

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



**Eighteenth Annual Report 2011 - 2012**

Board of Directors	:	Mr. V.A. Kurien Mr. Sanjay Arjundas Wadhwa Mr. Ranjith Matthan Mrs. Mary Rodrigues Mr. V.V. Joseph
Auditors	:	Sudhindran & Co. Chartered Accountants G/1, Kesari Kutteram 27, West Cott Road, Chennai - 600 014.
Bankers	:	Indian Overseas Bank., RBS Bank Ltd., HDFC Bank Limited., Karnataka Bank Ltd. AXIS 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 No.6/18, I Floor, Poes Road, I Street, Teynampet, Chennai - 600 018. Phone : 044 - 24350613 / 614

## NOTICE

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the members of the Company will be held on Tuesday the 18<sup>th</sup> day of September 2012 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 2012 and Profit and Loss Account for the year ended 31<sup>st</sup> March 2012 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of, Mr.V.A.Kurien, Director who retires by rotation and being eligible, offers himself 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 : 25.07.2012

### 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 14<sup>th</sup> September to 18<sup>th</sup> September 2012 (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.

For & on behalf of the Board

Sd/-

V.A.Kurien  
Director

Place : Chennai

Date : 25.07.2012

**DIRECTORS REPORT & MANAGEMENT DISCUSSION AND ANALYSIS**

The Directors are pleased to present the 18<sup>th</sup> Annual Report and the Audited Accounts for the year ended 31.03.2012

**FINANCIAL HIGHLIGHTS**

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

(Rs. in Lakhs)

<b>Particulars</b>	<b>Year Ended 31.03.2012</b>	<b>Year Ended 31.03.2011</b>
Total Income	<b>24.59</b>	21.26
Total Expenditure	<b>16.20</b>	15.06
Profit/(Loss) before depreciation	<b>8.39</b>	6.20
Less: Depreciation	<b>1.84</b>	1.51
<b>Profit/(Loss) after Tax</b>	<b>4.23</b>	3.66
Paid Up Capital	<b>300.00</b>	300.00

**OPERATIONS**

During the year under review the Company has made a total income of Rs.24.59 Lakhs as against Rs.21.26 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 2012.

**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 has 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**

Mr. V.A.Kurien, Director is liable to retire by rotation and being eligible offers himself for re-appointment.

## **AUDITORS**

The Auditors of the Company M/s. 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 31.03.2012, 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 31.3.2012 and of the profit or loss of the company for the year financial year ended 31.3.2012.
- 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 31.03.2012 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**

Certain analysis in this report 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/-  
Sanjay Arjundas Wadhwa  
Director

Place : Chennai  
Date : 25.07.2012

**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 endeavors 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 5. The Board comprises of Independent & Non Executive Directors. The Board of Directors of the Company during the year are as follows:

Name	Designation	Category
Mr. V.A.Kurien	Non Executive Director	Non Independent
Mr. Sanjay Arjundas Wadhwa	Non Executive Director	Independent
Mr. Ranjith Matthan	Non Executive Director	Independent
Mrs.Mary Rodrigues	Non Executive Director	Non Independent
Mr. V.V. Joseph	Non Executive Director	Independent

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	8	Y	1	—
Sanjay Arjundas Wadhwa	I NE	6	Y	1	2
V.V.Joseph	NE I	1	N	—	—
Ranjith Mathan	I NE	5	Y	—	—
Mary Rodrigues	NE NI	5	Y	—	—

BM (A) – Board Meeting Attendance during the 2011 - 2012, Y-Yes, N-No, AGM (A) – Whether Attended Annual General Meeting held on 10.11.2011, C- Chairman, E- Executive , NE- Non executive, I- Independent, NI- Non Independent.

Eight Board Meetings were held during the year 2011 – 2012 and the dates on which the Board meetings were held were as follows: 28.04.2011, 06.06.2011, 28.07.2011, 02.09.2011, 23.09.2011, 31.10.2011, 25.01.2012 and 20.02.2012.

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 Eight Board Meetings during the Financial Year 2011-12. 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>	Mr.V.A.Kurien
<b>Date of Birth</b>	13.01.1930
<b>Qualification</b>	B.Com., FCA
<b>Nature of Expertise</b>	20 years as a practicing Chartered Accountant 35 years as an entrepreneur
<b>Name of the other Companies in which he holds Directorship</b>	SSF Limited ( Removal of Directorship of Mr,V.A.Kurien in SSF Ltd., is under Challenge before the Hon'ble Company Law Board, Chennai) Andabar Cold Stores Private Limited, Southern Warehousing Co Private Limited, Lokavani Southern Printers Private Limited, , , Green Meadows Holiday Resorts Private Limited Southern Holdings & Investments (Chennai) Private Limited.

