPPLIERS PVT LTD	7885263	4.835	0	7885263	4.835	0	0



7	ALKA CHATURVEDI	7862721	4.821	0	7862721	4.821	0	0
8	SURESH V CHATURVEDI	4192000	2.57	0.044	4192000	2.57	0.044	0
9	SURESH CHATURVEDI HUF	2000000	1.226	0.613	2000000	1.226	0.613	0
10	CHATURVEDI ENGINEERING & TRAD P LTD	250000	0.153	0	250000	0.153	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SR No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2018			Shareholding at the end of the Year 31/03/2019			% of total Shares of the company
		No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SR No	Name	No. of Shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	LEO PLASTO CHEM PVT LTD	6579865	4.034	01-04-2018				
	-Closing Balance			31-03-2019		No change	6579865	4.034
2	GANESH COMPUTRONICS PVT LTD	4000000	2.453	01-04-2018				
	-Closing Balance			31-03-2019		No Change	4000000	2.453
3	RANJEET CHATURVEDI	2500000	1.533	01-04-2018				
	-Closing Balance			31-03-2019		No change	2500000	1.533
4	CLEVER FABRIC FASHIONS PVT LTD	1929462	1.183	01-04-2018				
	-Closing Balance			31-03-2019		No Change	1929462	1.183
5	ANITA CHATURVEDI	1799962	1.104	01-04-2018				
	-Closing Balance			31-03-2019		No change	1799962	1.104
6	P N DHOOT INVESTMENT CO PVT LTD	1463200	0.897	01-04-2017				
	-Closing Balance			31-03-2018		No change	1463200	0.897
7	MORISH TECHNOLOGIES LLP	0	0	01-04-2018				
				15-03-2019	1444480	Buy	1444480	0.886
	-Closing Balance			31-03-2019		Buy	1444480	0.886
8	SHASHI PURUSHOTTAM MAHESHWARI	1095471	0.672	01-04-2018				
	-Closing Balance			31-03-2019		No Change	1095471	0.672
9	RAJESHKUMAR VALLABHDAS SHAH	855056	0.524	01-04-2018				
				13-04-2018	7044	Buy	862100	0.529
				29-06-2018	11200	Buy	873300	0.535
				03-08-2018	3350	Buy	876650	0.538
				24-08-2018	2259	Buy	878909	0.539
				14-09-2018	20000	Buy	898909	0.551
				12-10-2018	20380	Buy	919289	0.564
				14-12-2018	20000	Buy	939289	0.576
				11-01-2019	7610	Buy	946899	0.581
				08-02-2019	10000	Buy	956899	0.587
				15-03-2019	4300	Buy	961199	0.589
	-Closing Balance			31-03-2019			961199	0.589
10	VIJAYKUMAR BABULAL SHAH	753752	0.462	01-04-2018				
	-Closing Balance			31-03-2019		No Change	753752	0.462





**(v) Shareholding of Directors and Key Managerial Personnel:**

Name of the Director		Shareholding at the beginning of the year 01/04/2018		Cumulative Shareholding during the year 31/03/2019	
sr. no	Suresh V. Chaturvedi	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	41,92,000	2.570	41,92,000	2.570
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	00.00	00.00	00.00	00.00
	At the End of the year	41,92,000	2.570	41,92,000	2.570

**I. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Particulars	Secured Loans excluding deposits (Rs in Lacs)	Unsecured Loans (Rs in Lacs)	Deposits (Rs in Lacs)	Total Indebtedness (Rs in Lacs)
<b>Indebtedness at the beginning of the financial year</b>				
	17970.68	1075.85	00.00	19046.53
i) Principal Amount	00.00	00.00	00.00	00.00
ii) Interest due but not paid		00.00	00.00	00.00
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	17970.68	1075.85	00.00	19046.53
<b>Change in Indebtedness during the financial year</b>				
<b>Principal</b>				
• Addition	120.00	36.81	00.00	156.81
• Deletion	1836.04	57.88	00.00	1893.92
• Revaluation	00.00	00.00	00.00	00.00
<b>Interest</b>				
• Addition	00.00	00.00	00.00	00.00
• Reduction	00.00	00.00	00.00	00.00
<b>Net Change</b>	(1716.04)	(21.07)	00.00	(1737.11)
<b>Indebtedness at the end of the financial year</b>				
	16254.64	1054.78		17309.42
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	16254.64	1054.78		17309.42

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager \* (See Table "C")

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager				Amount
		Nil	Nil	Nil	Nil	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	00.00	00.00	00.00	00.00	00.00



**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount (In Lakhs)
		Suresh V. Chaturvedi	Jaffar Imam	G.S. Dahotre	I G Mehrotra	Dr. P. P. Shastri	Abha Ravi	
1	Non - Executive and Independent Directors Fee for attending board / committee meetings	25,000	25,000	30,000	30,000	30,000	25,000	165,000
	Total (1)	25,000	25,000	30,000	30,000	30,000	25,000	165,000
2	Other Non-Executive Directors	00.00	00.00	00.00	00.00	00.00	00.00	00.00
	Total (2)	00.00	00.00	00.00	00.00	00.00	00.00	00.00
	Total (1+2)	25,000	25,000	30,000	30,000	30,000	25,000	165,000
	Total Managerial Remuneration(B)	25,000	25,000	30,000	30,000	30,000	20,000	165,000
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel (Rs in Lacs)			
		CEO	Company Secretary *	CFO / Manager	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	00.00	3.15	3.89	7.04
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	00.00	00.00	01.76	1.76
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	00.00	00.00	00.00	00.00
2.	Others, please specify	00.00	00.00	00.00	00.00
	Total	00.00	3.15	05.65	8.80

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	00	00	Nil	00	N.A.
Punishment	00	00	Nil	00	N.A.
Compounding	00	00	Nil	00	N.A.
<b>B.DIRECTORS</b>					
Penalty	00	00	Nil	00	N.A.
Punishment	00	00	Nil	00	N.A.

**ANNEXURE –“B”**  
Form No. MR-3

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019  
[Pursuant to section 204(1) of the Companies Act, 2013 and  
rule No.9 of the Companies (Appointment and Remuneration  
Personnel) Rules, 2014]

To  
The Members,  
SVC Industries Limited,  
301, Shubham Centre,  
491 Cardinal Gracias Road,  
Andheri (East),  
Mumbai – 400 099.

I have conducted the secretarial of the compliance of applicable statutory provisions and the adherence to good corporate practices by SVC Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- a) The Company has defaulted on dues aggregating to Rs. 56.10 Crores.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - provisions of Overseas Direct Investment and External Commercial Borrowings are not applicable.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable as the Company has not issued any shares during the year under review;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable as the Company has not issued any shares/options to directors/employees under the said guidelines / regulations during the year under review;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the year under review;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back or propose to buy-back any of its securities during the year under review.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015).
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that  
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Ranjeetkumar Sharma & Associates**  
**Company Secretaries**

Ranjeet Sharma  
Proprietor  
C.P. No.: 13241

Place: Mumbai  
Date: 7<sup>th</sup> August, 2019

**ANNEXURE –“C”**

**SECRETARIAL COMPLIANCE REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019]

Secretarial compliance report of SVC Industries Limited for the year ended 31/03/2019

I, Ranjeet Sharma have examined:

- all the documents and records made available to us and explanation provided by SVC Industries Limited (“the listed entity”),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification for the year ended 31st March, 2019 (“Review Period”) in respect of compliance with the provisions of :
  - the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
  - the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, includes:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;

- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Based on the above examination, I hereby report that, during the Review Period:

- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder
  - The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- © The following are the details of actions taken against the listed entity/ its promoters/ directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
1	SEBI	The Company shared were suspended	The Company is placed in Stage VI of GSM frame work on account of SEBI directions dated August 07, 2017 and shall continue to remain in Stage VI until further directions	The Securities Appellate Tribunal vide order dated 27 <sup>th</sup> May, 2019 has quashed the order passed by BSE for placing the scrip of the Company in GSM Stage VI.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

For **Ranjeetkumar Sharma & Associates**  
**Company Secretaries**

Ranjeet Sharma  
Proprietor  
C.P. No.: 13241

Place: Mumbai  
Date: 28<sup>th</sup> May, 2019

## ANNEXURE –“D”

### REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

#### OPPORTUNITY AND THREAT

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

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

Further The Strategic Investor of the Company has received a proposal for setting up of Mega Food Park as provided under the Mega Food Park Scheme Guidelines issued by Ministry of Food Processing Industries, Government of India. Strategic Investor of the Company has received "Final" approval on dated 28.01.2019 of the competent Authority for establishment of Mega Food Park at Village Bhadawal, Chhatta, Chhatta-Barsana Road, District Mathura, Uttar Pradesh. The primary object these guidelines is to provide modern infrastructure facilities for the food processing along the value chain from the farm to the market. It will include creation of the processing infrastructure near the farm, transportation, logistic and centralized processing centers. This scheme aims to facilitate the establishment of a strong food processing industry backed by an efficient supply chain, which include collection centers, primary processing centers and cold chain infrastructure. The food processing units, under the scheme, would be located at a Central Processing Centre with need based common infrastructure required for processing, packaging, environmental protection systems, quality control labs, etc. The Food Park to be completed within 30 months from the date of final approval by MOFPI (Ministry of Food Processing Industry).

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established an appropriate system of internal control to ensure that there exist a proper control over all the transactions and that all its assets are properly safeguarded and not exposed to risk arising out of unauthorized use or disposal.

#### MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Relation with the employees remained cordial in general throughout the year. As on 31<sup>st</sup> March, 2019 employee strength has been reduced to bare minimum requirement in view of non-operation of the plant.

For and on behalf of the Board

**Suresh V. Chaturvedi**  
Director

Place: Mumbai.  
Date: 7<sup>th</sup> August, 2019

### REPORT ON CORPORATE GOVERNANCE

The Company has complied fully with all the mandatory requirements of Corporate Governance in all material aspects pursuant to Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2019 is given below: -

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company firmly believes in transparency in its dealings and lays emphasis on integrity and regulatory compliance, which aims to maximize employee and shareholder value. The salient features of the philosophy on Company's Corporate Governance hinges upon transparency and ethical practices in professional working environment conducive to optimal performance with focus on achieving shareholder's long term value growth through Service, Values & Commitment. As shareholders across the globe evince keen interest in the practice and performance of Companies, Corporate Governance has emerged on the centre stage. The Company is committed to good governance practices that create long term sustainable shareholder value.

#### 2. BOARD OF DIRECTORS

- a) Composition : [as on 31<sup>st</sup> March, 2019]  
The strength of the Board is six Directors. The Board comprises of Non-Executive and Independent Directors as under:
- (i) 4 Non-Executive Independent Directors,
  - (ii) 1 Non-Executive Director
  - (iii) 1 Promoter Non-Executive Director.

The Non-Executive Directors bring independent judgments in the Board's deliberations and decisions.

- b) Attendance of each Director at the Board Meeting , AGM and other Directorships/Memberships of Committees:

During the period under report, 6 Board Meetings were held on 2<sup>nd</sup> June, 2018, 7<sup>th</sup> July, 2018, 8<sup>th</sup> September, 2018, 1<sup>st</sup> November, 2018, 10<sup>th</sup> February, 2019 and 20<sup>th</sup> March, 2019

Name of Directors	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	Other Directorship	Membership/ Chairmanship of Committees of Board.
Mr. Suresh V. Chaturvedi	Promoter Director, Non-Executive	6 / 6	Present	3	Chairman of Stakeholders Relationship Committee
Mr. G. S. Dahotre	Independent Non-Executive	6 / 6	Present	Nil	Chairman of Audit Committee, Member of Stakeholders Relationship Committee, Nomination and Remuneration Committee
Mr. Jaffar Imam	Independent Non-Executive	6 / 6	Present	Nil	Member of Nomination and Remuneration Committee and Stakeholders Relationship Committee
Mr. I. G. Mehrotra	Independent Non-Executive	6 / 6	Present	1	Member of Audit Committee, Nomination and Remuneration Committee
Dr. P.P. Shastri	Independent Non-Executive	6 / 6	Present	1	Member of Audit Committee
Ms. Abha Ravi	Non-Executive Director	3 / 6	Present	Nil	Nil

As at 31st March, 2019, in compliance with the the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company's Board of Directors comprises of six directors headed by Mr. Suresh Chaturvedi, Non-executive Director, acting as Chairman, out of which four are independent directors and 1 Non-Executive Woman Director. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies and where any Independent Director is serving as whole time director in any listed company, such director is not serving as Independent Director in more than three listed companies. The Company issued letter of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company ([www.svcindustriestd.com](http://www.svcindustriestd.com)).

### 3. AUDIT COMMITTEE:

The Company has a qualified and independent Audit Committee comprising of three Non-Executive Independent Directors. The Terms of Reference of the Committee are in consonance with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Audit Committee comprises of three members, these are Mr. G. S. Dahotre, as Chairman, Mr. I.G. Mehrotra and Dr. P.P. Shastri as Members.

The role of the committee shall, inter-alia, includes the following

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors

iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Modified opinion in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;



- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- xx. Carrying out any other function as it is mentioned in the reference of the Audit Committee.

During the period under report, 4 meetings of the Audit Committee were held on 2<sup>nd</sup> June, 2018, 7<sup>th</sup> July, 2018, 1<sup>st</sup> November, 2018 and 10<sup>th</sup> February, 2019. The attendance of each member of the Committee at the meeting is as under:-

Name of Directors	Status	No. of meetings attended
Mr. G. S. Dahotre	Independent, Non -Executive	4 / 4
Mr. I.G. Mehrotra	Independent, Non -Executive	4 / 4
Dr. P.P. Shastri	Independent, Non -Executive	4 / 4

#### 4. STAKEHOLDER RELATIONSHIP COMMITTEE

In accordance with the requirement of Regulation 20 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 the Company has constituted Stakeholder Relationship Committee of the Board of Directors to specifically look into the redressal of grievances of the investors. The Committee deals with grievances relating to transfer of shares, non – receipt of Balances Sheet or dividend, complaint letters received from Stock Exchanges, SEBI etc. The Board of Directors has delegated power -

of approving transfer and transmission of share, issuing duplicate share certificate and name deletion to a Stakeholder Relationship Committee.

Stakeholder Relationship Committee comprises of three members, these are Mr. Suresh Chaturvedi, Chairman, Mr. Jaffar Imam and G.S. Dahotre, Members.

During the year ended 31<sup>st</sup> March, 2019, the Stakeholders Relationship Committee held its meeting for 26 times. The details of the members and their attendance are as follows:-

Name of Directors	No. of meetings attended
Mr. Suresh V. Chaturvedi	26
Mr. G. S. Dahotre	24
Mr. Jaffar Imam	26

During the year no complaint was received from stakeholders and investors. The Company has acted upon all valid request for share transfer received during 2018-19 and no such share transfer is pending.

