

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



**Nineteenth Annual Report 2012 - 2013**

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

Board of Directors	:	Mr. V.A. Kurien Mr. Sanjay Arjundas Wadhwa Mr. Ranjith Matthan Mrs. Mary Rodrigues Mr. V.V.Joseph
Auditors	:	Sudhindran & Co. Chartered Accountants G/1, Kesari Kutteram 27, West Cott Road, Chennai - 600 014.
Bankers	:	Indian Overseas Bank., Royal Bank of Scotland HDFC Bank Limited., Karnataka Bank Ltd. Axis Bank Ltd.,
Registered Office	:	‘Montieth Court’ No.64, Montieth Road, Egmore, Chennai - 600 008. Ph: 28415438, 28415439
Branches	:	Chennai , Cochin & Andaman
Shares listed with	:	1. Madras Stock Exchange 2. The Stock Exchange, Mumbai
Share Transfer Agent	:	GNSA Infotech Ltd Nelson Chambers Block F, 4th Floor, 115, Nelson Manickam Road Aminthakarai, Chennai 600029 Tel: 44-4296 2025

**NOTICE**

NOTICE is hereby given that the 19<sup>th</sup> Annual General Meeting of the members of the Company will be held on Friday, the 13<sup>th</sup> September, 2013 at Green Meadows – Conference Hall No: 4/364-A, Anna Salai, Palavakkam, Chennai 600 041 at 11.00 A.M. to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance sheet as at 31<sup>st</sup> March, 2013 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2013 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of, Mr. Ranjith Matthan, Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company who shall hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. P. Sudhindran & Co., Chartered Accountants, Chennai, being the retiring auditors, are eligible for re-appointment.

**SPECIAL BUSINESS**

1. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. V.V. Joseph who was appointed as an Additional Director of the Company with effect from 29<sup>th</sup> October, 2012 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation”

**for & on behalf of the Board**

Sd/-

V.A. Kurien  
Director

Place : Chennai

Date : 29.07.2013

**NOTES**

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxy or proxies so appointed need not be a member or members as the case may be of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company not later than 48 hours before the time fixed for holding the meeting.**
2. The Register of members and the share transfer books of the company will remain closed from 9<sup>th</sup> September 2013 to 13<sup>th</sup> September 2013 (both days inclusive).
3. Members are requested to notify immediately any change in their address to the company.
4. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Members are therefore requested to bring their copies of the annual report to the meeting.
5. Members are requested to affix their signature at the space provided on the attendance sheet annexed to the proxy form and hand over the slip at the entrance of the meeting hall.
6. No gifts/refreshments will be provided at the venue of the meeting.

**for & on behalf of the Board**

Sd/-

V.A. Kurien  
Director

Place : Chennai

Date : 29.07.2013

**Explanatory Statement under Section 173 (2)****Item No. 4**

Mr. V.V. Joseph was appointed as an Additional Director at the Meeting of the Board of Directors held on 29th October, 2012. He holds office upto the date of the ensuing Annual General Meeting and being eligible, offers himself for appointment as Director, liable to retire by rotation.

Notice as required under Section 257 of the Companies Act, 1956, together with the requisite deposit has been received from a Member proposing the appointment of V.V. Joseph as Director of the Company.

Your Directors recommend the resolution for approval.

None of the Directors of the Company except V.V. Joseph may be deemed to be concerned or interested in this resolution.

**for & on behalf of the Board**

Sd/-

V.A. Kurien  
Director

Place : Chennai

Date : 29.07.2013

**DIRECTORS' REPORT & MANAGEMENT DISCUSSION AND ANALYSIS**

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2013.

