

SIL INVESTMENTS LIMITED

*78th Annual Report
2011-2012*

BOARD OF DIRECTORS

Mr. C.S. Nopany, Chairman
 Mr. Arvind C. Dalal
 Mr. S.M. Agarwal
 Mr. Sanjay Goenka
 Mr. Subroto Lahiri
 Mrs. Shalini Nopany, Managing Director
 Mr. S.K. Khandelia, Director-in-Charge
 Mr. S.S. Maheshwari

AUDITORS

M/s. Singhi & Co.
 Chartered Accountants
 401 & 408, Pragati House
 47-48, Nehru Place
 New Delhi 110 019

BANKERS

Punjab National Bank
 State Bank of Bikaner and Jaipur

REGISTERED OFFICE

Pachpahar Road,
 Bhawanimandi - 326 502
 (Rajasthan)

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SIL INVESTMENTS LIMITED

NOTICE

NOTICE is hereby given that the Seventy Eighth Annual General Meeting of the Shareholders of SIL Investments Limited, will be held at the Registered Office of the Company at Pachpahar Road, Bhawanimandi 326 502 (Rajasthan) at 10.30 a.m. on Saturday, the 11th August, 2012 to transact the following business:-

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2012 and the Profit and Loss Statement for the year ended on that date together with Auditors' Report thereon & Directors' Report.
2. To declare Dividend.
3. To appoint a Director in place of Mr. C.S.Nopany, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors M/s. Singhi & Company, offer themselves for re-appointment.

By order of the Board

Place: Kolkata
Dated: 14th May, 2012

Ashish Chauhan
Company Secretary

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time of holding the meeting. Proxies submitted on behalf of limited companies, bodies corporate, societies etc. must be supported by appropriate resolution /authority, as applicable. Blank Proxy form is attached.
3. Corporate Members intending to send their authorised representatives to attend the meeting, are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
4. The Register of Members of the Company will remain closed from 04.06.2012 to 11.06.2012 (both days inclusive) for determining eligibility for payment of Dividend, if declared at the Meeting.
5. Dividend, if declared at the meeting, will be paid to those members or their mandates:
 - (a) whose names appear as Beneficial Owner at the end of the business hours on 03.06.2012/ prior working day in the list of Beneficial Owners to be furnished

by Depositories (NSDL & CDSL) in respect of the shares held in electronic form; and

- (b) whose names appear as members on the Company's Register of Members on 11.06.2012 after giving effect to the valid transfer requests received on or before 03.06.2012/ prior working day.
6. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, dividends, which remain unclaimed/unencashed for a period of 7 years, are required to be transferred to the Investor Education and Protection Fund (IEP Fund) of the Central Government established under sub-section (1) of Section 205C of the Act. The Company has transferred an amount of Rs.5,29,429/- being the unpaid dividend for the year 2003-04 to IEP Fund on 14th November, 2011.

The following are the details of dividends paid by the Company and respective dates of amount becoming due for transfer to IEP Fund:

Dividend Year	Date of declaration of dividend	Date of amount becoming due for transfer to IEP Fund
2004-05	29.09.2005	27.10.2012
2005-06	23.09.2006	22.10.2013
2006-07	28.09.2007	27.10.2014
2007-08	27.09.2008	26.10.2015
2008-09	28.08.2009	27.09.2016
2009-10	06.08.2010	05.09.2017
2010-11	06.08.2011	05.09.2018

In view of above, shareholders are advised to send their requests for payment of unclaimed dividend pertaining to the years 2004-2005 to 2010-11 to our Share Transfer Agent at Mumbai or to the registered office of the Company

7. Shareholders desirous of availing the facility of Electronic Credit of dividend are requested to fill up attached ECS form to this notice and return the same duly filled and signed alongwith a xerox copy of a leaf of their cheque book bearing bank account number, on or before 30.07.2012. The said details in respect of the shares held in electronic form should be sent to their respective Depository Participant with a copy to the Company/RTA for appropriate action, before close of working hours on 30.07.2012. The said details in respect of the shares held in physical form should be sent to the Company/RTA for appropriate action before close of working hours on 30.07.2012.
8. The Company's Shares are listed on the following Stock Exchanges:
 1. Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001
 2. National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor
Plot No.C/1, G-Block, Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051

3. Calcutta Stock Exchange-Ltd.*
7, Lyons Range
Kolkata 700 001

*Company's application for **voluntary delisting** has been pending with The Calcutta Stock Exchange Ltd. since October, 2003.

The Company has paid annual listing fee for the year 2012-13 to Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

9. Brief particulars of the Directors being appointed/ re-appointed, nature of their expertise in specific functional areas, names of Indian public limited companies in which they hold Directorships and Memberships/ Chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are as given below:

Particulars	Mr. C.S. Nopany
Date of birth	19.09.1965
Date of appointment	18.06.1993
Qualification	CA, Masters Degree in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA
Expertise in specific functional areas	He is an eminent industrialist having industrial experience in diverse fields like sugar, tea, shipping, textiles, fertilizers and chemicals, etc. He is past President of Indian Chamber of Commerce.
Directorships held in other companies (excluding foreign companies)	The Oudh Sugar Mills Ltd. Sutlej Textiles and Industries Ltd. Hargaon Investments & Trading Co. Ltd. New India Retailing & Investment Ltd. Uttar Pradesh Trading Co. Ltd. Chambal Fertilisers & Chemicals Limited Upper Ganges Sugar & Industries Ltd. Gobind Sugar Mills Limited Chambal Infrastructure Ventures Ltd. Yashovardhan Investments & Trading Co. Ltd. India Steamship Ltd Ronson Traders Ltd Modern DiaGen Services Ltd.
Memberships/ Chairmanships of Committees of other Indian public companies	Member: Shareholders/Investors' Grievance Committee: (i) Upper Ganges Sugar and Industries Ltd. (ii) Gobind Sugar Mills Ltd.
Number of Shares held in the company	NIL

Mr. C.S. Nopany is related to Mrs Shalani Nopany, Managing Director of the Company.
The Board of Directors of the Company commends the re-appointment.

10. Members are requested:
- a) To bring their copies of Annual report at the Meeting.
 - b) To quote their folio number/DP ID and Client Id in all correspondence;
 - c) To Notify immediately change of their address and bank particulars to the RTA in case the shares are held in physical form; and
 - d) In case the shares are held in dematerialized form, such information should be passed on directly to their respective Depository Participant without any delay and not to the Company / RTA.

Place: Kolkata
Dated: 14th May, 2012

By order of the Board
Ashish Chauhan
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 78th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2012:

FINANCIAL RESULTS

Particulars	(Rs. in lacs)	
	Current Year	Previous Year
Gross Profit	1167.57	1030.70
Less: Depreciation	5.78	4.21
Taxation:		
-Current	127.00	81.60
-Earlier	(7.92)	(3.39)
-Deferred	9.79	11.41
	1032.92	936.87
Add: Balance brought forward from the previous year	4123.85	3498.13
Balance available for appropriation	5156.77	4435.00
Appropriations:		
Transfer to General Reserve	25.83	-
Transfer to Reserve Fund	207.00	188.00
Proposed Dividend	132.45	105.96
Corporate Dividend Tax	21.48	17.19
Balance in Profit & Loss Statement carried to Balance Sheet	4770.01	4123.85
Total	5156.77	4435.00

DIVIDEND

Your Directors are pleased to recommend a dividend of Re.1.25 per share for the year ended 31st March, 2012, subject to shareholders' approval at the ensuing Annual General Meeting. The total amount of dividend to be paid to the shareholders will be Rs. 153.93 lacs (inclusive of Dividend Tax).

SUBSIDIARIES

The Ministry of Corporate Affairs, vide circular no. 02/2011 dated February,8, 2011, has notified exemption under Section 212 (8) of the Companies Act, 1956 from attaching the copies of the Balance Sheet, Profit & Loss Statement, Report of Board of Directors and Auditors of the Subsidiary Companies, along with the Balance Sheet of the Company, upon fulfillment of certain conditions. As the company complies with the same, documents pertaining to M/s SCM Investment & Trading Co.Ltd., RTM Investment & Trading Co. Ltd., SIL Properties Ltd. and RTM Properties Ltd, which are subsidiary companies of this company, are not being attached with the Balance

Sheet. However, these documents shall be made available to any member or investors of the Company/ Subsidiary Companies, interested in obtaining the same. Further, pursuant to the provisions of the Accounting Standard 21(AS-21) prescribed under the Companies (Accounting Standards) Rules-2006, the Listing Agreements and as prescribed by the Securities and Exchange Board of India, Consolidated Financial Statements presented by the Company include financial information of subsidiary companies, which forms a part of the Annual report.

PUBLIC DEPOSITS

The Company has neither invited nor accepted/renewed any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 during the year under review. There are no unclaimed deposits, unclaimed /unpaid interest, refunds due to the deposit holders or to be deposited in the Investor Education and Protection Fund, as on 31st March, 2012.

CAPITAL ADEQUACY RATIO

Your Company's Capital to Risk Assets Ratio (CRAR) calculated in line with the Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("RBI Directions") stood at 31.56%, which is above the regulatory minimum of 15%. Your Company's asset size is Rs.291.04 crore. The Company has received a certificate from M/s. Singhi & Co., Chartered Accountants, the Auditors of the Company, pursuant to Non Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008, confirming compliance of the conditions with respect to Systemically Important Non-Deposit taking Non-Banking Financial Companies. (NBFC-ND-SI)

DIRECTORS

In terms of Article 82 of the Articles of Association of the Company, Mr. Arvind Dalal and Mr. S.M.Agarwal, Directors of the Company, retire by rotation at the ensuing Annual General Meeting. Mr. Arvind Dalal and Mr. S.M. Agarwal, have conveyed their un-willingness for being re-appointed at the ensuing Annual General Meeting. Board places on record their remarkable services to the company during their tenure on the Board and wishes them a happy retired life.

Mr. C.S. Nopany, retires as a director at the Annual General Meeting, and being eligible offers himself for

reappointment. A brief resume of the retiring Director, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the Notes to the Notice of the Annual General Meeting. The Board of Directors of the Company commends the appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217 (2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that:-

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures therefrom;
- (ii) the Directors have selected such accounting policies as mentioned in the Notes to Accounts of the Annual Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended 31st March, 2012;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The company was granted certificate of registration as an NBFC-ND-SI w.e.f. 22.05.2009 by RBI, Jaipur. Since then, company has been operating successfully in this space, under overall superintendence and regulation of the regulatory authority.

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the stock exchanges, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of ethics and governance, resulting in enhanced transparency for the benefit of all stakeholders. As per Clause 49 of the Listing Agreement with stock exchanges, and the requirements set out by the Securities and Exchange Board of India's Corporate Governance Practices, the Company has implemented all the stipulations prescribed. The Company has adopted a code of conduct applicable to the Board and senior management. The Company fully complies with the governance practices as enunciated in the Listing Agreement.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements (Annexure-II) forms part of this report. The requisite Certificate from the Statutory Auditors of the Company, M/s Singhi & Co., Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

COMPLIANCE OF ACCOUNTING STANDARDS

As per requirements of the Listing Agreement with Stock Exchanges and Accounting Standards of the Institute of Chartered Accountants of India, your Company has made proper disclosures in financial statements in respect of Consolidated Financial Statements, Related Party Transactions and Deferred Taxation. The Company has duly adopted all the applicable Accounting Standards in pursuance to the provision of Section 211 (3A) of the Companies Act, 1956.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated financial statements based on the Financial Statements received from Subsidiaries, as approved by their respective Board of Directors have been prepared in accordance with the Accounting Standard-21 (AS-21) on 'Consolidated Financial Statements' read with Accounting Standard-23 (AS-23) on 'Accounting for Investments in Associates' notified under section 211 (3C) of the Companies Act, 1956, read with Companies (Accounting Standards) Rules, 2006, as applicable.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of section 205 (A) of the Companies Act, 1956, the declared dividend which remained unclaimed for a period of seven years has been transferred by the Company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205 C of the said Act.

PARTICULARS OF EMPLOYEES

During the year 2011-12, no employee was in the receipt of remuneration as is required to be disclosed under Section 217 (2A) of the Companies Act, 1956.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) under Section 217(1)(e) of the Companies Act, 1956 Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company as the Company has no manufacturing activity. Particulars with regard to Foreign Exchange Earnings and Outgo given in Notes on Accounts form part of this Report.

AUDITORS' REPORT

The observations made in the Auditors' Report are self explanatory and do not contain any reservation, qualification or adverse remarks and, therefore, need no further clarifications/ explanations as required under Section 217 (3) of the Companies Act, 1956.

AUDITORS

M/s Singhi & Co., Auditors retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received letter from them to the effect that their reappointment, if made, would be within the

prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act. Further they also hold a valid certificate issued by the Peer Review Board of the ICAI as required under revised clause 41 of listing agreement.

ACKNOWLEDGEMENTS

Your Directors would like to convey their sincere appreciation for assistance and co- operation received from the various stake holders including financial institutions and banks; regulators, governmental authorities and other business associates, who have extended their valuable support and encouragement during the year under review. Your Directors take the opportunity to place on record their deep appreciation of the committed services rendered by the employees at all levels of the Company who have contributed significantly towards Company's performance. Your Directors also acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board

Place : Kolkata
Dated: 14th May, 2012

C. S. Nopany
Chairman

ANNEXURE-I TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

The Management of the Company is pleased to present Management Discussion and Analysis Report (to the extent applicable to the company) covering overall performance and outlook of its activities.

MACRO ECONOMIC OVERVIEW

Resilient Indian Economy:

Despite its legendary resilience, the Indian economy faced an uphill task in the financial year 2011-12. GDP growth dropped to 6.9 percent in the quarter ending in September 2011, registering the slowest year-on-year increase in the past two years. During the second half of 2012, a variety of factors, including monetary tightening, rupee depreciation and continued turmoil in the Eurozone, fuelled anxiety about India's macroeconomic and industrial outlook for 2012. Policymakers' approach of pushing for growth, with less focus on the productive dynamic, has translated into increased signs of macro stability risks emerging in the form of higher inflation, fiscal deficit and current account deficit. Sustaining high growth is likely to be the overarching concern in 2012-13, although the risk of inflation will remain, largely because of a weakening rupee. Inflation worries are likely to lighten, with food inflation declining steadily. However, the proposed Food Security Bill will widen the fiscal deficit further. There are many important policy reforms in the pipeline in 2012, such as land acquisition reform, new manufacturing policy, deferred FDI in retail, among others. This is also the year when the government has set its targets to achieve its ambitious goal of total electrification of villages. Therefore, the year ought to be definitely an action-packed one from the perspective of economic development.

