

**S.I. CAPITAL & FINANCIAL SERVICES LTD.**



**Seventeenth Annual Report 2010 - 2011**

Board of Directors	:	Mr. V.A. Kurien Mr. Sanjay Arjundas Wadhwa Mr. Ranjith Matthan Mrs. Mary Rodrigues
Auditors	:	Sudhindran & Co. Chartered Accountants G/1, Kesari Kutteram 27, West Cott Road, Chennai - 600 014.
Bankers	:	Indian Overseas Bank., Standard Chartered Bank., ABN Amro Bank Ltd., HDFC Bank Limited., Karnataka Bank Ltd. UTI Bank Ltd.,
Registered Office	:	‘Montieth Court’ No.64, Montieth Road, Egmore, Chennai - 600 008. Ph: 28415438, 28415439
Branches	:	Chennai , Cochin & Andaman
Shares listed with	:	1. Madras Stock Exchange 2. The Stock Exchange, Mumbai
Share Transfer Agent	:	KNACK CORPORATE SERVICES Pvt. Ltd New No.17/9 G.V. House Thiruvengadam Street Mandaveli, Chennai - 600 028 Phone : 044 - 24614424 / 24611917

## NOTICE

NOTICE is hereby given that the 17<sup>th</sup> Annual General Meeting of the members of the Company will be held on Thursday the 10<sup>th</sup> day of November 2011 At Green meadows – Conference Hall No:4/364-A, Anna Salai, Palavakkam, Chennai 600 041 at 10.30 A.M. to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance sheet as at 31<sup>st</sup> March 2011 and Profit and Loss Account for the year ended 31<sup>st</sup> March 2011 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mrs. Mary Rodrigues, Director who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors of the Company who shall hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s.Sudhindran & Co., Chartered Accountants, Chennai, being the retiring auditors are eligible for re-appointment.

for & on behalf of the Board

sd/-  
V A Kurien  
Director

Place : Chennai

Date : 23.09.2011

### NOTES

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxy or proxies so appointed need not be a member or members as the case may be of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company not later than 48 hours before the time fixed for holding the meeting.**
2. The Register of members and the share transfer books of the company will remain closed from 7<sup>th</sup> November to 10<sup>th</sup> November 2011 (both days inclusive)
3. Members are requested to notify immediately any change in their address to the company.
4. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Members are therefore requested to bring their copies of the annual report to the meeting.
5. Members are requested to affix their signature at the space provided on the attendance sheet annexed to the proxy form and hand over the slip at the entrance of the meeting hall.
6. No gifts/refreshments will be provided at the venue of the meeting.
7. Re-Appointment of Director – At the ensuing Annual general meeting, Mrs. Mary Rodrigues retire by rotation and being eligible offers herself for re-appointment.

for & on behalf of the Board

sd/-  
V A Kurien  
Director

Place : Chennai

Date : 23.09.2011

**DIRECTORS REPORT & MANAGEMENT DISCUSSION AND ANALYSIS**

The Directors are pleased to present the 17<sup>th</sup> Annual Report and the Audited Accounts for the year ended 31.03.2011

**FINANCIAL HIGHLIGHTS**

The highlights of the financial performance of the Company are as follows:

**( Rs. in Lakhs)**

<b>Particulars</b>	<b>Year Ended 31.03.2011</b>	<b>Year Ended 31.03.2010</b>
Total Income	<b>21.26</b>	17.58
Total Expenditure	<b>15.06</b>	20.59
Profit/(Loss) before depreciation	<b>6.20</b>	(3.01)
Less:Depreciation	<b>1.51</b>	1.86
<b>Profit/(Loss) after Tax</b>	<b>3.66</b>	4.97
Paid Up Capital	<b>300.00</b>	300.00

**OPERATIONS**

During the year under review the Company has made a total income of Rs.21.26Lakhs as against Rs.17.58 Lakhs in the previous Year. The Company is taking all possible efforts to improve the performance and achieve better results in future years.

**DIVIDEND**

In view of insufficient profits, your Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March 2011.

**INDUSTRY STRUCTURE & DEVELOPMENT**

The Company's activity is mainly dealing in foreign exchange transactions. The Company is also looking to get in to the areas of fund management, receivables management and other related areas including debt trading and derivatives. Further the Company is also exploring the opportunities in trading of consumable products.

**OPPORTUNITIES & THREATS**

Due to heavy competitions in forex market, margins in foreign exchange transactions have been reduced and the Company is taking all possible efforts to perform better and also been very careful and selective when doing sales as creditably factor is of most importance.

**INTERNAL CONTROL SYSTEMS & ADEQUACY**

Suitable control measure has been put in place and periodic checks are done to ensure norms are followed. The Company has adequate internal control procedures commensurate with the size of the company and the nature of its business.

## **OUTLOOK**

The Management is exploring avenues of diversified lines of business activity as the income generated from Money changing business does not seem attractive due to heavy competition. The Company has looked at consolidating its position and checking various options and avenues for increasing business and improving the performance of the Company.

## **DIRECTORS**

Mrs. Mary Rodrigues Director is liable to retire by rotation and being eligible offers herself for re-appointment.

## **AUDITORS**

The Auditors of the Company M/s. P.Sudhindran & Co, Chartered Accountants, Chennai retire at the conclusion of this meeting and being eligible offer themselves for re-appointment to hold office till the conclusion of the next Annual General Meeting.

## **PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) & INFORMATION PURSUANT TO SECTION - 217(2AA) OF THE COMPANIES ACT, 1956**

There are no employees drawing remuneration in excess of the limits specified under Section-217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. The Company has maintained cordial relationship with its employees throughout the year.

None of the Directors of the company are disqualified from being appointed as a Director under Section-274(1) (g) of the Companies Act, 1956.

## **DIRECTORS RESPONSIBILITY STATEMENT U/S.217 (2AA) OF THE (COMPANIES AMENDMENT) ACT, 2000, INDICATING THEREIN;**

- i) That in the preparation of the Annual Accounts for the financial year ended 31.03.2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) That the directors had selected such accounting policies and applied them consistently and made judgements 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 31.3.2011 and of the profit or loss of the company for the year financial year ended 31.3.2011..
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That the directors had prepared the annual accounts for the financial year ended 31.03.2011 on a going concern basis.

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

- A. Conservation of Energy - Not Applicable
- B. Technology Absorption - Not Applicable
- C. Foreign Exchange Earnings and Outgo - Nil

**DEPOSITORY SYSTEM**

Pursuant to the Directions of the Securities and Exchange Board of India, the company's Securities has been dematerialised and also admitted into National Securities Depository Limited and has been allotted with ISIN – INE417F01017.

**CORPORATE GOVERNANCE**

The Corporate Governance report as set out in Annexure hereto form an integral part of this report. A Certificate from the auditors of the company certifying compliance of the conditions of corporate governance as stipulated in Clause 49 of the listing agreement with stock exchanges is also annexed to the report on Corporate Governance.

**PUBLIC DEPOSITS**

The Company has not accepted any Public Deposits during the year.

**STATEMENT PURSUANT TO LISTING AGREEMENT**

The Company's Shares are listed with Madras Stock Exchange and Stock Exchange Mumbai. Your company has paid the Annual listing Fees up-to-date and there are no arrears with the respective stock exchange(s).