**FINANCIAL HIGHLIGHTS**

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

( Rs. in Lakhs)

<b>Particulars</b>	<b>Year Ended 31.03.2013</b>	<b>Year Ended 31.03.2012</b>
Total Income	<b>28.60</b>	24.59
Total Expenditure	<b>21.47</b>	18.12
Profit / (Loss) before depreciation	<b>7.61</b>	8.30
Less: Depreciation	<b>0.48</b>	1.84
<b>Profit / (Loss) after Tax</b>	<b>4.01</b>	4.16
Paid Up Capital	<b>300.00</b>	300.00

**OPERATIONS**

During the year under review the Company has made a total income of Rs. 28.60 Lakhs as against Rs. 24.59 Lakhs in the previous Year. The Company is taking all possible efforts to improve the performance and achieve better results in future years.

**DIVIDEND**

In view of insufficient Profits, Your Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March 2013.

### **INDUSTRY STRUCTURE & DEVELOPMENT**

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

### **OPPORTUNITIES & THREATS**

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

### **INTERNAL CONTROL SYSTEMS & ADEQUACY**

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

### **OUTLOOK**

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

Further, due to the fact that the company has not been making much progress in the forex line, the Directors are considering to diversify the activities. One of the proposals before us is the acquisition of shares in a 50 room hotel project coming up in Port Blair, Andaman. The prospects of the 3 Start Hotel in Port Blair is extremely bright, looking into the future of the Island and the prospects of increased inflow of tourists, not only domestic but international.

### **DIRECTORS**

Mr. Ranjith Matthan, Director is liable to retire by rotation and being eligible offers himself for re-appointment.

Mr. V.V. Joseph was appointed as an Additional Director at the Meeting of the Board of Directors held on 29th October, 2012. He holds office upto the date of the ensuing Annual General Meeting and being eligible, offers himself for appointment as Director, liable to retire by rotation.

### **AUDITORS**

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

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

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

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

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

- i) That in the preparation of the Annual Accounts for the financial year ended 31.03.2013, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on 31.3.2013 and of the profit of the company for the year financial year ended 31.3.2013.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That the directors had prepared the annual accounts for the financial year ended 31.03.2013 on a going concern basis.

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

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

**DEPOSITORY SYSTEM**

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

**CORPORATE GOVERNANCE**

The Corporate Governance Report as set out in Annexure hereto forms an integral part of this Report. A Certificate from the Auditors of the company certifying compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges is also annexed to the Report on Corporate Governance.

**PUBLIC DEPOSITS**

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

**STATEMENT PURSUANT TO LISTING AGREEMENT**

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

**FUTURISTIC STATEMENTS**

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

**ACKNOWLEDGEMENT**

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

For & On Behalf of the Board of Directors

Place : Chennai  
Date : 29.07.2013

Sd/-  
V.A.Kurien  
Director

Sd/-  
Sanjay Arjundas Wadhwa  
Director

**ANNEXURE TO DIRECTORS’ REPORT  
REPORT ON CORPORATE GOVERNANCE**

**1. A BRIEF STATEMENT ON COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

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

**2. BOARD OF DIRECTORS:**

The Present strength of the Board is 5. The Board comprises of Independent & Non Executive Directors. The Board of Directors of the Company during the year is as follows:

Sl. no.	Name	Category
1	Mr. V.A.Kurien	Non-Executive Director
2	Mr. Sanjay Arjundas Wadhwa	Independent and Non-Executive Director
3	Mr. Ranjith Matthan	Independent and Non-Executive Director
4	Mrs. Mary Rodrigues	Non-Executive Director
5	Mr. V.V. Joseph	Independent and Non-Executive Director

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

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

Name	Category	No of BM (A)	AGM (A)	No of Directorships & Committee member in other Public Limited Companies	
				Directorships	Committee memberships
V.A.Kurien	NI NE	4	Y	1	1
Sanjay Arjundas Wadhwa	I NE	4	Y	1	2
V.V. Joseph	I NE	1	N	--	--
Ranjith Mathan	I NE	3	Y	--	--
Mary Rodrigues	NI NE	3	Y	1	1

BM (A) – Board Meeting Attendance during the 2012-2013, Y-Yes, N-No, AGM (A) – Whether Attended Annual General Meeting held on 18.09.2012, C- Chairman, E- Executive , NE- Non executive, I- Independent, NI- Non Independent.

