

S.I. CAPITAL & FINANCIAL SERVICES LTD.



Twentieth Annual Report 2013 - 2014

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

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 Chennai
Bankers	:	Indian Overseas Bank., Ratanakar Bank Limited., 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	:	GNSA Infotech Ltd Nelson Chambers Block F, 4th Floor, 115, Nelson Manickam Road Aminthakarai, Chennai 600029 Tel: 44-4296 2025

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of the Company will be held on Friday, the 22nd August, 2014 at Green Meadows – Conference Hall No: 4/364-A, Anna Salai, Palavakkam, Chennai 600 041 at 11.00 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance sheet and statement of Profit and Loss for the year ended 31st March, 2014 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of, Mr. Sanjay Arjundas Wadhwa (DIN:00203083), 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, (bearing Firm Reg. No.006019S) being the retiring auditors, are eligible for re-appointment.

SPECIAL BUSINESS

- 4 To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:

SALE OF LAND SITUATED AT ELAMKULAM VILLAGE, KANAYANUR TALUK, ERNAKULAM DISTRICT

“RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 and the relevant rules framed there under and pursuant to the powers conferred under Clause III(B)(4) of Memorandum of Association of the Company and in compliance with the requirement of Listing Agreement (if any) the consent of the shareholder be and is hereby given to sell/dispose “Thevara Property” situated at Elamkulam Village, Kanayanur Taluk, Ernakulam district purchased during the year 1996.”

“RESOLVED FURTHER THAT the property be sold to M/s. Green Meadows Holiday Resorts Private Limited, a Company registered under the Companies Act, 1956 having its registered office at Palavakkam, Chennai for a sum of Rs. 2 Cores (Two Crores Only) who is holding the rest 50% of the property.”

“RESOLVED FURTHER THAT pursuant to the terms and conditions of Agreement to sale entered into by the Company with M/s. Kunnel Projects and M/s. Asten Realtors be and hereby stands cancelled due to nonfulfillment of commitment and inadvertent delay, the earnest money paid by them for the said transaction be returned and an intimation be sent to the parties to the agreement in this regard.”

“RESOLVED FURTHER THAT any of the Directors/Company Secretary or any other person as may be authorised by the Board of Directors of the Company be and are hereby authorised to take necessary steps to enter into agreement for sale/sale agreement with M/s. Green Meadows Holiday Resorts Private Limited, Palavakkam Chennai either through themselves or through any other authorised representative, to make declarations, file necessary documents and to do such other acts/deeds as may be required and deemed fit to bring into force the above resolution.”

“RESOLVED FURTHER THAT any of the Directors/Company Secretary or any other person as may be authorised by the Board of Directors of the Company be and are hereby severally authorised to get the said sale agreement executed, registered with the Registrar, necessary stamp duty be paid and do such other acts and deeds as may be required from time to time”

for & on behalf of the Board

s/d

V.A. Kurien

Place : Chennai

Date : 01.07.2014

Director

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 18th August 2014 to 22nd August 2014 (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. Members are requested to kindly notify the change in address immediately to the company.
7. No gifts/refreshments will be provided at the venue of the meeting.

for & on behalf of the Board

s/d

V.A. Kurien

Director

Place : Chennai

Date : 01.07.2014

Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013:

Item No. 4

The Company has purchased a property named "Thevara Property" situated at Konthuruthi Desom in Elamkulam Village, Kanayanur Taluk, Ernakulam district total area of approximately 103 cents during the year 1996 jointly (50%-50%) with M/s. SSF Limited for a consideration of Rs. 68 lakhs being 50% value of the property.

Later M/s. SSF Limited sold its 50% to M/s. Green Meadows Holiday Resorts Pvt Ltd., comprising of the front portion of the land during the year 2013. For business or operational requirements a MoU was entered into with M/s. Kunnel Projects and M/s. Asten Realtors in the month of October 2013 for sale of the 50% land area held in the name of the company.

There being no positive outcome/reply and due to inadvertent delay in taking the decision from the above mentioned parties and since the company needs money to expand its activities, instead of keeping an idle asset, the Directors thought it prudent to sell away 50% share being the back portion of the property to M/s. Green Meadows Holiday Resorts Pvt Ltd., who themselves hold the other half of the property.

Mr. V.A. Kurien & Ms. Mary Rodrigues, Directors of the Company are interested in this resolution.

The Board proposes this resolution to be passed as an Special Resolution with or without modification.

for & on behalf of the Board

s/d

V.A. Kurien

Place : Chennai

Date : 01.07.2014

Director

DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have pleasure in presenting the 20th Annual Report together with the Audited financial statements of your Company for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

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

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Total Income	24.03	28.60
Total Expenditure	18.40	20.99
Profit / (Loss) before depreciation	5.63	7.61
Less: Depreciation	1.92	0.48
Profit / (Loss) after Tax	1.93	4.01
Paid Up Capital	300.00	300.00

OPERATIONS

The Directors are very keen to convert the idle asset like the property at Cochin to cash to improve the liquidity and to carry on the core business of the company.