**FUTURISTIC STATEMENTS**

This analysis may contain certain statements, which are futuristic in nature. Such statements represent the intentions of the management and the efforts being put in by them to realize certain goals. The success in realizing these goals depends on various factors, both internal and external. Therefore the investors are requested to make their own independent judgments by taking into account all relevant factors before any investment decision.

**ACKNOWLEDGEMENT**

Your director's place on record the valuable services rendered by the Company's Shareholders employees, Bankers and other agencies associated with the company. The Board looks forward to their continued support in our future endeavours.

For & On Behalf of the Board of Directors

Sd/-

V.A. Kurien  
Director

Sd/-

Mary Rodrigues  
Director

Place: Chennai

Datee : 23.09.2011

**ANNEXURE TO DIRECTORS' REPORT****REPORT ON CORPORATE GOVERNANCE****1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy/objective on corporate governance is to comply with the laws of the land, enhance the earnings per share and ensure discipline, transparency and accountability. The Management of the company believes that the corporate performance in the long run is co-related to Corporate Governance and that well governed companies mitigate 'Non –business risks' better. The company endeavours to adopt the best practices in Corporate Governance and thereby aims to increase the value for all its stakeholders.

**2. BOARD OF DIRECTORS:**

The Present strength of the Board is 4. The Board comprises of Independent & Non Executive Directors. The Board of Directors of the Company during the year are as follows:

Mr. V.A.Kurien	-	Non Executive Director
Mr. Sanjay Arjundas Wadhwa	-	Non Executive Director
Mr. Laxmi Niwas Sharma	-	Non Executive Director- Resigned on 02.02.2011
Mr. Ranjith Matthan	-	Non Executive Director
Mrs. Mary Rodrigues	-	Non Executive Director

The Chairman of the Board is elected at each meeting of the Directors, since no Chairman is appointed by the Board so far. The attendance particulars at the Board meetings and Annual General Meeting are as follows:

Name	Category	No of BM (A)	AGM(A)	No of Directorships & Committee member in other Public Limited Companies	
				Directorships	Committee member
V.A.Kurien	NI NE P	5	Y	1	1
Sanjay Arjundas Wadhwa	NE	4	Y	1	2
Laxmi Niwas Sharma	I NE	3	Y	3	5
Ranjith Mathan	I NE NI	4	—	—	—
Mary Rodrigues	NE NI	3	Y	1	0

BM (A) – Board Meeting Attendance during the 2010 - 2011, Y-Yes, N-No, AGM (A) – Whether Attended Annual General Meeting held 06.09.2010, C- Chairman, E- Executive, NE- Non executive, I- Independent, NI- Non Independent.

Four Board Meetings were held during the year 2010 – 2011 and the dates on which the Board meetings were held were as follows: 30/4/2010, 31/07/2010, 29/10/2010 and 27/01/2011

The information as required under Annexure I to Clause 49 is being made available to the Board. None of the Non-executive Directors of the Company has any pecuniary relationship or transaction with the Company.

**BOARD PROCEDURE**

The Company has convened Four Board Meetings during the Financial Year 2010-11 The Notices of the Board meeting were sent a week in advance to all the Directors to enable them to make themselves convenient to attend the Meeting. The detailed Agenda for the meeting along with notes if any, were sent to the Directors about one week to ten days before the Meeting. The Director would give a overview of the performance of the Industry, in general and the Company, in particular. The Board of Directors generally reviewed the following:

- Annual operating plans
- Compliance with statutory and legal requirements.
- Adoption of quarterly un-audited financial results.
- Funding requirements and patterns of the Company.
- Transaction of Capital nature.
- Proceedings of the Committee Meetings.

**Bio – Data of Directors proposed to be appointed / re-appointed:**

<b>Name of the Director</b>	Mrs.Mary Rodrigues
<b>Date of Birth</b>	14.12.1959
<b>Qualification</b>	B.A., Certificate in Business Management USA
<b>Nature of Expertise</b>	Wide Business Experience in Food Processing Industry
<b>Date of First Appointment</b>	31.01.2007
<b>Name of the other Companies in which he holds Directorship</b>	Farm Suzanne Pvt. Ltd., Southern Wearhousing Company Pvt. Ltd Andabar Cold Stores Pvt. Ltd., Southern Holdings & Investments (Chennai) Pvt. Ltd

**3. CODE OF CONDUCT**

The Company has put in place a Code of Conduct for its Directors and Senior management Officials to be adhered to in Conduct of the affairs of the Company. The said code of conduct has been circulated among the Directors and Senior Management Officials and also uploaded in the official website of the Company.

**4. REMUNERATION TO DIRECTORS**

The Company pays sitting fees of Rs. 1000 per meeting for each meeting attended by the members of the Board plus reimbursement of actual expenses and out of pocket expenses incurred by them.



**5. AUDIT COMMITTEE**

The Committee had held four Meetings during the financial year 2010-11 and the details of Compositions of the Audit Committee and the meetings attended by the Directors are given below:

Name of Members	No of Meetings attended during the year 2010 – 2011
Mr.Laxmi Niwas Sharma	3
Mr.Sanjay Arjundas Wadhwa	4
Mr.Ranjith Matthan - Chairman	3
Mr.V.A.Kurien	4

The necessary quorum was present at the meeting. Mr.Ranjith Matthan Chairman of Audit Committee. The Audit Committee acts in accordance with the terms of reference specified by the Board. The representatives of the Statutory Auditors attended the audit committee meetings. The Terms of reference of the Audit committee broadly are as under:

- To review compliance with the internal control systems
- To review the quarterly, half yearly and Annual financial results of the company before submission to the Board
- To make recommendations to the Board on any matter relating to the financial management of the company including the Audit Report.

**6. SHAREHOLDERS COMMITTEE**

An Investors grievance committee specifically looks into the redressal of investors complaints like transfer of shares, non receipt of balance sheet etc. The Compositions of the Shareholders Committee are given below:

Mr. V.A.Kurien	-	Non Executive Director
Mr. Sanjay Arjundas Wadhwa	-	Non Executive Director
Mrs. Mary Rodrigues	-	Non Executive Director

Name, Designation and Address of Compliance Officer: Mr.V.A.Kurien, Director  
No – 64, Montieth Road, Egmore, Chennai – 600 008

No of Complaints received from Shareholders from 01.04.2010 – 31.3.2011	-	Nil
No. Complaints not solved to the satisfaction of shareholders as on 31.03.2011	-	Nil
No of Pending Share Transfers as on 31.03.2011	-	Nil

The Committee looks after the Share transfers and no Shares Transfers are pending as on 31.03.2011

**7. DISCLOSURES.****a. Related party Transactions**

There are no transactions of material nature with the Promoters, Directors or the management or their subsidiaries or relatives, etc., potentially conflicting with Company's interest at large, during the year. Transactions with related parties during the year are disclosed in Notes forming part of Accounts in the Annual Report.

**b. Compliance by the company**

There were no instances of Non compliance of listing agreement requirements of the Stock Exchanges, Securities & Exchange Board of India and other statutory authorities on any matters relating to the capital markets during the last 3 years.