The most pressing task for the government will be to get the investment cycle buoyant again. Higher public investment appears unlikely given the tight fiscal situation due to the uncontrolled revenue spending which has led to uncontrollable inflation. Private investment activity has been slack due to numerous uncertainties facing corporates. The large Indian companies are sitting on a pile of cash which they are refraining to use to build fresh capacity. The obvious way would be to rebuild corporate confidence, and that can be achieved only through the implementation of a well-studied actionable agenda. The few sectors that have a significant multiplier

effect on the rest of the economy could be given special attention. These include construction of new roads, a reinvigorated national highway programme, or construction of affordable housing for the masses, energy etc. which will generate jobs as well as demand for cement, steel and engineering equipment among others. The fiscal deficit is also a concern area and it seems highly unlikely that there will be significant progress towards fiscal discipline right now.

Buoyant GDP Growth

The GDP growth accelerated to 8.0 per cent. The recovery in growth was driven by significant turnaround in industrial output (9 per cent), and services sector (9 per cent), while agriculture sector also clocked a modest positive growth despite drought and floods in some parts of the country. Inflation measured by the Wholesale Price Index (WPI) registered significant volatility in the last year. WPI started showing signs of upward movement following a spurt in food prices and increase in global commodity prices. Continuous rise in commodity and fuel prices has ensured that now inflation has spread into manufactured products on the back of growing demand.

With the economy showing signs of revival, the RBI has signaled an exit from its easy monetary policy and has withdrawn all extraordinary measures (like various refinance facilities) and raised Statutory Liquidity Ratio from 24 per cent to 25 per cent. Rising inflation and inflationary expectations further added to RBI's concerns. The Central Bank raised the Cash Reserve Ratio by 75 bps in its January policy meeting, followed by a hike in policy rates - repo and reverse repo - by 50 bps each in May, 2012. RBI has also announced non-applicability of the PLR regime to NBFCs, thereby making borrowing costlier.

ABOUT SIL INVESTMENTS LIMITED (SIL)

Financial Performance-Overview

SIL is a registered a NBFC since 22nd May, 2009 in the category of Non-Deposit Taking Systemically Important NBFC (ND-SI). Company's standalone performance is discussed in the Directors' Report. The mainstay of Company' operations continued to be Investments in various Companies, under which steady dividend income flows into the Company coupled with sustained

appreciation in capital. During the year under review, Company has earned income in the form of dividends, rent income and interest on ICD lending activity. The Company's core businesses remain as commercial finance and investments. The Company will extend the business further through identification of promising investment opportunities, through leveraging its resources. Company is also looking forward to expand its operations in the other fields permitted by the regulator, in conformity with its present status. Nearly 100 per cent of the operating profits were contributed by core businesses viz., commercial finance and investments.

The Consolidated performance of the company is as follows:

SIL's consolidated income from operations for the financial year ended March 31, 2012 stood at Rs. 3230.68 lakhs as against Rs 2180.42 lakhs in the previous year. The increase was on account of higher contribution by finance and investment operations. Profit after tax, minority interest, share of profit of associates was Rs.1059.37 lakhs, as against Rs.917.30 lakhs for year ended March 31, 2011.

Resources and liquidity

As on March 31, 2012 the consolidated net worth of the company stood at Rs.16915.81 lakhs as against Rs.16010.37 lakhs as on March, 31, 2011.

As on March 31, 2012, the consolidated total assets were Rs.32082.06 lakhs as against Rs. 27584.61 lakhs as on March, 31, 2011 an increase of 16.30 per cent.

Finance and Investments

The investment portfolio of quoted investments as on March 31, 2012 was Rs.8375.96 lakhs, at cost.

RISKS AND CONCERNS

SIL is exposed to specific risks that are particular to its businesses and the environment within which it operates, which include market risk, interest rate volatility, execution risk, and economic cycle.

- The company has significant quoted investments which are exposed to fluctuations in stock prices. These investments represent a substantial portion of the Company's core capital, and are vulnerable to fluctuations in the stock markets. Any decline in these quoted investments may severely impact its financial position and results of operations.

- Credit risk is a risk arising from default or failure on the part of borrowers in meeting their financial obligations towards repayment of loans and interest. This risk is comprehensively addressed by the company both at the strategic level and at the client level.
- Liquidity Risk: Asset/Liability Management: The company is exposed to liquidity risk principally as a result of lending to its customers for periods which may differ from those of its funding sources. Financial firms are now increasingly focused on asset-liability risk. Asset-liability risk is a leveraged form of risk. The capital of most financial institutions is small relative to the firm's assets or liabilities, so small percentage changes in assets or liabilities can translate into large percentage changes in capital.

The problem was not that the value of assets might fall or that the value of liabilities might rise. It was that capital might be depleted by narrowing of the difference between assets and liabilities that the values of assets and liabilities might fail to move in tandem. The Company is alive to the dynamics of this problem and has in place a control structure for closely monitoring incipient signs of risk in this area and to unleash necessary corrective measures, if needed. SIL's treasury actively manages asset liability positions in accordance with the overall guidelines laid down by the Management in the Asset Liability Management (ALM) framework.

- The company can be adversely affected by volatility in interest rates in India, which could cause its margins to decline and profitability to shrink. Earnings from interest income is steadily becoming one of the important businesses of the Company. It is therefore exposed to interest rate risk, principally as a result of lending to its customers at interest rates, in amounts, and for periods which may differ from those of its funding sources. The company is hedged to some extent against this risk through the reset clause in its advances portfolio.
- While the Indian economy has shown sustained growth over the last several years, a slowdown could cause the business of the company to suffer. SIL manages such risks by maintaining a conservative financial profile and following prudent business and risk management practices.

- The risk appetite is enunciated by the Board from time to time. Company has in place specially mandated Committees such as ALCO, Risk Management Committee, besides Nomination-cum-Remuneration and Audit Committees.

INTERNAL CONTROL SYSTEMS

Company has adequate internal control system commensurate with its size and nature of business. Conforming to the requirements of the regulatory authorities such as the RBI and the SEBI and consistent with the requirements of the Listing agreements with the Stock Exchanges, the company has institutionalized an elaborate system of control processes designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, reliability of financial controls and compliance with applicable laws and regulations. The Internal Auditors are mandated to carry out periodical audit and report on areas of non-compliances/ weaknesses. Corrective actions in case of reported deficiencies, if any, are taken actively to further strengthen the internal control systems. These reports are reviewed by the Audit Committee of the Board of Directors for follow-up action, and instructions are issued for taking necessary measures.

FUTURE OUTLOOK

The Company's present business operations are preponderantly that of an investment company, future of which largely depends upon financial and capital markets. Your Company has investments in financially sound companies and has immovable properties in the State of Maharashtra, U.P., etc. and Company will continue to earn good dividend and rent income. However, the income from the advances/lending business is steadily growing, contributing significant volume to the overall business of the Company. The

Management is optimistic about the future outlook of the Company. Further, more promising areas of activity are being explored on a sustained basis. The Company will expand its activities, consistent with its status as a NBFC-SI.

CAUTIONARY STATEMENT

Statement in the Management's Discussion and Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. These statements being based on certain assumptions and expectation of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in Government regulations and tax regime, economic developments within India and abroad, financial markets, etc.

The Company assumes no responsibility in respect of forward-looking statements that may be revised or modified in future on the basis of subsequent developments, information or events. The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 (the Act) and comply with the Accounting Standards notified under Section 211(3C) of the Act read with the Companies (Accounting Standards) Rules, 2006. The management of SIL Investments Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit/ loss for the year. The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report.

ANNEXURE - II TO THE DIRECTORS' REPORT**REPORT ON CORPORATE GOVERNANCE****A. Company's Philosophy on Corporate Governance**

Corporate governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices, which ensure that a company meets its obligations with the objective to optimize shareholder value and fulfill its responsibilities to the community, customers, employees, Government and other societal segments. SIL's philosophy is to conduct business at highest ethical standards for growth and prosperity of all the stakeholders on a sustainable basis in keeping with its corporate social responsibilities. This philosophy is built on a rich legacy of fair, transparent and effective governance, and led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct.

The company believes that a sound governance discipline also enables the Board to direct and control the affairs of the company in an effective manner and maximize stakeholder value, including the society at large. This is an ongoing process with SIL; and we continuously endeavor to improve upon our practices in line with the changing demands of the business. SIL adopts innovative approaches for leveraging all its resources; and encourages a spirit of conversion of opportunities into achievements. Company's governance structures and systems are the foundation which provides and nurtures ramping up of healthy and sustainable growth of human resources, through empowerment and motivation. In this, your company is guided by its vision, mission and the code on Corporate Governance.

Keeping in view the company's size, reach and complexity of operations, and corporate tradition, the Corporate Governance framework is based on the following main principles:

- Strategic supervision by the Board of Directors which is made up of appropriate size, bouquets of experience, and commitment to discharge their responsibilities;
- Timely and adequate flow of information to the Board and its Committees for meaningful and focused discussion at the meetings;
- Independent verification of company's financial reporting from time to time and on quarterly basis;
- A sound system of internal Controls within the Risk Management framework to mitigate perceived risk factors;
- Timely and balanced disclosure of all material information; and disclosure of all deviations, if any, to all stakeholders;
- Compliance with applicable laws, rules, regulations and guidelines;
- Transparency and defined accountability;
- Equitable and fair treatment to all the stakeholders including employees, customers, vendors, shareholders and investors.

The Board of Directors plays an active role in fulfilling its fiduciary obligation to shareholders by efficiently overseeing management functions to ensure their effectiveness in delivering shareholder value. The Governance framework is made effective through an efficient system of timely disclosures and transparent business practices.

B Board of Directors

The Board of Directors which is a body formed to serve and protect the overall interest of all the stakeholders, provides and evaluates the strategic direction of the company; formulates and reviews management policies and ensures their effectiveness. The Chief Executive Officer of the Company designated as Managing Director manages the business of the company under the overall superintendence, guidance and control of the Board, assisted by a competent team.

(a) Constitution

The company's Board of Directors presently comprises of Eight members, seven of whom are Non-executive Directors and one Managing Director. Cumulatively, they account for more than 85 per cent of the Board's strength as against the minimum requirement of 50 percent as per the Listing Agreement. The Non-executive Directors are eminent professionals with a vast experience of industry, finance and law. The Board is headed by Non-executive Chairman and it has more than the required number of Independent Directors. All the directors possess the requisite qualifications and experience in general corporate management, finance, banking and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company. Except Mr. C.S.Nopany and Mrs Shalini Nopany, being related to each other in the capacity of husband and wife, none of the other Directors are inter se related to each other. Except the Managing Director, all directors are liable to retire by rotation. The Board of Directors of the Company has appointed one of its Members as the Director-in-Charge who has the responsibility to implement and oversee all legal compliance as envisaged under section 5(f) of the Companies Act, 1956. He is assisted by the Company Secretary and Compliance Officer appointed under the Act and also under the Listing Agreement.

(b) Number of Board Meetings

During the year under review four board meetings were held on 11th May, 2011, 25th July, 2011, 24th October, 2011, and 31st January, 2012. The Meetings were held as per the requirements of business; and at intervals within the legally permitted limits. The Board meets once in every quarter, inter alia, to review the quarterly results and other

items on the agenda. Additional meetings are held as and when necessary. Senior executives are invited to provide additional inputs at the Board meeting, if necessary.

(c) Directors' Attendance at Board Meetings and Details of Directorships / Committee Positions Held

The composition of the Board of Directors, their attendance at the board meetings during the year and at the last annual general meeting (AGM) as also number of other directorships in Indian public companies are as follows:

Name of Director	Attendance at last AGM	No. of Board meetings Attended	Category of Director	Other Directorships	No. of other Companies Board's Committee(s)	
					Chairperson	Member
Mr. C.S. Nopany	No	4	NED	13	-	2
Mrs. Shalini Nopany *	No	4	ED (M.D.)	5	-	1
Mr. Arvind C. Dalal	No	-	I/NED	1	-	-
Mr. S.M. Agarwal	No	-	I/NED	9	-	1
Mr. P.K. Khaitan@	No	2	I/NED	-	-	-
Mr. Sanjay Goenka ***	No	4	I/NED	1	-	-
Mr. Subroto Lahiri	No	4	I/NED	2	-	-
Mr. S.K. Khandelia **	No	-	NED	-	-	-
Mr. S.S. Maheshwari	Yes	-	NED	-	-	-

NED - Non Executive Director

I - Independent

ED- Executive Director

* Managing Director

** Mr. S.K. Khandelia was appointed as Director-in-Charge by the Board on 25.01.2010 as envisaged under Section 5 (f) of the Companies Act, 1956.

*** Abstained due to indisposition.

@ Ceased to be Director during the year.

None of the directors except Mr. C. S. Nopany and Mrs. Shalini Nopany are related to each other.

(d) Information to the Board

A detailed agenda folder is sent to each director in advance of the Board Meetings. As a policy, all major decisions involving investments, in addition to matters which statutorily require the approval of the Board are placed before the Board for its consideration and directions. Inter alia, the following information, as may be applicable and required, is provided to the Board as a part of the agenda papers.

- Quarterly, half yearly and annual results of the Company
- Revenue and Capital Expenditure Budgets, as applicable.
- Minutes of the Audit and other Committees of the Board
- Information relating to recruitment and remuneration of senior level officers just below the Board level.
- Materially important legal or taxation issues
- Status of financial obligations to and by the Company
- Any significant development in human resources or industrial relations
- Details of risk exposure and steps taken by management to limit or restrain the risk
- Compliance status with any regulatory, statutory or listing agreement related requirements or in relation to any shareholder services.

Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliance, if any.

C. Details of Remuneration paid to Directors

The Managing Director receives salary, allowances and perquisites, while all the Non-Executive Directors receive sitting fees and allowances (if applicable), and annual commission. There has been no materially relevant pecuniary transaction or relationship between the company and its Non-Executive Directors during the year.