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 31st March 2014.

INDUSTRY STRUCTURE & DEVELOPMENT

The Company's activity is mainly dealing in foreign exchange transactions.

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.

Since the hotel project as mentioned in the last report, is still in the stage of completion, we are still contemplating to invest on this project.

DIRECTORS

Mr. Sanjay Arjundas Wadhwa (DIN: 00203083) 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 (bearing Firm Reg No.006019S) 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 31.03.2014, 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 31.3.2014 and of the profit of the company for the financial year ended 31.3.2014.
- 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 31.03.2014 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 have 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 forms 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

Sd/-
Sanjay Arjundas Wadhwa

Place: Chennai
Date : 01.07.2014

**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 is as follows:

Sl. no.	Name	Category
1	Mr. V.A.Kurien	Non-Executive Director
2	Mr. Sanjay Arjundas Wadhwa	Independent and Non-Executive Director
3	Mr. Ranjith Matthan	Independent and Non-Executive Director
4	Mrs. Mary Rodrigues	Non-Executive Director
5	Mr. V.V. Joseph	Independent and 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 memberships
V.A.Kurien	NI NE	6	Y	-	-
Sanjay Arjundas Wadhwa	I NE	6	Y	1	0
V.V. Joseph	I NE	-	N	--	--
Ranjith Mathan	I NE	2	Y	--	--
Mary Rodrigues	NI NE	4	Y	-	-

BM (A) – Board Meeting Attendance during the 2013-2014, Y-Yes, N-No, AGM (A) – Whether Attended Annual General Meeting held on 22.08.2014, C- Chairman, E- Executive , NE- Non executive, I- Independent, NI- Non Independent.

Six Board Meetings were held during the year 2013–2014 and the dates on which the Board meetings were held were as follows: 26.04.2013, 29.07.2013, 03.09.2013, 08.10.2013, 30.10.2013 and 29.01.2014.

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 Six Board Meetings during the Financial Year 2013-14. 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:

Name of the Director	Sanjay Arjundas Wadhwa
Date of Birth	06.12.1966
Qualification	B.com, MBA
Nature of Expertise	Wide Business Experience
Name of the other Companies in which he holds Directorship	SSF 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 2013-14 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 2013-14
Mr. V.A.Kurien	4
Mr.Sanjay Arjundas Wadhwa	4
Mr.Ranjith Mathan	3
Mr. V.V. Joseph	0

The necessary quorum was present at the Meetings. 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 investor complaints like transfer of shares, non receipt of balance sheet etc. The Compositions of the Shareholders Committee are given below:

Sl. no.	Name	Category
1	Mr. V.A.Kurien	Non-Executive Director
2	Mr. Sanjay Arjundas Wadhwa	Independent and Non-Executive Director
3	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 01.04.2013 – 31.03.2014 - Nil

No. Complaints not solved to the satisfaction of shareholders as on 31.03.2014 - Nil

No of Pending Share Transfers as on 31.03.2014 - Nil

The Committee looks after the Share transfers and no Shares Transfers are pending as on 31.03.2014

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

Aqualified 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
2011	10.11.2011 at 10.30 A.M.	Green Meadows Conference Hall, 4/364 – A, Anna Salai Palavakkam, Chennai 600 041.
2012	18.09.2012 at 10.30 A.M.	Green Meadows Conference Hall 4/364 –A, Anna Salai Palavakkam, Chennai 600 041.
2013	13.09.2013 at 11.00 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 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 - 22.08.2014 at 11.00 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, 2013
 - Quarter ending September 30, 2013
 - Quarter ending December 31, 2013
 - Quarter ending March 31, 2014
 - Annual General meeting for the year ended 31.03.2014
 - Date of Book closure
 - Dividend Payment Date
 - Listing on Stock Exchanges
 - Stock Code
 - 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 31.03.2014

No. of Shares held	Shareholders		Shares	
	Number	Number	%	
Upto – 5000	1273	280560	9.35	
5001 – 10000	200	164800	5.49	
10001 – 20000	81	124700	4.16	
20001 – 30000	74	187700	6.26	
30001 – 40000	14	48800	1.63	
40001 – 50000	12	57200	1.91	
50001 – 100000	25	185430	6.18	
100001 and above	21	1950810	65.02	
TOTAL	1700	3000000	100	

- Shareholding pattern as on 31.03.2014

A.	Category	No. of Shares held	Percentage of share holding
1.	PROMOTER'S HOLDING		
	Promoters		
	- Indian Promoters	1545020	51.50
	- Foreign Promoters	-	-
2.	Persons acting in Concert	-	-
	Sub –Total	1545020	51.50
B.	NON – PROMOTER'S HOLDING		
3.	Institutional Investors		
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	-	-
	Sub - Total	9200	0.31
4.	Others		
a.	Private Corporate Bodies	33700	1.12
b.	Indian Public	1412080	47.07
c.	NRIs / OCBs	-	-
d.	Any other	-	-
	Sub – Total	1445780	48.19
GRAND TOTAL		3000000	100