**c. Secretarial Audit**

A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the Total admitted capital with National Securities Depository Limited (NSDL) and Central Securities Depositories Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held in NSDL and CDSL.

**8. GENERAL BODY MEETINGS.**

Last Three Annual General Meetings were held as under:

Year	Date & Time	Place
2008	18.09.2008 at 10.30 a.m	Green Meadows Conference Hall, 4/364 –A Anna Salai , Palavakkam, Chennai 600 041.
2009	14.09.2009 at 10.30 a.m	Green Meadows Conference Hall, 4/364 – A , Anna Salai, Palavakkam, Chennai 600 041
2010	06.09.2010 at 10.30. a.m	Green Meadows Conference Hall, 4/364 – A, Anna Salai, Palavakkam, Chennai 600 041.

There were no resolution(s) required to be passed through postal ballot during the previous year.

**9. MEANS OF COMMUNICATION.**

The Company's quarterly un-audited financial results are Generally published in News Today (English language) and Malai Sudar (Tamil language). The quarterly results are not displayed on the web site. The Management discussion and Analysis report is enclosed and forms part of Directors report.

**GENERAL SHAREHOLDER INFORMATION**

## • Annual General Meeting

- Date, time and venue - 10.11.2011 10.30 A,M  
at Green Meadows Conference Hall  
4/364-A Annasalai, Palavakkam,  
Chennai-600 041

**Financial Calendar**

Financial reporting for

- Quarter ending June 30, 2010 - July 2010
- Quarter ending September 30, 2010 - October 2010
- Quarter ending December 31, 2010 - January 2011
- Quarter ending March 31, 2010 - April 2011
- Annual General meeting for the year ended 31.03.2011 - 10<sup>th</sup> November 2011

- Date of Book closure - 7<sup>th</sup> November 2011 to 10<sup>th</sup> November 2011
- Dividend Payment Date - N.A
- Listing on Stock Exchanges - Madras Stock Exchange, The Stock Exchange, Mumbai.
- Stock Code - BSE – Scrip Code – 530907 – Scrip Name – SICAP & FINA

**Market Price Data :**

There has been no trading in the shares on any of the stock exchanges during the year under review and hence this data has not been provided.

Outstanding GDR/ADR/ Warrants or any convertible instruments, conversion date and likely impact on Equity. The Company has not issued any GDR/ ADR and the Company does not have any outstanding warrants or other convertible instruments.

- Distribution of shareholding as on 31.03.2011

No. of Shares held	Shareholders		Shares
	Number	Number	
Upto 5000	1376	292660	9.76
5001 – 10000	203	167300	5.58
10001 – 20000	91	138900	4.63
20001 – 30000	75	190900	6.36
30001 – 40000	17	59410	1.98
40001 – 50000	17	80500	2.68
50001 – 100000	26	191930	6.40
100001 and above	24	1878400	62.61
<b>TOTAL</b>	<b>1829</b>		<b>100.00</b>

Shareholding pattern as on 31.03.2011

Category	No. of Shares held	Percentage of share holding
<b>A. PROMOTER'S HOLDING</b>		
1. <b>Promoters-</b>		
-Indian Promoters	1297920	43.26
-Foreign Promoters		
2. Persons acting in Concert		
<b>Sub –Total</b>	<b>1297920</b>	<b>43.26</b>
<b>B. NON – PROMOTER'S HOLDING</b>		
3. <b>Institutional Investors</b>		
a. Mutual Funds and UTI		

b.	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	9200	0.31
c.	Foreign Institutional Investors		
	<b>Sub - Total</b>	<b>9200</b>	<b>0.31</b>
4.	<b>Others</b>		
a.	Private Corporate Bodies	403800	13.46
b.	Indian Public	1289080	42.97
c.	NRIs / OCBs		
d.	Any other		
	<b>Sub – Total</b>	<b>1692880</b>	<b>56.43</b>
	<b>GRAND TOTAL</b>	<b>3000000</b>	<b>100</b>

Registrar and Transfer Agents - M/s Knack Corporate Services Private Limited,  
New No – 17/9, G.V. House, Thiruvengadam Street,  
Mandaveli, Chennai - 600 028  
Tel : 24614424 / 24611917

Share Transfer System - Share Transfers in physical form can be lodged with  
M/s Knack Corporate Services Private Limited,  
New No – 17/9, G.V. House, Thiruvengadam Street,  
Mandaveli, Chennai - 600 028

The Transfer of shares are normally processed within 10-15 days from the date of receipt. Transfers of Shares are effected and Share Certificates are despatched within 25-30 days from the date of receipt if the documents are complete in all respects. The Company also offers transfer cum demat facility for the convenience of the investors.

#### **DEMATERIALISATION OF SHARES**

The Shares of the Company are in compulsory Demat System. As on 31/03/2011, the total number of Dematerialized Shares are 371000 The Company's shares are available for Demat with both National Securities Depository Limited (NSDL) and Central Depository (India) Limited (CDSL). International Securities Identification Number (ISIN) allotted to the Equity shares of the company is ISIN INE417F01017.

#### **ADDRESS FOR CORRESPONDENCE**

Secretarial Department, Si Capital and Financial Services Limited, 'Montieth Court', No – 64, Montieth Road, Egmore, Chennai – 600 008.

#### **DECLARATION**

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31<sup>st</sup> March 2011 as envisaged in clause 49 of the Listing Agreement with Stock Exchanges

For & On Behalf of the Board of Directors

Sd/-  
V.A. Kurien  
Director

Sd/-  
Mary Rodrigues  
Director

Place: Chennai

Datee : 23.09.2011

**AUDITORS ' REPORT ON CORPORATE GOVERNANCE**

To the Members,

S.I. Capital & Financial Services Ltd.

We have examined the compliance of conditions of Corporate Governance by S.I. Capital & Financial Services Ltd., for the year ended on 31st March ' 2011 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the company as per the records maintained by the shareholders/Investor's grievance Committee.

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

Place : Chennai  
Date : 23.09.2011

for SUDHINDRAN & CO.  
Chartered Accountants

Sd/-  
P. SUDHINDRAN  
Partner.  
Membership No - 32100  
Firm Reg. No. 006019S

AUDITOR'S REPORT  
TO THE MEMBERS OF M/s. S.I. CAPITAL & FINANCIAL SERVICES LTD

We have audited the attached Balance Sheet of M/s. S.I. Capital & Financial Services Ltd, Chennai, as at 31<sup>st</sup> March 2011 and the Profit and Loss account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditors Report) Order 2003, (as amended) hereinafter referred to as "the order" issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, hereinafter referred to as "the Act" we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.

Further to our comments in the annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
- iii) The Balance sheet together with notes attached thereto and Profit and loss account and Cash Flow statement dealt with the report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet and the Profit and Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the schedule attached thereto together with the accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2011,
  - b. in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date, and
  - c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Chennai  
Date : 23.09.2011

for SUDHINDRAN & CO.  
Chartered Accountants  
Sd/-  
P. SUDHINDRAN  
Partner.  
Membership No - 32100  
Firm Reg. No. 006019S

**Annexure referred to in paragraph 1 of our audit report of even date to the members  
of M/s. S.I.CAPITAL & FINACIAL SERVICES LTD, Chennai.**

**1. Fixed Assets**

- 1.1 The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2 The fixed assets of the company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification as compared to the book records.
- 1.3 As explained to us, the Company has not disposed of substantial part of fixed assets during the year and the going concern assumption of the Company is not affected.