(A) Remuneration paid/payable to the Non Executive Directors of the Company for the year ended 31st March, 2012:-

The Non-Executive Directors are paid sitting fees for attending each Meeting of the Board of Directors and Committees thereof. The company also pays to its non-executive directors commission upto 1% of the profits for all directors put together, with the maximum ceiling of Rs.50,000/- to each director net. The total commission payable to all the non-executive directors for the financial year 2011-12 will be Rs. 391,918/- for which provision was made in the books of

accounts. The commission shall be paid after the adoption of annual accounts of the company for the year ended 31st March, 2012 by the shareholders at the forthcoming AGM.

The details of commission payable and sitting fees (including for committee meetings) paid to the directors during the year 2011-2012 are as follows:

S.No.	Name of Director	Commission (Rs.)	Sitting Fees (Rs.)
1.	Mr. C.S. Nopany	50,000/-	30,000/-
2	Mr. Arvind C. Dalal	50,000/-	-
3	Mr. S.M. Agarwal	50,000/-	17,500/-
4	Mr. P. K. Khaitan	41,918/-	10,000/-
5	Mr. Sanjay Goenka	50,000/-	45,000/-
6	Mr. Subroto Lahiri	50,000/-	30,000/-
7	Mr. S.K. Khandelia	50,000/-	15,000/-
8	Mr. S. S. Maheshwari	50,000/-	-

(B) Remuneration paid/payable to the Managing Director of the Company for the year ended 31st March, 2012, is as under:-

(Amount Rs.)

Managing Director	Salary etc.	Perquisites	Retirement Benefits	Total
Mrs. Shalini Nopany	18,00,000/-	NIL	NIL	18,00,000/-*

* Excluding provision for accrued leave.

D. Committees of the Board

Pursuant to the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Board of Directors constituted various committees of the directors with adequate delegation of powers to properly discharge businesses of the Company.

These committees are:-

- Audit Committee
- Shareholders'/Investors' Grievance Committee
- Nomination-cum-Remuneration Committee
- Finance & Corporate Affairs Committee.

(I) Audit Committee

Composition

The Audit Committee comprises of three Non-executive Directors and is headed by Mr. Sanjay Goenka, an independent Non-executive Director. The other members of the Committee are Mr. Subroto Lahiri and Mr. S.S. Maheshwari

Terms of Reference

The terms of reference of the Audit Committee comprise the following:

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, reliable and sufficient.
- Reviewing with the management and statutory auditors the quarterly/annual financial statements before submission to the Board, and focusing primarily on :
 - Any changes in the accounting policies and procedures
 - Compliance with accounting standards
 - Adequacy of the internal control system, including management information system.
 - Compliance with listing agreements with the stock exchanges and conformity with their requirements concerning financial statements.
 - Major accounting entries based on the exercise of prudential judgment by management
 - Any related party transactions of the company of a material nature that may cause potential conflict with the interests of the company
- Reviewing the company's financial and risk management policies
- Recommending the appointment and removal of statutory and internal auditors and determination of the audit fees and also grant approval for payment for any other services.
- Reviewing the scope and adequacy of the internal audit functions and deciding upon the scope of work of the Internal Auditors, discussing with internal auditors significant audit findings and follow up actions initiated thereon.

- Any other matter that may be referred to the Committee from time to time.
- The Audit Committee also reviews every quarter the Report on Corporate Governance under clause 49 of the Listing Agreement and Secretarial Audit Report of the Practising Company Secretaries.
- As required under Listing Agreement, ordinarily, the Chairman of the Audit Committee is required to be present at the Annual General Meeting to answer shareholder queries. However, in the event of his indisposition/sickness or non-availability, any one Member of the Audit Committee/Board, with appropriate assistance, is requested to depute in his stead, for the purpose.

Meetings and Attendance

During the year under review four meetings of the committee were held on 10th May, 2011, 25th July, 2011, 24th October, 2011 and 31st January, 2012. The composition of the committee and the attendance of the members at the meetings was as follows:

Name of the Member	Status	No. of Meetings Attended
Mr. Sanjay Goenka	Chairman	4
Mr. Subroto Lahiri	Member	4
Mr. S. S. Maheshwari	Member	-

The constitution of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956. The Committee reviews various aspects of the internal audit control system and financial and risk management policies. The requirements in respect of Clause 49 of the Listing Agreement and as amended from time to time are also reviewed by the Committee. The management makes a presentation before the Audit Committee on the observations and recommendations of the Statutory and Internal Auditors to strengthen controls and compliance.

(II) Shareholders/Investors Grievance Committee

Composition

The Shareholder’s / Investors Grievance Committee comprises of four Non-executive Directors and is headed by Mr. C.S.Nopany, Chairman of the Board. The other members of the Committee are Mr. S.M.Agarwal, Mr. S.K.Khandelia and Mr. S.S.Maheshwari

Terms of Reference

The Committee oversees the redressal of shareholder and investor complaints/ requests for transfer/transmission of shares, subdivision and consolidation of share certificates, the issue of duplicate share certificates, requests for demat & remat of shares, non-receipt of the declared dividend and non-receipt of the Annual Report. It also recommends measures for improvement in investor services. The Committee keeps a close watch on the performance of M/s. Sharepro Services (India) Pvt. Ltd., the Registrar & Share Transfer Agents of the company. The Company Secretary designated as the Compliance Officer of the company, acts as the Secretary of the Committee and is required to carryout the duties prescribed by the Committee. The Committee meets as often as is necessary for resolution of important matters within its mandate. There were no investor complaints pending at the end of the financial year.

Meetings and Attendance

During the year under review, one meeting of the committee was held on 8th October, 2011. The composition of the committee and the attendance of the members at the meeting was as follows:

Name of the Member	Status	No. of Meetings Attended
Mr. C. S. Nopany	Chairman	-
Mr. S. M. Agarwal	Member	1
Mr. S. K. Khandelia	Member	1
Mr. S. S. Maheshwari	Member	-

Minutes of the meeting of the Shareholder’s / Investors Grievance Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

Investors' Complaints Received and Resolved During the Year

During the year under review the company received 16 complaints/letters from the shareholders which were duly attended. The average period of redressal of grievances is 7 days from the date of receipt of letters/complaints. There was no unresolved complaint as on 31st March, 2012.

(III) Nomination-cum-Remuneration Committee:

The company has constituted the Remuneration Committee under the Corporate Governance Code as a Non-Mandatory requirement.

Composition

Upto 31.1.2012, the Nomination-cum-Remuneration which was headed by Mr. P.K.Khaitan, comprised of three Non-executive Directors. Mr. P.K.Khaitan ceased to be Chairman of the Committee, consequent to his resignation from the Board. The other members of the Committee are Mr. S.M.Agarwal and Mr. Sanjay Goenka.

Terms of Reference

The Committee is empowered to determine the compensation package of the senior personnel.

Meetings and Attendance

During the year under review, no meeting of the committee was held.

(IV) Finance & Corporate Affairs Committee

Composition

The Finance and Corporate Affairs Committee comprises of four Non-executive Directors and one Managing Director and is headed by Mr. C.S.Nopany, Chairman of the Board. The other members of the Committee are Mrs. Shalini Nopany, Mr. S.M. Agarwal, Mr. Sanjay Goenka and Mr. S.K.Khandelia.

Terms of Reference

The Committee is authorised to decide upon matters relating to borrowing, Inter corporate loans/deposits, opening and closing of bank accounts and to take appropriate timely action and decide upon various matters related thereto, in terms of the powers delegated to it by the Board. The Committee is also empowered to approve the Unaudited Quarterly Financial results to be submitted to the Stock Exchanges as provided under Clause 41(ii) of the Listing agreement.

Meetings and Attendance

During the year under review, ten meetings of the committee were held on 29th April 2011, 14th May 2011, 25th May 2011, 9th August, 2011; 17th August, 2011; 7th September, 2011, 1st November, 2011, 16th December, 2011, 9th March, 2012 and 15th March, 2012.

The composition of the committee and the attendance of the members at the meeting was as follows:

Name of the Member	Status	Category	No.of Meetings Attended
Mr. C. S. Nopany	Chairman	Non-executive	4
Mrs.Shalini Nopany	Member	Executive	4
Mr. S.M.Agarwal	Member	Non-executive	6
Mr. Sanjay Goenka	Member	Independent	6
		Non-executive	
Mr. S.K.Khandelia	Member	Non-executive*	5

*appointed Director-in-Charge, under Section 5(f) of the Companies Act, 1956 w.e.f. 25.01.10.

Minutes of the Finance and Corporate Affairs Committee are approved by the Chairman of the Committee and are noted by the Board in the next meeting of the Board.

E. Remuneration Policy

The remuneration of employees comprises of the base remuneration, perquisites, bonus and ex-gratia. The components of the total remuneration vary for the different cadres and are governed by industry patterns, qualifications and experience, responsibilities handled and performance. The remuneration policy aims to motivate superior performance, recognize and reward achievement and promote retention.

F. Management

Management Discussion and Analysis is given in a separate section and forms a part of the Directors' Report in this Annual Report.

Disclosures

(i) Materially Significant Related Party Transactions

Details of materially significant related party transactions that is the transactions of a material nature between the company and the Promoters, Management, Directors or their relatives etc. are disclosed in the Note No. 22.05 of the Annual Accounts in compliance with the Accounting Standard relating to "Related Party Disclosures". Details of all such transactions are provided to the Board at the Board Meetings, and the interested Directors, if any, neither participate in the discussion, nor vote on such matters.

(ii) Annual General Body Meetings of the Company

Details of the last three Annual General Meetings of the company are as under:

AGM	Financial year	Date	Time	Venue	Special resolution/s if any, passed
77th	2010-2011	August 06, 2011	10.30 a.m.	Registered Office: Pachpahar Road Bhawanimandi (Raj)	None
76th	2009-2010	August 06, 2010	10.00 a.m.	Registered Office: Pachpahar Road Bhawanimandi (Raj)	Payment of commission upto 1% of the net profits of the Company, over and above the usual sitting fees to all the Directors put, together, during each of the three financial years commencing from 1 st April, 2010
75th	2008-2009	August 28, 2009	10.00 a.m.	Registered Office: Pachpahar Road Bhawanimandi (Raj)	None

The 78th Annual General Meeting of the company is proposed to be held on 11th August, 2012 at 10.30 a.m. at the Registered Office of the company.

Postal Ballot: No resolution by way of Postal Ballot was passed during the year 2011-2012.

(iii) Disclosures regarding Directors seeking re-appointment

Mr. C.S.Nopany, Director of the company retire by rotation at this Annual General Meeting and eligible for re-appointment. Brief particulars of the director being re-appointed, nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under clause 49 of the listing agreement with the stock exchanges in India, are provided in the notes to the notice of the annual general meeting.

(iv) General Shareholders' information
(i) 78th Annual General Meeting:

Date	11/08/2012
Day	Saturday
Time	10.30 a.m.
Venue	At Registered Office: Pachpahar Road, Bhawanimandi 326 502 (Raj.)

(ii) Last date for receipt of Proxies

Thursday, 9th August, 2012 (before 10.30 a.m. at the Registered Office of the Company)

(iii) Book closure

The register of members and share transfer books of the company shall remain closed from 4th June, 2012 to 11th June, 2012 (both days inclusive).

(iv) Tentative financial calendar:

Audited Annual Results (2011-2012)	14th May, 2012
Publication of Audited Results (2011-2012)	15th May, 2012
Mailing of Annual Report	End June, 2012
First Quarter Results & Limited Review	End July, 2012
Second Quarter Results & Limited Review	End Oct., 2012
Third Quarter Results & Limited Review	End January, 2013
Audited Annual Results (2012-2013)	Mid May, 2013

(v) Dividend

Payment date (tentative): 16th August, 2012 to 18th August, 2012.

The Board of Directors at their meeting held on 14th May, 2012, have recommended a Dividend of Rs.1.25 per share for the year ended 31st March, 2012, subject to shareholders' approval at the forthcoming Annual

General Meeting. If approved the dividend will be paid to the shareholders after 11th August, 2012 but within 7 working days from the date of Annual General Meeting. The company will continue to use NECS/ECS or any other electronic mode for payment of dividend to the shareholders located in places where in such facilities/system is in existence.

(vi) Listing on Stock Exchanges and stock codes:

The names of the stock exchanges where the equity shares of the company are listed and the respective stock codes are as under:

S.No.	Name of the Stock Exchange	Stock Code
1.	National Stock Exchange of India Ltd., Mumbai	SILINV
2.	Bombay Stock Exchange Ltd., Mumbai	521194
3	The Calcutta Stock Exchange Association Ltd., Kolkata* (*Applied for delisting, confirmation awaited)	29783

Listing fees for the year 2012-13 have been paid to the Stock Exchanges at 1 & 2 above within the stipulated time.

(vii) Corporate Identification Number

Corporate Identification Number of the Company allotted by the Ministry of Corporate Affairs Government of India is L17301RJ1934PLC002761.

(viii) Market Price Data

High/low market price of the company's equity share traded on stock exchanges where the company's shares are listed during the last financial year are as follows:

Month	Bombay Stock Exchange Ltd., Mumbai		National Stock Exchange of India Ltd., Mumbai	
	High	Low	High	Low
April, 2011	116.00	104.05	115.00	97.20
May, 2011	117.95	96.55	110.00	95.00
June, 2011	114.40	85.00	109.00	82.00
July, 2011	104.00	87.25	99.25	88.00
August, 2011	104.95	76.20	97.00	72.00
September, 2011	107.90	85.60	97.70	82.40
October, 2011	96.85	73.35	101.95	72.60
November, 2011	94.65	65.30	92.00	66.15
December, 2011	83.95	61.70	79.90	61.00
January, 2012	87.95	60.55	87.80	58.00
February, 2012	99.70	76.55	91.75	77.65
March, 2012	84.95	65.50	84.50	67.45

(ix) Distribution of Shareholding:

The distribution of shareholding as on 31st March, 2012 was as follows:

S.No.	No. of Equity Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of Total Shares
1.	1 to 100	2269	55.09	112341	1.06
2.	101 to 500	1270	30.83	337301	3.18
3.	501 to 1000	264	6.41	201442	1.90
4.	1001 to 5000	244	5.92	543360	5.13
5.	5001 to 10000	30	0.73	214763	2.03
6.	10001 to 100000	28	0.68	696477	6.57
7.	100001 to 500000	8	0.19	1781444	16.81
8.	500001 to above	6	0.15	6708732	63.32
	TOTAL	4119	100.00	10595860	100.00

(x) Details of shareholding as on 31st March, 2012 was as under:

S. No.	Category	No. of Folios	% of Folios	No. of Shares Held	% of Share-Holding
1.	Promoters	10	0.24	6648160	62.74
2.	Financial Institutions, Banks and Mutual funds	11	0.27	6059	0.06
3.	Private Corporate Bodies/ Associates	178	4.32	2097057	19.79
4.	Indian Public	3841	93.25	1825196	17.23
5.	FIs	0	0	0	0
6.	NRI, Foreign Nationals and OCBs	79	1.92	19388	0.18
	TOTAL	4119	100.00	10595860	100.00

(xi) Dematerialisation of Shares and Liquidity:

The equity shares of the company are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has applied for delisting of its shares at Calcutta Stock Exchange Ltd, Kolkata (CSE) and the confirmation of the same is awaited. The Company entered into an agreement with National Securities Depository Ltd. and Central Depository Services (India) Ltd. As a result, 96.81 % of the total equity share capital of the company was held in a dematerialised form with NSDL and CDSL as on 31.03.2012.