**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 eight Meetings during the financial year 2011-12 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 2011 – 2012
Mr. V.A.Kurien	8
Mr.Sanjay Arjundas Wadhwa	7
Mr.Ranjith Mathan	5
Mr. V.V. Joseph	1

The necessary quorum was present at the meeting. Mr.V.A.Kurien is 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 01.04.2011 – 31.03.2012	-	Nil
No. Complaints not solved to the satisfaction of shareholders as on 31.03.2012	-	Nil
No of Pending Share Transfers as on 31.03.2012	-	Nil

The Committee looks after the Share transfers and no Shares Transfers are pending as on 31.03.2012

**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 dematerialised shares held in NSDL and CDSL.

**8. GENERAL BODY MEETINGS.**

Last Three Annual General Meetings were held as under:

Year	Date & Time	Place
2009	14.09.2009 at 10.30 a.m	Green meadows Coference 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 SalaiPalavakkam, Chennai 600 041.
2011	10.11.2011 at 10.30.a.m	Green Meadows Conference Hall4/364 –A, Anna SalaiPalavakkam, 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.

**10. GENERAL SHAREHOLDER INFORMATION**

• Annual General Meeting

- Date, time and venue
- 18.09.2012 at 10.30 A.M, at Green Meadows- Conference Hall No.4/364-A, Anna Salai, Palavakkam, Chennai- 600 041

• **Financial Calendar**

Financial reporting for

- Quarter ending June 30, 2011 - July 2011
- Quarter ending September 30, 2011 - October 2011
- Quarter ending December 31, 2011 - January 2012
- Quarter ending March 31, 2012 - April 2012
- Annual General meeting for the year ended 31.03.2012 - 18<sup>th</sup> September 2012

- Date of Book closure - 14<sup>th</sup> September 2012 to 18<sup>th</sup> September 2012(both days inclusive)
- 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 31.03.2012

No. of Shares held	Shareholders Number	Shares	
		Number	%
Upto – 5000	1317	291060	9.70
5001 – 10000	202	167200	5.57
10001 – 20000	86	132700	4.43
20001 – 30000	78	198500	6.62
30001 – 40000	16	55500	1.85
40001 – 50000	16	75500	2.52
50001 – 100000	26	192430	6.41
100001 and above	23	1887110	62.90
<b>TOTAL</b>	<b>1764</b>	<b>3000000</b>	<b>100</b>

• Shareholding pattern as on 31.03.2012

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>		
<b>3. 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>9200</b>
<b>4. Others</b>		
a. Private Corporate Bodies	403600	13.45
b. Indian Public	1289280	42.98
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 - Knack Corporate Services Private Limited  
No.6/18, I Floor, Poes Road, I Street, Teynampet,  
Chennai - 600 018.

Share Transfer System - Share Transfers in physical form can be lodged with  
Knack Corporate Services Private Limited  
No.6/18, I Floor, Poes Road, I Street, Teynampet,  
Chennai - 600 018.

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 31/03/2012, the total number of Dematerialized Shares are 1180210. 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 2012as 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/-  
Sanjay Arjundas Wadhwa  
Director

Place : Chennai

Date : 25.07.2012

## 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 ' 2012 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 are unable to certify that the Company has complied with the conditions of corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except payment of listing fee paid to Madras Stock Exchange, Chennai and Bombay stock exchange Ltd.

As required by the guidance note issued by the Institute of Chartered Accountants of India we have been informed by the company 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 : 25.07.2012

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., Chennai**

We have audited the attached Balance Sheet of M/s. S.I. Capital & Financial Services Ltd, Chennai, as at 31<sup>st</sup> March 2012 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 purpose 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 2012 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 2012 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 2012,
  - 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 : 25.07.2012

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 & Financial Services Limited, 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 2012 for a period of more than six months from the date they became payable except service tax to the tune of Rs.66,772.55/-.
- 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 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.

Sd/-  
For Sudhindran & Co  
Chartered Accountants.

Sd/-  
CA. P. Sudhindran  
Partner  
Membership No.032100  
Firm Registration No.006019S