**2. Inventories**

- 2.1 As per the information and explanations furnished to us, physical verification has been conducted at reasonable intervals by the management.
- 2.2 The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3 The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of stocks as compared to the book records.

**3. Loans and Advances**

- 3.1 As informed to us, the company has granted loans, secured or unsecured to the companies covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion, the terms and conditions on which the loans are granted are prima facie not prejudicial to the interest of the company.
- 3.2 As informed to us, the company has not taken any loans, secured or unsecured from the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

**4. Internal Controls**

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of foreign currency. During the course of audit, no major weakness has been noticed in these internal controls.

**5. Related Parties**

According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

**6. Deposits from Public**

The company has not accepted any deposits from the public and consequently the provisions of section 58A and 58AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the company.



**7. Internal audit system**

In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

**8. Cost records**

As per the information and explanations given to us, maintenance of cost records has not been prescribed by the central government under Section 209(1)(d) of the Companies Act, 1956.

**9. Statutory Dues**

- 9.1 According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been regular in depositing undisputed statutory dues including income tax, sales tax and any other statutory dues during the year with the appropriate authorities.
- 9.2 According to the information and explanations given to us, there were no undisputed dues payable in respect of Income tax, Sales tax, Wealth tax, Customs duty, Excise duty and Cess outstanding as on 31<sup>st</sup> March 2011 for a period of more than six months from the date they became payable.
- 9.3 According to the information and explanation given to us, there are no dues in respect of Income tax, Sales tax, Custom duty, Wealth tax, Excise duty and Cess that have not been deposited with the appropriate authorities on account of any dispute.

**10. Accumulated Losses**

The company has accumulated losses at the end of the financial year. The company has made profit during the financial year and incurred loss during the year immediately preceding financial year. However the accumulated loss of the company is less than 50% of the net worth of the company.

**11. Dues to Financial Institutions, Banks etc.**

In our opinion and according to the information and explanations given to us, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

**12. Loans against security**

The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

**13. Chit Fund/Nidhi**

In our opinion, the company is not a chit fund or a nidhi, mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

**14. Dealing in shares/securities etc.**

According to the information and explanation given to us the company has maintained proper records as regards dealing in shares, securities, debentures and other investments. The Investments are held by the company in its own name.

**15. Guarantees for others**

According to the information and explanations furnished to us, the company has not given guarantees, for loans taken by others from banks or financial institutions.

**16. Term Loans**

The company has not obtained any Term Loans.

**17. Short Term Loans**

According to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term basis and vice versa.

**18. Preferential allotment of shares**

According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

**19. Debentures**

The company has not issued any debentures.

**20. Public Issues**

According to the information and explanations furnished to us, the company has not raised any funds by public issues during the year.

**21. Frauds etc.**

Based upon the audit procedures performed and information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place : Chennai  
Date : 23.09.2011

for SUDHINDRAN & CO.  
Chartered Accountants

Sd/-  
P. SUDHINDRAN  
Partner.  
Membership No - 32100  
Firm Reg. No. 006019S

## BALANCE SHEET AS AT 31.03.2011

	SCH. NO	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
<b><u>SOURCES OF FUNDS</u></b>			
<b>1</b>	<b><u>SHAREHOLDERS' FUNDS</u></b>		
	Share Capital	30,000,000.00	30,000,000.00
	Reserve & surplus	668,980.36	575,006.92
	<b>Total</b>	<b><u>30,668,980.36</u></b>	<b><u>30,575,006.92</u></b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b>1</b>	<b><u>FIXED ASSETS</u></b>	<b>3</b>	
	Gross Block	9,745,350.83	9,705,350.83
	Less: Depreciation	2,476,089.39	2,325,049.15
	Net Block (I)	<b><u>7,269,261.44</u></b>	<b><u>7,380,301.68</u></b>
<b>2</b>	<b><u>INVESTMENTS</u></b>	<b>(II)</b>	<b>4</b>
		3,709,459.00	2,770,894.00
<b>3</b>	<b><u>CURRENT ASSETS, LOANS, ADVANCES &amp; DEPOSITS</u></b>	<b>5</b>	
		14,950,917.39	15,248,098.93
	Less: CURRENT LIABILITIES & PROVISIONS	<b>6</b>	
		843,573.00	783,097.00
	Net Current Assets (III)	<b><u>14,107,344.39</u></b>	<b><u>14,465,001.93</u></b>
<b>4</b>	<b><u>Deferred Tax Assets (Net)</u></b>	<b>(IV)</b>	
		856,112.60	866,315.40
<b>5</b>	<b><u>A) MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF</u></b>	<b>7</b>	
		4,726,802.94	5,092,493.91
	<b>Total</b>	<b><u>30,668,980.36</u></b>	<b><u>30,575,006.92</u></b>

**Notes to Accounts****13**

As per our separate report of even date

For Sudhindran & Co,  
Chartered Accountants,

Sd/-  
V. A. KURIEN  
Director

Sd/-  
MARY RODRIGUES  
Director

Sd/-  
P. SUDHINDRAN  
Partner  
Membership No. 32100  
Firm Reg. No. 006019S

Sd/-  
SANJAY ARJUNDAS WADHWA  
Director

Place : Chennai  
Date : 23.09.2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011**

Particulars	Sch No.	31.03.2011 Rs.	31.03.2010 Rs.
<b>I. Income</b>			
Income from Forex Dealings		933,073.63	738,660.55
Other Income	8	<u>1,193,407.03</u>	<u>1,019,756.51</u>
<b>Total</b>		<b><u>2,126,480.66</u></b>	<b><u>1,758,417.06</u></b>
<b>II. Expenditure</b>			
Admin. & Other Expenses	9	775,937.33	713,616.62
Employees Expenses	10	696,771.00	653,037.00
Financial Expenses	11	22,748.87	11,498.43
Bad Debts & Losses W/off	12	<u>10,116.00</u>	<u>680,918.09</u>
<b>Total</b>		<b><u>1,505,573.20</u></b>	<b><u>2,059,070.14</u></b>
Profit / Loss Before Depreciation		620,907.46	(-) 300,653.08
Less: Depreciation	3	<u>151,040.24</u>	<u>185,704.63</u>
Profit / Loss Before Tax		469,867.22	(-) 486,357.71
Less: Transfer to Special Reserve		93,973.44	-
Provision for Taxation			
Income Tax		-	-
Deferred Tax Liability		<u>10,202.80</u>	<u>10,780.86</u>
<b>Profit / Loss After Tax</b>		<b><u>365,690.97</u></b>	<b><u>(-) 497,138.57</u></b>
Add : Balance Brought Forward	(-)	<b>5,092,493.91</b>	<b>(-) 4,595,355.34</b>
Excess provision for Doubtful debts written back			
<b>Balance carried to Balance Sheet</b>	<b>(-)</b>	<b>4,726,802.94</b>	<b>(-) 5,092,493.91</b>

Earnings per share (in Rupees)= Profit/(Loss)  
after Tax and Deferred Tax divided by 30,00,000  
equity shares