#### 5. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company consists of Mr. G.S. Dahotre Chairman, Mr. Jaffar Imam- Director and Mr. I.G. Mehrotra – Director, members. The meeting of Nomination and Remuneration Committee was held on 02<sup>nd</sup> June, 2018, 10<sup>th</sup> February, 2019 and 20<sup>th</sup> March, 2019.

Date of Meeting	Purpose
02 <sup>nd</sup> June, 2018	To Recommend the appointment of Ms. Karuna Naik as Company Secretary to the Company
10 <sup>th</sup> February, 2019	To Recommend the appointment of Ms. Krttika Shah as Company Secretary to the Company
20 <sup>th</sup> March, 2019	To Recommend the appointment of Mr. Sanjay Agrawal as the Manager (KMP) to the Company

The role of the committee shall, inter-alia, includes the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- c. Devising a policy on Board of Directors.
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

#### 6. CODE OF CONDUCT

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the employees and Non-executive Directors -

including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. - Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence. A copy of the Code has been put on the Company's website (www.Industriesltd.com). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually. A declaration signed by the Company's CFO is published in this Report.

## 7. GENERAL BODY MEETINGS

Details of last three Annual General Meetings of the Company as follows:

Financial Year	Date	Time	Venue
2015-2016	28 <sup>th</sup> Sept, 2016	03.00 p.m	Indian Merchant Chambers (IMC), IMC Bldg., Churchgate, Mumbai – 400 020
2016-2017	1 <sup>st</sup> July, 2017	11:30 a.m.	
2017-2018	8 <sup>th</sup> Sept., 2018	11.30 a.m	

## 8. REMUNERATION OF DIRECTORS

- a) The details of sitting fees paid to Non-Executive Directors during the financial year ended 31<sup>st</sup> March, 2019 (excluding reimbursement of travel and other expenses) are given below:

Name of Directors	Sitting fees
Shri Suresh V. Chaturvedi	30,000
Shri Jaffar Imam	30,000
Shri G.S. Dahotre	30,000
Shri I.G Mehrotra	30,000
Dr. P.P. Shastri	30,000
Ms. Abha Ravi	15,000
<b>TOTAL</b>	<b>1,65,000</b>

## 9. DISCLOSURES

- (a) During the year, there were no transactions of material nature with the Directors or the Management or relatives of the Directors of the Company, except as shown in note no. 33 regarding related party disclosures.
- (b) The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and all other requirement under any other Acts and Regulations.
- (a) The equity shares of Company are listed at BSE Limited and the Company has complied with all the applicable requirements of capital markets and no penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during last three years.

## 9. MEANS OF COMMUNICATION

- a) Financial Results: The quarterly, half-yearly and annual financial results of the Company are widely published in the leading newspapers such as Business Standard (English

edition) and Pudhari (Marathi edition). The financial results are also filed with BSE Limited immediately after they are approved by the Board for dissemination. The financial results are posted on the website of the Company at www.svcindustriesltd.com immediately after sharing with BSE Limited.

- b) Annual Reports: Annual Reports were emailed/posted to members and other entitled to receive them.
- c) BSE Corporate compliance listing Centre: The shareholding pattern, Corporate Governance Report, Reconciliation of Share Capital Audit Report, financial Results and listing compliances are filed electronically on the listing Centre.

## 10. GENERAL SHAREHOLDERS' INFORMATION:

### • Annual General Meeting:

- Date and time: 23rd Sep, 2019 at 11.30 p.m.
- Venue: Indian Merchants' Chamber, Walchand Hirachand Hall 4<sup>th</sup> Floor, LNM IMC Bldg Churchgate, Mumbai – 400 020

- Book Closure dates: 17<sup>th</sup> Sept. to 23<sup>rd</sup> Sept. 2019 (both days inclusive)

- Equity Shares listed on Stock Ex: BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 021.

- Registrar & Transfer Agent: M/s Sharex Dynamic (India) Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai - 400083

- Stock Code: 524488

- Market Price Data:

Upper and lower price of Company's Equity Shares at Bombay Stock Exchange.

Month(s)	Share Price		Month (s)	Share Price	
	High	Low		High	Low
April., 2018	0.76	0.76	Oct., 2018	0.76	0.76
May., 2018	0.76	0.76	Nov., 2018	0.76	0.76
June., 2018	0.76	0.76	Dec., 2018	0.76	0.76
July, 2018	0.76	0.76	Jan., 2019	0.76	0.76
Aug., 2018	0.76	0.76	Feb., 2019	0.76	0.76
Sept, 2018	0.76	0.73	March, 2019	0.76	0.76

- Shareholding Pattern as on 31<sup>st</sup> March, 2019

Category	No. of Shares held	% of Shareholding
Promoters	6,93,04,637	42.49
Mutual Funds & UTI	39,600	00.02
Banks	15,050	00.00
Corporate Bodies	3,09,42,782	18.96
Indian Public	6,15,06,579	37.75
NRIs / OCBs	12,60,304	00.77
Others	26,400	00.01
Total	16,30,95,352	100.00





• Distribution of Shareholdings as on 31<sup>st</sup> March, 2019

Share/Debenture holding of Nominal Value Rs.	Share/Debenture holders Number % to the total		Shares / Debentures No. of shares % to Total	
UPTO 1000	12627	15.35	997809	00.61
1001 to 2000	25449	30.93	4929510	03.02
20001 to 5000	31734	38.57	12278323	07.53
5001 to 10000	6397	07.77	5432143	03.33
10001 to 50000	4590	05.58	11582097	07.10
50001 to 100000	758	00.92	6010270	03.69
100001 to 1000000	650	00.79	17382011	10.66
1000001 to Above	73	00.09	104483189	64.06
Total	82278	100%	163095352	100%

• Share Transfer System

Transfers of shares in physical form are lodged with the Company or Transfer Agents. Statements of transfer prepared by Registrar and transfer agent are reviewed by the Shareholders Relationship Committee and if in order, the transfers are approved once in fortnight. The shares duly transferred are sent to the transferee, which completes the transaction.

• Dematerialization of Shares and liquidity

The Company has signed Agreements with both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited and the Shares of the company are available for de-materialization and are being traded in dematerialized form by shareholders w.e.f. 7.3.2000 and 23.3.2000. Shareholders of the Company are advised to avail the facility of electronic shares through dematerialization of physical scrip by opening an account with any of the recognized Depository Participants.

• Site Location

**SVC Industries Ltd.**  
Chhata – Barsana Road, Chhata,  
Dist. Mathura, [U.P.] 281401.

• Investor's Correspondence

(I) For transfer/ dematerialization of Shares M/s. Sharex Dynamic (India) Pvt Ltd  
C-101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai- 400083.  
(East), Mumbai – 400 072.  
Tele: 28515606/28515644  
Email: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

Note: Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participants.

(ii) Any query on Annual Report Secretarial Department  
SVC Industries Ltd.  
301, 3<sup>rd</sup> Floor, Shubham Centre-1,  
491, Cardinal Gracias Road, Andheri  
(East), Mumbai – 400 099  
Email: [svcindustriesltd@gmail.com](mailto:svcindustriesltd@gmail.com)  
Phone: 022-28324296

**CEO/ CFO Certification**

To,  
The Board of Directors,  
SVC Industries Limited

The Chief Finance Officer of your Company certify to the Board of Directors that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee.
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**FOR SVC Industries Limited**

**Mr. Sanjay Agarwal**  
Chief Finance Officer

Place: Mumbai.  
Date: 7<sup>th</sup> August, 2019

**UNDER REGULATION 34 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To  
The Members of SVC Industries Limited

I, Sanjay Agarwal, CFO of SVC Industries Limited hereby declare that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the Code of Conduct of the Company.

FOR SVC Industries Limited

**Mr. Sanjay Agarwal**  
Chief Finance Officer  
Place: Mumbai.  
Date: 7<sup>th</sup> August, 2019

**Independent Auditor's Certificate On Compliance With The Conditions Of Corporate Governance As Per Provisions Of Chapter IV Of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015**

**To the Members**  
**SVC Industries Limited (Formerly known as SVC Superchem Limited)**

1. The Corporate Governance Report prepared by SVC Industries Limited (Formerly known as SVC Superchem Limited) ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures include but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

**Opinion**

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

**Other matters and restriction on use**

10. This Certificate is neither an 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.

11. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

**For CHATURVEDI SK & FELLOWS**  
Chartered Accountants  
Firm Registration No. 112627W

**Srikant Chaturvedi**  
Partner  
Membership No. 070019

Place: Mumbai  
Date: 15/05/2019

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF SVC INDUSTRIES LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **SVC INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed-

under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Description of Key Audit Matters

The key audit matters	How the matter was addressed in our audit
<b>A. Evaluation of uncertain financial liabilities</b>	
As described in Note No. 14.1 to 14.6, Note No. 25 and Note No. 29, the Company has outstanding financial liabilities having book value of Rs. 5610.20 lakhs as on 31.03.2019 towards Non-convertible debentures and loan from state financial institutions. Recovery petition filed by the lenders are pending before the Debt Recovery Tribunal (DRT). The amount claimed in these petitions are much higher than the book value of the liabilities. The Management has approached these lenders for one-time settlement of these financial liabilities and is hopeful to close the matter by mutual agreement in due course. Meanwhile as the Company is in the process of negotiation by way of one-time settlement with the lenders, a reliable estimate cannot be made of the amount likely to be paid in satisfaction of these financial liabilities.	Our audit procedure on evaluation of uncertain financial liabilities included <ul style="list-style-type: none"> <li>• Obtained understanding of key uncertain financial liabilities and their status before various judicial authorities;</li> <li>• Read and analysed key correspondences between lenders and the Company regarding the uncertain financial liabilities;</li> <li>• Discussed with appropriate senior management and valued management's underlying key assumptions in estimating the uncertain financial liabilities; and</li> <li>• Assessed management's estimate of the possible outcome of the negotiation by way of one-time settlement with lenders;</li> </ul>

#### B. Scrap sale of old hazardous equipment

As described in Note No. 26, the Company received approval from its Shareholders in their meeting held on 22.02.2018 for removal of its rustic old hazardous and obsolete chemical filled equipment by way of scrap. For the entire process of tendering, breaking, scrap salvaging and sales thereof, the Company had appointed M/s Matex Net Pvt Ltd, a recognized non-performing assets auctioneer ISO 9001 & ISO 27001 company, as agency which supervised complete scrapping, salvaging of saleable scrap and sales thereof.

As at the year end, the Company sold of much of its scrapped hazardous equipment and profit on sale of those assets was credited in profit and loss account for the year.

Our audit procedure on scrap sale of old hazardous equipment included

- Testing the control over the entire process from tendering till sale of the scrapped material;
- Obtaining Company's agreement with M/s. Matex Net Private Limited and understanding the entire process of tendering, breaking, scrap salvaging and sale thereof;
- Verification of professional payment made to M/s Matexat each stage of scrapping, salvaging and sales of scrapped material; and
- Verification of process of sales through GST/E-way bill and under complete supervision of professionals from M/s Matex Net Pvt. Ltd.

#### information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report (the "reports"), but does not include the standalone financial statements and our auditor's report thereon. The reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the

assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in

the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit, we report that:
  - a) We have sought and 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 account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 14.1 to 14.6, 25, 29 and 31 to the standalone financial statements;
  - ii. There are no foreseeable losses on any long-term contract including derivative contract as required under applicable law or accounting standards;
  - iii. According to records of the company, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Act and rules made there under.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For CHATURVEDI SK & FELLOWS**  
Chartered Accountants  
Firm Registration No. 112627W

**Srikant Chaturvedi**  
Partner  
Membership No. 070019

Place: Mumbai  
Date: 15/05/2019

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**  
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of SVC Industries Limited (the "Company") as at March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India" (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and -

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

**For CHATURVEDI SK & FELLOWS**  
Chartered Accountants  
Firm Registration No. 112627W

**Srikant Chaturvedi**  
Partner  
Membership No. 070019

Place: Mumbai  
Date: 15/05/2019

#### ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies except as mentioned in Note No. 26 of notes forming part of the standalone financial statements, were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
  
(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company for 236.83 acres and in the name of some of the present and earlier directors for 24.14 acres.
2. According to the information given to us, physical verification of inventory was conducted by the management during the year at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories.

3. The Company has granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations provided to us, the terms and conditions of the grant of such loans are prima facie not prejudicial to the Company's interest.
4. According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans and making investments, as applicable. The Company has not provided any guarantees and securities.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. The provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder are not applicable.
6. Maintenance of cost records under Section 148(1) of the Act as prescribed by the Central Government is not applicable to the Company as the Company is yet to start commercial production.
7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Value Added Tax, Service-tax, Goods and Service tax and other material statutory dues applicable to the Company with the appropriate authorities.

(b) The disputed statutory dues aggregating to Rs. 22.71 lakhs that have not been deposited on account of disputed matters pending before appropriate authorities. Out of the above, a sum of Rs. 2.63 lakh has been deposited under protest. The details of disputed statutory dues are as under:

Nature of dues	Period	Amount Rs.in lakhs	Forum where the dispute is pending
UP Value Added Tax	2007-08	0.82	Appellate Tribunal, Agra
UP Value Added Tax	2008-09	1.81	Appellate Tribunal, Agra
Provident Fund / Demurrage	1995-2003	20.08	Allahabad High Court
		22.71	

8. Due to non-commencement of commercial operations for more than a decade causing non-servicing of its debts, the Company has defaulted on the dues of State Bank of India (NCD of Rs. 15.00 Crore), Canara Bank (NCD of Rs. 14.72 Crore) & PICUP (Loan of Rs. 26.38 Crore) for aggregate amount of Rs. 56.10 Crore. Company is in negotiations for settlement of their dues.
9. According to the information and explanation provided to us, Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.



10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us, the Company has not paid managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, Paragraph 3(xv) of the Order is not applicable.
16. According to the information and explanations given to us, the Company is not required to register under Section 45-IA of the Reserve Bank of India Act 1934.