Place: Chennai

Date : 25.07.2012

## BALANCE SHEET AS AT 31.03.2012

	Note No.	31.03.2012 Rs.	31.03.2011 Rs.
<b>I. EQUITY AND LIABILITIES :</b>			
<b>i) Share Holders' Funds</b>			
a) Share Capital	3	30,000,000.00	30,000,000.00
b) Reserves and Surplus	4	(3,468,670.85)	(4,057,822.58)
<b>ii) Non-Current Liabilities</b>			
a) Long Term Provisions	5	168,213.66	119,389.00
<b>iii) Current Liabilities</b>			
a) Other Current Liabilities	6	72,772.55	6,000.00
b) Short Term Provisions	7	735,551.00	718,184.00
Total Equity & Liabilities		<u>27,507,866.35</u>	<u>26,785,750.42</u>
<b>II. ASSETS</b>			
<b>i) Non-Current Assets</b>			
<b>a) FIXED ASSETS</b>			
Tangible Assets	8	7,436,257.09	7,269,261.44
b) Deferred tax Asset (Net)	9	842,623.14	856,112.60
c) Long Term Loans & Advances	10	511,059.00	511,059.00
<b>ii) Current Assets</b>			
a) Current Investments	11	7,639,937.00	3,709,459.00
b) Inventories	12	552,551.35	422,433.48
c) Trade receivables	13	2,661,475.14	4,510,324.49
d) Cash and Cash Equivalent	14	1,512,309.35	2,534,641.79
e) Short term Loans & Advances	15	6,018,791.28	6,739,329.63
f) Other current assets	16	332,863.00	233,129.00
Total Assets		<u>27,507,866.35</u>	<u>26,785,750.42</u>

Accounting policies and Notes forming part of the financial statements.

22

For and on behalf of the Board

As per our separate report of even date

Sd/-

Mr. V.A Kurien  
Director

Sd/-

Mrs. Mary Rodrigues  
Director

Sd/-

For Sudhindran & Co  
Chartered Accountants.

Place : Chennai  
Date : 25.07.2012

Sd/-  
Mr. Sanjay Arjundas Wadhwa  
Director

Sd/-  
CA. P. Sudhindran  
Partner  
Membership No.032100  
Firm Registration No.006019S

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2012.**

Particulars	Note No.	31.03.2011 Rs.	31.03.2010 Rs.
<b>I. Income :</b>			
Revenue from operations	17	1,045,406.57	933,073.63
Other Income	18	1,413,645.40	1,193,407.03
Total Revenue		<u>2,459,051.97</u>	<u>2,126,480.66</u>
<b>II. Expenditure :</b>			
Employee benefit expenses	19	823,949.00	696,771.00
Financial cost	20	16,442.53	22,748.87
Provisions and Contingencies	5	9,066.66	-
Depreciation	8	184,029.66	151,040.24
Other Administrative expenses	21	<u>779,372.95</u>	<u>786,053.33</u>
Total Expenses		<u>1,812,860.80</u>	<u>1,656,613.44</u>
Profit before exceptional and extraordinary items and tax		646,191.17	469,867.22
Exceptional Items		-	-
Profit before extraordinary items and tax		<u>646,191.17</u>	<u>469,867.22</u>
Extraordinary Items		-	-
Profit before tax		<u>646,191.17</u>	<u>469,867.22</u>
Less: Transfer to Special Reserve		<u>129,238.23</u>	<u>93,973.44</u>
		516,952.94	375,893.78
<b>Tax Expenses :</b>			
Current Tax		87,000.00	-
Deferred Tax Liability		13,489.46	10,202.80
Profit for the year		<u>416,463.47</u>	<u>365,690.98</u>
<b>Earnings Per Equity Share</b>			
(i) Basic		0.14	0.12
(ii) Diluted		NA	NA

Accounting policies and Notes forming part of the financial statements.

22

For and on behalf of the Board

As per our separate report of even date

Sd/-

Mr. V.A Kurien  
Director

Sd/-

Mrs. Mary Rodrigues  
Director

Sd/-

For Sudhindran & Co  
Chartered Accountants.

Sd/-

Place : Chennai  
Date : 25.07.2012

Mr. Sanjay Arjundas Wadhwa  
Director

Sd/-

CA. P. Sudhindran  
Partner  
Membership No.032100  
Firm Registration No.006019S