	0.12	N.A
Nominal value per share	Rs. 10/-	Rs.10/-
Diluted earning per share	N.A	N.A.

**Notes to Accounts****13**

As per our separate report of even date

For Sudhindran & Co,  
Chartered Accountants,

Sd/-  
V. A. KURIEN  
Director

Sd/-  
MARY RODRIGUES  
Director

Sd/-  
P. SUDHINDRAN  
Partner  
Membership No. 32100  
Firm Reg. No. 006019S

Sd/-  
SANJAY ARJUNDAS WADHWA  
Director

Place : Chennai  
Date : 23.09.2011

**SCHEDULES TO BALANCE SHEET**

	<b>31.03.2011</b>	<b>31.03.2010</b>
	Rs.	Rs.
<b><u>Schedule 1</u></b>		
<u>Share Capital</u>		
Authorised : 35,00,000 equity shares of Rs.10/- Each	35,000,000.00	35,000,000.00
	<u>35,000,000.00</u>	<u>35,000,000.00</u>
Issued ,Suscribed & Paid Up 30,00,000 Equity shares of Rs.10/- Each	30,000,000.00	30,000,000.00
	<u>30,000,000.00</u>	<u>30,000,000.00</u>
<b><u>Schedule 2</u></b>		
<b>Reserves and Surplus</b>		
Special Reserve - Opening Balance	575,006.92	575,006.92
Add: Addition during the year	93,973.44	-
<b>Total</b>	<u>668,980.36</u>	<u>575,006.92</u>

**Schedule 3 - FIXED ASSETS & DEPRECIATION FOR THE YEAR ENDED 31.03.2011**

Particulars	Gross Block		Rate %	Depreciation		Net Block			
	As on 01.4.2010	Additions		Deletions	As on 31.03.2011	As on 01.04.2010	For the year	Upto 31.03.2011	As on 31.03.2011
Land	6,646,565.50	-	-	6,646,565.50	-	-	-	6,646,565.50	6,646,565.50
Building	105,000.00	-	5.33	105,000.00	31,712.39	3,906.23	35,618.62	69,381.38	73,287.61
Plant & Machinery	973,120.19	-	13.91	973,120.19	856,835.66	16,175.18	873,010.84	100,109.35	116,284.53
Electrical Machinery	59,990.85	40,000.00	13.91	99,990.85	34,524.47	7,963.09	42,487.56	57,503.29	25,466.38
Air Conditioner	30,000.00	-	13.91	30,000.00	15,926.73	1,957.59	17,884.32	12,115.68	14,073.27
Canon Xerox	52,200.00	-	13.91	52,200.00	1,133.91	7,103.29	8,237.20	43,962.80	51,066.09
Furniture & Fixtures	931,651.15	-	18.10	931,651.15	831,952.20	18,045.51	849,997.71	81,653.44	99,698.95
Motor Car-Swift	509,613.14	-	25.89	509,613.14	186,052.64	83,769.81	269,822.45	239,790.69	323,560.50
Computers & Peripherals	397,210.00	-	40.00	397,210.00	366,911.15	12,119.54	379,030.69	18,179.31	30,298.85
<b>Total</b>	<b>9,705,350.83</b>	<b>40,000.00</b>		<b>9,745,350.83</b>	<b>2,325,049.15</b>	<b>151,040.24</b>	<b>2,476,089.39</b>	<b>7,269,261.44</b>	<b>7,380,301.68</b>

		31.03.2011 Rs.	31.03.2010 Rs.
<b>Schedule 4</b>			
Investments- at cost			
Name of the Scrip			
Quoted	No of Shares	Amount	Amount
Sambandam Spinning Mills Ltd	900	45,000.00	45,000.00
Sri Nachammai Cotton Mills Ltd.	800	56,000.00	56,000.00
Un Quoted			
Laser Diamond Ltd	22900	229,000.00	229,000.00
Saravana Estates & Plantation Ltd	20000	200,000.00	200,000.00
SI Property Development limited	1950	43,195.00	43,195.00
Skandam Farms & Plantations Ltd.	50000	470,000.00	470,000.00
SSF Ltd	24900	298,095.00	298,095.00
Thambi Modern Spinning Mills Ltd	100	5,000.00	5,000.00
<b>Sub Total</b>		<b><u>1,346,290.00</u></b>	<b><u>1,346,290.00</u></b>
<b>Mutual funds:</b>			
DSP Blackrock World Energy Fund		-	600,000.00
DSP Blackrock Small and Midcap Fund (divd)		589,884.00	-
HDFC FMP 370D MARCH 2011		1,000,000.00	-
Reliance Equity Adcantage Fund-Ratail Divd		-	824,604.00
Reliance Banking fund - divd		300,000.00	-
Reliance Money Manager Fund Rerail Plan - Divd		473,285.00	-
<b>Sub Total</b>		<b><u>2,363,169.00</u></b>	<b><u>1,424,604.00</u></b>
	<b>Total</b>	<b>3,709,459.00</b>	<b>2,770,894.00</b>
Market value of above Investments as on 31.03.2011 is Rs.		2,611,535.00	1,646,139.00

		31.03.2011 Rs.	31.03.2010 Rs.
<b>Schedule5</b>			
<b><u>CURRENT ASSETS, LOANS, ADVANCES &amp; DEPOSITS</u></b>			
<b><u>A. CURRENT ASSETS</u></b>			
Stock in trade		422,433.48	221,483.60
<b>Sub Total</b>	I	<b><u>422,433.48</u></b>	<b><u>221,483.60</u></b>
<b><u>Sundry Debtors</u></b>			
(Unsecured considered good for which the company holds no security other than Debtor's Personal Security)			
a) Debts Outstanding for a period exceeding six months		4,226,738.33	3,130,163.51
b) Other Debts		-	1,327,632.67
<b>Sub Total</b>	II	<b><u>4,226,738.33</u></b>	<b><u>4,457,796.18</u></b>
<b><u>Cash &amp; Bank Balances</u></b>			
Cash in hand		348,191.09	170,279.21
Balance with Scheduled Banks in Current Account		1,736,450.70	884,537.21
Balance with Scheduled Banks in Fixed Deposit Account		450,000.00	400,000.00
<b>Sub Total</b>	III	<b><u>2,534,641.79</u></b>	<b><u>1,454,816.42</u></b>
<b><u>Other Current Assets</u></b>			
Interest accrued on FD		16,875.00	13,652.00
Interest Receivable		216,254.00	202,254.00
<b>Sub Total</b>	IV	<b><u>233,129.00</u></b>	<b><u>215,906.00</u></b>