**For CHATURVEDI SK & FELLOWS**  
Chartered Accountants  
Firm Registration No. 112627W

**Srikant Chaturvedi**  
Partner  
Membership No. 070019

Place: Mumbai  
Date: 15/05/2019

**SVC INDUSTRIES LIMITED**  
(Formely Known as SVC Superchem Limited)  
**STANDALONE BALANCE SHEET AS AT 31st MARCH, 2019**

(Rs. in Lacs)

	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	35,285.10	49,664.46
Investment Property	4	8,525.86	-
<b>Financial Assets</b>			
Other Financial Assets	5	310.78	31.39
Investments	6	1.30	-
Other non-current assets	7	1,771.02	2,140.81
<b>Total Non-Current Assets</b>		<u>45,894.06</u>	<u>51,836.66</u>
<b>Current Assets</b>			
Inventories	8	0.40	0.25
<b>Financial Assets</b>			
Cash and Cash equivalents	9	7.41	6.32
Trade Receivable	10	4.50	-
Other current assets	11	0.49	0.19
<b>Total Current Assets</b>		<u>12.80</u>	<u>6.76</u>
<b>Total Assets</b>		<u>45,906.86</u>	<u>51,843.42</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	16,186.37	16,186.37
Other Equity	13	12,284.84	16,100.12
<b>Total Equity</b>		<u>28,471.21</u>	<u>32,286.49</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	14	17,309.42	19,070.44
Other financial liabilities	15	27.51	27.09
Provisions	16	13.50	14.16
		<u>17,350.43</u>	<u>19,111.69</u>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Trade Payables	17	7.26	15.52
Other financial liabilities	18	60.11	426.06
Other non-financial liabilities	19	17.85	3.66
		<u>85.22</u>	<u>445.24</u>
<b>Total Equity and Liabilities</b>		<u>45,906.86</u>	<u>51,843.42</u>
Notes forming part of the financial statements	1-34		

As per our report of even date

**For CHATURVEDI SK & FELLOWS**

Chartered Accountants  
ICAI FRN: 112627W

**SRIKANT CHATURVEDI**

Partner  
ICAI M.No. 070019

Place : Mumbai  
Date : 15<sup>th</sup> May, 2019

**SURESH V. CHATURVEDI**

**JAFFAR IMAM**  
**I. G. MEHROTRA**  
**G. S. DAHOTRE**  
**P.P. SHASTRI**  
**ABHA RAVI**

: Promoter Director  
: Director  
: Director  
: Director  
: Director  
: Director

**SANJAY AGARWAL**  
Chief Financial Officer

**MOHD. FAIYAZ MANSURI**  
Company Secretary





## SVC INDUSTRIES LIMITED

(Formerly Known as SVC Superchem Limited)

### STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Rs. in Lacs)

	Note No.	For the Current Year ended 31/03/2019	For the Previous Year ended 31/03/2018
<b>INCOME :</b>			
Revenue from operations			
Lease Rental income		4.50	-
Other income	20	187.94	85.94
<b>Total revenue</b>		<b>192.44</b>	<b>85.94</b>
<b>EXPENDITURE:</b>			
Operational Expenses		-	-
Employee benefits expense	21	77.11	35.65
Depreciation	3	379.31	6.01
<u>Other expenses</u>			
Administration and other charges	22	143.72	73.19
<b>Total Expenses</b>		<b>600.14</b>	<b>114.85</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(407.70)</b>	<b>(28.91)</b>
<b>Exceptional Items:</b>			
Loss due to assets discarded (refer note no 3)		(3,407.58)	-
<b>Profit/(loss) before tax</b>		<b>(3,815.28)</b>	<b>(28.91)</b>
Less: Taxation		-	-
<b>Profit / (Loss) for the year</b>		<b>(3,815.28)</b>	<b>(28.91)</b>
<b>Other Comprehensive Income</b>			
Items that will not be classified into profit or loss	23		(1,012.85)
<b>Other Comprehensive income for the year</b>		-	<b>(1,012.85)</b>
<b>Total comprehensive income for the year</b>		<b>(3,815.28)</b>	<b>(1,041.76)</b>
<b>Earnings / (Loss) per Share (Rs.)</b>			
-Basic	24	(2.36)	(0.02)
-Diluted		(2.36)	(0.02)
Notes forming part of the financial statements	1-34		

As per our report of even date

**For CHATURVEDI SK & FELLOWS**

Chartered Accountants  
ICAI FRN: 112627W

**SRIKANT CHATURVEDI**

Partner  
ICAI M.No. 070019

Place : Mumbai  
Date : 15<sup>th</sup> May, 2019

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Chief Financial Officer

**MOHD. FAIYAZ MANSURI**  
Company Secretary

**SVC INDUSTRIES LIMITED**  
(Formerly Known as SVC Superchem Limited)  
**Standalone Cash Flow Statement for the year 2018-2019**

(Rs. in Lacs)

	2018-19	2018-19	2017-18	2017-18
<b>A. Cash flow from operating activities</b>				
Net profit before tax		(3,815.28)		(28.91)
Adjustments for non cash expenses :-				
Loss due to assets discarded	3,407.58		-	
Profit on sale of assets	(181.45)		-	
Interest received	(2.96)		-	
Depreciation	379.31	3,602.48	6.01	6.01
Operating profit before working capital changes		(212.80)		(22.90)
<b>Changes in Assets &amp; Liabilities</b>				
Changes in Financial Assets	(283.89)		2.37	
Changes in Financial Liabilities	(373.79)		430.03	
Changes in Non Financial Assets	369.34		13.55	
Changes in Non Financial Liabilities	13.53	(274.81)	3.18	449.13
<b>Net Cash used in operating activities</b>		(487.61)		426.23
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets (including capital work in progress)		(0.27)		(78.49)
Sale of fixed assets		2,248.33		-
Investment in associate		(1.30)		-
Interest received		2.96		-
<b>Net Cash from investing activities</b>		2,249.72		(78.49)
<b>C. Cash flow from financing activities</b>				
Unsecured Loans received / (repayment)		(44.98)		(367.63)
Secured Loans (Strategic Investor) received / (repayment)		(1,716.04)		-
<b>Net cash used in financing activities</b>		(1,761.02)		(367.63)
Net Increase / (Decrease) in Cash and Cash Equivalents		1.09		(19.89)
Opening Balance of Cash and Cash Equivalents		6.32		26.21
<b>Closing Balance of Cash and Cash Equivalents</b>		7.41		6.32

[Figures in bracket represent cash out flow]

As per our report of even date

**For CHATURVEDI SK & FELLOWS**

Chartered Accountants  
ICAI FRN: 112627W

**SRIKANT CHATURVEDI**

Partner  
ICAI M.No. 070019

Place : Mumbai  
Date : 15<sup>th</sup> May, 2019

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**MOHD. FAIYAZ MANSURI**  
Company Secretary

## SVC INDUSTRIES LIMITED

### Statement Of Change In Equity For The Year Ended March 31, 2019

Equity share capital

(Rs. In Lakh)

Equity shares of Rs. 10 each  
issued, subscribed and fully  
paid

Number of shares      Amount

As at 31st March 2017                      163,095,392      16,186.37

Changes in share capital during the year

-                      -

As at 31st March 2018                      163,095,392      16,186.37

Changes in share capital during the year

-                      -

As at 31st March 2019                      163,095,392      16,186.37

Equity share capital

(Rs. In Lakh)

Balance as at 1st April, 2017	Change in equity share capital	Balance as at 31st March 2018	Change in equity share capital	Balance as at 31st March 2019
16186.37	-	16,186.37		16,186.37

Other Equity

(Rs. In Lakh)

Attributable to equity shareholders of the company

	Attributable to equity shareholders of the company						Total
	Capital Reserve	Security Premium	General Reserve	IND-AS transition reserve	Retained Earning	Other Comprehensive Income	
As at 31st March 2017	60.00	16,490.01	42.43	503.97	45.48	-	17,141.89
Loss for the year	-	-	-	-	(28.91)	-	(28.91)
Other comprehensive Loss	-	-	-	-	-	(1,012.85)	(1,012.85)
As at 31st March 2018	60.00	16,490.01	42.43	503.97	16.57	(1,012.85)	16,100.12
Loss for the year	-	-	-	-	(3,815.28)	-	(3,815.28)
Other comprehensive Loss	-	-	-	-	-	-	-
As at 31st March 2019	60.00	16,490.01	42.43	503.97	(3,798.71)	(1,012.85)	12,284.84

As per our report of even date

**For CHATURVEDI SK & FELLOWS**

Chartered Accountants  
ICAI FRN: 112627W

**SRIKANT CHATURVEDI**

Partner  
ICAI M.No. 070019

Place : Mumbai  
Date : 15<sup>th</sup> May, 2019

**SURESH V. CHATURVEDI**

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**MOHD. FAIYAZ MANSURI**  
Company Secretary

## SVC Industries Limited

Notes forming part of the financial statement for the year ended 31st March, 2019

### Note No.1 Corporate Information

SVC Industries Limited (Formerly known as SVC Superchem Limited) 'the Company' was incorporated in India on 29th August' 1989. It had set up a PTA plant at village Chhata in district Mathura in the State of UP. The plant, after successful trial run, was put under shut down since September 2000 due to various reasons beyond control of the Company. Company abandoned its PTA project in 2018 and is utilizing its infrastructure for some new industry as advised by international consultants EY. The company with other partners has set up a new special purpose vehicle (SPV) in the name of Nandavan Mega Food Park Private Limited for setting up a Mega Food Park. The Company holds 26% stake in this new SPV . The Company has granted 76 years long term lease for 57.42 acres of its land to this new SPV in compliance with the Government Scheme to start Mega Food Park business under approval from Ministry of Food Processing Industry(MOFPI) of Government of India.

### Note No.2 SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis of Preparation and presentation of Standalone Financial Statement :

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified, under historical costs convention (except for certain financial instruments which have been measured at fair value) and the relevant provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and relevant amendment rules issued thereafter.

Company's Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to lakhs, except wherever otherwise indicated.

#### 2.2 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires that the management of the company make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans and fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

#### 2.3 Property, Plant and Equipments:

Property, Plant and Equipments are stated at cost net of input tax credits less accumulated depreciation and impairment losses, if any. All expenditure pertaining to project under construction and other preoperative expenses and losses including trial run expenses and interest cost (net of income accrued) incurred during the construction period, unless otherwise stated, are capitalized till the commencement of commercial production / till the date assets are put to use.

#### 2.4 Investment property

Properties held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at fair value .

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

#### 2.5 Depreciation and Amortizations:

Depreciation on Fixed Assets has been provided on Straight Line method by considering revised useful life as specified in Part 'C' of Schedule II to the Companies Act 2013.

#### 2.6 Impairment of Non-financial Assets - property, plant and equipment:

An asset is impaired when the carrying cost of the asset exceeds its recoverable value. An Impairment Loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The Impairment Loss recognized in earlier accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Ind AS 36 on 'Impairment of Assets'.

The carrying amount of assets is reviewed periodically at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### 2.7 Financial Instruments:

##### 1. Financial Assets

##### a. Initial Recognition and Measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

##### b. Subsequent Measurement

##### 1) Financial assets carried at amortized cost

A financial assets is measured at amortized cost if it is held within business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

**iii) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classifying in any of the above categories are measured at FVTPL.

**c. Investment in Subsidiary/Associates**

The company has accounted for its investment in subsidiary / associates at its cost less impairment loss, if any.

**d. Impairment of Financial Assets**

In accordance with IND AS 109, the Company uses ' Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

The company applies simplified approach for trade receivables. Simplified approach recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

For other assets, the company uses 12 month expected credit loss (ECL) to provide for impairment loss where there is no significant increase in significant risk. If there is significant increase in credit risk full lifetime ECL is used.

**II. Financial Liabilities**

**A) Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**B) Subsequent measurement**

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**C) Derecognition of Financial Instruments**

Financial asset is derecognised on expiry of the contractual right to the cash flows from financial asset or transfer of the financial asset where the transfer qualifies for derecognition under IND AS 109. A financial liability (or part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires or completes its life.

**2.8 Income-Tax :**

No provision for the deferred tax liability/ asset arising out of time difference has been made, since the deferred tax liability/ asset arise from transactions which affect neither accounting profit nor taxable profit/ loss.

**2.9 Revenue Recognition**

i) Income from lease transactions is accounted on accrual basis, pro-rata for the period, at the rates implicit in the transaction.

ii) Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding.

iii) Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably.

**2.10 Foreign Exchange Transaction:**

i) Transactions in foreign currencies are recorded at the exchange rates prevailing at the time of the transactions.

ii) Foreign Currency transactions remaining unsettled at the end of the year are re-stated in rupee value at the year end rates.

iii) Changes in liability arising out of such re-statement pertaining to acquisition of fixed assets is treated as an adjustment to the carrying cost of such fixed assets.

**2.11 Inventories:**

Inventories are valued on first-in-first-out basis, at cost.

**2.12 GST Credit:**

GST credit is accounted by recording the capital assets/raw material, stores and spares acquired during the year net of Input Tax Credit. GST credit is adjusted against sale of scrap. Unutilized portion of GST credit is transferred to Input Tax Credit of GST.

**2.13 Employee Benefits :**

**i) Defined Contribution Plans:**

Retirement benefit in the form of Provident Fund and Pension Fund are defined contribution scheme and the contributions are charged to the the respective accounts of the year when the contributions to the respective funds are due. There are no other short term obligations other than the contribution payable against the funds.

**ii) Defined Benefit Plans**

Provision for Gratuity and Leave Encashment payable on retirement to the employees are made on the basis of actual period of their service and at prescribed rates irrespective of their ineligibility due to short tenure of their service. Company has not made provision or Investment as per IND AS-19 due to closure of plant activity but has made provisions as state above.

**2.14 Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets in terms of IND AS-23 on "Borrowing cost". A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use.

**2.15 Related Party Transaction:**

Related party transaction as identified by the management within the meaning of IND AS-24 regarding "Related Party Disclosure" are provided as per Note No. 33.

## 2.16 Lease Transactions :

i) The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### ii) Operating Lease

Operating lease are recognized as expense in the Statement of Profit and Loss in line with contractual term to compensate the lessor's expected inflationary cost.

## 2.17 Provisions, Contingent liabilities & Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statement.

## 2.18 Segment Reporting

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

## 2.19 Recent accounting pronouncements

### a) IND-AS 116 - Leases

Ind AS 116 Leases was notified on 28th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is in the process of assessing the impact of the new standard.

### b) IND-AS 12 : Income Tax

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

## SVC Industries Limited

### Note No. 3 Property Plant and equipment

Particulars										Net Block	
	As at 01.04.2018	Additions due to transfer/ restatement 2018-19	Deductions/ Adjustments/ Transfer 2018- 19	As at 31.03.2019	Deductions/ Adjustments 2016-17	Cumulative Depreciation 31.03.2018	Depreciation charged during the year	Deletion / Transfer	Cumulative Depreciation 31.03.2019	As at 31.03.2019	As at 31.03.2018
<b>a) Property Plant and equipment</b>											
Land	38,098.36	-	8,379.07	29,719.29	-	-	-	-	-	29,719.29	38,098.36
Plant And Machinery	9,268.40	-	7,755.34	1,513.06		1,122.32	188.24	179.35	1,131.21	381.85	8,146.08
Buildings	3,527.65	2,101.53	151.85	5,477.33		108.62	185.73	-	294.35	5,182.97	3,419.03
Furniture & Fixtures	70.49	-	-	70.49		70.05	0.11	-	70.16	0.33	0.44
Office Equipments	53.41	0.11	-	53.52		53.33	0.08	-	53.41	0.11	0.08
Vehicles	1.19	-	-	1.19		0.71	0.06	-	0.77	0.42	0.48
Computers	19.85	0.16	-	20.01		19.85	0.03	-	19.88	0.13	-
<b>Total Property Plant and equipment</b>	<b>51,039.35</b>	<b>2,101.80</b>	<b>16,286.26</b>	<b>36,854.89</b>	<b>-</b>	<b>1,374.88</b>	<b>374.25</b>	<b>179.35</b>	<b>1,569.78</b>	<b>35,285.10</b>	<b>49,664.47</b>

3.1 During the year the Company has re-classified 57.42 acres of land of book value of Rs. 8,379.07 lakh and buildings of gross book value of Rs. 151.85 lakh from fixed assets to investment property. This is in line with lease agreement between the Company and its associate Company Nandvan Food Park Limited according to which investment properties are leased to the associate company for a 76 years lease.