**Cash flow statement for the year ended 31.03.2012**

	<u>As on 31.03.2012</u>	<u>As on 31.03.2011</u>
<b>A. Cash Flow From Operating Activities</b>		
Net Profit / (Loss) Before Tax & Extraordinary items	655,257.83	469,867.22
Add: Depreciation	184,029.66	151,040.24
Loss on Sale of mutual funds	922.52	10,116.00
Excess provision for Income Tax written back	43,450.00	-
	228,402.18	161,156.24
	883,660.01	631,023.46
Less: Profit on Redemption of Mutual Funds	225,388.79	248,681.00
Profit on Sale of Assets	165,209.31	-
Interest received	1,016,686.03	861,847.97
Dividend received	5,582.00	79,740.37
	1,412,866.13	1,190,269.34
Operating Profit Before Working Capital Changes	(529,206.12)	(559,245.88)
Changes In Working Capital		
Add: Decrease in Current Assets/Non current Assets	2,339,535.83	1,377,006.91
Add: Increase in Current Liabilities/Non Current Liabilities	132,964.21	-
Less: Decrease in Current Liabilities/Non current Liabilities	-	-
	2,472,500.04	(60,476.00)
	1,934,227.26	878,237.03
Less: Provision For Taxation	87,000.00	-
Net Cash from Operating Activities	1,847,227.26	878,237.03
<b>B. Cash Flow From Investing Activities</b>		
Sale of Investments	11,387,635.27	1,663,169.00
Sale of Fixed Assets	405,000.00	-
Interest Received	1,016,686.03	861,847.97
Dividend Received	5,582.00	79,740.37
	12,814,903.30	2,604,757.34
Less : Purchase of Fixed Assets	590,816.00	40,000.00
Less: Purchase of Mututal Fund	15,093,647.00	2,363,169.00
	15,684,463.00	2,403,169.00
Net Cash from Investing Activities	(2,869,559.70)	201,588.34
<b>C. Cash Flow from Financing Activities</b>		
Decrease in Secured Loans	-	-
Increase in Secured Loans	-	-
Decrease in Unsecured Loans	-	-
Increase in Unsecured Loans	-	-
Less : Decrease in bank borrowings	-	-
Interest on Loans	-	-
Net Cash from Financing Activities	-	-

**S.I. Capital & Financial Services., Ltd., Chennai**

	<u>As on 31.03.2012</u>	<u>As on 31.03.2011</u>
D. Net Increase/(Decrease in) Cash & Cash Equivalents (A + B + C) or (F - E)	(1,022,332.44)	1,079,825.37
E. Cash & Cash Equivalent at the start of the year	2,534,641.79	1,454,816.42
F. Cash & Cash Equivalent at the end of the year	<u>1,512,309.35</u>	<u>2,534,641.79</u>
	<u>(1,022,332.44)</u>	<u>1,079,825.37</u>

**NOTES :**

1. 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.
2. Previous year's figures have been regrouped/rearranged wherever necessary to conform to current year's presentation For and on behalf of the Board

	Sd/-	Sd/-	Sd/-
Place : Chennai	V.A. KURIEN	MARY RODRIGUES	SANJAY ARJUNDAS WADHWA
Date : 25.07.2012	Director	Director	Director

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 31.03.2012. 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 25.07.2012 to the members of the company.

Place: Chennai  
Date : 25.07.2012

As per our separate report of even date.  
For Sudhindran & Co,  
Chartered Accountants,  
CA. P. Sudhindran  
Partner  
Mem.No. 32100  
Firm Registration No. 006019S

Note: 21 - Notes forming part of the financial statements for the year ended 31st March 2012

## **1. CORPORATE INFORMATION**

S.I. Capital & Financial Services Limited is a public company incorporated in the State of Tamilnadu, India and regulated by the Reserve Bank of India as money changer company, Non Banking Finance Company (NBFC).

The company has been engaged mainly in the following businesses :

- a. Money Changer|
- b. Long/Medium Term Loans
- c. Lease Finance
- d. Hire Purchase and dealing in stock and securities

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **1 Basis of Preparation**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis and comply in all material aspects with the accounting standards notified under Section 211(3C), Companies(Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI) / RBI. The company follows mercantile system of accounting and recognises income and expenditure on accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### **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 of the financial statements and the reported income and expenses during the reporting period like provision for employee benefit 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.

A contingent provision against standard assets has been created at 0.25% of the outstanding standard assets in terms of the RBI circular Ref. No.DNBS(PD) CC No.225/03.02.001/ 2011-12 dated July 1,2011

## **6 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.

## **7 Investments**

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on "Accounting for investments" as notified under the Companies (Accounting Standards) Rules, 2006. Current investments also include current maturities of long-term investments.

## **8 Loans**

In accordance with the RBI guidelines, all loans are classified under any of four categories i.e (i) standard assets (ii) sub-standard assets (iii) doubtful assets and (iv) loss assets.

## **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 assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

## **12 Cash and Cash Equivalents**

Cash and Cash Equivalents for the purpose of the cash flow statement comprises of cash on hand, cash in bank, fixed deposits and other short term highly liquid investments with an original maturity of three months or less, that are readily convertible into known amount of cash and which are subject to an insignificant risk of exchange in value.

## **13 Cash Flow Statement**

Cash Flows are reported using the indirect method whereby cash flows from operating, investing and financing activities of the Group are segregated and profit before tax is adjusted for the effects of transactions of non - cash nature and any deferrals or accruals of past or future cash receipts or payments.



NOTES FORMING PART OF FINANCIAL STATEMENT FOR 2011 - 2012.