Except CSE the company has paid the requisite fees to all these authorities for the year 2012-13

(xii) Share transfer system

Share transfers were registered and returned normally within 15 days from the date of receipt if the documents were clear in all respects. The Secretary of the company is authorised to approve the transfer of shares in addition to the Shareholders' / Investors Grievance Committee.

(xiii) Address for Shareholders' Correspondence

Shareholders are requested to correspond with the Registrar and Share Transfer Agents at the below given address on all matters relating to transfers, dematerialization of shares, payment of dividend and any other query relating to the equity shares of the Company.

(xiv) Registrar and Transfer Agent

The company appointed M/s. Sharepro Services (India) Pvt.Ltd. as its Registrar & Share Transfer Agent (RTA) for handling share registry (physical and electronic modes). Accordingly, all correspondence, shares for transfer, transmission, demat/ remat requests and other communication in relation thereto should be mailed/hand delivered to the said RTA directly at the following address:

Sharepro Services (India) Pvt.Ltd.
Samhita Complex,
Gala No. 52 to 56, Building No. 13A-B
Near Sakinaka Telephone Exchange,
Andheri – Kurla Road, Sakinaka,
Mumbai 400072
Tel. 022-67720300/400; Fax: 022-28591568

(xv) Compliance Officer's Details:

Mr. Ashish Chauhan
Company Secretary & Compliance Officer
Seated at Corporate Office at:
SIL Investments Limited
Solaris-1, D Wing, 4th Floor,
Opp L&T Gate No-6, Saki Vihar Road,
Powai, Andheri-East, Mumbai-400 072
Tel : 022-4219 8800 / 4219 8824
Fax : 022-4219 8830/31
E-mail ID: ashish@rtmyarn.com

(xvi) Investor Relations:

In order to facilitate investor servicing, the company has designated an e-mail id- investor_grievance@sutlej-rtm.co.in mainly for registering complaints by investors.

H. Compliance**(i) Statutory Compliance, Penalties and Strictures**

The company has continued to comply with the requirements of the stock exchanges, SEBI, RBI and other statutory authorities on all the relevant matters during the last three years. There were no cases of penalties or strictures imposed on the Company by any Stock Exchange, SEBI, RBI or any other statutory authorities for any violation related to the Capital market / any other related matter or relating to conditions of Licensing by the RBI, during the last three years.

(ii) Listing Agreement Compliance

The company complies with all the requirements of the Listing Agreement including the mandatory requirements of the clause 49 of the Agreement.

(iii) Insider trading

The company adopted the code of internal procedures and conduct framed under the SEBI (Prohibition of Insider Trading) Regulation, 1992 which, inter alia, prohibited the trading in shares by an 'insider' when in possession of unpublished price sensitive information.

(iv) Code of conduct and ethics

The company laid down a Code of Conduct for the entire Board of Directors and senior management to avoid a conflict of interest. The Directors and senior management have affirmed compliance with Code of Conduct for the year 2011-2012. A declaration to this effect is attached to this report. The Code of Conduct is available on the company's website www.silinvestments.in.

There was no material, financial and commercial transactions in which the senior management had a personal interest, leading to a potential conflict of interest during the year under review.

(v) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

As on date there are no outstanding warrants or any convertible instruments. The company has not issued GDR/ADR.

(vi) Adoption of Non-Mandatory requirements

The company has not adopted any non-mandatory requirements except relating to the maintenance of the office of the Non-executive Chairman by sharing the common expenses with other entities and constitution of the Nomination-cum-Remuneration Committee.

(vii) Auditors' Certificate on Corporate Governance

The company has obtained a Certificate from its Statutory Auditors regarding compliance of the conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement, which together with this Report on Corporate Governance is annexed to the Director's Report and shall be sent to all the shareholders of the Company and the Stock Exchanges along with the Annual Report of the Company.

(viii) Disclosure Under Clause 53 Of The Listing Agreement Regarding Certain Agreements With The Media Companies.

Pursuant to the requirement of Clause 53 of the Listing Agreement, the Company would like to inform that no agreement(s) have been entered into with media companies and /or their associates which has resulted in/will result in any kind of shareholding in the Company and consequently any other related disclosures viz. details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. Nor has the company entered into any other back to back treaties/contracts/agreements / MoUs or similar instruments with media companies and/or their associates.

I. Investor Safeguards and Other Information**(i) Dematerialization of Shares**

Shareholders are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc and also to ensure safe and speedy transaction in respect of the shares held.

(ii) National Electronic Clearing Services (NECS)/ Electronic Clearing Services (ECS) mandate

NECS/ECS facility ensures timely remittance of dividend without possible loss/delay in postal transit. Shareholders/ Members holding shares in electronic form may register their NECS/ECS details with the respective DPs and Shareholders/Members holding shares in physical form may register their NECS/ECS details with Registrar and Share Transfer Agents to receive dividends, if declared, via the NECS/ECS mode.

(iii) Timely Encashment of Dividends

In respect of the shareholders who have either not opted for NECS/ECS mandate or do not have such a facility with their banker, are requested to encash dividends promptly to avoid the inconvenience of writing to Company's Share Transfer Agents thereafter for revalidation of dividend warrants. Failing their encashment for a period of seven years, they stand to lose the right to claim such dividends owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

(iv) Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Under the Companies Act, 1956, dividends which remain unclaimed for a period of seven years are required to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Dates of declaration of dividends since 2004-2005 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government, are given in the table below:

Financial Year ended	Date of Declaration of Dividend	Amount remaining unclaimed /unpaid as on 31.03.2012 (Rs.)	Last date for claiming unpaid Dividend amount (on or before)	Last date for transfer to IEPF
31.03.2005	29.09.2005	624109.25	27.09.2012	27.10.2012
31.03.2006	23.09.2006	127463.00	22.09.2013	22.10.2013
31.03.2007	28.09.2007	145726.00	27.09.2014	27.10.2014
31.03.2008	27.09.2008	166618.00	26.09.2015	26.10.2015
31.03.2009	28.08.2009	163671.00	27.08.2016	27.09.2016
31.03.2010	06.08.2010	190175.00	05.08.2017	05.09.2017
31.03.2011	06.08.2011	270052.00	05.08.2018	05.09.2018

Members are once again requested to utilize this opportunity and get in touch with Company's Registrar and Share transfer Agents M/s Sharepro Services (India) Pvt. Ltd. at their communication address for encashing the unclaimed dividends standing to the credit of their account.

Members are further requested to note that after completion of 7 years, no claims shall lie against the said Fund or the Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claim.

(v) Update Address/Bank Details

To receive all communications/corporate actions promptly, shareholders holding shares in dematerialised form are requested to please update their address/bank details with the respective DPs and in case of physical shares, the update details have to be intimated to the Registrar and Share Transfer Agents.

(vi) Consolidate Multiple Holdings (in respect of physical holdings)

Members are requested to consolidate their shareholdings under multiple folios to eliminate receipt of multiple communications and this would ensure that future correspondence / corporate benefits could be sent to consolidated folio.

(vii) Register email address

As you all may be aware, Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, whereby Companies are permitted to send Notice/ documents including Annual Report comprising Balance Sheet, Profit and Loss Account, Directors Report, Auditors Report etc in electronic mode (hereinafter 'documents'), provided the Company has obtained email address of its members for sending these documents through email by giving an advance opportunity to every shareholder to register their email addresses and changes therein from time to time with the Company.

Accordingly, shareholders holding shares in physical form are requested to register their email addresses and changes therein from time to time, by directly sending the relevant email addresses along with the details such as name, address, folio no, no of shares held to the Registrar and Share transfer Agents, M/s Sharepro Services (India) Pvt Ltd.

In respect of shares held in electronic form, the email address along with DP ID/Client ID and other shareholder details as mentioned above, should be registered by the shareholders with their respective Depository Participants. Upon registration of the email address, the Company proposes to send notices and documents, in electronic form to such shareholders.

(viii) Addresses for Correspondence:**SIL Investments Limited**

Pachpahar Road
Bhawanimandi 326 502 (Rajasthan)
Telephones: 07433-222052/222082/222090
Fax: 07433-222354
E-mail : cs@silinvestments.in;
investor_grievance@sutlej-rtm.co.in;
hoffice@sutlej-rtm.co.in

Sharepro Services (India) Pvt. Ltd.

Samhita Complex, Gala No-52 to 56,
Building No. 13 A-B, Near Sakinaka Telephone Exchange,
Andheri - Kurla Road, Sakinaka
Mumbai - 400 072
Telephones - 022-67720300 / 400
Fax No. - 022-28591568
E-mail - sharepro@shareproservice.com

DECLARATION OF COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To:
SIL Investments Limited
Pachpahar Road
Bhawanimandi-326 502
(Rajasthan)

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2012.

Place: Mumbai
Dated: 30th April, 2012

Sd/-
S. K. Khandelia
Director-In-Charge

AUDITORS' CERTIFICATE

TO

THE MEMBERS OF SIL INVESTMENTS LIMITED

We have examined the compliance of the conditions of Corporate Governance by M/s SIL Investments Limited for the year ended 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 the 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 the representations made by the Directors and the management, we certify that the Company has complied in all material respects, with the conditions of Corporate Governance as stipulated clause 49 of the above mentioned Listing Agreement.

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

For SINGHI & CO.
Chartered Accountants
Firm Reg. No. 302049E

Camp: Kolkata
Dated: 14th May, 2012

Sd/-
B. K. Sipani
Partner
Membership No.88926

AUDITORS' REPORT

To
THE SHAREHOLDERS

We have audited the attached Balance Sheet of SIL INVESTMENTS LTD. as at 31st March, 2012 and also the Profit and Loss Statement and the Cash Flow Statement for the year ended on that date annexed thereto. 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 (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- iii. The Balance Sheet, Profit and Loss Statement and Cash Flow statement dealt with by this report are in agreement with the books of account.

- iv. In our opinion, the Balance Sheet, Profit and Loss Statement 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 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012, from being appointed as directors 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 together with 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 31st March, 2012
 - b) In the case of the Profit and Loss Statement, 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 of the company for the year ended on that date.

For SINGHI & CO.
Chartered Accountants
Firm Reg. No. 302049E

B.K Sipani
Partner
Membership No. 88926

Camp: Kolkata
Dated: 14th May, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed Assets of the Company have been physically verified by the Management. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c. There was no substantial disposal of any assets during the year.
- (ii) The Company does not have any inventory at the year end hence clause 4(ii) of the Order regarding inventory is not applicable.
- (iii) a. According to the information and explanations given to us, during the year the Company has granted unsecured loan aggregating Rs.103,00,00,000 to six Companies entered in the register maintained under section 301 of the Companies Act, 1956 (Closing Balance as on 31.03.2012 Rs.134,94,75,000 and maximum balance during the year Rs.165,44,75,000). The rate of interest and other terms & condition of such loan are prima facie, not prejudicial to the interest of the Company. The receipt of the principal amount & interest thereon are generally regular.
- b. Apart from above, the company as a promoter has given interest free subordinate loan of Rs.4,50,00,000 for short period to one of the company listed u/s 301 of the Companies Act, 1956 in terms of Debts Restructuring Plan under CDR mechanism of that company.
- (iv) 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, for the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in internal controls system.
- (v) According to the information and explanations given to us, the Company has not entered into any transactions other than granting loans to the Companies, which have been entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vi) As informed, the Company has not accepted any deposit from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) Since the Company is not engaged in any manufacturing activities, the clause for maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 is not applicable.
- (ix) a. According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, service tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities. There is no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.
- b. According to the records of the Company, there are no dues outstanding of sales tax, income tax, service tax, custom duty, wealth tax, excise duty and cess on account of any dispute.
- (x) The Company has no accumulated loss at the end of the financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. We have been informed that the Company has not issued any debenture during the year.