	31.03.2011 Rs.	31.03.2010 Rs.
<b><u>B. LOANS &amp; ADVANCES</u></b>		
<b><u>I) Loans Recoverable</u></b>		
Secured - Efficiency Aids Agencies	5,000,000.00	5,000,000.00
Southern Warehousing co, Pvt Ltd.,	233,328.00	274,998.00
Murugesan	-	380,084.00
Praba Narasimhan	316,796.00	280,664.00
Unsecured - Others	656,980.13	1,552,243.07
Unsecured - Considered Doubtful	<u>909,674.65</u>	<u>909,674.65</u>
	<u>7,116,778.78</u>	<u>8,397,663.72</u>
Less : Provision for Doubtful Loans	909,674.65	909,674.65
<b>Sub Total</b>	<b><u><u>6,207,104.13</u></u></b>	<b><u><u>7,487,989.07</u></u></b>
	V	
<b><u>II ) Advances recoverable in cash or in kind or for value to be received and considered good</u></b>		
Advance for Land	430,000.00	430,000.00
AFL Receivable	-	630.00
Staff Advance	48,560.00	26,000.00
SSF Ltd.	195,196.85	203,817.85
Rent Deposit	45,920.00	45,920.00
Telephone Deposit	35,139.00	35,139.00
Income Tax Refund Due AY 2007-08	146,396.00	146,396.00
Income Tax Refund Due AY 2008-09	21,664.08	197,709.08
Income Tax Refund Due AY 2009-10	193,045.00	193,045.00
Tax Deducted at Source AY 2010-11	131,450.73	131,450.73
Tax Deducted at Source AY 2011-12	79,499.00	-
<b>Sub Total</b>	<b><u><u>1,326,870.66</u></u></b>	<b><u><u>1,410,107.66</u></u></b>
	VI	
<b>Total - (I+II+III+IV+V+VI)</b>	<b><u><u>14,950,917.39</u></u></b>	<b><u><u>15,248,098.93</u></u></b>

		31.03.2011 Rs.	31.03.2010 Rs.
<b><u>Schedule 6</u></b>			
<b><u>Current Liabilities &amp; Provisions</u></b>			
<b><u>A. Current Liabilities</u></b>			
<b><u>Sundry Creditors</u></b>			
<b><u>For Expenses</u></b>			
Expenses Payable		94,003.00	73,413.00
Mahesh & Co		60,000.00	48,000.00
Sudhindran & Co.		70,181.00	47,079.00
<b>Sub Total</b>	I	<b><u>224,184.00</u></b>	<b><u>168,492.00</u></b>
<b><u>For Others</u></b>			
Kunnel Projects (P) Ltd		<u>500,000.00</u>	<u>500,000.00</u>
<b>Sub Total</b>	II	<b><u>500,000.00</u></b>	<b><u>500,000.00</u></b>
<b><u>B. Provisions</u></b>			
Provision for Gratuity		119,389.00	114,605.00
<b>Sub Total</b>	III	<b><u>119,389.00</u></b>	<b><u>114,605.00</u></b>
	<b>Total (I+II+III)</b>	<b><u>843,573.00</u></b>	<b><u>783,547.00</u></b>
<b><u>Schedule 7</u></b>			
<b><u>Miscellaneous Expenditure to the extent not written off / adjusted</u></b>			
Profit & Loss Account		4,726,802.94	5,092,493.91
<b>Total</b>		<b><u>4,726,802.94</u></b>	<b><u>5,092,493.91</u></b>

**SCHEDULES TO PROFIT AND LOSS ACCOUNT**

	<b>31.03.2011</b>	<b>31.03.2010</b>
	Rs.	Rs.
<b><u>Schedule 8</u></b>		
<b><u>Other Income</u></b>		
Commission Received on Money Transfer Services	3,137.69	10,891.31
Dividend Received - Shares	11,259.00	2,056.20
Dividend Received -Mutual Fund	68,481.37	-
Interest Received - Loans	846,954.97	958,045.00
Profit on Redemption of Mutual Funds	248,681.00	11,764.00
Profit on sale of shares	-	37,000.00
Interest from Bank	14,893.00	-
<b>Total</b>	<b><u>1,193,407.03</u></b>	<b><u>1,019,756.51</u></b>

**Schedule 9****Administrative & Other Expenses**

Rent	165,680.00	169,680.00
Rates & Taxes	5,570.00	10,008.00
Electricity Charges	24,215.00	16,290.00
Telephone Charges	66,194.00	54,077.00
Postage & Telegram	1,461.90	1,324.00
Printing & Stationery	40,129.16	17,027.00
Conveyance Expenses	1,675.00	11,111.00
Travelling Expenses	48,419.00	41,703.00
Vehicle Maintenance	112,630.00	99,326.00
Office Maintenance expenses	23,300.26	19,386.62
Business Promotion Expenses	7,900.00	8,279.00
Insurance Charges	11,927.84	13,729.00
AGM & Publishing Expenses	28,170.00	40,650.00
Annual Maintenance Charges	4,136.00	5,136.00
Repairs and Maintenance	31,358.17	12,659.00
Listing & Filing Fee	27,255.00	32,630.00
Sitting Fees	13,000.00	13,000.00
Share transfer fee	29,236.00	15,481.00
Professional Charges	67,500.00	88,000.00
Auditor's Remuneration	66,180.00	44,120.00
<b>Total</b>	<b><u>775,937.33</u></b>	<b><u>713,616.62</u></b>

**Schedule 10**

	31.03.2011 Rs.	31.03.2010 Rs.
<b><u>Employees Expenses</u></b>		
Salary, Bonus & Allowances including PF Contribution	675,977.00	632,504.00
Staff - Coffee & Tea expenses	20,794.00	20,533.00
<b>Total</b>	<b><u>696,771.00</u></b>	<b><u>653,037.00</u></b>
<b><u>Schedule 11</u></b>		
<b><u>Financial Expenses</u></b>		
Bank Charges	22,748.87	10,856.43
Interest paid to Bank	-	642.00
<b>Total</b>	<b><u>22,748.87</u></b>	<b><u>11,498.43</u></b>
<b><u>Schedule 12</u></b>		
<b><u>Bad Debts &amp; Losses W/off</u></b>		
Loss on Redemption of mutual fund	10,116.00	680,918.09
<b>Total</b>	<b><u>10,116.00</u></b>	<b><u>680,918.09</u></b>

**Schedule 13**

**Notes Forming Parts of Accounts**

**A SIGNIFICANT ACCOUNTING POLICIES:**

**1 General**

The financial statements are prepared under the historical cost convention, on the basis of a going concern and as per the applicable accounting standards. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis.

The company has followed prudential norms prescribed by the R.B.I in respect of Income Recognition, capital Adequacy and Provision for Bad and Doubtful Debts.

**2 Inter Branch Transfers**

Inter Branch Transfers of currency are at cost.

**3 Valuation of Inventories**

Currencies in stock are valued at cost.

**4 Use of Estimates**

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date the date of the financial statements and the reported income and expenses during the reporting period like provision for employee benefits, provisioning for receivables, provision for credit enhancement for assets de-recognised, net realizable value of repossessed assets, useful lives of fixed assets. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

**5 Provision , Contingencies Liabilities & Assets - AS 29**

Provisions are recognised only when the Company has present or legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements.

**6 Contingencies & Events Occuring After the Balance Sheet Date AS-4**

Sundry Debtors of Rs.18,45,221.35 have been recovered after the Balance Sheet date

**7 Fixed Assets and Depreciation**

Fixed assets are stated at cost less Depreciation on Written Down Value Method at the rates and in the manner specified in the Schedule XIV to The Companies Act, 1956. No depreciation is provided on assets sold during the year.

**8 Investments**

Investments are held on long term basis and valued at cost. Diminution in the value of investments is not provided for, as the management is of the opinion that the diminution is of temporary nature.