<u>NOTE NO.3</u>	<u>31.03.2012</u>	<u>31.03.2011</u>
<u>AUTHORISED CAPITAL</u>		
35,00,000 equity shares @ Rs.10/- each	<u>35,00,000.00</u>	<u>35,00,000.00</u>
<u>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</u>		
Issued & Subscribed and paidup fully		
30,00,000 equity shares @ Rs.10/- each	<u>30,00,000.00</u>	<u>30,00,000.00</u>

Reconciliation of number of equity shares and share capital

	<u>Number of</u> <u>Equity Shares</u>	<u>Amount</u> <u>in Rs.</u>	<u>Number of</u> <u>Equity Shares</u>	<u>Amount</u> <u>in Rs.</u>
At the beginning of the year	3,000,000	30,000,000.00	3,000,000	30,000,000.00
Add : Issued during the year	Nil	Nil	Nil	Nil
Outstanding at the end of the year	3,000,000	30,000,000.00	3,000,000	30,000,000.00

Disclosures :

All the equity shares carry equal rights and obligations rights including for dividend and with respect to voting rights.

Details of Shareholders holding more than 5% of the aggregate shares in the Company

<u>Name of the Shareholders</u>	<u>Number of</u> <u>Equity Shares</u>	<u>% of Ratio</u>	<u>Number of</u> <u>Equity Shares</u>	<u>% of Ratio</u>
Mr. V A Kurien	567,410	18.91	567,410	18.91
Southern warehousing Co. Pvt Ltd	288,400	9.61	288,400	9.61
Pyramid Audio Ind Ltd	179,000	5.97	179,000	5.97
Southern Sea Foods Ltd	186,300	6.21	186,300	6.21

Aggregate number of equity shares allotted as fully paidup by way of bonus shares during the preceding five years.

<u>Year</u>	
2011-12	Nil
2010-11	Nil
2009-10	Nil
2008-09	Nil
2007-08	Nil

NOTES FORMING PART OF FINANCIAL STATEMENT FOR 2011 - 2012.

	<u>31.03.2012</u>	<u>31.03.2011</u>
<u>NOTE NO. 4</u>		
<u>Reserves and Surplus</u>		
<u>a. Special reserve</u>		
Balance at the beginning of the year	668,980.36	575,006.92
Add: Special reserve for the year	129,238.23	93,973.44
Balance at the end of the year — (a)	798,218.59	668,980.36
<u>b. Surplus (Profit &amp; Loss account)</u>		
Balance at the beginning of the year	(4,726,802.94)	5,092,493.91)
Add : Excess provision of Income Tax w/back	43,450.01	-
Profit for the year	416,463.47	365,690.97
Balance at the end of the year — (b)	(4,266,889.46)	(4,726,802.94)
Grand Total (a+b)	(3,468,670.85)	(4,057,822.58)
<u>NOTE NO. 5</u>		
<u>Long Term Provisions</u>		
Gratuity Provision	159,147.00	119,389.00
Contigent Provision against standard Assets	9,066.66	-
	1,68,213.66	119,389.00
<u>NOTE NO. 6</u>		
<u>Other Current Liabilities</u>		
Service Tax payable	66,772.55	-
TDS Payable	6,000.00	6,000.00
	72,772.55	6,000.00
<u>NOTE NO. 7</u>		
<u>Short Term Provisions</u>		
<u>Provision for Employees Benefit</u>		
Salary Payable	26,388.00	24,338.00
Bonus Payable	20,992.00	23,924.00
PF Payable	5,401.00	4,593.00
<u>Others</u>		
Trident - Portfolio Manager	4,125.00	8,508.00
Mahesh & Co.	20,292.00	60,000.00
Sudhindran & Co.	61,417.00	70,181.00
Rent Payable	9,936.00	20,640.00
Building Maintenance	-	6,000.00
Kunnel Projects (P) Ltd.	500,000.00	500,000.00
Provision for Taxation	87,000.00	-
	735,551.00	718,184.00