Four Board Meetings were held during the year 2012–2013 and the dates on which the Board meetings were held were as follows: 30.04.2012, 25.07.2012, 29.10.2012 and 28.01.2013.

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

**BOARD PROCEDURE**

The Company has convened Four Board Meetings during the Financial Year 2012-13. The Notices of the Board meeting were sent a week in advance to all the Directors to enable them to make themselves convenient to attend the Meeting. The detailed Agenda for the meeting along with notes if any, were sent to the Directors about one week to ten days before the Meeting. The Director would give a overview of the performance of the Industry, in general and the Company, in particular. The Board of Directors generally reviewed the following:

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

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

<b>Name of the Director</b>	Ranjith Matthan
<b>Date of Birth</b>	13.04.1941
<b>Qualification</b>	Ph.d. FIOM 3
<b>Nature of Expertise</b>	Wide Business Experience
<b>Name of the other Companies in which he holds Directorship</b>	India Coffee & Tea Distribution Co., Ltd.,



**3. CODE OF CONDUCT**

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

**4. REMUNERATION TO DIRECTORS**

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

**5. AUDIT COMMITTEE**

The Committee had held four Meetings during the financial year 2012-13 and the details of Compositions of the Audit Committee and the meetings attended by the Directors are given below:

Name of Members	No of Meetings attended during the year 2012 – 2013
Mr. V.A.Kurien	4
Mr.Sanjay Arjundas Wadhwa	4
Mr.Ranjith Mathan	3
Mr. V.V. Joseph	1

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

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

**6. SHAREHOLDERS COMMITTEE**

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

Sl. no.	Name	Category
1	Mr. V.A.Kurien	Non-Executive Director
2	Mr. Sanjay Arjundas Wadhwa	Independent and Non-Executive Director
3	Mrs. Mary Rodrigues	Non-Executive Director

Name, Designation and Address of Compliance Officer:

Mr. V.A. Kurien, Director

No – 64, Montieth Road, Egmore, Chennai – 600 008

No of Complaints received from Shareholders from 01.04.2012 – 31.03.2013 - Nil

No. Complaints not solved to the satisfaction of shareholders as on 31.03.2013 - Nil

No of Pending Share Transfers as on 31.03.2013 - Nil

The Committee looks after the Share transfers and no Shares Transfers are pending as on 31.03.2013

## 7. DISCLOSURES.

### a. Related party Transactions

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

### b. Compliance by the company

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

### c. Secretarial Audit

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

## 8. GENERAL BODY MEETINGS.

Last Three Annual General Meetings were held as under:

Year	Date & Time	Place
2010	06.09.2010 at 10.30 A.M.	Green meadows Coference Hall, 4/364 – A , Anna Salai, Palavakkam, Chennai 600 041
2011	10.11.2011 at 10.30 A.M.	Green Meadows Conference Hall, 4/364 – A, Anna Salai Palavakkam, Chennai 600 041.
2012	18.09.2012 at 10.30 A.M.	Green Meadows Conference Hall 4/364 –A, Anna Salai Palavakkam, Chennai 600 041.

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

## 9. MEANS OF COMMUNICATION.

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

### GENERAL SHAREHOLDER INFORMATION

#### • Annual General Meeting

Date, time and venue - 13.09.2013 at 11.00 A.M,  
at Green Meadows- Conference Hall  
No.4/364-A, Anna Salai,  
Palavakkam, Chennai- 600 041.