- Registrar and Transfer Agents - GNSA Infotech Ltd
Nelson Chambers Block F, 5th Floor,
115, Nelson Manickam Road
Aminthakarai, Chennai 600029
Tel: 44-4296 2000

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

- Share Transfer System - Share Transfers in physical form can be lodged with
GNSA Infotech Ltd
Nelson Chambers Block F, 5th Floor,
115, Nelson Manickam Road
Aminthakarai, Chennai 600029
Tel: 44-4296 2000

The Transfer of shares is normally processed within 10-15 days from the date of receipt. Transfers of Shares are effected and Share Certificates are dispatched within 15 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 31/03/2014, the total number of Dematerialized Shares are 1612340. The Company's shares are available for Demat with both National Securities Depository Limited (NSDL) 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 31st March 2014 as envisaged in clause 49 of the Listing Agreement with Stock Exchanges.

For & On Behalf of the Board of Directors

Place: Chennai
Date : 01.07.2014

Sd/-
V.A.Kurien

Sd/-
Sanjay Arjundas Wadhwa

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To the members,
S.I Capital & Financial Services Limited, Chennai.

We have examined the compliance of conditions of Corporate Governance by S.I Capital & Financial Services Limited for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges in India.

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 implementations 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 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.

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 : 01.07.2014

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

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the members,
S.I Capital & Financial Services Limited, Chennai.

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. S.I CAPITAL & FINANCIAL SERVICES LTD., (the "Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss account for the year ended on that date annexed thereto, the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements.

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the "Act") read with the general circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required, 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 March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- (c) in the case of the cash flow statement of the cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the "Order") as amended by "the Companies (Auditor's Report) (Amendment) Order, 2004" issued by the Central Government in terms of Section 227(4A) of the Act, (herein after referred to as the "Order") and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the cash flow statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and cash flow statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013
 - e. On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

Place : Chennai
Date : 01.07.2014

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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) As explained to us, the Company has not disposed off substantial part of fixed assets during the year and the going concern assumption of the Company is not affected.
2. (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (d) The company has valued inventory at the lower of cost or net realisable value. The determination of realisable value of this inventory is based on the method adopted by the management. We have not conducted audit procedures for the same.
3. (a) We have been informed by the company management that they have 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.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
5. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Act, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of the clause 4 (vi) of the Order are not applicable to the Company.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business
8. 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. According to the information and explanations given to us, in respect of statutory dues:

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

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
 - (c) 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. The Company has accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
 11. 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. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
 14. 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.
 15. 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. In our opinion and according to the information and explanations given to us, the company has not obtained any term loans.
 17. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have prima facie not been used during the year for long- term investment.
 18. According to the information and explanations given to us, during the year covered by our audit, the Company has not made preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Act.
 19. According to the information and explanations given to us, during the year covered by our report, the Company has not issued any secured debentures.
 20. During the year covered by our report, the Company has not raised any money by way of public issue.
 21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Place : Chennai
Date : 01.07.2014

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

BALANCE SHEET AS AT 31st MARCH 2014.

Amount in Rs.

	Note No.	31.03.2014	31.03.2013
<u>I. EQUITY AND LIABILITIES :</u>			
i) <u>Share Holders' Funds</u>			
a) Share Capital	3	30,000,000.00	30,000,000.00
b) Reserves and Surplus	4	(3,078,466.85)	(2,924,505.63)
ii) <u>Non-Current Liabilities</u>			
a) Long Term Provisions	5	228,759.41	199,231.48
iii) <u>Current Liabilities</u>			
a) Other Current Liabilities	6	11,639.00	14,588.00
b) Short Term Provisions	7	1,821,792.00	373,769.00
Total Equity & Liabilities		28,983,723.56	27,663,082.85
<u>II. ASSETS</u>			
i) <u>Non-Current Assets</u>			
a) <u>FIXED ASSETS</u>			
Tangible Assets	8	8,333,571.48	7,077,997.74
b) Deferred tax Asset (Net)	9	795,162.14	818,852.14
c) Long Term Loans & Advances	10	81,059.00	511,059.00
ii) <u>Current Assets</u>			
a) Current Investments	11	8,443,375.00	6,500,425.00
b) Inventories	12	4,499.14	30,173.55
c) Trade receivables	13	2,517,975.16	2,661,475.14
d) Cash and Cash Equivalent	14	1,523,482.20	5,083,317.98
e) Short term Loans & Advances	15	6,915,619.44	4,638,981.30
f) Other current assets	16	368,980.00	340,801.00
Total Assets		28,983,723.56	27,663,082.85

Accounting policies and Notes forming part of the financial statements.

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 : 01.07.2014

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 2014.

Amount in Rs.