**9 Revenue Recognition**

Interest on loans and advances are recognised on accrual basis. In respect of loans under litigation, it is the company's policy to recognise interest on realisation basis.

**10 Retirement Benefits**

Contribution to Provident Fund is funded as a percentage of salary. Adequate provisions have been made in the accounts for the liability for Gratuity of employees.

**11 Impairment of Assets**

The Company has not provided for impairment of any assets.

**B. NOTES TO ACCOUNTS:**

**12** Land shown in fixed assets is at Thevara, Cochin and is on co-ownership basis with M/s. SSF Ltd. While 46.184 cents of land is jointly held by SI Capital and Financial Services Ltd., and SSF Ltd., 57.500 cents is individually held by Si Capital & Financial Services Ltd., Since the company has a branch office in Cochin . However the management of Si Capital and Financial Services Ltd., has confirmed that the entire property is on equal co-ownership with SSF Ltd.,

**13** The balance in various accounts in Sundry Debtors and Sundry Creditors are subject to confirmation and reconciliation. They have been shown as per values appearing in the books of accounts.

**14** Loans and Advances are subject to confirmation. The secured loans are sufficiently covered by securites. As regards Un-secured loans, though the management is confident of realising the loans recoverable, for which necessary efforts are already in process, as a matter of abundant caution provision for doubtful loans have been created for the whole amount on these loans.

**15 Advances for Land** as stated in the schedules to accounts is for the purchase of land at Thenkasi.

The registration of the land having not been finalised, the amounts advanced towards the purchase of these lands remain as advances and is stated as such in the schedules to the accounts.

Advance to SSF Ltd., which is subject to confirmation represents their share of Maintenance charges on Thevera Property jointly held by both the companies.

**16 Related Parties disclosure** as per Accounting Standard 18:

a) List of Parties - Group concerns and Associates.

- i) Si Cap Insurance Agency (P) Ltd.
- ii) SSF Ltd.
- iii) Southern Warehousing Co, Pvt Ltd

b) Related Party Transactions:

Name of the Associate Concerns	Amount taken (Incl. O/s on 31.03.2011)	Amount O/s as on 31.03.2010
i) Si Cap Insurance Agency (P) Ltd.	Nil	25,868
ii) SSF Ltd.(Maintenance charges receivable)	195,197	203,818
iii) Southern Warehousing Co Pvt Ltd., (Hire Purchase loan)	233,328	274,998

**17 Segment Reporting:**

The Principal business of the company is dealing in foreign currency. Though the company has earned income from other sources in the form of Dividend on investments and capital gain, the percentage of other business income does not exceed 10% of the gross turnover of the principal business, and as such no Segment Reporting has been made.

<b>18 Earning per Share:</b>	<u>31.03.2011</u>	<u>31.03.2010</u>
<b>Basic and Diluted</b>		
Weighted Average No. of Shares outstanding (Nos)		
Net Profit / (Loss) in Rupees	365,690.97	(497,138.57)
Earning Per Share	0.12	NA
Nominal value of Share	Rs.10/-	Rs.10/-

**19 Taxation**

**Income Tax:**

As the taxable income for the year gets adjusted against brought forward losses of earlier years, there is no tax liability during the current year.

**Deferred Tax:**

The deferred tax for timing differences is accounted for using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax asset arising from timing differences are recognised to the extent there is reasonable certainty that these would be realised in future. Consequently, Deferred Tax Liability on Business Loss carried forward has not been created.

**Deferred Tax Asset**

Opening Balance		866,315.40
Deferred Tax for the year		
Depreciation as per Companies Act	151,040.24	
Depreciation as per Income Tax Act	158,274.99	
Difference	<u>7,234.75</u>	
Deferred Tax Liability for the year @ 30.90% on the above		2,235.54
Provision for Gratuity	4,784.00	
Provision for Bouns	<u>21,000.00</u>	
	<u>25,784.00</u>	
Deferred Tax Liability for the year @ 30.90% on the above		<u>7,967.26</u>
Current year Deferred Tax Liability debited to P&L a/c		<u>10,202.80</u>
Net Deferred Tax Asset shown in the Balance Sheet		<u>856,112.60</u>

20 Income from Forex Business Rs. 933,073.63 has been arrived at as follows.

	<u>31.03.2011</u>	<u>31.03.2010</u>
<u>Income from Forex Business:</u>		
Sale of Currencies & Travellers Cheque	88,791,568.70	72,138,432.50
Less:Purchase of Currencies & Travellers Cheques, Service Charges paid	88,059,444.95	71,589,613.40
Sub Total - (a)	<u>732,123.75</u>	548,819.10
Add: Increase / ( Decrease) in Stock Closing Stock	422,433.48	221,483.60
Less: Opening Stock	221,483.60	31,642.15
Sub Total - (b)	200,949.88	189,841.45
TOTAL (a+b)	<u>933,073.63</u>	<u>738,660.55</u>
	<u>31.03.2011</u>	<u>31.03.2010</u>

21 Sitting fee paid to manageiral Remuneration	13,000.00	13,000.00
Total	<u>13,000.00</u>	<u>13,000.00</u>

22	<u>Auditor's Remuneration:</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
	As Audit fee	40,000.00	30,000.00
	As Tax audit fee including service tax	26,180.00	14,120.00
	Total	66,180.00	44,120.00

23 Since the company has made operating profit during the year, 20% of the profit is transferred to a reserve as per RBI Guide Lines.

24 Previous year's figures have been regrouped/rearranged wherever necessary to conform with current year presentation.

For Sudhindran & Co,  
Chartered Accountants,

Sd/-  
V. A. KURIEN  
Director

Sd/-  
MARY RODRIGUES  
Director

Sd/-  
P. SUDHINDRAN  
Partner  
Membership No. 32100  
Firm Reg. No. 006019S

Sd/-  
SANJAY ARJUNDAS WADHWA  
Director

Place : Chennai  
Date : 23.09.2011



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I REGISTRATION DETAILS**

Registration No.	29151	State Code	18
Balance Sheet Date	31.03.2011		

**II CAPITAL RAISED DURING THE YEAR (AMOUNT Rs. In THOUSANDS)**

Public Issue	NIL	Rights Issue	NIL
Bonus issue	NIL	Private Placement	NIL

**III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Rs. IN THOUSANDS)**

Total Liabilities	30,668.98	Total Assets	30,668.98
<b>Sources of Funds</b>		<b>Application of Funds</b>	
Paid up Capital	30,000.00	Net Fixed Assets	7,269.26
Reserves & Surplus	668.98	Net Current Assets	14,107.34
Secured Loans	-	Investment	3,709.46
Unsecured Loans	-	Misc. Expenditure	-
		Accumulated Losses	4,726.80
		Deferred Tax	856.11

**IV PERFORMANCE OF COMPANY (Rs. IN THOUSANDS)**

Turnover	2,126.48	Total Expenditure	1,505.57
Profit / Loss Before Tax	469.87	Profit /Loss After Tax	365.69
Earning per Share	0.12	Dividend Rate	NIL

**V GENERAL NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)**

Item Code No.(ITC Code)	N.A
Product Description	Foreign Exchange
Item Code No. (ITC Code)	NIL
Product Description	
Item Code No.(ITC Code)	NIL
Product Description	