3.2 In line with its change in business model, the Company has discarded at the end of the year its effluent treatment plant amounting

to Rs 2645.21 lakh (net of depreciation) and fire fighting plant of Rs 762.38 lakh (net of depreciation). Loss due to this discarding of assets has been charged to Profit & Loss A/c as exceptional items during the year.

3.3 Company has re-classified water reservoir, pump house and other similar assets having a gross value of Rs 2101.53 lakh from plant & machinery to buildings by considering the nature of the assets and has charged depreciation accordingly.



**Note No. 4 Investment Property**

Particulars										Net Block	
	As at 01.04.2018	Additions/ Due to transfer 2018-19	Deductions/ Adjustments 2018-19	As at 31.03.2019	Deductions/ Adjustments 2016-17	Cumulative Depreciation 31.03.2018	Depreciation charged during the year	Deletion / Transfer	Cumulative Depreciation 31.03.2019	As at 31.03.2019	As at 31.03.2018
a) Investment Property											
Land	-	8,379.07	-	8,379.07	-	-	-	-	-	8,379.07	-
Buildings	-	151.85	-	151.85	-	-	5.06	-	5.06	146.79	-
<b>Total Investment Property</b>	<b>-</b>	<b>8,530.92</b>	<b>-</b>	<b>8,530.92</b>	<b>-</b>	<b>-</b>	<b>5.06</b>	<b>-</b>	<b>5.06</b>	<b>8,525.86</b>	<b>-</b>

**a) Disclosure pursuant to IND-AS 40 " Investment Property"**

4.1 Company has granted a 76 years lease of its investment properties to its associate company Nandvan Food Park Pvt Limited, a Government approved project for Mega Food Park. The lease rent is payable from third year onwards with 5% increment periodically. Token lease rent of Rs 18 lakh for 1st year commencing from January, 2019 and Rs 35 lakh for the 2nd year is receivable.

4.2 Amount recognized in the statement of Profit and Loss for investment property:

	(Rs. In lakh)	
	2018-19	2017-18
Rental Income derived from investment property	4.5	-
Direct operating expenses arising from investment property that generated rental income	3.87	-

4.3 Fair value of the Investment Property in land of Rs 8379.07 lakh and in building of Rs 151.85 lakh as at March 31, 2019 (PY Nil) is as per the fair value determined by an independent valuer. Valuation is based on government rates, market research, market trend and comparable values as considered appropriate by the said valuer.

**Note No.5**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018
<b>Other Financial Assets</b>		
Unsecured Considered Good		
<b>Loans &amp; Advances at amortised cost</b>		
Loans & Advances to Related party	303.74	23.91
Loans & Advances to Employees	0.45	0.87
Security Deposits	6.59	6.61
<b>Total</b>	<b>310.78</b>	<b>31.39</b>

**Note No.6**

**INVESTMENT**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018
<b>At amortized cost</b>		
Investment in Associate Company Nandvan Mega Food Park Private Limited 13,000 No. of equity shares of Rs. 10 each (26% of total capital of associate company)	1.30	-
<b>Total</b>	<b>1.30</b>	<b>-</b>

**Note No.7**

**INVESTMENT**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018
<b>Other Non- Current Assets</b>		
Unsecured Considered Good		
Goods & Service Tax (GST) credit	1,769.06	2,140.68
Capital Advance	1.96	0.13
<b>Total</b>	<b>1,771.02</b>	<b>2,140.81</b>

**Note No.8**

**INVENTORIES**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018
Consumables (HSD)	0.40	0.25
<b>Total</b>	<b>0.40</b>	<b>0.25</b>

**Note No.9**

**CASH AND CASH EQUIVALENTS**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018
Balances with banks		
Current accounts	7.29	4.09
Cash on hand	0.12	2.23
<b>Total</b>	<b>7.41</b>	<b>6.32</b>

**Note No.10**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018
<b>TRADE RECEIVABLE (Unsecured onsidered Good)</b>		
Rent Receivable	4.50	-
<b>Total</b>	<b>4.50</b>	<b>-</b>

**Note No.11**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018
<b>OTHER CURRENT ASSETS (Unsecured onsidered Good)</b>		
TDS Rent Receivable	0.49	0.19
<b>Total</b>	<b>0.49</b>	<b>0.19</b>

**Note No.12**

	(Rs. in lacs)		
	As at 31/03/2019		As at 31/03/2018
	Units	Amount	Amount
<b>EQUITY SHARE CAPITAL AUTHORISED</b>			
Equity Shares of Rs.10 each	17,00,00,000	17,000.00	17,000.00
<b>Total</b>		<u>17,000.00</u>	<u>17,000.00</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>			
Equity Shares of Rs.10 each	16,30,95,352	16,309.54	16,309.54
Less: Call in arrear (Others)		(123.17)	(123.17)
<b>Total</b>		<u>16,186.37</u>	<u>16,186.37</u>

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 31/03/2019		As at 31/03/2018
<b>Equity Shares</b>			
At the beginning of the period	16,30,95,352	16,309.54	16,309.54
issued during the period			
Outstanding at the end of the period	16,30,95,352	16,309.54	16,309.54

b) Details of shareholders holding more than 5% shares in the company

Name of share holders	As at 31/03/2019		As at 31/03/2018	
	% of Holding	Number of Shares	% of Holding	Number of Shares
SVC Growth Fund Pvt. Ltd.	7.59%	1,23,77,553	7.59%	1,23,77,553
Krishna Advisors Pvt. Ltd.	5.82	94,95,500	5.82	94,95,500
Advait Chaturvedi	5.27%	85,95,800	5.27%	85,95,800
Ambuj Chaturvedi	5.27%	85,95,800	5.27%	85,95,800

c) The holders of the equity shares are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

d) Call in arrear is due on 2,73,713 equity shares which are partly paid and held by others (See Note No. 28).

**Note No.13**

	(Rs. in lacs)	
	As at 31/03/2019	
	As at 31/03/2019	As at 31/03/2018
<b>OTHER EQUITY</b>		
Securities Premium Account		
Opening Balance	16,742.97	16,742.97
Addition during the year	-	-
	<u>16,742.97</u>	<u>16,742.97</u>
<b>Less: Calls in arrears (Others)</b>	<u>252.96</u>	<u>252.96</u>
<b>Closing Balance</b>	<u>16,490.01</u>	<u>16,490.01</u>
<b>General Reserve</b>	42.43	42.43
<b>Capital Reserve</b>	60.00	60.00
<b>Ind AS Transition Reserve</b>	503.97	503.97

**Profit & Loss Account- Retained Earnings**

Opening Balance	16.57	45.48
Loss for the year	(3,815.28)	(3,798.71)
Closing Balance	(3,798.71)	(28.91)
	16.57	16.57

**Other comprehensive Income**

Opening Balance	(1,012.85)	-
Fair valuation of assets(net)	-	(1,012.85)
Closing Balance	(1,012.85)	(1,012.85)

**Total** 12,284.84 16,100.12

**Note No.14**

	(Rs. in lacs)	
<b>BORROWINGS</b>		
<b>SECURED - AT AMORTIZED COST</b>		
Non-Convertible Debentures	2,972.21	2,972.21
Loan from state financial institutions	2,637.99	2,637.99
Loan acquired by strategic investor (Refer Note below)	10,644.44	12,360.48
<b>Total</b>	<u>16254.64</u>	<u>17970.68</u>

**UNSECURED LOANS**

Loans from related parties	1,049.89	1,099.76
Loans from others	4.89	-
<b>Total</b>	<u>1,054.78</u>	<u>1,099.76</u>

**Total** 17,309.42 19070.44

**Note**

14.1 The Company has entered into an agreement with a Strategic Investor to take-over the loans from its all existing lenders directly or indirectly through other agencies and has agreed to pay as per revised Strategic Investment Agreement. The modification of charge in favour of Strategic Investor for the loans acquired by the Strategic Investor has been done. During the previous year the Company had obtained substantial relief from Strategic Investor from the originally agreed terms. This reduction in liability (relief) is subject to right to recompense in case of failure of the Company to repay the dues within mutually agreed time frame as per the revised agreement.

14.2 Non-Convertible Debentures include Series I debentures of the value of Rs. 2200.00 lakh and Series III debentures of the value of Rs. 772.21 lakh. These debentures were redeemable at par in one or more instalments on various dates between February, 1999 and October, 2007 and are overdue for payment. Series I debentures of the value of Rs. 2200 lakh are secured by (i) first charge by way of English mortgage ranking pari-pasu of the immovable properties situated at specified plot of land at village Palas, District Roha, in the state of Maharashtra, and (ii) extension of first charge ranking pari-pasu on movable properties situated at village Chhata, District Mathura in the state of Uttar Pradesh. These debentures are further secured by first charge on all the movable assets of the Company both present and future (excluding current assets and specific assets charged to others) situated at aforesaid locations and ranking on a pari-pasu basis with others. The debentures are further secured by personal guarantee of a Promoter Director.

Series III debentures of the value of Rs. 772.21 lakh are secured by first charge by way of English mortgage ranking pari-pasu of the immovable properties situated at specified plot of land at village Palas, District Roha, in the state of



Maharashtra, and first charge ranking pari-pasu on movable assets situated at village Chhata, District Mathura in UP.

14.3 Loans from financial institutions amounting to Rs. 2637.99 lakh (Previous year- Rs. 2637.99 lakh) along with loans acquired/settled/repaid by Strategic Investor are secured by way of Equitable Mortgage on immovable properties situated at Chhata, District Mathura in the State of Uttar Pradesh and are further secured by way of hypothecation of movable properties of the Company both present and future (other than current assets and specific assets charged to others) ranking on a pari-pasu basis and are further secured by personal guarantee of a Promoter Director.

14.4 Above loans from financial institution are inclusive of advance of Rs. 407.90 lakh given by the said institution to an Equipment Vendor for the supply of specific plants at Company's site to be leased on commissioning to the Company. The above outstanding is included in the Term Loan in view of a CDR proposal to that effect followed by in-principle confirmation from the said Financial Institution to that restructuring scheme.

14.5 Part of the assets being security against the above Notes from 14.1 to 14.3 has been disposed off as scrap by company in terms of approval of board and shareholders for removal of hazardous and obsolete chemicals filled equipment and for freeing up the land for setting up new business activities. Company has kept land and other assets as security with above lenders and current market value of land has significantly increased than the value required as security for the above loan.

Recovery petitions filed by above lenders are already pending with DRT. Management has also approached them for one-time settlement. Management is hopeful to close the matter by mutual agreement in due course. Secured Loan from Strategic Investor includes dues of banks and Financial Institution which were acquired and repaid by the Strategic Investor. These dues are secured by way of hypothecation/ charge on the immovable properties of the company excluding assets specifically charged to others and are further secured by personal guarantee of a Promoter Director.

14.6 A Promoter Director of the Company, his family members have pledged 20.88 lakh shares owned by them to State Financial Institutions as collateral security.

**Note No.15**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018

**OTHER FINANCIAL LIABILITIES**

Creditors for Capital Assets	27.51	27.09
<b>Total</b>	<b>27.51</b>	<b>27.09</b>

**Note No.16**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018

**PROVISIONS**

Provision for Gratuity	11.26	11.77
Provision for Leave Encashment	2.24	2.39
<b>Total</b>	<b>13.50</b>	<b>14.16</b>

**Note No.17**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018

**TRADE PAYABLES**

For goods and services payable to others	7.26	15.52
<b>Total</b>	<b>7.26</b>	<b>15.52</b>

17.1 There are no dues to Micro, Small and Medium Enterprises which are outstanding as at the balance sheet date and there were no delays as per the provisions of the Micro, Small and Medium Enterprises Development Act, in payment of dues to such enterprises. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

**Note No.18**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018

**OTHER FINANCIAL LIABILITIES**

Other Payables	12.48	15.86
Due to Employees	47.63	410.20
Advances Others	60.11	426.06
<b>Total</b>	<b>60.11</b>	<b>426.06</b>

**Note No.19**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018

**OTHER FINANCIAL LIABILITIES**

Statutory Liabilities	17.85	3.66
<b>Total</b>	<b>17.85</b>	<b>3.66</b>

**Note No.20**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018

**OTHER INCOME**

Net Interest	2.96	1.04
Sale of old and used goods / sundry balances written back	3.53	84.90
Profit on sale of assets	181.45	-
<b>Total</b>	<b>187.94</b>	<b>85.94</b>

**Note No.21**

	(Rs. in lacs)	
	As at 31/03/2019	As at 31/03/2018

**EMPLOYEE BENEFITS EXPENSE**

Salary & Allowances	74.06	34.32
Staff welfare expenses	3.05	1.33
<b>Total</b>	<b>77.11</b>	<b>35.65</b>

**Note No.22**

	As at 31/03/2019	(Rs. in lacs) As at 31/03/2018
<b>Administration And Other Charges</b>		
Rent, Rates & Taxes	7.80	4.40
Repairs & Maintenance	30.49	12.54
Power & Fuel	3.68	2.51
Insurance	4.50	3.20
Postage & Telephone	3.15	0.86
Printing & Stationery	3.08	1.22
Travel & Conveyance Expenses	27.90	15.82
Professional Charges	32.68	5.94
Audit Fees	5.00	2.50
Miscellaneous Expenses	25.44	24.20
<b>Total</b>	<b>143.72</b>	<b>73.19</b>

**Note No.23**

	As at 31/03/2019	(Rs. in lacs) As at 31/03/2018
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be classified into profit or loss	-	(11,506.62)
Impairment loss on plant and machinery under construction and other assets		
Reduction in liabilities	-	10,493.77
<b>Total</b>	<b>-</b>	<b>(1,012.85)</b>

**Note No.24**

	As at 31/03/2019	(Rs. in lacs) As at 31/03/2018
<b>Earnings per Share:</b>		
Profit / (Loss) for the year	(3,815.28)	(28.91)
Weighted average number of ordinary shares for basic & diluted EPS	16,18,63,646	16,18,63,646
Basic & diluted earnings per share (in Rs.)	(2.36)	(0.02)
<b>Total</b>	<b>-</b>	<b>(1,012.85)</b>

25. PICUP being one of the Secured Creditors has issued notice for taking possession of assets of the Company. Company has obtained stay order from honourable Allahabad High Court against the PICUP's notice of possession. Recently honourable Allahabad High court vide its order dated 10/04/2019 has asked to file supplementary counter affidavit and rejoinder affidavit to the respondent (PICUP) and petitioner (SVC Industries Limited) respectively. Company is also in negotiation with PICUP for settlement of its dues.
26. Company's PTA Plant under construction at Chhata in UP was under shut down since September, 2000. Corrosion had taken place in the Plant due to climatic and cyclonic conditions in the area and due to lack of operation in the plant. The Company had sought advice of the experts on possible alternative uses of the plant under construction at Chhata. However Technical Expert, after doing health assessment of the plant, had categorically stated that if the Company tries to repair the equipment after some inspections, it will not be possible to guarantee overall safety & reliability of high pressure equipment for hazardous plant operation. Technical expert did not consider it safe to operate the equipment in Company's plants & offsite facilities and concluded that Company's plant and equipment under construction were not fit for operation and hence should be discarded.