**NOTE NO.8****FIXEDASSETS****DEPRECIATION SCHEDULE AS PER COMPANIES ACT FOR THE YEAR ENDED 31.03.2012.**

Particulars	Gross Block			Rate %	Depreciation				Net Block		
	As on 01.4.2011	Additions	Deletions		As on 31.03.2012	As on 01.04.2011	On Assets sold	For the year	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
<b>TANGIBLE</b>											
Land	6,646,565.50	-	-	-	-	-	-	-	-	6,646,565.50	6,646,565.50
Building	105,000.00	-	-	5.33	35,618.62	-	3,698.03	39,316.65	65,683.35	69,381.38	
Plant & Machinery	973,120.19	-	-	13.91	873,010.84	-	13,925.21	886,936.05	86,184.14	100,109.35	
Electrical Machinery	99,990.85	-	-	13.91	42,487.56	-	7,998.71	50,486.27	49,504.58	57,503.29	
Air Conditioner	30,000.00	-	-	13.91	17,884.32	-	1,685.29	19,569.61	10,430.39	12,115.68	
Canon Xerox	52,200.00	-	-	13.91	8,237.20	-	6,115.23	14,352.43	37,847.57	43,962.80	
Furniture & Fixtures	931,651.15	-	-	18.10	849,997.71	-	14,779.27	864,776.98	66,874.17	81,653.44	
Motor Car - Swift	509,613.14	-	509,613.14	25.89	-	269,822.45	-	-	-	239,790.69	
Motor Car - Ford	-	579,950.00	-	25.89	579,950.00	-	125,124.21	125,124.21	454,825.79	-	
Computers & Peripherals	397,210.00	10,866.00	-	40.00	379,030.69	-	10,703.72	389,734.41	18,341.59	18,179.31	
<b>Total</b>	<b>9,745,350.83</b>	<b>590,816.00</b>	<b>509,613.14</b>		<b>9,826,553.69</b>	<b>269,822.45</b>	<b>184,029.66</b>	<b>2,390,296.60</b>	<b>7,436,257.09</b>	<b>7,269,261.44</b>	
Previous Year :	9,705,350.83	40,000.00	-		2,325,049.15	-	151,040.24	2,476,089.39	7,269,261.44	7,380,301.68	

Note :  
 Sale Value of Car 405,000.00  
 Less:  
 W.D.V of Motor Car 239,790.69  
 as on 01.04.2011  
 Profit on Sale of Car 165,209.31

NOTE NO. 9COMPUTATION OF DEFERRED TAX AS PER AS 22 FOR THE YEAR 2011 - 2012Deferred Tax for the Current year 2011-12

	Rs
Depreciation as per Companies Act	184,029.66
Depreciation as per as per I.T. Act	166,934.88
	<u>17,094.78</u>
Deferred Tax Asset on the above @ 30.90 %	5,282.29
<u>Deferred Tax Liability For The Year</u>	
Provision for Bonus	20,992.00
Provision for Gratuity	39,758.00
	<u>60,750.00</u>
Deferred Tax Liability for the year @ 30.90% on the above	<u>18,771.75</u>
Net Deferred Tax Liability to be taken to P& L Account	13,489.46
<u>Summary :</u>	
Deferred Tax Asset as per Last Year Balance Sheet	856,112.60
Deferred Tax Liability as per Current Year	13,489.46
Net Deferred Tax Asset as at 31.03.2012	<u>842,623.14</u>

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR 2011 - 2012.**

	<b>31.03.2012</b>	<b>31.03.2011</b>
	RS	Rs
<u>NOTE NO. 10</u>		
<u>Long Term Loans &amp; Advances</u>		
i) Advance for land	430,000.00	430,000.00
ii) <u>Security Deposit</u>		
a) Unsecured, considered Good :		
Telephone Deposit	35,139.00	35,139.00
Rent Deposit	45,920.00	45,920.00
	511,059.00	511,059.00
<u>NOTE NO. 11</u>		
<u>Current Investments</u>		
<u>a. Investment in Equity Instruments</u>		
<u>Quoted:</u>		
Sambandam Spinning Mills Ltd	45,000.00	45,000.00
Sri Nachammai Cotton Mills Ltd.	56,000.00	56,000.00
<u>Un Quoted:</u>		
Laser Diamond Ltd	229,000.00	229,000.00
Saravana Estates & Plantation Ltd	200,000.00	200,000.00
SI Property Development Limited	43,195.00	43,195.00
Skandam Farms & Plantations Ltd.	470,000.00	470,000.00
SSF Ltd	298,095.00	298,095.00
Thambi Modern Spinning Mills Ltd	5,000.00	5,000.00
Sub - Total (a)	1,346,290.00	1,346,290.00
<u>b. Investment in Mutual Fund</u>		
Reliance Money Manager Fund Retail Plan - Divd	-	473,285.00
HDFC FMP 370D March 2011	-	1,000,000.00
DSP Blackrock Small and Midcap Fund (divd)	-	589,884.00
HDFC Cash Management - Treasury Advantage	1,100,850.00	-
HDFC Short Term Plan Dividend	1,352,230.00	-
ICICI Fmp Series 57-1 Y Plan C Cumulative	2,515,660.00	-
Reliance Money Manager Fund -Retail Plan Weekly Div	624,907.00	-
Reliance Short Term Fund Quarterly Divd	700,000.00	-
Reliance Banking fund - divd	-	300,000.00
Sub - Total (b)	6,293,647.00	2,363,169.00
Grand Total (a+b)	7,639,937.00	3,709,459.00
<u>NOTE NO.12</u>		
<u>Inventories</u>		
Stock-in-trade	552,551.35	422,433.48
	552,551.35	422,433.48
<u>NOTE NO.13</u>		
<u>Trade Receivables</u>		
<u>1. Outstanding for more than six months</u>		
a) Unsecured, considered Good	2,274,562.00	4,123,411.35
<u>2. Others</u>		
b) Unsecured, Considered Good	386,913.14	386,913.14
	2,661,475.14	4,510,324.49