- Financial Calendar  
Financial reporting for
  - Quarter ending June 30, 2012 - July 2012
  - Quarter ending September 30, 2012 - October 2012
  - Quarter ending December 31, 2012 - January 2013
  - Quarter ending March 31, 2013 - April 2013
  - Annual General meeting for the year ended 31.03.2013 - 13<sup>th</sup> September 2013
- Date of Book closure - 9th September 2013 to 13th September 2013  
( both days inclusive)
- Dividend Payment Date - N.A
- Listing on Stock Exchanges - Madras Stock Exchange, The Stock Exchange, Mumbai.
- Stock Code - BSE – Scrip Code – 530907 – Scrip Name – SICAP & FINA

Market Price Data:

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

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

- Distribution of shareholding as on 31.03.2013

No. of Shares held	Shareholders		Shares	
	Number	Number	%	
Upto – 5000	1313	289760	9.65	
5001 – 10000	202	166400	5.55	
10001 – 20000	87	134000	4.47	
20001 – 30000	76	193100	6.44	
30001 – 40000	16	55500	1.85	
40001 – 50000	16	75500	2.52	
50001 – 100000	27	198630	6.62	
100001 and above	22	1887110	62.90	
<b>TOTAL</b>	<b>1759</b>	<b>3000000</b>	<b>100.00</b>	

- Shareholding pattern as on 31.03.2013

Category		No. of Shares held	Percentage of share holding
<b>A.</b>	<b>PROMOTER'S HOLDING</b>		
1.	<b>Promoters</b>		
	- Indian Promoters	1298820	43.29
	- Foreign Promoters		
2.	Persons acting in Concert		
	<b>Sub –Total</b>	<b>1298820</b>	<b>43.29</b>

<b>B.</b>	<b>NON – PROMOTER’S HOLDING</b>		
3.	Institutional Investors		
a.	Mutual Funds and UTI		
b.	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	9200	0.31
c.	Foreign Institutional Investors		
	<b>Sub - Total</b>	<b>9200</b>	<b>0.31</b>
4.	Others		
a.	Private Corporate Bodies	403600	13.45
b.	Indian Public	1288380	42.95
c.	NRIs / OCBs		
d.	Any other		
	<b>Sub – Total</b>	<b>1691980</b>	<b>56.40</b>
	<b>GRAND TOTAL</b>	<b>3000000</b>	<b>100</b>

- Registrar and Transfer Agents -

GNSA Infotech Ltd  
Nelson Chambers Block F, 4th Floor,  
115, Nelson Manickam Road  
Aminthakarai, Chennai 600029  
Tel: 44-4296 2025

- Share Transfer System - Share Transfers in physical form can be lodged with  
GNSA Infotech Ltd  
Nelson Chambers Block F, 4th Floor,  
115, Nelson Manickam Road  
Aminthakarai, Chennai 600029  
Tel: 44-4296 2025

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

- Dematerialisation of shares

The Shares of the Company are in compulsory Demat System. As on 31/03/2013, the total number of Dematerialized Shares are 1206410. The Company's shares are available for Demat with both National Securities Depository Limited (NSDL) International Securities Identification Number (ISIN) allotted to the Equity shares of the company is ISIN INE417F01017.

- Address for correspondence

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

**DECLARATION**

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

It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31<sup>st</sup> March 2013 as envisaged in clause 49 of the Listing Agreement with Stock Exchanges.

For & On Behalf of the Board of Directors

Place : Chennai

Date : 29.07.2013

Sd/-

V.A.Kurien

Director

Sd/-

Sanjay Arjundas Wadhwa

Director

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by S.I Capital & Financial Services Limited for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and Management, we are unable to certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned listing agreement except payment of listing fee paid to Madras Stock Exchange, Chennai.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have been informed by the company that no investor grievances were pending for a period of one month against the company as per the records maintained by the Shareholders / Investor's Grievance Committee.