Based on above advice, the Company had provided Impairment loss of Rs. 11343 lacs during the previous year in line with provisions of Ind AS 36- Impairment of Assets, considering scrap value of the discarded plant as realisable value of the asset. This being a technical matter, loss estimate was done by the management and relied upon by the auditors. Company had appointed largest plant disposal & management consultant to sell and dispose the plant & equipment as scrap. The impairment loss was accounted under other comprehensive income in the previous year (Refer Note No.23)

Shareholders have, in the meeting held on 22.02.2018, approved for removal of rustic old hazardous and obsolete chemical filled equipment by way of scrap to avoid any unfortunate accident. For the entire process of tendering, breaking, scrap salvaging and sales thereof, the Company had appointed M/s Matex Net Pvt Ltd, a recognized non-performing assets auctioneer ISO 9001 & ISO 27001 company, as agency which supervised complete scrapping, salvaging of saleable scrap and sales thereof. The said agency was paid professional charges at various stages of scrapping, salvaging and sales of scrapped material. All the sales were made subject to GST/ E-way bill under complete supervision of Matex.

27. During the year, as approved by shareholders of the Company in their meeting held on 22.02.2018, the Company has started new line of business by utilising its remaining existing assets for setting up a multi model logistics park to cater various industries and businesses. For this purpose, the Company with its other partners have set up a new special purpose vehicle (SPV) in the name of Nandvan Mega Food Park Private Limited for setting up Mega Food Park in its existing land of its erstwhile scrapped project. The Company hold 26% stake in this new SPV. The Company has granted long term lease for 76 years for 57.42 acres of its above referred land to its new SPV in compliance with the Government Scheme to start Mega Food Park under approval from Ministry of Food Processing Industry (MOFPI) of Government of India. The Government of India and also Government of Uttar Pradesh will partly finance for the above Mega Food Park project. Foundation stone of the project was laid by Hon'ble Minister of Food Processing Industry, Government of India alongwith Hon'ble Minister of Dairy, Government of Uttar Pradesh, Member of Parliament and other dignitaries on 9th February, 2019 in the presence of representatives of various multinational companies including President and CEO of Walmart, India, unit supply chain head of Roquette Rhidhi Siddhi Pvt Ltd, a French International Group Company and Marketing Head of ITC Agro with support of thousands of local farmers for this mega food park.
28. Calls in arrears include unpaid Allotment Money related to Debentures which have been converted into Equity Shares as per the terms of their issue. The Company, in exercise of its lien on such shares, has not issued the share certificates to the defaulting Debenture holders. The Company's lien on such shares will extend to the forfeiture of such shares if considered necessary by the Company Board in due course of time.
29. In respect of financial liabilities of the company towards outstanding debentures and secured loans from state financial institution, the Company is in negotiations for settlement of their dues. A reliable estimate cannot be made of



the amount likely to be paid in satisfaction of above obligations. Following the provision of Ind AS 37 no provision has been made for additional amounts on account of interest and other charges which may be payable to the lenders.

**As at**                      **As at**  
**31/03/2019**                      **31/03/2018**

**30. Payment to Auditor**

Statutory Audit Fee	3.50	2.00
Limited Review Fee	1.50	1.50
<b>Total</b>	<b>5.00</b>	<b>3.50</b>

31. Contingent Liabilities not provided for in the Accounts are as follows :
- a) Claims against the Company not acknowledged as debt, as certified by the management, including matter under litigation as on 31st March, 2019- Rs. 848.47 lakh (P.Y.Rs.835.26 lakh).
- b) During the financial year 2015-16 company had received a letter dated 11.01.2016 from Central Bank for their fee including interest of Rs. 506.09 lakh for acting as Debenture trustee. Company has not provided for this demand as the matter is pending before Debt Recovery Tribunal (DRT).
- c) Commercial Tax authorities have levied penalty for the years 2007-08 and 2008-09 of Rs.1.63 lakh and Rs.3.61 lakh respectively regarding use of concession form on procurement of HSD taken / used. Company has preferred appeal before the appellate authority for the stay and waiver of the penalty. The appeal has been decided partially in favour of company by giving 50% relief. Now, company has filed appeal before Tribunal for waiver of balance amount of Penalty. Company has however deposited the disputed amount under protest pending its appeal before the Tribunal. The final hearing has taken place and the order is awaited.
32. Income Tax Assessment / intimation U/S 143 (1) of the company have been completed up to Assessment Year 2016-17. There is no disputed demand outstanding and payable as on date of Balance sheet.
33. Related Parties Disclosure in respect of Related Parties pursuant to Ind AS 24 are given below:  
A) List of related party with whom transactions have taken place and relationship :-

**Associate Company**

- i) Nandvan Mega Food Park Private Limited

**Entities over which control is exercised**

- i) Akhill Marketing Private Limited  
ii) Krishna Advisors Private Limited  
iii) Anaya Global Suppliers Private Limited (Formerly known as Krishna Suppliers Pvt Ltd)  
iv) SVC Growth Fund Private Limited

**For CHATURVEDI SK & FELLOWS**

Chartered Accountants  
ICAI FRN: 112627W

**SRIKANT CHATURVEDI**

Partner  
ICAI M.No. 070019

Place : Mumbai  
Date : 15<sup>th</sup> May, 2019

**SANJAY AGARWAL**  
Chief Financial Officer

**Key Management Personnel**

**Non Wholetime Director**

Sh. Suresh V. Chaturvedi - Promoter Director	Sh. I G Mehrotra-Director
Sh. GS Dahotre-Director	Sh. PP Shastri- Director
Sh. Jaffer Imam- Director	Ms Abha Ravi- Director

**B. Transaction during the Accounting year with related parties**

Nature of Transaction	Entitles over which control is exercised	Associates Company	Key Man. Personnel	Total
<b>Borrowing (taken) / repaid</b>				
Akhil Marketing Pvt. Ltd.	48.88 (PY 2460.77)	-	-	48.88 (PY 2460.77)
SVC Growth Fund Pvt. Ltd.	1.00 (PY Nil)	-	-	1.00 (PY Nil)
<b>Loans and Advances given</b>				
Nandvan Food Park Pvt. Ltd.	-	279.83 (PY 23.91)	-	279.83 (PY 23.91)
<b>Trade Receivable</b>				
Nandvan Food Park Pvt. Ltd.	-	4.50 (PY Nil)	-	4.50 (PY Nil)
<b>Investments</b>				
Nandvan Food Park Pvt. Ltd.	-	1.30 (PY Nil)	-	1.30 (PY Nil)
<b>Income - Rental</b>				
Nandvan Food Park Pvt. Ltd.	-	4.50 (PY Nil)	-	4.50 (PY Nil)
<b>Expenditure</b>				
Sitting Fees	-	-	1.65 (PY 1.70)	1.65 (PY 1.70)
<b>Balance as at 31st March, 2019</b>				
<b>Liabilities</b>				
<b>Borrowings</b>				
Akhil Marketing Private Limited	555.85 (PY 604.73)	-	-	555.85 (PY 604.73)
Krishna Advisors Private Limited	5.24 (PY 5.24)	-	-	5.24 (PY 5.24)
Anaya Global Suppliers Private Limited	0.32 (PY 0.32)	-	-	0.32 (PY 0.32)
SVC Growth Fund Private Limited	488.47 (PY 489.47)	-	-	488.47 (PY- 489.47)
<b>Assets</b>				
Investments- Nandvan Mega Foods Pvt. Ltd.	-	1.30 (PY Nil)	-	1.30 (PY Nil)
Loans- Nandvan Mega Foods Pvt. Ltd.	-	303.74 (PY 23.91)	-	303.74 (PY 23.91)
Trade Receivable- Nandvan Mega Foods Pvt. Ltd.	-	4.50 (PY Nil)	-	4.50 (PY Nil)

- a) No amount in respect of related parties has been written off / written back during the accounting period.
- b) Related party relationships have been identified by the management based on Ind AS 24 and relied upon by the auditors.
34. Previous year figures have been regrouped, reworked, rearranged and reclassified wherever necessary. Figures in brackets indicate the corresponding figures for the previous year.

<b>SURESH V. CHATURVEDI</b>	: Promoter Director
<b>JAFFAR IMAM</b>	: Director
<b>I. G. MEHROTRA</b>	: Director
<b>G. S. DAHOTRE</b>	: Director
<b>P.P. SHASTRI</b>	: Director
<b>ABHA RAVI</b>	: Director

**MOHD. FAIYAZ MANSURI**  
Company Secretary

**CONSOLIDATED ANNUAL ACCOUNTS  
2018-19**

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF SVC INDUSTRIES LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **SVC INDUSTRIES LIMITED** ("the Parent") and its associate, (the Parent and its associate together referred as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on the financial statements of its associate referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated loss, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in the subparagraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Description of Key Audit Matters**

The key audit matters	How the matter was addressed in our audit
<b>A. Evaluation of uncertain financial liabilities</b>	
As described in Note No. 14.1 to 14.6, Note No. 25 and Note No. 29, the Company has outstanding financial liabilities having book value of Rs. 5610.20 lakhs as on 31.03.2019 towards Non-convertible debentures and loan from state financial institutions. Recovery petition filed by the lenders are pending before the Debt Recovery Tribunal (DRT). The amount claimed in these petitions are much higher than the book value of the liabilities. The Management has approached these lenders for one-time settlement of these financial liabilities and is hopeful to close the matter by mutual agreement in due course. Meanwhile as the Company is in the process of negotiation by way of one-time settlement with the lenders, a reliable estimate cannot be made of the amount likely to be paid in satisfaction of these financial liabilities.	Our audit procedure on evaluation of uncertain financial liabilities included <ul style="list-style-type: none"> <li>• Obtained understanding of key uncertain financial liabilities and their status before various judicial authorities;</li> <li>• Read and analysed key correspondences between lenders and the Company regarding the uncertain financial liabilities;</li> <li>• Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the uncertain financial liabilities; and</li> <li>• Assessed management's estimate of the possible outcome of the negotiation by way of one-time settlement with lenders;</li> </ul>
<b>B. Scrap sale of old hazardous equipment</b>	
As described in Note No. 26, the Company received approval from its Shareholders in their meeting held on 22.02.2018 for removal of its rustic old hazardous and obsolete chemical filled equipment by way of scrap. For the entire process of tendering, breaking, scrap salvaging and sales thereof, the Company had appointed M/s Matex Net Pvt Ltd, a recognized non-performing assets auctioneer ISO 9001 & ISO 27001 company, as agency which supervised complete scrapping, salvaging of saleable scrap and sales thereof. As at the year end, the Company sold of much of its scrapped hazardous equipment and profit on sale of those assets was credited in profit and loss account for the year.	Our audit procedure on scrap sale of old hazardous equipment included <ul style="list-style-type: none"> <li>• Testing the control over the entire process from tendering till sale of the scrapped material;</li> <li>• Obtaining Company's agreement with M/s. Matex Net Private Limited and understanding the entire process of tendering, breaking, scrap salvaging and sale thereof;</li> <li>• Verification of professional payment made to M/s Matexat each stage of scrapping, salvaging and sales of scrapped material; and</li> <li>• Verification of process of sales through GST/E-way bill and under complete supervision of professionals from M/s Matex. Net Pvt. Ltd.</li> </ul>

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's -

Report including Annexures to Board's Report (the "reports") but does not include the consolidated financial statements and our auditor's report thereon. The reports is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, compare with the financial statement of the associate audited by the other auditor, to the extent it relates to this entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the associate, is traced from their financial statement audited by the other auditor.

When we read the reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

#### **Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

We did not audit the financial statement and other financial information of one associate which reflects Group's share of net profit of NIL. The financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statement of its associate entity referred to in the Other Matters section above we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the report of the other auditor.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e) On the basis of the written representations received from the directors of the Parent and taken on record by the Board of Directors of the Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Parent and its subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 14.1 to 14.6, 24, 28 and 30 to the consolidated financial statements;
  - ii. There are no foreseeable losses on any long-term contract including derivative contract as required under applicable law or accounting standards;
  - iii. According to records of the company, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Act and rules made there under.

**For CHATURVEDI SK & FELLOWS**  
Chartered Accountants  
Firm Registration No. 112627W

**Srikant Chaturvedi**  
Partner  
Membership No. 070019

Place: Mumbai  
Date: 15/05/2019



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**  
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of SVC Industries Limited (the "Parent") and its associate company as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent and its associate company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its associate company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the associate company, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its associate company.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other Matters paragraph below, the Parent and its associate company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one of the associate company, is based solely on the corresponding report of the auditor of such company.

Our opinion is not modified in respect of the above matter.