PARTICULARS	Note No.	31.03.2014	31.03.2013
I. INCOME :			
Revenue from operations	17	888,858.51	1,074,347.75
Other Income	18	1,513,991.01	1,786,227.29
Total Revenue		2,402,849.52	2,860,575.04
II. EXPENSES :			
Employee benefit expenses	19	858,350.81	938,725.19
Financial cost	20	48,176.51	50,474.34
Provisions and Contingencies	15	16,507.12	10,534.63
Depreciation	8	192,437.26	48,531.55
Other Administrative expenses	21	916,038.04	1,099,544.11
Total Expenses		2,031,509.73	2,147,809.82
Profit before exceptional and extraordinary items and tax		371,339.79	712,765.22
Exceptional Items		-	-
Profit before extraordinary items and tax		371,339.79	712,765.22
Extraordinary Items		-	-
Profit before tax		371,339.79	712,765.22
Less: Transfer to Special Reserve		74,267.96	142,553.04
		297,071.83	570,212.18
Tax Expenses :			
Current Tax		80,000.00	145,000.00
Deferred Tax Liability		23,690.00	23,771.00
Profit for the year		193,381.83	401,441.18
Earnings Per Equity Share			
(i) Basic		0.06	0.13
(ii) Diluted		N.A	N.A

Accounting policies and Notes forming part of the financial statements.

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 : 01.07.2014

Sd/-
Mr. Sanjay Arjundas Wadhwa
Director

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

Cash flow statement for the year ended 31.03.2014

	<u>As on 31.03.2014</u>		<u>As on 31.03.2013</u>	
A. Cash Flow From Operating Activities				
Net Profit / (Loss) Before Tax & Extraordinary items		371,339.79		712,765.22
Add: Depreciation	192,437.26		48,531.55	
Loss on Sale of Motor Car	-		104,825.79	
Excess provision for Income Tax written back	8,389.00	200,826.26	171.00	153,528.34
		<u>572,166.04</u>		<u>866,293.56</u>
Less: Profit on Redemption of Mutual Funds	327,556.37		281,017.42	
Profit On Sale of Shares	-		498,705.00	
Advances irrecoverable written off	430,000.00			
Interest received	1,182,767.14		999,906.87	
Dividend received	3,667.50	1,943,991.01	4,217.00	1,783,846.29
		<u>(1,371,824.97)</u>		<u>(917,552.73)</u>
Operating Profit Before Working Capital Changes				
Changes In Working Capital				
Add: Decrease in Current Assets/Non current Assets	(1,705,642.75)		1,894,249.78	
Add: Increase in Current Liabilities /				
Non Current Liabilities	1,474,601.93	(231,040.82)	(388,948.73)	1,505,301.05
		<u>(1,602,865.79)</u>		<u>587,748.32</u>
Less: Provision For Taxation		80,000.00		145,000.00
		<u>(1,682,865.79)</u>		<u>442,748.32</u>
Net Cash from Operating Activities				
B. Cash Flow From Investing Activities				
Sale of Investments	5,579,786.37		10,694,234.43	
Sale of Fixed Assets	-		350,000.00	
Interest Received	1,182,767.14		999,906.87	
Dividend Received	3,667.50	6,766,221.01	4,217.00	12,048,358.30
		<u>6,766,221.01</u>	<u>4,217.00</u>	
Less : Purchase of Fixed Assets	1,448,011.00		145,098.00	
Less: Purchase of Mututal Fund	7,195,180.00	8,643,191.00	8,775,000.00	8,920,098.00
Net Cash from Investing Activities		<u>(1,876,969.99)</u>		<u>3,128,260.30</u>
C. Cash Flow from Financing Activities				
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		<u>-</u>		<u>-</u>

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

D. Net Increase/(Decrease in) Cash & Cash Equivalents (A + B + C) or (F - E)	(3,559,835.78)	3,571,008.62
E. Cash & Cash Equivalent at the start of the year	5,083,317.98	1,512,309.36
F. Cash & Cash Equivalent at the end of the year	<u>1,523,482.20</u>	<u>5,083,317.98</u>
	<u>(3,559,835.78)</u>	<u>3,571,008.62</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/-
V.A. KURIEN
Director

sd/-
MARY RODRIGUES
Director

sd/-
SANJAY ARJUNDAS WADHWA
Director

Place : Chennai
Date : 01.07.2014

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 31.03.2014.

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 01.07.2014 to the members of the company.

Place : Chennai
Date : 01.07.2014

As per our separate report of even date.
For Sudhindran & Co,
Chartered Accountants,

sd/-
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 2014

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 2013 - 2014.