	31.03.2012	31.03.2011
	RS	Rs
<b>NOTE NO.14</b>		
<u>Cash &amp; Cash Equivalent</u>		
1. Cash in hand	25,744.36	348,191.09
<u>2. Cash at Banks</u>		
<u>i. In Current account</u>		
ABN Amro Bank	41,685.58	812,656.79
HDFC Bank Ltd	3,584.79	14,502.96
Indian Overseas Bank	10,068.09	41,822.09
Axis Bank Ltd	143,495.11	50,004.34
Vijaya Bank	-	3,024.20
Axis Bank Ltd- Port Blair	5,325.00	5,325.00
Karnataka Bank - Kochi	732,406.42	809,115.32
<u>ii. In Deposit account</u>		
Karnataka Bank	550,000.00	450,000.00
	1,512,309.35	2,534,641.79
 <b>NOTE NO.15</b>		
<u>Short Term Loans &amp; Advances</u>		
<u>1. Loans &amp; Advances from related parties</u>		
<u>a) Secured considered Good :</u>		
Advance to Associate concerns	357,016.85	428,524.85
<u>2. Others</u>		
i)(Advance recoverable in cash or in kind or for value to be considered good)		
a) <u>Secured Considered Good</u> :	4,911,666.00	5,316,796.00
b) <u>Unsecured Considered good</u> :	357,979.35	421,953.97
c) <u>Doubtful</u>	909,674.65	909,674.65
	6,536,336.85	7,076,949.47
Less: Provision for Doubtful debts	909,674.65	909,674.65
	5,626,662.20	6,167,274.82
ii) <u>Advance Income Tax / Refund Due</u>	392,129.08	572,054.81
	6,018,791.28	6,739,329.63
 (b) The classification of loans under the RBI guidelines is as under :		
(i) Standard assets	3,626,662.20	6,167,274.82
(ii) Sub-standard assets	2,000,000.00	-
(iii) Doubtful assets	909,674.65	909,674.65
(iv) Loss assets	-	-
	6,536,336.85	7,076,949.47
 <b>NOTE NO. 16</b>		
<u>Other Current Assets</u>		
Interest accrued on FD	19,834.00	16,875.00
Interest Receivable	313,029.00	216,254.00
	332,863.00	233,129.00

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR 2011 - 2012.

	<b>31.03.2012</b>	<b>31.03.2011</b>
	Rs	Rs
<b>NOTE NO. 17</b>		
<u>Revenue from operations</u>		
Total Sales	97,831,327.14	88,762,456.30
Exchange Transaction Charges Recd	-	9,112.40
Add: Closing Stock	552,551.35	422,433.48
(A)	98,383,878.49	89,214,002.18
Opening Stock	422,433.48	221,483.60
Purchase of cn	48,300,679.36	87,802,287.45
Exchange Transaction Charges Paid	-	10,283.00
Encashment of Cheque	48,615,359.08	246,874.50
(B)	97,338,471.92	88,280,928.55
(A - B)	1,045,406.57	933,073.63
<b>NOTE NO. 18</b>		
<u>Other Income</u>		
Interest Received on Loans	972,929.03	846,954.97
Interest From Bank on deposits	43,757.00	14,893.00
Interest on Income Tax Refund	779.27	-
Dividend Received - Shares	5,582.00	11,259.00
Dividend Received -Mutual Fund	-	68,481.37
Commission Received on Money Transfer Services	-	3,137.69
Profit on Redemption of Mutual Funds	225,388.79	248,681.00
Profit on sale of Motor car	165,209.31	-
	1,413,645.40	1,193,407.03
<b>NOTE NO. 19</b>		
<u>Employee benefit expenses</u>		
Employee Cost (Salaries, bonus and allowances)	771,898.00	675,977.00
Gratuity	39,758.00	-
Staff Welfare	12,293.00	20,794.00
	823,949.00	696,771.00
<b>NOTE NO. 20</b>		
<u>Finance cost</u>		
Bank Charges	16,442.53	22,748.87
	16,442.53	22,748.87