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) 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 (as amended), are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein in respect of investment in shares, debentures and bonds. As informed to us, all the shares, debentures etc. are held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Bank and Financial Institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the period for the purpose for which loans were obtained.
- (xvii) According to the information and explanation given to us, no funds raised on short term basis have been used during the period for long term investment of the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the period. Hence, question of creation of security or charge does not arise.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the year.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B.K.Sipani

Partner

Membership No. 88926

Camp: Kolkata

Dated: 14th May, 2012

SIL INVESTMENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Note No.	As at	
		31st March, 2012	31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	1	106064770	106064770
Reserves and Surplus	2	1369253579	1281354749
		<u>1475318349</u>	<u>1387419519</u>
Non-Current Liabilities:			
Deferred Tax Liabilities (Net)	3	4762641	3783262
Other Long-term Liabilities	4	377000	25000
Long-term Provisions	5	443400	237333
		<u>5583041</u>	<u>4045595</u>
Current Liabilities :			
Short-term Borrowings	6	1400000000	1050000000
Other Current Liabilities	7	10122998	7364317
Short-term Provisions	5	19339933	15192107
		<u>1429462931</u>	<u>1072556424</u>
TOTAL		2910364321	2464021538
ASSETS			
Non-Current Assets			
Fixed Assets:			
Tangible Assets	8	22418599	19311842
Non-Current Investments	9	1234208977	1211877900
Long-term Loans & Advances	10	559662	5000
		<u>1257187238</u>	<u>1231194742</u>
Current Assets:			
Current Investments	11	32442811	21517507
Cash and Bank balances	12	5966916	21430995
Short-term Loans and Advances	10	1585656090	1173919636
Other Current Assets	13	29111266	15958658
		<u>1653177083</u>	<u>1232826796</u>
TOTAL		2910364321	2464021538
Contingent Liabilities and Commitments	14		
Summary of significant accounting policies and other notes on accounts	22		

The accompanying notes are an integral part of the financial statements.
In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 14th May, 2012

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Arvind C. Dalal
S.M. Agarwal
Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
REVENUE :			
Revenue from Operations and Investments	15	301028296	205534566
Other Income	16	9333912	2681089
Total Revenue		310362208	208215655
EXPENSES :			
Finance Costs	17	180183547	91955942
Employee Benefits Expense	18	2480424	2615673
Other Expenses	19	10941220	10574639
Total		193605191	105146254
Profit before tax, depreciation and amortisation		116757017	103069401
Depreciation and Amortisation Expenses	20	577726	420808
Profit before tax		116179291	102648593
Tax Expense			
Current Tax	21	11907615	7820738
Deferred Tax		979379	1141040
Profit after Tax		103292297	93686815
Basic & Diluted Earnings Per Equity Share (of Rs. 10 each) (Rs.) (Refer Note No.22.07)		9.75	8.84
Summary of significant accounting policies and other notes on accounts	22		

The accompanying notes are an integral part of the financial statements.
In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 14th May, 2012

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Arvind C. Dalal
S.M. Agarwal
Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

SIL INVESTMENTS LIMITED

NOTES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2012

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note No. 1 : Share Capital		
Authorised		
1,20,00,000 (Previous year 1,20,00,000) Equity Shares of Rs 10 each	120000000	120000000
	120000000	120000000
Issued, subscribed and fully paid-up shares		
1,05,95,860 (Previous year 1,05,95,860) Equity Shares of Rs. 10/- each fully paid-up.	105958600	105958600
Add: Forfeited shares (No.of Shares 35390)(Amount originally paid up)	106170	106170
	106064770	106064770

Terms/ Rights attached to Equity Shares

Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However same is subject to the approval of the shareholders in the Annual General Meeting.

Reconciliation of the number of Equity Shares outstanding:

Equity Shares outstanding at the beginning of the year	10595860	10595860
Equity Shares allotted during the year	-	-
Equity Shares outstanding at the end the of the year	10595860	10595860

Shareholder holding more than 5 percent Equity Shares of the Company:

S. No.	Name of shareholder	As at 31st March, 2012		As at 31st March, 2011	
		Number of Shares held	Percentage of holding	Number of Shares held	Percentage of holding
1	Uttar Pradesh Trading Co.Ltd.	2019339	19.06	2019339	19.06
2	New India Retailing and Investment Ltd.	1156550	10.92	1156550	10.92
3	Hargaon Investment & Trading Co., Ltd.	1140931	10.77	1140931	10.77
4	Yashovardhan Investment & Trading Co., Ltd.	991224	9.35	991224	9.35
5	Birla Institute of Technology and Science	752439	7.10	752439	7.10
6	Ronson Traders Ltd.	648249	6.12	648249	6.12

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note No. 2 : Reserves and Surplus		
(i) Securities Premium Reserve		
Balance as per last financial statement	281730500	281730500
(ii) Reserve Fund		
Balance as per last financial statement	90300000	71500000
Add :Additions during the year	20700000	18800000
Closing Balance	111000000	90300000
(iii) General Reserve		
Balance as per last financial statement	496938936	496938936
Add: Additions during the year	2583000	-
Closing Balance	499521936	496938936

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note No. 2 : Reserves and Surplus (Contd.)		
(iv) Profit & Loss Statement - Balance		
Balance as per last financial statement	412385313	349813271
Add: Profit for the year	<u>103292297</u>	<u>93686815</u>
	515677610	443500086
Less: Allocation and Appropriation		
Proposed Dividend @	13244825	10595860
Corporate Dividend Tax	2148642	1718913
Transfer to Reserve Fund	20700000	18800000
Transfer to General Reserve	<u>2583000</u>	<u>-</u>
Total	<u>38676467</u>	<u>31114773</u>
Closing Balance	<u>477001143</u>	<u>412385313</u>
Total Reserve and Surplus (i to iv)	<u>1369253579</u>	<u>1281354749</u>

@ The Board of Directors have recommended dividend of Rs.1.25 (Previous year Rs.1.00) per Equity Share of Rs.10 each for the year ended 31st March, 2012. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Note No. 3 : Deferred Tax Liability (Net)

Deferred Tax Liability on account of:

Depreciation	4906502	3783262
	<u>4906502</u>	<u>3783262</u>

Deferred Tax Assets on account of:

Amount disallowed u/s.43-B	143861	-
	<u>143861</u>	<u>-</u>

Deferred Tax Liability/(Assets) (Net)	<u>4762641</u>	<u>3783262</u>
--	-----------------------	-----------------------

Note No. 4 : Other Long Term Liabilities

Security Deposit	377000	25000
	<u>377000</u>	<u>25000</u>

Note No. 5 : Provisions

(Amount in Rs.)

	Long- term		Short - term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Provision for Employee Benefits	443400	237333	-	-
Proposed Dividend	-	-	13244825	10595860
Corporate Dividend Tax	-	-	2148642	1718913
Contingent Provisions against Standard Assets	-	-	3946466	2877334
	443400	237333	19339933	15192107

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
-------------	---------------------------	---------------------------

Note No. 6 : Short-Term Borrowings

Secured (Short Term Loan)

From Bodies Corporate (Repayable on demand)

Secured by Pledge of Equity Shares - 2,54,00,000 (Previous year 2,49,00,000 Equity Shares) of Chambal Fertilizers & Chemicals Ltd. and 22,20,000 Equity Shares (Previous year 9,75,000 Equity Shares) of Zuari Industries (Ltd.) (Rate of interest @ 12% to 12.75% p.a.)	140000000	1050000000
	<u>140000000</u>	<u>1050000000</u>

Note No. 7 : Other Current Liabilities

Interest Accrued but not due on borrowings	5095398	4256362
Unpaid Dividend	1687814	1949184
Statutory dues	2947173	530748
Directors' Commission	352726	360000
Other	39887	268023
	<u>10122998</u>	<u>7364317</u>

Note No. 8 : Fixed Assets

(Amount in Rs.)

Description	Gross Block Cost/Book Value				Depreciation				Net Block	
	As at 31st March, 2011	Addition	Deduction	As at 31st March, 2012	As at 31st March, 2011	For the year ended 31st March, 2012	Deduction	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Tangible Assets										
Buildings	25426542	-	170205	25256337	6114700	413769	117750	6410719	18845618	19311842
Office Equipments	4050	281610	-	285660	4050	8918	-	12968	272692	-
Furniture & Fixtures	-	3455328	-	3455328	-	155039	-	155039	3300289	-
Total	25430592	3736938	170205	28997325	6118750	577726	117750	6578726	22418599	19311842
Previous Year	25609441	4050	182899	25430592	5823258	420808	125316	6118750	19311842	19786183

Note : Buildings include cost of Ownership premises in Co-operative Housing Societies.

(Amount in Rs.)

Particulars	Shares	Face Value	As at	As at
	(Nos.)	Share (Rs.)	31st March, 2012	31st March, 2011

Note No. 9 : Non-current Investments

(Valued at Cost)

Long Term Investment (Non-Trade)
A QUOTED (Fully paid-up)

Zuari Industries Ltd.	3208000*	10	79736000	79736000
Chambal Fertilisers & Chemicals Ltd.	32153455*	10	525744193	525744193
Digjam Limited	45	10	5977	5977
Tata Steel Limited	936	10	122597	122597
Upper Ganges Sugar Inds. Ltd.	1547016** (1183572)	10	181671578	161917649
The Oudh Sugar Mills Ltd.	621518@+ (524160)	10	49755881	47178733
Sutlej Textiles and Industries Ltd.	50000	10	501251	501251
Xpro India Limited	2138#	10	-	-
Saurashtra Chemicals Ltd.	112#	1	-	-
CLMMCO Limited	658	10	58517	58517
			837595994	815264917

*Refer Note No.6 for Pledge of Shares

**363444 Equity Shares purchased during the year

@97358 Equity Shares purchased during the year

Received in earlier year as per Scheme of Arrangement

+ Refer Note No. 14(b)

B. UNQUOTED (Fully paid-up)
i) In Equity Shares of Subsidiary Companies:

RTM Investment & Trading Co.Ltd.*	14456881	10	168483930	168483930
SCM Investment & Trading Co.Ltd.	15509199	10	187007110	187007110
SIL Properties Limited	1978597	10	19785970	19785970
RTM Properties Limited*	1978597	10	19785970	19785970
			395062980	395062980

*Wholly owned

ii) In Equity Shares of other Companies:

Birla Buildings Limited	15000	10	150000	150000
Eastern Economic Limited	400*	100	20000	20000
Mackenzies Limited	1*	100	47	47
Mafatlal Engg. & Inds. Ltd.	700*	100	61250	61250
GMB Investments Pvt. Ltd.	140000	10	1400000	1400000
			1631297	1631297

* Less: Provision for diminution in value

-81294 -81294

1550003 1550003

396612983 396612983

AGGREGATE VALUE OF INVESTMENTS
1234208977 1211877900

Aggregate of:

 Quoted Investments **837595994** 815264917

 Unquoted Investment **396612983** 396612983

1234208977 1211877900

Aggregate Market Value of Quoted Investments
4157662450 4598442272

(Amount in Rs.)

Particulars	Long- term		Short - term	
	As at	As at	As at	As at
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Note No. 10 : Loans And Advances				
(Unsecured, Considered Good unless otherwise stated)				
Loan to Subsidiary Companies	-	-	569475000	979975000
Loan to Bodies Corporate	-	-	980000000	155000000
Capital Advance	555912	-	-	1125000
Security Deposit	3750	5000	-	-
Advance Recoverable in Cash or in kind				
Considered Good	-	-	811931	267569
Others Loan and Advances				
Income Tax refund Receivable	-	-	3293702	3317658
Advance Tax (Net of provisions for Taxation)	-	-	32075457	34234409
Total	559662	5000	1585656090	1173919636

(Amount in Rs.)

Particulars	Unit	NAV	As at	As at
	(Nos.)	Unit (Rs.)	31st March, 2012	31st March, 2011

Note No. 11 : Current Investments

Unquoted (Fully paid-up) (Non-Trade)

Investments in Mutual Fund

(at cost or Fair Value whichever is lower)

UTI Mutual Fund - Treasury Advantage Fund Institutional Plan (Daily Dividend) Reinvest option	31435.561 (21512.425)	1000.2141	31442291	21517031
SBI - Dynamic Bond Fund - Dividend	88880.9884	11.2510	1000000	-
HDFC Liquid Fund Premium Plan Growth	24.191	21.4909	520	476
Aggregate Market value of Unquoted Investments			32442811	21517507

(Amount in Rs.)

Particulars	As at	As at
	31st March, 2012	31st March, 2011

Note No. 12 : Cash & Bank Balances

a) Cash and Cash equivalents

Cash Balance on Hand	1299	1283
Balance with Banks		
i) in Current Account	4265398	4468898
ii) in Fixed Deposit (maturity within 3 months)	-	15000000

b) Earmarked Balances with Bank

i) Unpaid Dividend	1687814	1949184
ii) Employees Security Deposit	12405	11630
	5966916	21430995

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note No. 13 : Other Current Assets		
Interest accrued on Intercompany Deposit	29111266	15958658
	<u>29111266</u>	<u>15958658</u>

Note No. 14 : Contingent Liabilities and Commitments

a) Estimated amount of Contracts remaining to be executed on Capital/Revenue Account and not provided for (Net of Advance Rs.555912, Previous year Rs. 1125000)	164088	739096
b) As per a covenants of the Debt Restructuring Scheme (CDR Scheme) approved by the Lenders of The Oudh Sugar Mills Ltd.(The Oudh), of which the Company is a promoter, the Company has pledged 3,00,000 equity shares of Rs.10/- each (Previous year nil) with the lenders of The Oudh, along with similar pledges by the other promoters.		

NOTES FORMING PART OF PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

Particulars	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Note No. 15 : Revenue from Operations and Investments		
Interest on Loans and Deposits from subsidiaries	135229322	106459788
Interest on Loans to Bodies Corporate, etc.	85461459	14059811
Dividend on Loan Term Investments - other than trade	77837046	78698726
Dividend on Current Investments	2500425	584598
Profit on sale of Long Term Investments - other than trade	-	5731614
Profit on sale of Current Investments	44	29
	<u>301028296</u>	<u>205534566</u>

Note No. 16 : Other Income

Rent	4446000	2073672
Interest from Income Tax Department	859583	-
Profit on sale/discard of Fixed Assets (Net)	3419635	607417
Adjustment relating to Previous year (Net)	490314	-
Excess Provision & Liabilities written back	107105	-
Miscellaneous Income	11275	-
	<u>9333912</u>	<u>2681089</u>

Note No. 17 : Finance costs

Interest Expenses	164420360	85956292
Other Borrowing costs	15763187	5999650
	<u>180183547</u>	<u>91955942</u>

Note No. 18 : Employee Benefits Expense

Salaries, etc.	2442033	2493058
Staff welfare expenses	38391	122615
	<u>2480424</u>	<u>2615673</u>

(Amount in Rs.)

Particulars	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Note No. 19 : Other Expenses		
Insurance	41858	45206
Rates and Taxes	2500	13440
Repairs and Maintenance to Buildings	1495710	359712
Travelling Expenses	5087062	4707292
Miscellaneous Expenses	2657390	1963465
Auditors Remuneration:		
Statutory Auditors:		
As Auditors	39326	27575
In other Capacity, for		
Certifications and other matters	8824	13236
Adjustment Relating to previous year (Net)	-	32379
Directors' Commission & Fees	539418	535000
Contingent Provisions against Standard Assets	1069132	2877334
	<u>10941220</u>	<u>10574639</u>

Note No. 20 : Depreciation and Amortisation Expenses

Depreciation of tangible assets (Refer Note No.8)	577726	420808
	<u>577726</u>	<u>420808</u>

Note No. 21 : Current Tax

Current Tax for the year	12700000	8469447
Less: MAT Credit Set Off	-	309447
	<u>12700000</u>	<u>8160000</u>
Current Tax adjustments for earlier year (Net)	-792385	-339262
	<u>11907615</u>	<u>7820738</u>

Note No. 22 : Summary of significant accounting policies and other notes on accounts:**22.01 Nature of Operations**

The main business of the Company is of investments and financing activities.