	31.03.2014	31.03.2013
NOTE NO. 3		
AUTHORISED CAPITAL		
35,00,000 equity shares @ Rs.10/- each	<u>35,00,000.00</u>	<u>35,00,000.00</u>
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
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

	Number of Equity Shares	Amount in Rs.	Number of Equity Shares	Amount in Rs.
At the beginning of the year	3,000,000	30,00,000.00	3,000,000	30,00,000.00
Add : Issued during the year	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
Outstanding at the end of the year	<u>3,000,000</u>	<u>30,00,000.00</u>	<u>3,000,000</u>	<u>30,00,000.00</u>

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 Equity Shares</u>	<u>% of Ratio</u>	<u>Number of Equity Shares</u>	<u>% of Ratio</u>
Mr. V A Kurien	575,910	19.20	567,410	18.91
Mrs. Susie Abraham	151,100	5.04	-	-
Mr. Sanjay Arjundas Wadhwa	166,300	5.54	-	-
Southern warehousing Co. Pvt Ltd	439,600	14.65	424,700	14.16
Pyramid Audio Ind Ltd	179,000	5.97	179,000	5.97

No equity shares were allotted as fully paidup by way of bonus shares during the preceeding five years.

NOTES FORMING PART OF FINANCIAL STATEMENT FOR 2013 - 2014.

NOTE NO. 4	31.03.2014	31.03.2013
Reserves and Surplus		
a. Special reserve		
Balance as on 01.04.2013	940,771.64	798,218.59
Add: Special reserve for the year	74,267.96	142,553.04
Balance as on 31.03.2014 ----- (a)	<u>1,015,039.60</u>	<u>940,771.64</u>
b. Surplus (Profit & Loss account)		
Balance as on 01.04.2013	(3,865,277.27)	(4,266,889.46)
Add : Excess provision of Income Tax w/back	8,389.00	171.00
Profit for the year	193,381.83	401,441.18
	<u>(3,663,506.45)</u>	<u>(3,865,277.28)</u>
Less: Advances irrecoverable written off	430,000.00	-
Balance as on 31.03.2014 ----- (b)	<u>(4,093,506.45)</u>	<u>(3,865,277.27)</u>
Grand Total (a+b)	<u>(3,078,466.85)</u>	<u>(2,924,505.63)</u>
NOTE NO. 5		
Long Term Provisions		
Gratuity Provision	192,651.00	179,630.19
Contingent Provision against Standard Assets	36,108.41	19,601.29
	<u>228,759.41</u>	<u>199,231.48</u>
NOTE NO. 6		
Other Current Liabilities		
Service Tax payable	5,639.00	8,588.00
TDS Payable	6,000.00	6,000.00
	<u>11,639.00</u>	<u>14,588.00</u>
NOTE NO. 7		
Short Term Provisions		
Provision for Employees Benefit		
Salary Payable	-	30,000.00
Bonus Payable	17,500.00	17,500.00
PF Payable	4,375.00	-
Others		
Rent Payable	6,500.00	9,936.00
Electricity Charges Payable	10,700.00	3,500.00
Sudhindran & Co.	61,416.00	122,833.00
Publishing expenses Payable	10,098.00	-
Bombay Stock Listing Fees Payable	16,854.00	-
GNSA - Specimen Signature	14,349.00	-
White Sands Media House	-	45,000.00
Asten Realtors Pvt Ltd	1,250,000.00	-
Advance for sale of Car	350,000.00	-
Provision for Tax A.Y 2013 - 14	-	145,000.00
Provision for Tax A.Y 2014 - 15	80,000.00	-
	<u>1,821,792.00</u>	<u>373,769.00</u>

NOTE NO.8**FIXED ASSETS****DEPRECIATION SCHEDULE AS PER COMPANIES ACT FOR THE YEAR ENDED 31.03.2014**

Particulars	Gross Block			Rate %	As on 31.03.2014	Depreciation			Net Block		
	As on 01.04.2013	Additions	Deletions			As on 01.04.2013	On Assets sold	For the year	Upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
TANGIBLE											
Land	6,791,663.50	-	-	-	-	-	-	-	-	6,791,663.50	6,791,663.50
Building	105,000.00	-	-	5.33	42,817.57	-	3,314.32	46,131.89	58,868.11	62,182.43	62,182.43
Plant & Machinery	973,120.19	-	-	13.91	898,924.26	-	10,320.65	909,244.91	63,875.28	74,195.93	74,195.93
Electrical Machinery	99,990.85	-	-	13.91	57,372.36	-	5,928.23	63,300.59	36,690.26	42,618.49	42,618.49
Air Conditioner	30,000.00	-	-	13.91	21,020.48	-	1,249.05	22,269.53	7,730.47	8,979.52	8,979.52
Canon Xerox	52,200.00	-	-	13.91	19,617.03	-	4,532.29	24,149.32	28,050.68	32,582.97	32,582.97
Furniture & Fixtures	931,651.15	-	-	18.10	876,881.20	-	9,913.36	886,794.56	44,856.59	54,769.95	54,769.95
Motor Car-Honda Brio	-	738,011.00	-	25.89	-	-	150,762.91	150,762.91	587,248.09	-	-
Motor Car - Ford	-	710,000.00	-	25.89	-	-	2,014.45	2,014.45	707,985.55	-	-
Computers & Peripherals	408,076.00	-	-	40.00	397,071.05	-	4,401.98	401,473.03	6,602.97	11,004.95	11,004.95
Total	9,391,701.69	1,448,011.00	0.00		2,313,703.95	0.00	192,437.26	2,506,141.21	8,333,571.48	7,077,997.74	7,077,997.74
Previous Year :	9,826,553.69	145,098.00	579,950.00		2,390,296.61	125,124.21	48,531.55	2,313,703.95	7,077,997.74	7,436,257.09	7,436,257.09