	31.03.2012	31.03.2011
	Rs	Rs
<u>NOTE NO. 21</u>		
<u>ADMINISTRATIVE EXPENSES</u>		
Rent	181,124.00	165,680.00
Rates & Taxes	28,859.00	5,570.00
Electricity Charges	36,138.00	24,215.00
Telephone Charges	51,686.00	66,194.00
Postage & Telegram	3,346.00	1,461.90
Printing & Stationery	39,401.02	40,129.16
Conveyance Expenses	8,145.00	1,675.00
Travelling Expenses	31,575.00	48,419.00
Vehicle Maintenance	71,770.00	112,630.00
Office Maintenance expenses	26,152.00	23,300.26
Business Promotion Expenses	10,859.41	7,900.00
Insurance Charges	6,067.00	11,927.84
AGM & Publishing Expenses	33,634.00	28,170.00
Annual Maintenance Charges	18,077.00	4,136.00
Repairs and Maintenance	54,321.00	31,358.17
Property Maintenance	28,500.00	-
Commission Paid	7,000.00	-
Listing & Filing Fee	11,030.00	27,255.00
Sitting Fees	20,000.00	13,000.00
Share transfer fee	29,850.00	29,236.00
Loss on redemption of mutual Funds	922.52	10,116.00
Professional Charges	13,500.00	67,500.00
Audit fees	67,416.00	66,180.00
	<u>779,372.95</u>	<u>786,053.33</u>



Note: 22 - Notes forming part of the financial statements for the year ended 31st March 2012

**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., for the sake of convenience to sort-out certain outstanding issues and since the company has a branch office in Cochin. It was considered easier to tackle the day to day issues. However the management of SI Capital and Financial Services Ltd, has confirmed that the entire property is on equal co-ownership with SSF Limited.

13 The balance in various accounts in Trade receivable and Current / Non Current liabilities are subject to confirmation and reconciliation. They have been shown as per values appearing in the books of accounts.

14 Current / Non Current Loans and Advances are subject to confirmation. The secured loans are sufficiently covered by securities. As regards Un-secured loans, though the management is confident of realising the loans recoverable, and 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 lands 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) SSF Ltd.

ii) Southern Warehousing Company Pvt Ltd

b) Related Party Transactions:

Name of the Associate Concerns	Amount o/s as on 31.03.2012	Amount o/s as on 31.03.2011
i) SSF Ltd. (Maintenance charges receivable)	223,696.85	195,197.00
ii) Southern Warehousing Company Pvt Ltd., (Hire Purchase loan)	133,320.00	233,328.00

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.

18 <u>Earning per Share:</u>		
<u>Basic and Diluted</u>	31.03.2012	31.03.2011
Weighted Average No. of Shares outstanding (Nos)		
Net Profit / (Loss) in Rupees	416,463.47	365,690.17
Earning Per Share	0.14	0.12
Nominal value of Share	Rs. 10/-	Rs. 10/-

19 **Taxation**

**Income Tax:**

Provision for current tax is made on the basis of minimum alternate tax provided in accordance with the provisions of the Income Tax Act, 1961.

**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 asset on business loss carried forward has not been created.

**Deferred Tax Asset**

Opening Balance		856,112.60
Deferred Tax for the year		
Depreciation as per Companies Act	184,029.66	
Depreciation as per Income Tax Act	166,934.88	
Difference	<u>17,094.78</u>	
Deferred Tax Asset for the year @ 30.90% on the above		5,282.29
Provision for Gratuity	39,758.00	
Provision for Bouns	20,992.00	
	<u>60,750.00</u>	
Deferred Tax Liability for the year @ 30.90% on the above		18,771.75
Current year Deferred Tax Liability debited to P&L a/c		13,489.46
Net Deferred Tax Asset shown in the Balance Sheet		<u>842,623.14</u>

20 Income from Forex Business Rs. 1,045,406.57 has been arrived at as follows.

<u>Income from Forex Business:</u>	31.03.2012	31.03.2011
Sales of Currencies & Travellers Cheque	97,831,327.14	88,791,568.70
Less: Purchase of Currencies & Travellers Cheques, Service Charges paid	96,916,038.44	88,059,444.95
Sub Total - (a)	915,288.70	732,123.75
Add: Increase / ( Decrease) in Stock Closing Stock	552,551.35	422,433.48
Less: Opening Stock	422,433.48	221,483.60
Sub Total - (b)	130,117.87	200,949.88
TOTAL (a+b)	<u>1,045,406.57</u>	<u>933,073.63</u>

21 <u>Managerial Sitting fee</u>	31.03.2012	31.03.2011
Directors' Sitting fee	20,000.00	13,000.00
22 <u>Auditor's Remuneration:</u>	31.03.2012	31.03.2011
As Audit fee	40,000.00	40,000.00
As Tax audit fee including service tax	27,416.00	26,180.00
Total	67,416.00	66,180.00

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 Prior year Comparatives

Schedule VI to the Companies Act, 1956 is revised effective from 1 April 2011 and has significantly impacted the disclosures and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

Sd/-  
V.A. KURIEN  
Director

Sd/-  
MARY RODRIGUES  
Director

for Sudhindran & Co.  
Chartered Accountants.

Place : Chennai  
Date : 25.07.2012

Sd/-  
SANJAY ARJUNDAS WADHWA  
Director

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