22.02 Summary of significant accounting policies**(A) Basis of Accounting**

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued under the Accounting Standard Rules, 2006 notified by the Central Government and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis except claims/refund which are accounted for on receipt basis due to uncertainties. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

(B) Revenue Recognition

Income from Investments and financing activities is taken into account when it become accrue to the Company.

(C) Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of duties, taxes, incidental expenses and erection/commissioning expenses etc.

(D) Depreciation

- i) Depreciation on the fixed assets is provided on Straight Line method at the rates specified in the Schedule XIV of the Companies Act, 1956.
- ii) Depreciation on the fixed assets disposed off during the year is provided on pro-rata basis with reference to the date of disposal.

(E) Investments

Long term investments are stated at cost. The company provides for diminution, other than temporary, in the value of Long term investments. Current investments are valued at lower of cost or fair value.

(F) Retirement Benefits

- a) Retirement benefits in the form of Provident Fund are charged to the Profit & Loss Statement of the year when the contributions to the respective funds are due.
- b) Gratuity has not been provided as the Payment of Gratuity Act is not applicable to the Company as total number of employees are below the minimum required number of employees under Payment of Gratuity Act, 1972.
- c) Year end leave encashment benefit is provided for on accrual basis.

(G) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the notes to the financial statements, are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

22.03 As there is only one segment in the Company, hence Segment Reporting (AS-17) is not applicable.

22.04 There is shortfall in the market value of certain long term investments in shares. However, the Company has not made provision in respect of such shortfall aggregating to Rs. 14,59,86,610 (Previous year Rs. 13,25,44,007) as the same in the opinion of the Management, is not permanent in nature. However, there is no diminution in the overall market value of the quoted/unquoted investments and break-up value of unquoted investments.

SIL INVESTMENTS LIMITED

22.05 RELATED PARTY DISCLOSURE

A	Subsidiaries	- SCM Investment & Trading Co.Ltd. - RTM Investment & Trading Co.Ltd. - SIL Properties Ltd. - RTM Properties Ltd.
B	Key Management Personnel and their relatives	Mrs. Shalini Nopany (Managing Director)
C	Enterprise owned or significantly influenced by Key Management Personnel and their relatives	The Oudh Sugar Mills Limited
D	Transactions with Related Parties during the year:	

(Amount in Rs.)

Particulars	Subsidiaries	Key Management personnel and their relatives	Enterprise owned or significantly influenced by Key Management Personnel and their relatives
(a)			
1 Intercorporate Loan placed			
- SCM Investment & Trading Co.Ltd.	-		
	(50000000)		
- RTM Investment & Trading Co.Ltd.	-		
	(330000000)		
- The Oudh Sugar Mills Ltd.			390000000
			(150000000)
2 Intercorporate Loan received back			
- SCM Investment & Trading Co.Ltd.	60500000		
	(-)		
- RTM Investment & Trading Co.Ltd.	350000000		
	(-)		
- The Oudh Sugar Mills Ltd.			380000000
			(-)
3 Remuneration to Managing Director		1800000	
		(1800000)	
4 The Oudh Sugar Mills Limited Pledging of 3,00,000 equity shares			Refer Note No.14(b)
5 Interest income on Intercorporate Loan			
- SCM Investment & Trading Co.Ltd.	38313850		
	(33371230)		
- RTM Investment & Trading Co. Ltd.	96915472		
	(73088558)		
- The Oudh Sugar Mills Ltd.			58531884
			(11473151)
(b) Balance outstanding as on 31.03.2012			
Incorporate Loan receivable			
- SCM Investment & Trading Co.Ltd.	199500000		
	(260000000)		
- RTM Investment & Trading Co.Ltd.	369975000		
	(719975000)		
- The Oudh Sugar Mills Ltd.			160000000
			(150000000)
(c) Interest receivable on Intercorporate Loan as on 31.03.2012.			
- SCM Investment & Trading Co. Ltd.	2847711		
	(2744137)		
- RTM Investment & Trading Co.Ltd.	17205610		
	(13214521)		
- The Oudh Sugar Mills Ltd.			4070342
			(-)

- Note 1. The above information has been identified on the basis of information available with the Company and relied upon by the Auditors.
2. Figures in bracket represent previous year's amounts.

22.06 DISCLOSURES AS PER CLAUSE 32 OF THE LISTING AGREEMENT

(Amount in Rs.)

Particulars	Balance as on 31.03.2012 (31.03.2011)	Maximum outstanding amount of loan during the year (Previous year)
Loan to Subsidiaries:		
- SCM Investment & Trading Co.Ltd.	199500000 (260000000)	260000000 (260000000)
- RTM Investment & Trading Co.Ltd.	369975000 (719975000)	719975000 (719975000)

22.07 Earnings per Share (EPS)

The numerators and denominators used to calculate Basic and Diluted Earnings Per Share :

(Amount in Rs.)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Profit attributable to the Equity Shareholders (A)	103292297	93686815
Number of Equity Shares (B)	10595860	10595860
Nominal Value of Equity Share (Rs.)	10	10
Basic and Diluted Earnings per Share (Rs.) A/B	9.75	8.84

22.08 TAXATION

The Current Tax provided during the year ended 31st March, 2012 as per provisions of the Income Tax Act, 1961.

(Amount in Rs.)

2011-12	2010-11

22.09 EXPENDITURE IN FOREIGN CURRENCY (On Payment Basis)

Director Travelling	2625552	2423445
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22.10 REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS

Particulars	Year ended 31st March,2012	Year ended 31st March,2011
Amount of Dividend related to 2010-11 remitted in Foreign Exchange (Rs.)#	-	-
Number of Non-Resident Shareholders	78	77
Number of Shares held by such Non-Resident Shareholders	19288	17585

Deposited in Indian Rupees in the Bank Accounts maintained by the shareholders in India.

22.11 The Company has prepared current year account as per presentation and disclosure requirement of Revised Schedule VI of the Companies Act, 1956 applicable with effect from 1st April, 2011. Previous year figures have been reclassified/ regrouped to conform current year figures.

Signature to Notes 1 to 22.11

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 14th May, 2012

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Arvind C. Dalal
S.M. Agarwal
Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in Rs.)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
(A) CASH FLOW FROM OPERATING ACTIVITIES		
a. Net Profit before Tax	116179291	102648593
Adjustment for :		
Depreciation	577726	420808
Contingent Provision against Standard Assets	1069132	2877334
Dividend on long term / current Investments	(80337471)	(79283324)
(Profit) on Sale of long term / current Investments	(44)	(5731643)
Excess provision / Liabilities written back	(107105)	-
(Profit) on Sale of Fixed Assets	(3419635)	(607417)
b. Operating Profit before working capital changes	33961894	20324351
Adjustment for :		
Trade and other Receivables	(12866037)	(13566828)
Trade Payables	3423853	2892367
Loans to Subsidiary Companies (Net)	410500000	(380000000)
Loans to Bodies Corporate (Net)	(825000000)	(135000000)
Borrowing from Bodies Corporate (Net)	350000000	450000000
c. Cash Generated from Operations	(39980290)	(55350110)
Direct Taxes (paid) / Refund (Net)	(9724707)	(12228849)
Net Cash (used in)/from Operating Activities (A)	(49704997)	(67578959)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of long term / current Investments	44	38654034
Dividend on long term / current Investments	80337471	79283324
Purchase of Investments	(33256381)	(30132309)
Sale of Fixed Assets	3472090	665000
Purchase of Fixed Assets	(3736938)	(4050)
Net Cash used in Investing Activities (B)	46816286	88465999
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid and Tax on Distributed Profits	(12314773)	(12355700)
Net cash from Financing Activities (C)	(12314773)	(12355700)
Net increase/(decrease) in cash and cash Equivalents [(A)+(B)+(C)]	(15203484)	8531340
Cash and Cash Equivalents (Opening Balance)	19470181	10938841
Cash and Cash Equivalents (Closing Balance)*	4266697	19470181
(for components of cash & cash equipment - refer note - 12)		
*Break-up as under :-		
Cash Balance in hand	1299	1283
Balance with Banks		
i) in Current Account	4265398	4468898
ii) in Fixed Deposit (maturity within 3 months)	-	15000000
Total	4266697	19470181
Other bank Balances shown under appropriate activities	1700219	1960814
Cash & Bank Balance as per note - 12	5966916	21430995

Notes : 1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard- 3 on "Cash Flow Statement".
2. Previous year figures have been regrouped/restated wherever necessary.

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 14th May, 2012

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Arvind C. Dalal
S.M. Agarwal
Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

SIL INVESTMENTS LIMITED

SCHEDULE TO THE BALANCE SHEET OF NON -BANKING FINANCIAL COMPANY

(As required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs.in lacs)

PARTICULARS	Amount Outstanding		Amount Overdue	
	As at 31.3.2012	As at 31.3.2011	As at 31.3.2012	As at 31.3.2011
Liabilities Side				
1) Loans and Advances availed by the NBFC'S inclusive of interest accrued thereon but not paid				
(a) Debentures: Secured	Nil	Nil	Nil	Nil
Unsecured (Other than falling within the meaning of Public Deposits)	Nil	Nil	Nil	Nil
(b) Deferred Credits	Nil	Nil	Nil	Nil
(c) Term Loans	Nil	Nil	Nil	Nil
(d) Inter-Corporate Loans and Borrowings (including interest accrued & due thereon)	14050.95	10542.56	Nil	Nil
(e) Commercial Paper	Nil	Nil	Nil	Nil
(f) Other Loans (specify nature)	Nil	Nil	Nil	Nil
Assets Side				
2) Break-up of Loans and Advances including Bills receivables (other than those included in (3) below)				
(a) Secured	Nil	Nil		
(b) Unsecured (including Interest accrued thereon)	15785.86	11509.33		
3) Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities				
(i) Lease Assets including lease rentals under sundry debtors:				
(a) Financial Lease	Nil	Nil		
(b) Operating Lease	Nil	Nil		
(ii) Stock on hire including hire charges under sundry debtors				
(a) Assets on Hire	Nil	Nil		
(b) Repossessed Assets	Nil	Nil		
(iii) Other Loans counting towards AFC activities				
(a) Loans where assets have been repossessed	Nil	Nil		
(b) Loans other than (a) above	Nil	Nil		
4) Break-up of Investments:				
Current Investments:				
1. Quoted:				
(i) Shares (a) Equity	Nil	Nil		
(b) Preference	Nil	Nil		
(ii) Debentures and Bonds	Nil	Nil		
(iii) Units of Mutual Funds	Nil	Nil		
(iv) Government Securities	Nil	Nil		
(v) Others (please specify)	Nil	Nil		
2. Unquoted				
(i) Shares (a) Equity	Nil	Nil		
(b) Preference	Nil	Nil		
(ii) Debentures and Bonds	Nil	Nil		
(iii) Units of Mutual Funds	324.43	215.18		
(iv) Government Securities	Nil	Nil		
(v) Others (please specify)	Nil	Nil		

Long Term Investments

1. Quoted:

(i) Shares (a) Equity	8375.96	8152.65
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of Mutual Funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others (please specify)	Nil	Nil

2. Unquoted

(i) Shares (a) Equity	3966.13	3966.13
(b) Preference	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil
(iii) Units of Mutual Funds	Nil	Nil
(iv) Government Securities	Nil	Nil
(v) Others (please specify)	Nil	Nil

5) Borrower group-wise classification of Assets financed as in (2) and (3) above

Amount net of provisions

Category	Secured		Unsecured		Total	
	As at 31.3.2012	As at 31.3.2011	As at 31.3.2012	As at 31.3.2011	As at 31.3.2012	As at 31.3.2011
1. Related Parties						
(a) Subsidiaries	Nil	Nil	5895.28	9959.33	5895.28	9959.33
(b) Companies in the same group	Nil	Nil	Nil	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	1640.70	1500.00	1640.70	1500.00
2. Other than related parties	Nil	Nil	8249.88	50.00	8249.88	50.00
Total	Nil	Nil	15785.86	11509.33	15785.86	11509.33

6) Investor group-wise classification of all investments

(current and long term) in shares and securities
(both quoted and unquoted)

Category	Market Value/Break up or Fair Value of NAV		Book Value (net of provisions)	
	As at 31.3.2012	As at 31.3.2011	As at 31.3.2012	As at 31.3.2011
1. Related Parties				
(a) Subsidiaries	6156.34	6119.33	3950.63	3950.63
(b) Companies in the same group	Nil	Nil	Nil	Nil
(c) Other related parties	163.15	159.61	497.56	471.78
2. Other than related parties	41868.09	46172.85	8218.33	7911.55
Total	48187.58	52451.79	12666.52	12333.96

* Certain unquoted investments value Rs. 15.50 lacs (breakup value Rs. 130.19 lacs) (previous year Rs. 132.87 lacs) being long term in nature have been valued at cost.

7) Other Information

Particulars	Amount
i) Gross Non-Performing Assets	
(a) Related Parties	Nil
(b) Other than related parties	Nil
ii) Net Non-Performing Assets	
(a) Related Parties	Nil
(b) Other than related parties	Nil
iii) Assets acquired in satisfaction of debt	Nil

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 14th May, 2012

Ashish Chauhan
Secretary

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Managing Director

C.S. Nopany
Chairman

Arvind C. Dalal
S.M. Agarwal
Sanjay Goenka
Subroto Lahiri
S.K. Khandelwa
S.S. Maheshwari
Directors

SIL INVESTMENTS LIMITED

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

The entire subscribed capital of RTM Investment & Trading company Ltd. and 80.53% subscribed capital of SCM Investment & Trading Company Ltd. as on 31st March, 2012 was held by the Company. The entire subscribed capital of SIL Properties Ltd. and RTM Properties Ltd. as on 31st March, 2012 was held by SCM Investment & Trading Company Ltd. and RTM Investment & Trading Company Ltd. respectively, subsidiaries of the Company.

(Amount in Rs.)

Name of the Subsidiary Company	Net Aggregate of subsidiaries profits/(losses) not dealt with in holding Company's accounts		Net Aggregate of subsidiaries profits/(losses) dealt with in holding Company's accounts	
	Current Year	Previous years since became subsidiaries	Current Year	Previous years since became subsidiaries
SCM Investment & Trading Company Ltd.	6854431	106144869 (2766055)	-	5318484
RTM Investment & Trading Company Ltd.	(2735636)	103701726 (9739638)	-	4762445
SIL Properties Ltd.	(699119)	1895488 (4364281)	-	-
RTM Properties Ltd.	(775105)	2727673 (4966721)	-	-

Arvind C. Dalal
S.M. Agarwal
Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

Place : Kolkata
Dated: 14th May, 2012

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

FINANCIAL PERFORMANCE OF SUBSIDIARIES DURING THE PERIOD 1ST APRIL,2011 TO 31ST MARCH,2012

(Amount in Rs.)