NOTES FORMING PART OF FINANCIAL STATEMENT FOR 2013 - 2014.**NOTE NO. 9**

COMPUTATION OF DEFERRED TAX AS PER AS 22 FOR THE	31.03.2014	31.03.2013
Deferred Tax for the Current year	Rs	Rs
Depreciation as per Companies Act	192,437.26	48,531.55
Depreciation as per as per Income Tax Act	238,581.70	87,475.68
	<u>46,144.45</u>	<u>38,944.13</u>
Deferred Tax Liability on the above @ 30.90 %	14,259.00	12,034.00
Deferred Tax Liability For The Year		
Provision for Bonus	17,500.00	17,500.00
Provision for Gratuity	13,020.81	20,483.19
	<u>30,520.81</u>	<u>37,983.19</u>
Deferred Tax Liability for the year @ 30.90% on the above	9,431.00	11,737.00
Net Deferred Tax Liability to be taken to P& L Account	23,690.00	23,771.00
Summary :		
Deferred Tax Asset as per Last Year Balance Sheet	818,852.14	842,623.14
Deferred Tax Liability as per Current Year	23,690.00	23,771.00
Net Deferred Tax Asset	<u>795,162.14</u>	<u>888,852.14</u>

NOTE NO. 10Long Term Loans & Advances

i) Advance for land	-	430,000.00
ii) Security Deposit		
a) Unsecured, considered Good :		
Telephone Deposit	35,139.00	35,139.00
Rent Deposit	45,920.00	45,920.00
	<u>81,059.00</u>	<u>511,059.00</u>

NOTE NO. 11Current Investmentsa. Investment in Equity InstrumentsQuoted:

Sambandam Spinning Mills Ltd	45,000.00	45,000.00
Sri Nachammai Cotton Mills Ltd.	56,000.00	56,000.00

Un Quoted:

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

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Skandam Farms & Plantations Ltd.	470,000.00	470,000.00
Thambi Modern Spinning Mills Ltd	5,000.00	5,000.00
Sub - Total (a)	<u>1,048,195.00</u>	<u>1,048,195.00</u>
 <u>b. Investment in Mutual Fund</u>		
HDFC Cash Mgmt - Treasury Advantage - Daily Dividend	300,000.00	2,000,000.00
HDFC Short Term Plan Dividend	-	52,230.00
ICICI Prudential FMP Series 64 - 367 Days Plan G	2,945,180.00	2,700,000.00
ICICI Prudential Flexible Income Plan	2,200,000.00	-
ICICI Prudential Flexible Income Plan - Daily Dividend	1,250,000.00	-
Reliance Short Term Fund Quarterly Divd	700,000.00	700,000.00
Sub - Total (b)	<u>7,395,180.00</u>	<u>5,452,230.00</u>
Grand Total (a+b)	<u>8,443,375.00</u>	<u>6,500,425.00</u>

Total market value of the above investments as on 31.03.2014 is Rs.80,82,615/-

NOTE NO.12

Inventories

Stock-in-trade	4,499.14	30,173.55
	<u>4,499.14</u>	<u>30,173.55</u>

NOTE NO.13

Trade Receivables

1. Outstanding for more than six months

a) Unsecured, considered Good	2,517,975.16	2,661,475.14
2. Others	-	-
	<u>2,517,975.16</u>	<u>2,661,475.14</u>

NOTE NO.14

Cash & Cash Equivalent

1. Cash in hand	148,827.98	272,052.36
2. Cash at Banks		
i. In Current account		
Ratnakar Bank Ltd	19,130.35	3,438,115.23
HDFC Bank Ltd - Chennai	13,265.89	30,270.88
Indian Overseas Bank	2,065.09	15,720.09
Axis Bank Ltd	656.22	146,359.33
Axis Bank Ltd- Port Blair	5,325.00	5,325.00

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Karnataka Bank - Kochi	610,772.52	612,608.02
Karnataka Bank - Kochi	6,867.00	3,567.60
HDFC Bank Ltd - Kochi	16,572.15	9,299.47
ii. In Deposit account		
Karnataka Bank	700,000.00	550,000.00
	1,523,482.20	5,083,317.98

NOTE NO.15

Short Term Loans & Advances

1. Loans & Advances from related parties

a) Secured considered Good :

Advance to Associate concerns	861,000.00	10,212.00
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2. Others

i) (Advance recoverable in cash or in kind or for value to be considered good)

a) Secured Considered Good : [See note (a)]	5,359,228.00	3,967,563.00
b) Unsecured Considered good : [See note (a)]	382,619.36	236,077.22
c) Doubtful : [See note (a)]	-	909,674.65