**For CHATURVEDI SK & FELLOWS**  
Chartered Accountants  
Firm Registration No. 112627W

**Srikant Chaturvedi**  
Partner  
Membership No. 070019

Place: Mumbai  
Date: 15/05/2019

**SVC INDUSTRIES LIMITED**  
(Formerly Known as SVC Superchem Limited)  
**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019**

(Rs. in Lacs)

	Note No.	As at 31st March, 2019
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	3	35,285.10
Investment Property	4	8,525.86
Financial Assets		
Other Financial Assets	5	310.78
Investments	6	1.30
Other non-current assets	7	1,771.02
<b>Total Non-Current Assets</b>		<b>45,894.06</b>
<b>Current Assets</b>		
Inventories	8	0.40
Financial Assets		
Cash and Cash equivalents	9	7.41
Trade Receivable	10	4.34
Other current assets	11	0.49
<b>Total Current Assets</b>		<b>12.64</b>
<b>Total Assets</b>		<b>45,906.70</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	12	16,186.37
Other Equity	13	12,284.68
<b>Total Equity</b>		<b>28,471.05</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Financial Liabilities		
Borrowings	14	17,309.42
Other financial liabilities	15	27.51
Provisions	16	13.50
		<b>17,350.43</b>
<b>Current Liabilities</b>		
Financial Liabilities		
Trade Payables	17	7.26
Other financial liabilities	18	60.11
Other non-financial liabilities	19	17.85
		<b>85.22</b>
<b>Total Equity and Liabilities</b>		<b>45,906.70</b>
<b>Notes forming part of the financial statements</b>	1-32	

As per our report of even date

**For CHATURVEDI SK & FELLOWS**

Chartered Accountants  
ICAI FRN: 112627W

**SRIKANT CHATURVEDI**

Partner  
ICAI M.No. 070019

Place : Mumbai  
Date : 15<sup>th</sup> May, 2019

**SURESH V. CHATURVEDI**

**JAFFAR IMAM**  
**I. G. MEHROTRA**  
**G. S. DAHOTRE**  
**P.P. SHASTRI**  
**ABHA RAVI**

: Promoter Director  
: Director  
: Director  
: Director  
: Director  
: Director

**SANJAY AGARWAL**  
Chief Financial Officer

**MOHD. FAIYAZ MANSURI**  
Company Secretary



## SVC INDUSTRIES LIMITED

(Formerly Known as SVC Superchem Limited)

### CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

(Rs. in Lacs)

	Note No.	For the Current Year ended 31/03/2019
<b>INCOME :</b>		
Revenue from operations		
Lease Rental income		4.34
Other income	20	187.94
<b>Total revenue</b>		<b>192.28</b>
<b>EXPENDITURE:</b>		
Operational Expenses		-
Employee benefits expense	21	77.11
Depreciation	3	379.31
<u>Other expenses</u>		
Administration and other charges	22	143.72
<b>Total Expenses</b>		<b>600.14</b>
<b>Profit / (Loss) before exceptional items and tax</b>		<b>(407.86)</b>
<b>Exceptional Items:</b>		
Loss due to assets discarded (refer note no 3)		(3,407.58)
<b>Profit/(loss) before tax</b>		<b>(3,815.44)</b>
Less: Taxation		-
<b>Profit / (Loss) for the year</b>		<b>(3,815.44)</b>
<b>Other Comprehensive Income</b>		
Items that will not be classified into profit or loss		-
<b>Other Comprehensive income for the year</b>		<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(3,815.44)</b>
Earnings / (Loss) per Share (Rs.)	23	
-Basic		(2.36)
-Diluted		(2.36)
Notes forming part of the financial statements	1-32	

As per our report of even date

**For CHATURVEDI SK & FELLOWS**

Chartered Accountants  
ICAI FRN: 112627W

**SRIKANT CHATURVEDI**

Partner  
ICAI M.No. 070019

**SURESH V. CHATURVEDI**

**JAFFAR IMAM**  
**I. G. MEHROTRA**  
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**P.P. SHASTRI**  
**ABHA RAVI**

: Promoter Director  
: Director  
: Director  
: Director  
: Director  
: Director

**SANJAY AGARWAL**  
Chief Financial Officer

**MOHD. FAIYAZ MANSURI**  
Company Secretary

## SVC INDUSTRIES LIMITED

### Consolidated Statement Of Change In Equity For The Year Ended March 31,2019

(Rs. in Lacs)

Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	(Rs. In Lakh)	
	Number of shares	Amount
As at 31st March 2017	163,095,392	16,186.37
Changes in share capital during the year	-	-
As at 31st March 2018	163,095,392	16,186.37
Changes in share capital during the year	-	-
As at 31st March 2019	163,095,392	16,186.37

Equity share capital

\*\*  
(Rs. In Lakh)

Balance as at 1st April, 2017	Change in equity share capital	Balance as at 31st March 2018	Change in equity share capital	Balance as at 31st March 2019
16186.37	-	16,186.37		16,186.37

Other Equity

(Rs. In Lakh)

	Attributable to equity shareholders of the company						Total
	Capital Reserve	Security Premium	General Reserve	IND-AS transition reserve	Retained Earning	Other Comprehensive Income	
As at 31st March 2017	60.00	16,490.01	42.43	503.97	45.48	-	17,141.89
Loss for the year	-	-	-	-	(28.91)	-	(28.91)
Other comprehensive Loss	-	-	-	-	-	(1,012.85)	(1,012.85)
As at 31st March 2018	60.00	16,490.01	42.43	503.97	16.57	(1,012.85)	16,100.12
Loss for the year	-	-	-	-	(3,815.44)	-	(3,815.44)
Other comprehensive Loss	-	-	-	-	-	-	-
As at 31st March 2019	60.00	16,490.01	42.43	503.97	(3,798.87)	(1,012.85)	12,284.68

As per our report of even date

**For CHATURVEDI SK & FELLOWS**

Chartered Accountants  
ICAI FRN: 112627W

**SRIKANT CHATURVEDI**

Partner  
ICAI M.No. 070019

Place : Mumbai  
Date : 15<sup>th</sup> May, 2019

**SURESH V. CHATURVEDI**

**JAFFAR IMAM**  
**I. G. MEHROTRA**  
**G. S. DAHOTRE**  
**P.P. SHASTRI**  
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: Promoter Director  
: Director  
: Director  
: Director  
: Director  
: Director

**SANJAY AGARWAL**  
Chief Financial Officer

**MOHD. FAIYAZ MANSURI**  
Company Secretary

**SVC INDUSTRIES LIMITED**  
(Formerly Known as SVC Superchem Limited)  
**Consolidated Cash Flow Statement for the year 2018-2019**

(Rs. in Lacs)

	2018-19	2018-19
<b>A. Cash flow from operating activities</b>		
Net profit before tax		(3,815.44)
Adjustments for non cash expenses :-		
Loss due to assets discarded	3,407.58	
Profit on sale of assets	(181.45)	
Interest received	(2.96)	
Depreciation	379.31	3,602.48
Operating profit before working capital changes		(212.96)
<b>Changes in Assets &amp; Liabilities</b>		
Changes in Financial Assets	(283.73)	
Changes in Financial Liabilities	(373.79)	
Changes in Non Financial Assets	369.34	
Changes in Non Financial Liabilities	13.53	(274.65)
<b>Net Cash used in operating activities</b>		<u>(487.61)</u>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work in progress)		(0.27)
Sale of fixed assets		2,248.33
Investment in associate		(1.30)
Interest received		2.96
<b>Net Cash from investing activities</b>		<u>2,249.72</u>
<b>C. Cash flow from financing activities</b>		
Unsecured Loans received / (repayment)		(44.98)
Secured Loans (Strategic Investor) received / (repayment)		(1,716.04)
<b>Net cash used in financing activities</b>		<u>(1,761.02)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents		1.09
Opening Balance of Cash and Cash Equivalents		6.32
<b>Closing Balance of Cash and Cash Equivalents</b>		<u>7.41</u>

[Figures in bracket represent cash out flow]

As per our report of even date

**For CHATURVEDI SK & FELLOWS**

Chartered Accountants  
ICAI FRN: 112627W

**SRIKANT CHATURVEDI**

Partner  
ICAI M.No. 070019

**SURESH V. CHATURVEDI**

**JAFFAR IMAM**  
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: Director

**SANJAY AGARWAL**  
Chief Financial Officer

**MOHD. FAIYAZ MANSURI**  
Company Secretary

**SVC Industries Limited**

**Notes forming part of the consolidated financial statement for the year ended 31st March, 2019**

**Note No.1 Corporate Information**

SVC Industries Limited (Formerly known as SVC Superchem Limited) 'the Company' was incorporated in India on 29th August 1989. It had set up a PTA plant at village Chhata in district Mathura in the State of UP. The plant, after successful trial run, was put under shut down since September 2000 due to various reasons beyond control of the Company. Company abandoned its PTA project in 2018 and is utilizing its infrastructure for some new industry as advised by international consultants EY. The company with other partners has set up a new special purpose vehicle (SPV) in the name of Nandavan Mega Food Park Private Limited ("the associate") for setting up a Mega Food Park. The Company holds 26% stake in this new SPV. The Company has granted 76 years long term lease for 57.42 acres of its land to this new SPV in compliance with the Government Scheme to start Mega Food Park business under approval from Ministry of Food Processing Industry(MOFPI) of Government of India.

**Note No.2 SIGNIFICANT ACCOUNTING POLICIES:**

**2.1 Basis of Preparation and presentation of Consolidated Financial Statement :**

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified, under historical costs convention (except for certain financial instruments which have been measured at fair value) and the relevant provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and relevant amendment rules issued thereafter.

Company's Financial Statements are presented in Indian Rupees, which is also its functional currency and all values are rounded to lakhs, except wherever otherwise indicated.

**2.2 Use of Estimates**

The preparation of financial statements in conformity with Ind AS requires that the management of the company make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment, intangible assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans and fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

**2.3 Principles of Consolidation**

- i) The audited financial statements of associate have been prepared in accordance with Ind AS.
- ii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

iii) Investment in Associates has been accounted under the Equity Method as per Ind AS28 – Investments in Associates and Joint Ventures.

iv) The Company accounts for its share of post-acquisition changes in net assets of associates after eliminating unrealised profits and losses resulting from transactions between the company and its associate.

**2.4 Property, Plant and Equipments:**

Property, Plant and Equipments are stated at cost net of input tax credits less accumulated depreciation and impairment losses, if any. All expenditure pertaining to project under construction and other preoperative expenses and losses including trial run expenses and interest cost (net of income accrued) incurred during the construction period, unless otherwise stated, are capitalized till the commencement of commercial production / till the date assets are put to use.

**2.5 Investment property**

Properties held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at fair value.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

**2.6 Depreciation and Amortizations:**

Depreciation on Fixed Assets has been provided on Straight Line method by considering revised useful life as specified in Part 'C' of Schedule II to the Companies Act 2013.

**2.7 Impairment of Non-financial Assets - property, plant and equipment :**

An asset is impaired when the carrying cost of the asset exceeds its recoverable value. An Impairment Loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The Impairment Loss recognized in earlier accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Ind AS 36 on 'Impairment of Assets'.

The carrying amount of assets is reviewed periodically at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## 2.8 **Financial Instruments:**

### I. **Financial Assets**

#### a. **Initial Recognition and Measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

#### b. **Subsequent Measurement**

##### i) **Financial assets carried at amortized cost**

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### ii) **Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

##### iii) **Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classifying in any of the above categories are measured at FVTPL.

#### c. **Investment in Subsidiary/Associates**

The company has accounted for its investment in subsidiary / associates at its cost less impairment loss, if any.

#### d. **Impairment of Financial Assets**

In accordance with IND AS 109, the Company uses ' Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

The company applies simplified approach for trade receivables. Simplified approach recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

For other assets, the company uses 12 month expected credit loss (ECL) to provide for impairment loss where there is no significant increase in significant risk. If there is significant increase in credit risk full lifetime ECL is used.

## II. **Financial Liabilities**

### A) **Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

### B) **Subsequent measurement**

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### C) **Derecognition of Financial Instruments**

Financial asset is derecognised on expiry of the contractual right to the cash flows from financial asset or transfer of the financial asset where the transfer qualifies for derecognition under IND AS 109. A financial liability (or part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires or completes its life.

### 2.9 **Income-Tax :**

No provision for the deferred tax liability/ asset arising out of time difference has been made, since the deferred tax liability/ asset arise from transactions which affect neither accounting profit nor taxable profit/ loss.

### 2.10 **Revenue Recognition**

i) Income from lease transactions is accounted on accrual basis, pro-rata for the period, at the rates implicit in the transaction.

ii) Interest income on investments and loans is accrued on a time basis by reference to the principal outstanding.

iii) Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably.

### 2.11 **Foreign Exchange Transaction:**

i) Transactions in foreign currencies are recorded at the exchange rates prevailing at the time of the transactions.

ii) Foreign Currency transactions remaining unsettled at the end of the year are re-stated in rupee value at the year end rates.

iii) Changes in liability arising out of such re-statement pertaining to acquisition of fixed assets is treated as an adjustment to the carrying cost of such fixed assets.

### 2.12 **Inventories:**

Inventories are valued on first-in-first-out basis, at cost.

### 2.13 **GST Credit:**

GST credit is accounted by recording the capital assets/raw material, stores and spares acquired during the year net of Input Tax Credit. GST credit is adjusted against sale of scrap. Unused portion of GST credit is transferred to Input Tax Credit of GST.

### 2.14 **Employee Benefits :**

#### i) **Defined Contribution Plans:**

Retirement benefit in the form of Provident Fund and Pension Fund are defined contribution scheme and the contributions are charged to the respective accounts of the year when the contributions to the respective funds are due. There are no other short term obligations other than the contribution payable against the funds.

## ii) Defined Benefit Plans

Provision for Gratuity and Leave Encashment payable on retirement to the employees are made on the basis of actual period of their service and at prescribed rates irrespective of their ineligibility due to short tenure of their service. Company has not made provision or Investment as per IND AS-19 due to closure of plant activity but has made provisions as state above.

### 2.15 Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets in terms of IND AS-23 on "Borrowing cost". A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use.

### 2.16 Related Party Transaction:

Related party transaction as identified by the management within the meaning of IND AS-24 regarding "Related Party Disclosure" are provided as per Note No. 31.

### 2.17 Lease Transactions :

l) The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

### ii) Operating Lease

Operating lease are recognized as expense in the Statement of Profit and Loss in line with contractual term to compensate the lessor's expected inflationary cost.

### 2.18 Provisions, Contingent liabilities & Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be a outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statement.

### 2.19 Segment Reporting

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

### 2.20 Information on associate

Name of the company	Proportion of Interest as on 31.03.2019
Nandvan Mega Food Park Private Limited	26%

### 2.21 Recent accounting pronouncements

#### a) IND-AS 116 - Leases

Ind AS 116 Leases was notified on 28th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is in the process of assessing the impact of the new standard.

#### b) IND-AS 12 : Income Tax

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

## SVC Industries Limited

### Note No. 3 Property Plant and equipment

(Rs. In Lakh)

Particulars					Net Block					
	As at 01.04.2018	Additions due to transfer/ restatement 2018-19	Deductions/ Adjustments/ Transfer 2018-19	As at 31.03.2019	Cumulative Depreciation 31.03.2018	Depreciation charged during the year	Deletion /Transfer	Cumulative Depreciation 31.03.2019	As at 31.03.2019	As at 31.03.2018
<b>a) Property Plant and equipment</b>										
Land	38,098.36	-	8,379.07	29,719.29	-	-	-	-	29,719.29	38,098.36
Plant And Machinery	9,268.40	-	7,755.34	1,513.06	1,122.32	188.24	179.35	1,131.21	381.85	8,146.08
Buildings	3,527.65	2,101.53	151.85	5,477.33	108.62	185.73	-	294.35	5,182.97	3,419.03
Furniture & Fixtures	70.49	-	-	70.49	70.05	0.11	-	70.16	0.33	0.44
Office Equipments	53.41	0.11	-	53.52	53.33	0.08	-	53.41	0.11	0.08
Vehicles	1.19	-	-	1.19	0.71	0.06	-	0.77	0.42	0.48
Computers	19.85	0.16	-	20.01	19.85	0.03	-	19.88	0.13	-
<b>Total Property Plant and equipment</b>	<b>51,039.35</b>	<b>2,101.80</b>	<b>16,286.26</b>	<b>36,854.89</b>	<b>1,374.88</b>	<b>374.25</b>	<b>179.35</b>	<b>1,569.78</b>	<b>35,285.10</b>	<b>49,664.47</b>



3.1 During the year the Company has re-classified 57.42 acres of land of book value of Rs. 8,379.07 lakh and buildings of gross book value of Rs. 151.85 lakh from fixed assets to investment property. This is in line with lease agreement between the Company and its associate Company Nandvan Food Park Limited according to which investment properties are leased to the associate company for a 76 years lease.