S. No.	Particulars	SCM Investment & Trading Co. Ltd.	RTM Investment & Trading Co. Ltd.	SIL Properties Ltd.	RTM Properties Ltd.
(a)	Share Capital	192591990	144568810	84090450	84090450
(b)	Reserves	204545592	113200415	-3722134	-2660192
(c)	Total Assets	600795897	647987203	80819300	81437758
(d)	Total Liabilities	203658315	390217978	450984	7500
(e)	Details of Investment (Except in case of investment in Subsidiary Companies)	276452045	246558714	3481597	4366950
(f)	Turnover	11411816	6016105	2017060	2037500
(g)	Profit/(loss) before taxation	11267020	-1925936	-448730	-406513
(h)	Provision for taxation (Cr.)	2755243	809700	372697	368592
(i)	Profit/(loss) after taxation	8511777	-2735636	-821427	-775105

Notes: The Ministry of Corporate Affairs has notified exemption under Section 212(8) of the Companies Act, 1956 from attaching the documents that are required to be attached with the Balance Sheet of the Company in respect of Subsidiary Companies upon fulfillment of certain conditions. As the company complies with the same, documents pertaining to subsidiaries companies of this company namely, SCM Investment & Trading Co.Ltd., RTM Investment & Trading Co.Ltd., SIL Properties Ltd. and RTM Properties Ltd., are not being attached with the Balance Sheet. However, annual accounts of the subsidiary companies and the related detailed information will be made available to the holding and subsidiary company investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept by any investor at Registered Office of the Company and that of the subsidiary companies situated at 9/1, R.N. Mukherjee Road, Kolkata 700 001

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF SIL INVESTMENTS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENT OF SIL INVESTMENTS LIMITED AND ITS SUBSIDIARIES

We have audited the attached Consolidated Balance Sheet of SIL Investments Limited ('the Company') and its Subsidiary Companies as at 31st March, 2012 and also the consolidated Profit and Loss Statement and the consolidated Cash Flow statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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 the 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.

We did not audit the financial statements of the subsidiary Companies, whose financial statements reflects total assets of Rs.1,41,10,40,158/- as at 31st March, 2012, the total revenues of Rs.2,14,82,481/- and cash outflow amounting to Rs.1,06,79,937/- for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statements' issued by The Institute of Chartered Accountants of India.

Based on Our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidation Balance Sheet, of the state of affairs of the company and its subsidiaries as at 31st March 2012
- (b) In the case of the Consolidated Profit and Loss Statement, of the profit for the year ended on that date ; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For SINGHI & CO.
Chartered Accountants
Firm Reg. No. 302049E

Camp: Kolkata
Dated: 14th May, 2012

B.K. Sipani
Partner
Membership No. 88926

SIL INVESTMENTS LIMITED (CONSOLIDATED)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Note No.	As at	
		31st March, 2012	31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds:			
Share Capital	1	106064770	106064770
Reserves and Surplus	2	1585515753	1494972353
		1691580523	1601037123
Minority Interest		76773267	75238229
Non-Current Liabilities:			
Deferred Tax Liabilities (Net)	3	4762641	3783262
Other Long-term Liabilities	4	377000	25000
Long-term Provisions	5	443400	237333
		5583041	4045595
Current Liabilities :			
Short-term Borrowings	6	1400000000	1050000000
Other Current Liabilities	7	13446911	10503611
Short-term Provisions	5	20821933	17636107
		1434268844	1078139718
TOTAL		3208205675	2758460665
ASSETS			
Non-Current Assets			
Fixed Assets:			
Tangible Assets	8.1	173646451	171883019
Intangible Assets	8.2	2220	2220
Non-Current Investments	9	1370005303	1347674226
Long-term Loans & Advances	10	973130	411815
		1544627104	1519971280
Current Assets :			
Current Investments	11	32442811	21517507
Cash and Bank balances	12	7992681	34136697
Short-term Loans and Advances	10	1601454675	1174547435
Other Current Assets	13	21688404	8287746
		1663578571	1238489385
TOTAL		3208205675	2758460665
Contingent Liabilities and Commitments	14		
Summary of significant accounting policies and other notes on accounts	22		

The accompanying notes are an integral part of the financial statements.
In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 14th May, 2012

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Arvind C. Dalal
S.M. Agarwal
Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

Particulars	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
REVENUE :			
Revenue from Operations and Investments	15	309654457	211113881
Other Income	16	13413051	6928465
Total Revenue		323067508	218042346
EXPENSES :			
Finance Costs	17	180183547	91955942
Employee Benefits Expense	18	2480424	2615673
Other Expenses	19	12351312	15068444
Total		195015283	109640059
Profit before tax, depreciation and amortisation		128052225	108402287
Depreciation and Amortisation Expenses	20	3387093	3203534
Profit before tax		124665132	105198753
Tax Expense			
Current Tax	21	16213847	11370481
Deferred Tax		979379	1141040
Profit after Tax		107471906	92687232
Share of Minority Interest		(1535038)	(957374)
Profit after Tax (After adjustment of Minority Interest)		105936868	91729858
Basic & Diluted Earnings Per Equity Share (of Rs. 10 each) (Rs.) (Refer Note No.22.05)		10.00	8.66
Summary of significant accounting policies and other notes on accounts	22		

The accompanying notes are an integral part of the financial statements.
In terms of our Report of even date attached.

For SINGHI & CO.
Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani
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Directorss

SIL INVESTMENTS LIMITED (CONSOLIDATED)

NOTES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note No. 1 : Share Capital		
Authorised		
1,20,00,000 (Previous year 1,20,00,000) Equity Shares of Rs 10 each	120000000	120000000
	120000000	120000000
Issued, subscribed and fully paid-up shares		
1,05,95,860 (Previous year 1,05,95,860) Equity Shares of Rs. 10/- each fully paid-up.	105958600	105958600
Add: Forfeited shares (No.of Shares 35390)(Amount originally paid up)	106170	106170
	106064770	106064770

Terms/ Rights attached to Equity Shares

Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However same is subject to the approval of the shareholders in the Annual General Meeting.

Reconciliation of the number of Equity Shares outstanding:

Equity Shares outstanding at the beginning of the year	10595860	10595860
Equity Shares allotted during the year	-	-
Equity Shares outstanding at the end the of the year	10595860	10595860

Shareholder holding more than 5 percent Equity Shares of the Company:

S. No.	Name of shareholder	As at 31st March, 2012		As at 31st March, 2011	
		Number of Shares held	Percentage of holding	Number of Shares held	Percentage of holding
1	Uttar Pradesh Trading Co.Ltd.	2019339	19.06	2019339	19.06
2	New India Retailing and Investment Ltd.	1156550	10.92	1156550	10.92
3	Hargaon Investment & Trading Co., Ltd.	1140931	10.77	1140931	10.77
4	Yashovardhan Investment & Trading Co., Ltd.	991224	9.35	991224	9.35
5	Birla Institute of Technology and Science	752439	7.10	752439	7.10
6	Ronson Traders Ltd.	648249	6.12	648249	6.12

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note No. 2 : Reserves and Surplus		
(i) Securities Premium Reserve		
Balance as per last financial statement	305714738	305714738
(ii) Reserve Fund		
Balance as per last financial statement	133123602	113089602
Add :Additions during the year	22077042	20034000
Closing Balance	155200644	133123602
(iii) General Reserve		
Balance As per last financial statement	512186528	512186528
Add: Additions during the year	2583000	-
Closing Balance	514769528	512186528

SIL INVESTMENTS LIMITED (CONSOLIDATED)

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note No. 2 : Reserves and Surplus (Contd.)		
(iv) Profit & Loss Statement - Balance		
Balance as per last financial statement	543947485	484566400
Add: Profit for the year	<u>105936868</u>	<u>91729858</u>
	649884353	576296258
Less: Allocation and Appropriation		
Proposed Dividend @	13244825	10595860
Corporate Dividend Tax	2148642	1718913
Transfer to Reserve Fund	22077042	20034000
Transfer to General Reserve	<u>2583000</u>	<u>-</u>
Total	<u>40053509</u>	<u>32348773</u>
Closing Balance	609830843	543947485
Total Reserve and Surplus (i to iv)	<u>1585515753</u>	<u>1494972353</u>

@ The Board of Directors have recommended dividend of Rs.1.25 (Previous year Rs.1.00) per Equity Share of Rs.10 each for the year ended 31st March, 2012. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Note No. 3 : Deferred Tax Liability (Net)

Deferred Tax Liability on account of:

Depreciation	<u>4906502</u>	<u>3783262</u>
	4906502	3783262

Deferred Tax Assets on account of:

Amount disallowed u/s.43-B	<u>143861</u>	<u>-</u>
	143861	-

Deferred Tax Liability/(Assets) (Net)	<u>4762641</u>	<u>3783262</u>
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Note No. 4 : Other Long Term Liabilities

Security Deposit	<u>377000</u>	<u>25000</u>
	377000	25000

Note No. 5 : Provisions

(Amount in Rs.)

	Long- term		Short - term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Provision for Employee Benefits	443400	237333	-	-
Proposed Dividend	-	-	13244825	10595860
Corporate Dividend Tax	-	-	2148642	1718913
Contingent Provisions against Standard Assets	-	-	5428466	5321334
	<u>443400</u>	<u>237333</u>	<u>20821933</u>	<u>17636107</u>

SIL INVESTMENTS LIMITED (CONSOLIDATED)

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
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Note No. 6 : Short-Term Borrowings

Secured (Short Term Loan)

From Bodies Corporate (Repayable on demand)

Secured by Pledge of Equity Shares - 2,54,00,000 (Previous year 2,49,00,000 Equity Shares) of Chambal Fertilizers & Chemicals Ltd. and 22,20,000 Equity Shares (previous year 9,75,000 Equity Shares) of Zuari Industries (Ltd.) (Rate of interest @ 12% to 12.75% p.a.)	140000000	105000000
	<u>140000000</u>	<u>105000000</u>

Note No. 7 : Other Current Liabilities

Interest Accrued but not due on borrowings	5095398	4256362
Unpaid Dividend	1687814	1949184
Statutory dues	5800416	3276776
Directors' Commission	352726	360000
Other	510557	661289
	<u>13446911</u>	<u>10503611</u>

Note No. 8.1 & 8.2 : Fixed Assets

(Amount in Rs.)

Description	Gross Block Cost/Book Value				Depreciation				Net Block	
	As at 31st March, 2011	Addition	Deduction	As at 31st March, 2012	As at 31st March, 2011	For the year ended 31st March, 2012	Deduction	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Note No.8.1										
Tangible Assets										
Land	80206950	-	-	80206950	-	-	-	-	80206950	80206950
Buildings	79917157	-	170205	79746952	11054543	1292804	117750	12229597	67517355	68862614
Plant & Machinery	12022910	-	-	12022910	3225309	580252	-	3805561	8217349	8797601
Office Equipments	4050	281610	-	285660	4050	8918	-	12968	272692	-
Furniture & Fixtures	21115660	4921370	-	26037030	7099806	1505119	-	8604925	17432105	14015854
Total	193266727	5202980	170205	198299502	21383708	3387093	117750	24653051	173646451	171883019
Note No.8.2										
Intangible Assets										
Goodwill	2220	-	-	2220	-	-	-	-	2220	2220
Total	193268947	5202980	170205	198301722	21383708	3387093	117750	24653051	173648671	171885239
Previous Year	182123772	11328074	182899	193268947	18305490	3203534	125316	21383708	171885239	163818282

Note : Buildings include cost of Ownership premises in Co-operative Housing Societies.

SIL INVESTMENTS LIMITED (CONSOLIDATED)

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note No. 9 : Non-current Investments		
(Valued at Cost) (Non-Trade)		
A QUOTED (Fully paid-up)	1365451520	1343120443
B. UNQUOTED (Fully paid-up)		
In Equity Shares of Subsidiary Companies:	1847077	1847077
Less: Provision for diminution in value	-293294	-293294
	1553783	1553783
C. UNQUOTED (Partly paid-up)		
In Equity Shares of other Companies	3000000	3000000
AGGREGATE VALUE OF INVESTMENTS	1370005303	1347674226
Aggregate of:		
Quoted Investments	1365451520	1343120443
Unquoted Investment	4553783	4553783
	1370005303	1347674226
Aggregate Market Value of Quoted Investments	4556665730	5058219058

(Amount in Rs.)

Particulars	Long- term		Short - term	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011

Note No. 10 : Loans And Advances

(Unsecured, Considered Good unless otherwise stated)

Loan to Bodies Corporate	-	-	1550500000	1124000000
Capital Advance	555912	-	-	1125000
Security Deposit	417218	411815	-	-
Advance Recoverable in Cash or in kind				
Considered Good	-	-	3647132	1380115
Others Loan and Advances				
Income Tax refund Receivable	-	-	3293702	3317658
Advance Tax (Net of provisions for Taxation)	-	-	44013841	44724662
Total	973130	411815	1601454675	1174547435

(Amount in Rs.)