**Cash flow statement for the year ended 31.03.2011**

	<u>As on 31.03.2011</u>		<u>As on 31.03.2010</u>	
<b>A. Cash Flow From Operating Activities</b>				
Net Profit / (Loss) Before Tax & Extraordinary item		469,867.22		(486,357.71)
Add: Depreciation	151,040.24		185,704.63	
Loss on Sale of mutual funds	10,116.00		680,918.09	
Interest Paid	-	<u>161,156.24</u>	<u>642.00</u>	<u>867,264.72</u>
		<u>631,023.46</u>		<u>380,907.01</u>
Less: Profit on Redemption of Mutual Funds	248,681.00		11,764.00	
Profit on Sale of Shares	-		37,000.00	
Interest received	861,847.97		958,045.00	
Dividend received	79,740.37		2,056.20	
Income Tax of earlier years written off	-	<u>1,190,269.34</u>		<u>1,008,865.20</u>
Operating Profit Before Working Capital Changes		<u>(559,245.88)</u>		<u>(627,958.19)</u>
Add: Decrease in Current Assets	1,377,006.91		1,569,369.77	
Less: Increase in Current Assets	-			
Add: Increase in Current Liabilities			37,557.00	
Less: Decrease in Current Liabilities	<u>(60,476.00)</u>	<u>1,437,482.91</u>		<u>(1,606,926.77)</u>
<b>Net Cash from Operating Activities</b>		<b>878,237.03</b>		<b>(2,234,884.96)</b>
<b>B. Cash Flow From Investing Activities</b>				
Sale of Investments	1,663,169.00		1,704,043.32	
Sale of Shares			148,000.00	
Sale of Fixed Assets			-	
Interest Received	861,847.97		958,045.00	
Dividend Received	<u>79,740.37</u>	<u>2,604,757.34</u>	<u>2,056.20</u>	<u>2,812,144.52</u>
Less: Bad debts written off	-		-	
Less: Purchase of Fixed Assets	40,000.00		52,200.00	
Less: Purchase of Mutual Fund	<u>2,363,169.00</u>	<u>2,403,169.00</u>	<u>1,446,139.66</u>	<u>1,498,339.66</u>
<b>Net Cash from Investing Activities</b>		<b>201,588.34</b>		<b>1,313,804.86</b>
<b>C. Cash Flow from Financing Activities</b>				
Less: Decrease in bank borrowings	-		-	
Interest on Loans	-	-	<u>(642.00)</u>	<u>(642.00)</u>
<b>Net Cash from Financing Activities</b>		<b>-</b>		<b>(642.00)</b>
<b>D. Net Increase/(Decrease in) Cash &amp; Cash Equivalents</b>				
(A + B + C) or (F - E)		<b>1,079,825.37</b>		<b>(921,722.10)</b>
E. Cash & Cash Equivalent at the start of the year		1,454,816.42		2,376,538.52
F. Cash & Cash Equivalent at the end of the year		<u>2,534,641.79</u>		<u>1,454,816.42</u>
		<u>1,079,825.37</u>		<u>(921,722.10)</u>
		<u>1,079,825.37</u>		<u>921,722.10</u>

**NOTES :**

- The above Cash Flow statement has been prepared by using Indirect Method as per Accounting Standard 3 - Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been regrouped/rearranged wherever necessary to conform to current year's presentation

Place : Chennai  
Date : 23-09-2011

Sd/  
V. A. KURIEN  
Director

Sd/  
MARY RODRIGUES  
Director

Sd/  
SANJAY ARJUNDAS WADHWA  
Director

**AUDITORS CERTIFICATE**

The Board of Directors  
S.I. CAPITAL & FINANCIAL SERVICES LTD., Chennai  
We have examined the attached cash flow statement of S.I. Capital & Financial Services Ltd., for the year ended 31.03.2011. The statement has been prepared by the Company in accordance with the requirement of listing agreement clause 32 with the stock exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the company by our report of 23<sup>rd</sup> September 2011 to the members of the company.

Place : Chennai  
Date : 23-09-2011

For Sudhindran & Co,  
Chartered Accountants,  
S/d  
P. SUDHINDRAN  
Partner  
Membership No. 32100  
Firm Reg. No. 006019S

**S.I. CAPITAL & FINANCIAL SERVICES LTD.**

Registered Office :

'Montieth Court' 64, Montieth Road, Egmore, Chennai - 600 008.

**PROXY FORM**

I/We .....being member(s)  
of the above named company, hereby appoint ..... or failing her  
.....of  
.....as my/ our proxy to vote  
for me/us on my/our behalf at the 17th Annual General Meeting of the Company to be held on  
Thursday, the 10th November 2011 at 10.30 A.M. at Greenmedows- Conference Hall No.4/364-A, Anna Salai,  
Palavakkam , Chennai - 600 041.

Signed at .....(Place) this .....day of .....2011.

Membership Folio No. ....

No. of Shares held .....



**Note :**

- (a) The Form should be signed across the stamp as per specimen signature registered with the company
- (b) The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered office of the company, not less than FOURTY EIGHT HOURS before the time fixed for holding the meeting.
- (c) A Proxy need not be a Member

**S.I. CAPITAL & FINANCIAL SERVICES LTD.**

Registered Office :

'Montieth Court' 64, Montieth Road, Egmore, Chennai - 600 008.

**ATTENDANCE SLIP**

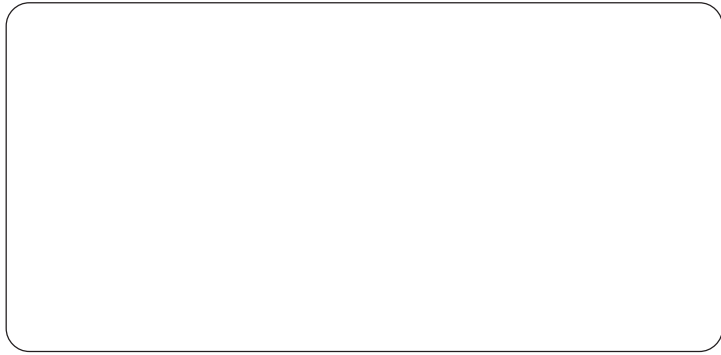
I hereby record my presence at the 17th Annual General Meeting of the Company being held on Thursday, the 10th November 2011 at 10.30 A.M. at Greenmedows- Conference Hall No.4/364-A, Anna Salai, Palavakkam , Chennai - 600 041.

- 1. Full Name of the Member (in Block Letters) :
- 2. Full Name of the Proxy (in Block Letters) :
- 3. Ledger Folio of Shares held :
- 4. Number of Shares held :
- 5. Signature of the Member/Proxy Attending :
- 6. To be used only when Member, first named is not attending. Please give full name of the first holder

Mr. / Mrs. ....

**Note :**

Members attending must fill in this attendance slip and hand it over at the entrance of the venue of the meeting. Members are requested to bring their copy of the Annual Report for the meeting. No gifts / refreshments will be provided at the Venue of the meeting.



If Undelivered, Please return to:  
**S.I. Capital & Financial Services Ltd.**  
Montieth Court  
64, Montieth Road,  
Egmore  
Chennai - 600 008