3.2 In line with its change in business model, the Company has discarded at the end of the year its effluent treatment plant amounting

to Rs 2645.21 lakh (net of depreciation) and fire fighting plant of Rs 762.38 lakh (net of depreciation). Loss due to this discarding of assets has been charged to Profit & Loss A/c as exceptional items during the year.

3.3 Company has re-classified water reservoir, pump house and other similar assets having a gross value of Rs 2101.53 lakh from plant & machinery to buildings by considering the nature of the assets and has charged depreciation accordingly.

**Note No. 4 Investment Property**

(Rs. In Lakh)

Particulars									Net Block	
	As at 01.04.2018	Additions/ Due to transfer 2018-19	Deductions/ Adjustments 2018-19	As at 31.03.2019	Cumulative Depreciation 31.03.2018	Depreciation charged during the year	Deletion /Transfer	Cumulative Depreciation 31.03.2019	As at 31.03.2019	As at 31.03.2018
a) Investment Property										
Land	-	8,379.07	-	8,379.07	-	-	-	-	8,379.07	-
Buildings	-	151.85	-	151.85	-	5.06	-	5.06	146.79	-
Total Investment Property	-	8,530.92	-	8,530.92	-	5.06	-	5.06	8,525.86	-

**a) Disclosure pursuant to IND-AS 40 " Investment Property"**

4.1 Company has granted a 76 years lease of its investment properties to its associate company Nandvan Food Park Pvt Limited, a Government approved project for Mega Food Park. The lease rent is payable from third year onwards with 5% increment periodically. Token lease rent of Rs 18 lakh for 1st year commencing from January, 2019 and Rs 35 lakh for the 2nd year is receivable.

4.2 Amount recognized in the statement of Profit and Loss for investment property:

(Rs. In Lakh)

	2018-19	2017-18
Rental Income derived from investment property	4.5	-
Direct operating expenses arising from investment property that generated rental income	3.87	-

4.3 Fair value of the Investment Property in land of Rs 8379.07 lakh and in building of Rs 151.85 lakh as at March 31, 2019 (PY Nil) is as per the fair value determined by an independent valuer. Valuation is based on government rates, market research, market trend and comparable values as considered appropriate by the said valuer.

**Note No.5**

(Rs. in lacs)  
As at  
31/03/2019

**Other Financial Assets**

Unsecured Considered Good	
<b>Loans &amp; Advances at amortised cost</b>	
Loans & Advances to Related party	303.74
Loans & Advances to Employees	0.45
Security Deposits	6.59
<b>Total</b>	<b>310.78</b>

**Note No.6**

**INVESTMENT**

(Rs. in lacs)

As at  
31/03/2019

**At amortized cost**

Investment in Associate Company Nandvan Mega Food Park Private Limited 13,000 No. of equity shares of Rs. 10 each (26% of total capital of associate company)

1.30

**Total**

**1.30**

**Note No.7**

**INVESTMENT**

(Rs. in lacs)

As at  
31/03/2019

**Other Non- Current Assets**

Unsecured Considered Good  
Goods & Service Tax (GST) credit  
Capital Advance

1,769.06  
1.96

**Total**

**1,771.02**

**Note No.8**

**INVENTORIES**

(Rs. in lacs)

As at  
31/03/2019

Consumables (HSD)

0.40

**Total**

**0.40**

**Note No.9**

**CASH AND CASH EQUIVALENTS**

(Rs. in lacs)

As at  
31/03/2019

Balances with banks  
Current accounts  
Cash on hand

7.29  
0.12

**Total**

**7.41**

**Note No.10**

	(Rs. in lacs)
	As at 31/03/2019
<b>TRADE RECEIVABLE</b> (Unsecured considered Good)	
Rent Receivable	4.34
<b>Total</b>	<u>4.34</u>

**Note No.11**

	(Rs. in lacs)
	As at 31/03/2019
<b>OTHER CURRENT ASSETS</b> (Unsecured considered Good)	
TDS Rent Receivable	0.49
<b>Total</b>	<u>0.49</u>

**Note No.12**

	(Rs. in lacs)	
	As at 31/03/2019	
	Units	Amount
<b>EQUITY SHARE CAPITAL</b> <b>AUTHORISED</b>		
Equity Shares of Rs.10 each	17,00,00,000	17,000.00
<b>Total</b>		<u>17,000.00</u>

**ISSUED, SUBSCRIBED AND FULLY PAID-UP**

Equity Shares of Rs.10 each	16,30,95,352	16,309.54
Less: Call in arrear (Others)		(123.17)
<b>Total</b>		<u>16,186.37</u>

a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

	As at 31/03/2019	
<b>Equity Shares</b>		
At the beginning of the period	16,30,95,352	16,309.54
issued during the period		
Outstanding at the end of the period	<u>16,30,95,352</u>	<u>16,309.54</u>

b) Details of shareholders holding more than 5% shares in the company

	As at 31/03/2019	
Name of share holders	% of Holding	Number of Shares
SVC Growth Fund Pvt. Ltd.	7.59%	1,23,77,553
Krishna Advisors Pvt. Ltd.	5.82%	94,95,500
Advait Chaturvedi	5.27%	85,95,800
Ambuj Chaturvedi	5.27%	85,95,800

c) The holders of the equity shares are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

d) Call in arrear is due on 2,73,713 equity shares which are partly paid and held by others (See Note No. 27).

**Note No.13**

	(Rs. in lacs)
	As at 31/03/2019
<b>OTHER EQUITY</b>	
Securities Premium Account	16,742.97
Opening Balance	-
Addition during the year	-
	<u>16,742.97</u>
<b>Less: Calls in arrears (Others)</b>	<u>252.96</u>
<b>Closing Balance</b>	<b>16,490.01</b>

<b>General Reserve</b>	42.43
<b>Capital Reserve</b>	60.00
<b>Ind AS Transition Reserve</b>	503.97

**Profit & Loss Account- Retained Earnings**

Opening Balance	16.57	
Loss for the year	(3,815.44)	(3,798.87)
Closing Balance		<u>(3,798.87)</u>

**Other comprehensive Income**

Opening Balance	(1,012.85)	
Fair valuation of assets(net)	-	(1,012.85)
Closing Balance		<u>(1,012.85)</u>

**Total** 12,284.68

**Note No.14**

	(Rs. in lacs)
<b>BORROWINGS</b>	
<b>SECURED - AT AMORTIZED COST</b>	
Non-Convertible Debentures	2,972.21
Loan from state financial institutions	2,637.99
Loan acquired by strategic investor (Refer Note below)	10,644.44
<b>Total</b>	<u>16254.64</u>

**UNSECURED LOANS**

Loans from related parties	1,049.89
Loans from others	4.89
<b>Total</b>	<u>1,054.78</u>
<b>Total</b>	<b>17,309.42</b>

**Note**

14.1 The Company has entered into an agreement with a Strategic Investor to take-over the loans from its all existing lenders directly or indirectly through other agencies and has agreed to pay as per revised Strategic Investment Agreement. The modification of charge in favour of Strategic Investor for the loans acquired by the Strategic Investor has been done. During the previous year the Company had obtained substantial relief from Strategic Investor from the originally agreed terms. This reduction in liability (relief) is subject to right to recompense in case of failure of the Company to repay the dues within mutually agreed time frame as per the revised agreement.

14.2 Non-Convertible Debentures include Series I debentures of the value of Rs. 2200.00 lakh and Series III debentures of the value of Rs. 772.21 lakh. These debentures were redeemable at par in one or more instalments on various dates between February, 1999 and October, 2007 and are overdue for payment. Series I debentures of the value of Rs. 2200 lakh are secured by (i) first charge by way of English mortgage ranking pari-pasu of the immovable properties situated at specified plot of land at village



Palas, District Roha, in the state of Maharashtra, and (ii) extension of first charge ranking pari-pasu on movable properties situated at village Chhata, District Mathura in the state of Uttar Pradesh. These debentures are further secured by first charge on all the movable assets of the Company both present and future (excluding current assets and specific assets charged to others) situated at aforesaid locations and ranking on a pari-pasu basis with others. The debentures are further secured by personal guarantee of a Promoter Director.

Series III debentures of the value of Rs. 772.21 lakh are secured by first charge by way of English mortgage ranking pari-pasu of the immovable properties situated at specified plot of land at village Palas, District Roha, in the state of Maharashtra, and first charge ranking pari-pasu on movable assets situated at village Chhata, District Mathura in UP.

14.3 Loans from financial institutions amounting to Rs. 2637.99 lakh (Previous year- Rs. 2637.99 lakh) along with loans acquired/settled/repaid by Strategic Investor are secured by way of Equitable Mortgage on immovable properties situated at Chhata, District Mathura in the State of Uttar Pradesh and are further secured by way of hypothecation of movable properties of the Company both present and future (other than current assets and specific assets charged to others) ranking on a pari-pasu basis and are further secured by personal guarantee of a Promoter Director .

14.4 Above loans from financial institution are inclusive of advance of Rs. 407.90 lakh given by the said institution to an Equipment Vendor for the supply of specific plants at Company's site to be leased on commissioning to the Company. The above outstanding is included in the Term Loan in view of a CDR proposal to that effect followed by in-principle confirmation from the said Financial Institution to that restructuring scheme.

14.5 Part of the assets being security against the above Notes from 14.1 to 14.3 has been disposed off as scrap by company in terms of approval of board and shareholders for removal of hazardous and obsolete chemicals filled equipment and for freeing up the land for setting up new business activities. Company has kept land and other assets as security with above lenders and current market value of land has significantly increased than the value required as security for the above loan.

Recovery petitions filed by above lenders are already pending with DRT. Management has also approached them for one-time settlement. Management is hopeful to close the matter by mutual agreement in due course. Secured Loan from Strategic Investor includes dues of banks and Financial Institution which were acquired and repaid by the Strategic Investor. These dues are secured by way of hypothecation/ charge on the immovable properties of the company excluding assets specifically charged to others and are further secured by personal guarantee of a Promoter Director.

14.6 A Promoter Director of the Company, his family members have pledged 20.88 lakh shares owned by them to state Financial Institutions as collateral security.

**Note No.15**  
**(Rs. in lacs)**  
**As at**  
**31/03/2019**

**OTHER FINANCIAL LIABILITIES**

Creditors for Capital Assets 27.51

**Total** 27.51

**Note No.16**  
**(Rs. in lacs)**  
**As at**  
**31/03/2019**

**PROVISIONS**

Provision for Gratuity 11.26

Provision for Leave Encashment 2.24

**Total** 13.50

**Note No.17**  
**(Rs. in lacs)**  
**As at**  
**31/03/2019**

**TRADE PAYABLES**

For goods and services payable to others 7.26

**Total** 7.26

17.1 There are no dues to Micro, Small and Medium Enterprises which are outstanding as at the balance sheet date and there were no delays as per the provisions of the Micro, Small and Medium Enterprises Development Act, in payment of dues to such enterprises. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

**Note No.18**  
**(Rs. in lacs)**  
**As at**  
**31/03/2019**

**OTHER FINANCIAL LIABILITIES**

Other Payables 12.48

Due to Employees 47.63

Advances Others 60.11

**Total** 60.11

**Note No.19**  
**(Rs. in lacs)**  
**As at**  
**31/03/2019**

**OTHER FINANCIAL LIABILITIES**

Statutory Liabilities 17.85

**Total** 17.85

**Note No.20**  
**(Rs. in lacs)**  
**As at**  
**31/03/2019**

**OTHER INCOME**

Net Interest 2.96

Sale of old and used goods / sundry balances written back 3.53

Profit on sale of assets 181.45

**Total** 187.94

**Note No.21**

	(Rs. in lacs)
	As at
	31/03/2019
<b>EMPLOYEE BENEFITS EXPENSE</b>	
Salary & Allowances	74.06
Staff welfare expenses	3.05
<b>Total</b>	<u>77.11</u>

**Note No.22**

	(Rs. in lacs)
	As at
	31/03/2019
<b>Administration And Other Charges</b>	
Rent, Rates & Taxes	7.80
Repairs & Maintenance	30.49
Power & Fuel	3.68
Insurance	4.50
Postage & Telephone	3.15
Printing & Stationery	3.08
Travel & Conveyance Expenses	27.90
Professional Charges	32.68
Audit Fees	5.00
Miscellaneous Expenses	25.44
<b>Total</b>	<u>143.72</u>

**Note No.23**

	(Rs. in lacs)
	As at
	31/03/2019
<b>Earnings per Share:</b>	
Profit / (Loss) for the year	(3,815.44)
Weighted average number of ordinary shares for basic & diluted EPS	16,18,63,646
Basic & diluted earnings per share (in Rs.)	(2.36)

24 PICUP being one of the Secured Creditors has issued notice for taking possession of assets of the Company. Company has obtained stay order from honourable Allahabad High Court against the PICUP's notice of possession. Recently honourable Allahabad High court vide its order dated 10/04/2019 has asked to file supplementary counter affidavit and rejoinder affidavit to the respondent (PICUP) and petitioner (SVC Industries Limited) respectively. Company is also in negotiation with PICUP for settlement of its dues.

25 Company's PTA Plant under construction at Chhata in UP was under shut down since September, 2000. Corrosion had taken place in the Plant due to climatic and cyclonic conditions in the area and due to lack of operation in the plant. The Company had sought advice of the experts on possible alternative uses of the plant under construction at Chhata. However Technical Expert, after doing health assessment of the plant, had categorically stated that if the Company tries to repair the equipment after some inspections, it will not be possible to guarantee overall safety & reliability of high pressure equipment for hazardous plant operation. Technical expert did not consider it safe to operate the equipment in Company's plants & offsite facilities and concluded that Company's plant and equipment under construction were not fit for operation and hence should be discarded.

Shareholders have, in the meeting held on 22.02.2018, approved for removal of rustic old hazardous and obsolete chemical filled equipment by way of scrap to avoid any

unfortunate accident. For the entire process of tendering, breaking, scrap salvaging and sales thereof, the Company had appointed M/s Matex Net Pvt Ltd, a recognized non-performing assets auctioneer ISO 9001 & ISO 27001 company, as agency which supervised complete scrapping, salvaging of saleable scrap and sales thereof. The said agency was paid professional charges at various stages of scrapping, salvaging and sales of scrapped material. All the sales were made subject to GST/ E-way bill under complete supervision of Matex.