Particulars	Unit (Nos.)	NAV Unit (Rs.)	As at 31st March, 2012	As at 31st March, 2011
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Note No. 11 : Current Investments

Unquoted (Fully paid-up) (Non-Trade)

Investments in Mutual Fund

(at cost or Fair Value whichever is lower)

UTI Mutual Fund - Treasury Advantage Fund	31435.561	1000.2141	31442291	21517031
Institutional Plan (Daily Dividend) Reinvest option	(21512.425)			
SBI - Dynamic Bond Fund - Dividend	88880.9884	11.2510	1000000	-
HDFC Liquid Fund Premium Plan Growth	24.191	21.4909	520	476
Aggregate Market value of Unquoted Investments			32442811	21517507

SIL INVESTMENTS LIMITED (CONSOLIDATED)

(Amount in Rs.)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note No. 12 : Cash & Bank Balances		
a) Cash and Cash equivalents		
Cash Balance on Hand	130300	770788
Balance with Banks		
i) in Current Account	5997162	16405095
ii) in Fixed Deposit (maturity within 3 months)	165000	15000000
b) Earmarked Balances with Bank		
i) Unpaid Dividend	1687814	1949184
ii) Employees Security Deposit	12405	11630
	<u>7992681</u>	<u>34136697</u>
Note No. 13 : Other Current Assets		
Interest accrued on Intercompany Deposit	21688404	8287746
	<u>21688404</u>	<u>8287746</u>

Note No. 14 : Contingent Liabilities and Commitments

a) Estimated amount of Contracts remaining to be executed on Capital/Revenue Account and not provided for (Net of Advance Rs.555912, Previous year Rs. 1125000)	164088	739096
b) As per a covenants of the Debt Restructuring Scheme (CDR Scheme) approved by the Lenders of The Oudh Sugar Mills Ltd.(The Oudh), of which the Company is a promoter, the Company has pledged 3,00,000 equity shares of Rs.10/- each (Previous year nil) with the lenders of The Oudh, alongwith similar pledges by the other promoters.		
c) Contingent liability (not provided for) in respect of: Uncalled capital on partly paid shares held as investment	12000000	12000000

NOTES FORMING PART OF CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rs.)

Particulars	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Note No. 15 : Revenue from Operations and Investments		
Interest on Loans to Bodies Corporate, etc.	223968775	122045267
Dividend on Loan Term Investments - other than trade	83185213	82752373
Dividend on Current Investments	2500425	584598
Profit on sale of Long Term Investments - other than trade	-	5731614
Profit on sale of Current Investments	44	29
	<u>309654457</u>	<u>211113881</u>
Note No. 16 : Other Income		
Rent	8046000	5673672
Interest from Income Tax Department	1338139	647376
Profit on sale/discard of Fixed Assets (Net)	3419635	607417
Adjustment relating to Previous year (Net)	490314	-
Excess Provision & Liabilities written back	107688	-
Miscellaneous Income	11275	-
	<u>13413051</u>	<u>6928465</u>

SIL INVESTMENTS LIMITED (CONSOLIDATED)

(Amount in Rs.)

Particulars	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Note No. 17 : Finance costs		
Interest Expenses	164420360	85956292
Other Borrowing costs	15763187	5999650
	<u>180183547</u>	<u>91955942</u>
Note No. 18 : Employee Benefits Expense		
Salaries, etc.	2442033	2493058
Staff welfare expenses	38391	122615
	<u>2480424</u>	<u>2615673</u>
Note No. 19 : Other Expenses		
Insurance	79102	81380
Rates and Taxes	267626	278566
Repairs and Maintenance to Buildings	2699977	1259339
Travelling Expenses	5089215	4707292
Miscellaneous Expenses	3463592	2760743
Auditors Remuneration:		
Statutory Auditors:		
As Auditors	74826	63075
In other Capacity, for Certifications and other matters	21824	20736
Adjustment Relating to previous year (Net)	-	32379
Directors' Commission & Fees	548018	543600
Contingent Provisions against Standard Assets	107132	5321334
	<u>12351312</u>	<u>15068444</u>
Note No. 20 : Depreciation and Amortisation Expenses		
Depreciation of tangible assets (Refer Note No.8)	3387093	3203534
	<u>3387093</u>	<u>3203534</u>
Note No. 21 : Current Tax		
Current Tax for the year	16998000	12020447
Less: MAT Credit Set Off	-	309447
	<u>16998000</u>	<u>11711000</u>
Current Tax adjustments for earlier year (Net)	-784153	-340519
	<u>16213847</u>	<u>11370481</u>

Note No. 22 : Summary of significant accounting policies and other notes on accounts:

22.01 Summary of significant accounting policies

(A) Basis of Accounting

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued under the Accounting Standard Rules, 2006 notified by the Central Government and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except claims/refund which are accounted for on receipt basis due to uncertainties. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

(B) Principles of Consolidation

- (a) The consolidated financial statements related to the Company, M/s. SIL Investments Limited and its Subsidiary Companies and two other subsidiary companies (which became subsidiary of the company by virtue of their having become subsidiary of subsidiary companies). The consolidated financial statements have been prepared on the following basis :
- (i) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS-21) - "Consolidated Financial Statements" notified under the Accounting Standard Rules, 2006 issued by the Central Government.
 - (ii) The financial statements of the Parent company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra- group transactions.
 - (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.
 - (iv) The difference in the investment cost of the parent company and Equity Share Capital & Securities Premium in the accounts of subsidiaries, to the extent not eliminated, is recognised in the financial statement as goodwill.
 - (v) SCM Investment & Trading Co.Ltd. became from a wholly owned subsidiary company to a not wholly owned subsidiary Company during the year 2009-10. Accordingly minorities' interest in net profit of not wholly owned subsidiaries for the year is identified of Rs.1535038 (Previous year Rs. 957374) and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Minorities' shares of net assets is identified of Rs.76773267 (Previous year Rs. 75238229) and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding Company.
- (b) The Subsidiary Companies (incorporated in India) considered in the consolidated financial statements are :

Name of Company	% voting power held as at 31st March, 2012
SCM Investment & Trading Company Ltd. (SCMIT)	80.53
RTM Investment & Trading Company Ltd. (RTMIT)	100
SIL Properties Ltd.	100 \$
RTM Properties Ltd.	100 #
\$ Held by SCMIT and Parent Company.	
# Held by RTMIT and Parent Company.	

(C) Revenue Recognition

Income from Investments and financing activities is taken into account when it become accrue to the Company.

(D) Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of duties,taxes,incidental expenses and erection/commissioning expenses etc.

(E) Depreciation

- i) Depreciation on the fixed assets is provided on Straight Line method at the rates specified in the Schedule XIV of the Companies Act, 1956.
- ii) Depreciation on the fixed assets disposed off during the year is provided on pro-rata basis with reference to the date of disposal.

(F) Investments

Long term investments are stated at cost. The company provides for diminution, other than temporary, in the value of Long term investments. Current investments are valued at lower of cost or fair value.

(G) Retirement Benefits

- a) Retirement benefits in the form of Provident Fund are charged to the Profit & Loss Statement of the year when the contributions to the respective funds are due.
- b) Gratuity has not been provided as the Payment of Gratuity Act is not applicable to the Company as total number of employees are below the minimum required number of employees under Payment of Gratuity Act, 1972.
- c) Year end leave encashment benefit is provided for on accrual basis.

(H) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the notes to the financial statements, are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

22.02 As there is only one segment in the Company, hence Segment Reporting (AS-17) is not applicable.

22.03 There is shortfall in the market value of certain long term investments in shares. However, the Company has not made provision in respect of such shortfall aggregating to Rs.41,80,90,058 (Previous year Rs.38,12,32,007) as the same in the opinion of the Management, is not permanent in nature. However, there is no diminution in the overall market value of the quoted/unquoted investments and break-up value of unquoted investments.

22.04 Related Party Disclosure

A Key Management Personnel and their relatives Mrs. Shalini Nopany (Managing Director)

B Enterprise owned or significantly influenced by Key Management Personnel and their relatives The Oudh Sugar Mills Limited

C Transactions with Related Parties during the year: **(Amount in Rs.)**

Particulars	Key Management personnel and their relatives	Enterprise owned or significantly influenced by Key Management Personnel and their relatives
(a)		
1 Intercompany Loan placed - The Oudh Sugar Mills Ltd.		390000000 (150000000)
2 Intercompany Loan received back - The Oudh Sugar Mills Ltd.		380000000 (-)
3 Remuneration to Managing Director	1800000 (1800000)	
4 The Oudh Sugar Mills Limited Pledging of 3,00,000 equity shares		Refer Note No.14(b)
5 Interest income on Intercompany Loan - The Oudh Sugar Mills Ltd.		58531884 (11473151)
(b)		
Balance outstanding as on 31.03.2012		
Incorporate Loan receivable - The Oudh Sugar Mills Ltd.		160000000 (150000000)
(c)		
Interest receivable on Intercompany Loan as on 31.03.2012 - The Oudh Sugar Mills Ltd.		4070342 (-)

- Note 1. The above information has been identified on the basis of information available with the Company and relied upon by the Auditors.
2. Figures in bracket represent previous year's amounts.

SIL INVESTMENTS LIMITED (CONSOLIDATED)

22.05 Earnings per Share (EPS)

The numerators and denominators used to calculate Basic and Diluted Earnings Per Share :

(Amount in Rs.)

Particulars	For the year ended 31st March, 2012	For the year ended 31st March, 2011
Profit attributable to the Equity Shareholders(A)	105936868	91729858
Number of Equity Shares (B)	10595860	10595860
Nominal Value of Equity Share (Rs.)	10	10
Basic and Diluted Earnings per Share (Rs.) A/B	10.00	8.66

22.06 Taxation

The Current Tax provided during the year ended 31st March, 2012 as per provisions of the Income Tax Act, 1961.

(Amount in Rs.)

	2011-12	2010-11
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22.07 Expenditure In Foreign Currency (On Payment Basis)

Director Travelling	2625552	2423445
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22.08 The Company has prepared current year account as per presentation and disclosure requirement of Revised Schedule VI of the Companies Act 1956, applicable with effect from 1st April, 2011. Previous year figures have been reclassified/regrouped to conform current year figures.

Signature to Notes 1 to 22.08

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 14th May, 2012

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Arvind C. Dalal
S.M. Agarwal
Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

PARTICULARS	Year ended 31st March, 2012	Year ended 31st March, 2011
(Amount in Rs.)		
(A) CASH FLOW FROM OPERATING ACTIVITIES		
a. Net Profit before Tax	124665132	105198753
Adjustment for :		
Depreciation	3387093	3203534
Contingent Provision against Standard Assets	107132	5321334
Dividend on long term / current Investments	(85685638)	(83336971)
Profit on Sale of long term / current Investments	(44)	(5731643)
(Profit) on Sale of Fixed Assets	(3419635)	(607417)
Excess provision / Liabilities written back	(107688)	-
b. Operating Profit before working capital changes	<u>38946352</u>	<u>24047590</u>
Adjustment for :		
Trade and other Receivables	(14843395)	(8778022)
Trade Payables	3609055	3674503
Loans to Bodies Corporate (Net)	(426500000)	(519000000)
Borrowing from Bodies Corporate (Net)	<u>350000000</u>	<u>450000000</u>
c. Cash Generated from Operations	<u>(48787988)</u>	<u>(50055929)</u>
Direct Taxes (paid) / Refund (Net)	<u>(15479070)</u>	<u>(11057583)</u>
Net Cash (used in)/from Operating Activities (A)	<u>(64267058)</u>	<u>(61113512)</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of long term / current Investments	44	37586380
Dividend on long term / current Investments	85685638	83336971
Purchase of Fixed Assets	(5202980)	(11328074)
Sale of Fixed Assets	3472089	664999
Purchase of Investments	<u>(33256381)</u>	<u>(29068435)</u>
Net Cash used in Investing Activities (B)	<u>50698410</u>	<u>81191841</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid and Tax on Distributed Profits	<u>(12314773)</u>	<u>(12355700)</u>
Net cash from Financing Activities (C)	<u>(12314773)</u>	<u>(12355700)</u>
Net increase/(decrease) in cash and cash Equivalents (A)+(B)+(C)	<u>(25883421)</u>	<u>7722629</u>
Cash and Cash Equivalents (Opening Balance)	<u>32175883</u>	<u>24453254</u>
Cash and Cash Equivalents (Closing Balance)*	<u>6292462</u>	<u>32175883</u>
(for components of cash & cash equipment - refer note - 12)		
* Break-up as under :-		
Cash Balance in hand	130300	770788
Balance with Banks		
i) in Current Account	5997162	16405095
ii) in Fixed Deposit (maturity within 3 months)	165000	15000000
Total	<u>6292462</u>	<u>32175883</u>
Other bank Balances shown under appropriate activities	<u>1700219</u>	<u>1960814</u>
Cash & Bank Balance as per note - 12	<u>7992681</u>	<u>34136697</u>

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard- 3 on "Cash Flow Statement".
2. Previous year figure have been regrouped/restated wherever necessary.

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 14th May, 2012

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

Arvind C. Dalal
S.M. Agarwal
Sanjay Goenka
Subroto Lahiri
S.K. Khandelia
S.S. Maheshwari
Directors

SIL INVESTMENTS LIMITED

Regd.Office :Pachpahar Road, Bhawanimandi 326 502 (Rajasthan)

May 14, 2012

Dear Shareholder,

Subject: Green Initiative in Corporate Governance.

As a responsible Corporate Citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India (MCA) vide its Circular Nos.17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011.

The Green Initiative endeavors to reduce consumption of paper, in turn preventing deforestation and contributes towards a green and clean environment-a cause that we at SIL Investments Limited are committed to. This initiative is also aligned to our Mission Statement of Demanding that everything we do leads to a clear, healthier, safer environment. In furtherance of these initiatives, the company invites its shareholders to participate in the Green Initiatives to affirm its commitment towards future generations.

Keeping in view the above, your company proposes to send documents like Notice convening Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc in electronic form. For supporting this initiative:-

- 1) **If you hold shares in electronic form**, kindly intimate your email ID to your Depository Participant (DP). The same will be deemed to be your registered email address for serving notices/documents.
- 2) **If you hold shares in physical form**, kindly intimate your email ID to the Company's Registrar & Transfer Agent (RTA) at the following address:

Sharepro Services (India) Pvt.Ltd.

Samhita Complex,
Gala No. 52 to 56, Building No. 13A-B
Near Sakinaka Telephone Exchange,
Andheri - Kurla Road, Sakinaka, Mumbai 400 072

The request letter should be signed by the first/sole holder as per the specimen signature recorded with the RTA and should mention your correct folio number. If you do not register your email ID, a physical copy of the Annual Report and other communication/documents will be sent to you free of cost, as per the current practice. These documents will also be available on the Company's website www.silinvestments.in.

We strongly urge you to support this 'Green Initiative' and opt for electronic mode of communication by advising your email ID to your DP/Sharepro Services (India) Pvt Ltd.

It may be noted that you will be entitled to be furnished free of cost, with a copy of Annual Report and all other documents required by law upon receipt of a requisition from you, any time, as a member of the Company.

We solicit your support to join in this initiative in reducing the impact on the environment and receive all communications electronically.

Thanking you,

Yours truly,
For SIL Investments Limited

Sd/-
Ashish Chauhan
Company Secretary