	6,602,847.36	5,123,526.87
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Less: Provision for Doubtful debts	-	909,674.65
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	6,602,847.36	4,213,852.22
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ii) Advance Income Tax / Refund Due

	312,772.08	425,129.08
--	------------	------------

	6,915,619.44	4,638,981.30
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(a) The classification of loans under the RBI guidelines is as under :

(i) Standard assets	6,602,847.36	4,213,852.22
(ii) Sub-standard assets	-	-
(iii) Doubtful assets	-	909,674.65
(iv) Loss assets	-	-
	6,602,847.36	5,123,526.87

NOTE NO. 16

Other Current Assets

Interest accrued on FD	24,542.00	70,801.00
Interest Receivable	344,438.00	270,000.00
	368,980.00	340,801.00

31.03.2014

31.03.2013

NOTE NO. 17Revenue from operations

Total Sales	112,365,000.21	148,662,076.01
Service Charges Received	73,674.68	14,324.47
Add: Closing Stock	4,499.14	30,173.55
(A)	<u>112,443,174.03</u>	<u>148,706,574.03</u>
Opening Stock	30,173.55	552,551.35
Purchase of cn	41,645,194.37	56,141,860.78
Service Charges Paid	6,588.00	3,520.00
Encashment of Cheque / CN	69,872,359.60	90,934,294.15
(B)	<u>111,554,315.52</u>	<u>147,632,226.28</u>
(A - B)	<u>888,858.51</u>	<u>1,074,347.75</u>

NOTE NO. 18Other Income

Interest Received on Loans	1,118,225.14	943,275.87
Interest From Bank on deposits	64,542.00	56,631.00
Interest on Income Tax Refund	-	2,381.00
Dividend Received - Shares	3,667.50	4,217.00
Profit on sale of Shares	-	498,705.00
Profit on Redemption of Mutual Funds	327,556.37	281,017.42
	<u>1,513,991.01</u>	<u>1,786,227.29</u>

NOTE NO. 19Employee benefit expenses

Employee Cost (Salaries, bonus and allowances)	774,075.00	877,990.00
Bonus	26,250.00	-
Gratuity	13,020.81	40,795.19
Provident Fund	32,035.00	-
Staff Welfare	12,970.00	19,940.00
	<u>858,350.81</u>	<u>938,725.19</u>

NOTE NO. 20Finance cost

Interest Paid	26,689.00	25,378.50
Bank Charges	21,487.51	25,095.84
	<u>48,176.51</u>	<u>50,474.34</u>

NOTE NO. 21Administrative Expenses

Rent	197,232.00	196,232.00
Rates & Taxes	3,235.00	30,648.00
Electricity Charges	54,710.00	51,064.00
Postage & Telegram	3,519.00	2,905.00
Telephone Charges	49,869.73	45,312.00
Website Charges	-	30,700.00

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Printing & Stationery	31,465.00	46,877.32
Travelling Expenses	53,799.00	207,596.00
Conveyance Expenses	29,831.31	20,240.00
Repairs and Maintenance	530.00	11,732.00
Vehicle Maintenance	35,735.00	66,157.00
Office Maintenance	15,998.00	22,827.00
Property Maintenance	72,857.00	-
Annual Maintenance Charges	12,730.00	12,230.00
Business Promotion Expenses	-	8,877.00
AGM & Publishing Expenses	61,023.00	30,606.00
Insurance Charges	15,921.00	18,987.00
Commission Paid	10,196.00	-
Listing & Filing Fee	46,831.00	46,544.00
Sitting Fees	11,000.00	15,000.00
Share transfer fee	23,713.00	23,619.00
Loss on Sale of Motor Car	-	104,825.79
Audit Expenses	19,101.00	-
Professional Charges	99,326.00	39,149.00
Audit fees	67,416.00	67,416.00
	<u>916,038.04</u>	<u>1,099,544.11</u>

Note: 22 - Notes forming part of the financial statements for the year ended 31st March 2014

B. NOTES TO ACCOUNTS:

- 12 Land shown in fixed assets is at Thevara, Cochin is on co-ownership basis with M/s. Green Meadows Holiday Resorts Pvt. Ltd on equal co-ownership.
- 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. In spite of best efforts taken by the management, the Un-secured loans for which provision for doubtful debts had been created in earlier years could not be realised and the same is written off.
- 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.
- 16 Related Parties disclosure as per Accounting Standard 18:
 - a) List of Parties - Directors, Group concerns and Associates.
 - ii) Southern Warehousing Company Pvt Ltd
 - iii) Mary Rodrigues
 - b) Related Party Transactions: 31.03.2014