26 During the year, as approved by shareholders of the Company in their meeting held on 22.02.2018, the Company has started new line of business by utilising its remaining existing assets for setting up a multi model logistics park to cater various industries and businesses. For this purpose, the Company with its other partners have set up a new special purpose vehicle (SPV) in the name of Nandvan Mega Food Park Private Limited for setting up Mega Food Park in its existing land of its erstwhile scrapped project. The Company hold 26% stake in this new SPV . The Company has granted long term lease for 76 years for 57.42 acres of its above referred land to its new SPV in compliance with the Government Scheme to start Mega Food Park under approval from Ministry of Food Processing Industry (MOFPI) of Government of India. The Government of India and also Government of Uttar Pradesh will partly finance for the above Mega Food Park project. Foundation stone of the project was laid by Hon'ble Minister of Food Processing Industry, Government of India alongwith Hon'ble Minister of Dairy, Government of Uttar Pradesh, Member of Parliament and other dignitaries on 9th February, 2019 in the presence of representatives of various multinational companies including President and CEO of Walmart, India, unit supply chain head of Roquette Rhidhi Siddhi Pvt Ltd, a French International Group Company and Marketing Head of ITC Agro with support of thousands of local farmers for this mega food park.

27 Calls in arrears include unpaid Allotment Money related to Debentures which have been converted into Equity Shares as per the terms of their issue. The Company, in exercise of its lien on such shares, has not issued the share certificates to the defaulting Debenture holders. The Company's lien on such shares will extend to the forfeiture of such shares if considered necessary by the Company Board in due course of time.

28 In respect of financial liabilities of the company towards outstanding debentures and secured loans from state financial institution, the Company is in negotiations for settlement of their dues. A reliable estimate cannot be made of the amount likely to be paid in satisfaction of above obligations. Following the provision of Ind AS 37 no provision has been made for additional amounts on account of interest and other charges which may be payable to the lenders.

As at  
31/03/2019

**29. Payment to Auditor**

Statutory Audit Fee	3.50
Limited Review Fee	<u>1.50</u>
<b>Total</b>	<u>5.00</u>

30. Contingent Liabilities not provided for in the Accounts are as follows :

a) Claims against the Company not acknowledged as debt, as certified by the management, including matter under litigation as on 31st March, 2019- Rs. 848.47 lakh.



b) During the financial year 2015-16 company had received a letter dated 11.01.2016 from Central Bank for their fee including interest of Rs. 506.09 lakh for acting as Debenture trustee. Company has not provided for this demand as the matter is pending before Debt Recovery Tribunal (DRT).

c) Commercial Tax authorities have levied penalty for the years 2007-08 and 2008-09 of Rs.1.63 lakh and Rs.3.61 lakh respectively regarding use of concession form on procurement of HSD taken / used. Company has preferred appeal before the appellate authority for the stay and waiver of the penalty. The appeal has been decided partially in favour of company by giving 50% relief. Now, company has filed appeal before Tribunal for waiver of balance amount of Penalty. Company has however deposited the disputed amount under protest pending its appeal before the Tribunal. The final hearing has taken place and the order is awaited.

**31. Related Parties Disclosure in respect of Related Parties pursuant to Ind AS 24 are given below:**

A) List of related party with whom transactions have taken place and relationship :-

**Associate Company**

i) Nandvan Mega Food Park Private Limited

**Entities over which control is exercised**

i) Akhill Marketing Private Limited

ii) Krishna Advisors Private Limited

iii) Anaya Global Suppliers Private Limited (Formerly known as Krishna Suppliers Pvt Ltd)

iv) SVC Growth Fund Private Limited

**Key Management Personnel**

**Non Wholetime Director**

Sh. Suresh V. Chaturvedi - Promoter Director Sh. I G Mehrotra-Director

Sh. GS Dahotre-Director Sh. PP Shastri- Director

Sh. Jaffer Imam- Director Ms Abha Ravi- Director

**For CHATURVEDI SK & FELLOWS**

Chartered Accountants  
ICAI FRN: 112627W

**SRIKANT CHATURVEDI**

Partner  
ICAI M.No. 070019

Place : Mumbai  
Date : 15<sup>th</sup> May, 2019

**SANJAY AGARWAL**  
Chief Financial Officer

**B. Transaction during the Accounting year with related parties**

Nature of Transaction	Entitles over which control is exercised	Associates Company	Key Man. Personnel	Total
<b>Borrowing (taken) / repaid</b>				
Akhil Marketing Pvt. Ltd.	48.88	-	-	48.88
SVC Growth Fund Pvt. Ltd.	1.00	-	-	1.00
<b>Loans and Advances given</b>		279.83	-	279.83
Nandvan Food Park Pvt. Ltd.	-			
<b>Trade Receivable</b>		4.34	-	4.34
Nandvan Food Park Pvt. Ltd.	-			
<b>Investments</b>		1.30	-	1.30
Nandvan Food Park Pvt. Ltd.	-			
<b>Income - Rental</b>		4.34	-	4.34
Nandvan Food Park Pvt. Ltd.	-			
<b>Expenditure</b>			1.65	1.65
Sitting Fees	-			
<b>Balance as at 31st March, 2019</b>				
<b>Liabilities</b>				
<b>Borrowings</b>				
Akhil Marketing Private Limited	555.85	-	-	555.85
Krishna Advisors Private Limited	5.24	-	-	5.24
Anaya Global Suppliers Private Limited	0.32	-	-	0.32
SVC Growth Fund Private Limited	488.47	-	-	488.47
<b>Assets</b>				
Investments- Nandvan Mega Foods Pvt. Ltd.	-	1.30	-	1.30
Loans- Nandvan Mega Foods Pvt. Ltd.	-	303.74	-	303.74
Trade Receivable- Nandvan Mega Foods Pvt. Ltd.	-	4.34	-	4.34

a) No amount in respect of related parties has been written off / written back during the accounting period.

b) Related party relationships have been identified by the management based on Ind AS 24 and relied upon by the auditors.

32 These consolidated financial statements are Group's first financial statements considering its first year of associate company's financials, hence comparable for the previous year are not available.

**SURESH V. CHATURVEDI** : Promoter Director  
**JAFFAR IMAM** : Director  
**I. G. MEHROTRA** : Director  
**G. S. DAHOTRE** : Director  
**P.P. SHASTRI** : Director  
**ABHA RAVI** : Director

**MOHD. FAIYAZ MANSURI**  
Company Secretary



**SVC INDUSTRIES LIMITED**

CIN: L23201MH1989PLC053232

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

Tel.: 28324296 E-mail: svcindustriesltd@gmail.com

**ATTENDANCE SLIP FOR 28<sup>th</sup> ANNUAL GENERAL MEETING**

Members attending for 28<sup>th</sup> Annual General Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall,

I hereby record my presence at the Annual General Meeting of the Company at Indian Merchants` Chamber, Walchand Hirachand Hall, 4th Floor, LNM IMC Building, Churchgate, Mumbai- 400 020, on Monday, 23<sup>rd</sup> September, 2019 at 11.30 A.M.

Name of the Shareholder.

Address of Shareholder

Contact details:

Email ID:

FOLIO NO.

D.P. ID No.

CLIENT ID No.

No. of Shares held:

\* Applicable for member holding shares in electronic form

I hereby record my presence at the Annual General Meeting of the Company at Indian Merchants` Chamber, Walchand Hirachand Hall, 4th Floor, LNM IMC Building, Churchgate, Mumbai- 400 020, on Monday, 23<sup>rd</sup> September, 2019 at 11.30 A.M.

.....  
Full name of the proxy (in block letters) Signature



SVC  
INDUSTRIES  
LIMITED



# SVC Industries Limited

## Proxy Form – MGT-11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN: L23201MH1989PLC053232  
Name of the Company: SVC Industries Limited  
Registered Office:  
Website: www.svcindustriesltd.com

Name of the Member (s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: ..... DP ID No.\* ..... Client ID No.\* .....

I / We, being the member(s) of \_\_\_\_\_ Equity Shares of SVC Superchem Limited, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him / her

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him / her

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on the 23<sup>rd</sup> September, 2019 at 11.30 A.M. at the Indian Merchants' Chamber, Walchand Hirachand Hall, 4<sup>th</sup> Floor, LNM IMC Building, Churchgate, Mumbai- 400 020 and at any adjournment thereof, in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

### ORDINARY RESOLUTION:

Resolution No.1: Adoption of Financial Statements for the year ended 31<sup>st</sup>March, 2019

Resolution No. 2: Re-appointment of Mr. Suresh V. Chaturvedi as Director liable to retire by rotation

Resolution No. 3: Re-appointment of Dr.P.P. Shastri as Independent Director

Resolution No. 4: Re-appointment of Mr. I.G. Mehrotra as Independent Director

Resolution No. 5: Re-appointment of Mr. G.S. Dahotre as Independent Director

Resolution No. 6: Re-appointment of Mr. Jaffar Imam as Independent Director

Resolution No. 7: Appointment of Mr. Sanjay Agarwal as Manager

Affix  
revenue  
stamp  
of Re.1/

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.



## SVC Industries Limited

Registered office: 301, Shubham Centre-1, 491 Cardinal Gracious Road, Andheri (East), Mumbai-400 099  
[CIN No: L23201MH1989PLC053232] [E-Mail: svcindsutriesltd@gmail.com]  
[Website: www.svcindustriesltd.com [Tel Nos: 022 28324296]

### BALLOT FORM

(To be returned to Scrutinizer appointed by SVC Industries Limited)

1. Name(s) of Member(s) :

(including joint-holders, if any)

2. Registered Folio No. /

DP ID No. / Client ID No.:

(\*Applicable to Members holding shares  
in dematerialised form)

3. I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s) / Special Resolution(s) as specified in the Notice of the Annual General Meeting dated 23<sup>rd</sup> September, 2019 to be passed through Ballot for the business stated in the said Notice by conveying my/our assent or dissent to the said resolution in the relevant box below:

Item No.	Description	Type of resolution (Ordinary / Special)	I / We assent to the resolution (For)	I / We dissent to the Resolution (Against)
1	Adoption of Financial Statements for the year ended 31st March, 2019	Ordinary		
2	Re-appointment of Mr. Suresh V. Chaturvedias Director liable to retire by rotation	Ordinary		
3	Re-appointment of Dr.P.P. Shastri as Independent Director	Special		
4	Re-appointment of Mr. I.G. Mehrotra as Independent Director	Special		
5	Re-appointment of Mr. G.S. Dahotre as Independent Director	Special		
6	Re-appointment of Mr. Jaffar Imam as Independent Director	Special		
6	Appointment of Sanjay Agarwal as Manager	Ordinary		

Place :

Date :

Signature of Member / Beneficial Owner

#E-mail:.....

#Tel No:.....

#### **ELECTRONIC VOTING PARTICULARS**

<b>EVEN (E-Voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>

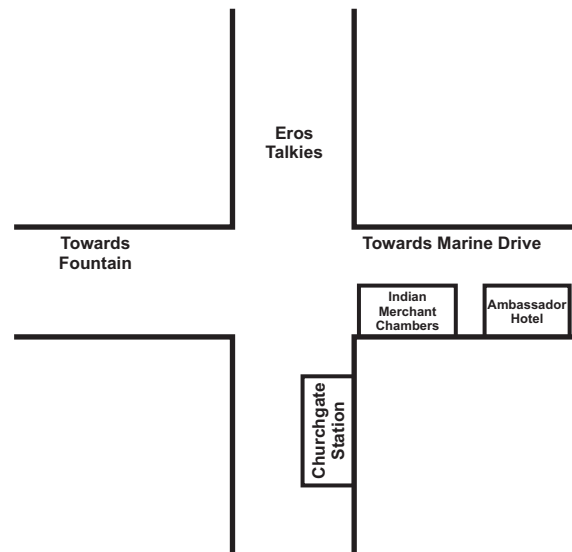
**NOTE :** Kindly read the instructions printed overleaf before filling the form. Last date for receipt of postal Ballot Forms by Scrutinizer is 23<sup>rd</sup> September, 2019



## INSTRUCTIONS

1. Those members, who do not have access to e-voting facility provided by the Company for the AGM in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, may send their assent or dissent in writing on the Postal Ballot Form. Accordingly, this Postal Ballot Form is being provided to facilitate voting provided under Section 108 of the Companies Act, 2013 at 28<sup>th</sup> AGM of the Company.
2. A Member desiring to exercise his/her vote by Postal Ballot Form should complete this Postal Ballot form, sign and send it to the Scrutinizer as per instruction given in point 6 below at the address Mr.Ranjeet Kumar Sharma, C/o. Sharex Dynamic (India) Private Limited, SVC Industries Limited, Unit -1, Luthra Industrial Premises, 1st Floor, 44-E, M. Vasanti Marg, Andheri – Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 E-mail: investor@sharexindia.com. Postage will be borne and paid by the Company. Envelopes containing Postal Ballots, if deposited in person or sent by courier at the expenses of the Members will also be accepted.
3. The self-addressed envelope bears the name of the Scrutinizer appointed by the Board of Directors of the Company and the address at which the Postal Ballot Form is to be sent.
4. The Postal Ballot form should be completed and signed by the Members. In the case of joint shareholding, this form should be completed and signed by the first named holder and in his absence, by the joint holder (s) of shares. Unsigned Postal Ballot forms will be rejected. The signature on the Postal Ballot Form must tally with the specimen signature registered with the Registrar.
5. Where the Postal Ballot Form has been signed by an Authorized Representative of a body corporate, a certified copy of the relevant authorizations to vote on the Postal Ballot should accompany with the Postal Ballot Form. A member may sign the Form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.
6. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than 5.00 p.m. on 22<sup>nd</sup> September 2019. Any Postal Ballot Form received after this time and date will be treated as if the reply from the Member has not been received.
7. A Member may request for a duplicate Postal Ballot Form, if so required. However the duly filled in duplicate Postal Ballot Form should reach the Scrutinizer not later than the time and date specified at Item No.6 above.
8. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Member on 16<sup>th</sup> September, 2019 which is the cut- off date fixed for this purpose.
9. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage pre-paid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extra paper found in such envelope would be destroyed by the Scrutinizer.
10. There will be only one Postal Ballot Form for every folio irrespective of the number of joint Member (s).
11. A Member need not use all the votes nor does he need to cast all the votes in the same way.
12. The Scrutinizer's decision on the validity of a Postal Ballot will be final and binding.
13. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
14. The date of AGM will be the deemed date of passing resolution (s) through e-voting/ Postal Ballot. It may also be noted that, in terms of Section 114 of the Act, the Resolutions contained in the AGM Notice will be deemed to have been passed through the e-voting and Postal Ballot Form unless the Poll is taken at the AGM. Accordingly, the results shall be declared in terms of Rules 20 or 21 of the Companies (Management and Administration) Rules 2014, as the case may be.
15. The right of e-voting and Postal Ballot Form shall not be exercised by a Proxy.

## ROUTE MAP OF AGM VENUE





**SVC INDUSTRIES LIMITED**

(Formerly known as SVC Superchem Ltd.)

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