Rent Paid to

Mrs. Mary Rodrigues 78,000.00

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

Name of the Associate Concerns	Amount o/s as on 31.03.2014	Maximum transaction during the year 2013-14	Amount o/s as on 31.03.2013	Maximum transaction during the year 2012-13
i) Southern Warehousing Company Pvt Ltd., (Hire Purchase loan)	861,000.00	12,00,000	10,212.00	2,03,108

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, interest and profit on redemption of mutual funds, 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 Earning per Share:

Basic and Diluted	31.03.2014	31.03.2013
Weighted Average No. of Shares outstanding (Nos.)	3,000,000.00	3,000,000.00
Net Profit / (Loss) in Rupees	193,381.83	401,441.18
Earning Per Share	0.06	0.13
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		818,852.14
Deferred Tax for the year		
Depreciation as per Companies Act	192,437.26	
Depreciation as per Income Tax Act	238,581.70	
Difference	<u>46,144.45</u>	
Deferred Tax Liability for the year @ 30.90% on the above		14,259.00
Provision for Bonus	17,500.00	
Provision for Gratuity	13,020.81	
	<u>30,520.81</u>	
Deferred Tax Liability for the year @ 30.90% on the above		9,431.00
Current year Deferred Tax Liability debited to P&L a/c		<u>23,690.00</u>
Net Deferred Tax Asset shown in the Balance Sheet		<u>795,162.15</u>

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

20	Income from Forex Business Rs. 888,858.51 has been arrived at as follows.		
	<u>Income from Forex Business:</u>	31.03.2014	31.03.2013
	Sales of Currencies & Travellers Cheque	112,365,000.21	148,662,076.01
	Less:Purchase of Currencies & Travellers Cheques, Service Charges paid	<u>111,450,467.29</u>	<u>147,065,350.46</u>
	Sub Total - (a)	914,532.92	1,596,725.55
	Add: Increase / (Decrease) in Stock		
	Closing Stock	4,499.14	30,173.55
	Less: Opening Stock	30,173.55	552,551.35
	Sub Total - (b)	<u>(25,674.41)</u>	<u>(522,377.80)</u>
	TOTAL (a+b)	<u>888,858.51</u>	<u>1,074,347.75</u>
21	Managerial Sitting fee	31.03.2014	31.03.2013
	Directors' Sitting fee	11,000.00	15,000.00
22	Auditor's Remuneration:	31.03.2014	31.03.2013
	As Audit fee	55,000.00	40,000.00
	As Tax audit fee including service tax	<u>29,270.00</u>	<u>27,416.00</u>
	Total	<u>84,270.00</u>	<u>67,416.00</u>
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	The Schedule to the Balance Sheet of a non-banking financial company [as required in terms of paragraph 13 of Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank), Directions, 2007 is annexed.		
25	Prior year Comparatives Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.		

Sd/-
Mr. V.A Kurien
Director

Sd/-
Mrs. Mary Rodrigues
Director

Sd/-
For Sudhindran & Co
Chartered Accountants.

Place : Chennai
Date : 01.07.2014

Sd/-
Mr. Sanjay Arjundas Wadhwa
Director

Sd/-
CA. P. Sudhindran
Partner
Membership No.032100
Firm Registration 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 20th Annual General Meeting of the Company to be held on
Friday, the 22nd August 2014 at 11.00 A.M. at Greenmedows- Conference Hall No.4/364-A, Anna Salai,
Palavakkam , Chennai - 600 041.

Signed at(Place) thisday of2014.

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 20th Annual General Meeting of the Company being held on Friday, the 22nd August 2014 at 11.00 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

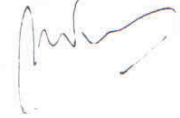

Mr. / Mrs.

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.


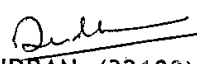
FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company XYZ Ltd.	S.I. Capital & Financial Services., Ltd.,
2	Annual financial statements for the year ended	31st March 2014
3	Type of Audit observation Un-qualified / Matter of Emphasis	Un-qualified
4	Frequency of observation	—
5	To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	<p>For S. I. CAPITAL AND FINANCIAL SERVICES LTD</p>  <p align="right">DIRECTOR</p>  <p>P. SUDHINDRAN, (32100) Partner SUDHINDRAN S. CO. Chartered Accountants, Firm Reg. No. 0060195 G/1, Kosalu Kuberam, No. 22, West Cott Road, Royapettah, Chennai- 600 014.</p>

FORM B

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company XYZ Ltd.	S.I. Capital & Financial Services., Ltd.,
2	Annual financial statements for the year ended	31st March 2014
3	Type of Audit observation Un-qualified / Matter of Emphasis	Un-qualified
4	Frequency of observation	—
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	—
	Additional comments from the board/audit committee chair:	—
5	To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	For S.I. CAPITAL & FINANCIAL SERVICES LTD  DIRECTOR  P. SUDHINDRAN, (32100) Partner SUDHINDRAN & CO. Chartered Accountants, Firm Reg. No. 0060195 G/1, Kesari Kuteeram, No. 22, West Cott Road, Royapettah, Chennai - 600 014. X 