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

Place: Chennai  
Date : 29.07.2013

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

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS  
TO THE MEMBERS OF S.I. CAPITAL & FINANCIAL SERVICES LTD.,**

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. S.I CAPITAL & FINANCIAL SERVICES LTD., (the "Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss account for the year ended on that date annexed thereto, the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

**Management's Responsibility for the Financial Statements.**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the "Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

**Auditors' Responsibility**

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 (the "Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

Place : Chennai  
Date : 29.07.2013

for SUDHINDRAN & CO  
Chartered Accountants

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



**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

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

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.  
(c) As explained to us, the Company has not disposed off substantial part of fixed assets during the year and the going concern assumption of the Company is not affected.
2. (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.  
(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.  
(d) The company has valued inventory at the lower of cost or net realisable value. The determination of realisable value of this inventory is based on the method adopted by the management. We have not conducted audit procedures for the same.
3. (a) We have been informed by the company management that they have granted loans, secured or unsecured to the companies covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion, the terms and conditions on which the loans are granted are prima facie not prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
5. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Act, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of the clause 4 (vi) of the Order are not applicable to the Company.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business
8. As per the information and explanations given to us, maintenance of cost records has not been prescribed by the central government under Section 209(1)(d) of the Companies Act, 1956.
9. According to the information and explanations given to us, in respect of statutory dues:

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

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues in respect of Income tax, Sales tax, Custom duty, Wealth tax, Excise duty and Cess that have not been deposited with the appropriate authorities on account of any dispute.
10. The Company has accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
14. In our opinion, the company is not a chit fund or a nidhi, mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the information and explanations furnished to us, the company has not given guarantees, for loans taken by others from banks or financial institutions
16. In our opinion and according to the information and explanations given to us, the company has not obtained any term loans.
17. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have prima facie not been used during the year for long- term investment.
18. According to the information and explanations given to us, during the year covered by our audit, the Company has not made preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. According to the information and explanations given to us, during the year covered by our report, the Company has not issued any secured debentures.
20. During the year covered by our report, the Company has not raised any money by way of public issue.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

Place : Chennai  
Date : 29.07.2013

for SUDHINDRAN & CO  
Chartered Accountants

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

**BALANCE SHEET AS AT 31st MARCH 2013.**

Amount in Rs.

	Note No.	31.03.2013	31.03.2012
<b><u>I. EQUITY AND LIABILITIES :</u></b>			
i) <u>Share Holders' Funds</u>			
a) Share Capital	3	30,000,000.00	30,000,000.00
b) Reserves and Surplus	4	(2,924,505.63)	(3,468,670.85)
ii) <u>Non-Current Liabilities</u>			
a) Long Term Provisions	5	199,231.48	168,213.66
iii) <u>Current Liabilities</u>			
a) Other Current Liabilities	6	14,588.00	72,772.55
b) Short Term Provisions	7	373,769.00	735,551.00
Total Equity & Liabilities		<u>27,663,082.85</u>	<u>27,507,866.35</u>
<b><u>II. ASSETS</u></b>			
i) Non-Current Assets			
a) <u>FIXED ASSETS</u>			
Tangible Assets	8	7,077,997.74	7,436,257.09
b) Deferred tax Asset (Net)	9	818,852.14	842,623.14
c) Long Term Loans & Advances	10	511,059.00	511,059.00
ii) <u>Current Assets</u>			
a) Current Investments	11	6,500,425.00	7,639,937.00
b) Inventories	12	30,173.55	552,551.35
c) Trade receivables	13	2,661,475.14	2,661,475.14
d) Cash and Cash Equivalent	14	5,083,317.98	1,512,309.35
e) Short term Loans & Advances	15	4,638,981.30	6,018,791.28
f) Other current assets	16	340,801.00	332,863.00
Total Assets		<u>27,663,082.85</u>	<u>27,507,866.35</u>

Accounting policies and Notes forming part of the financial statements.

For and on behalf of the Board

As per our separate report of even date

Sd/-  
Mr. V.A Kurien  
Director

Sd/-  
Mrs. Mary Rodrigues  
Director

Sd/-  
For Sudhindran & Co  
Chartered Accountants.

Place : Chennai  
Date : 29.07.2013

Sd/-  
Mr. Sanjay Arjundas Wadhwa  
Director

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

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2013.**

Amount in Rs.

PARTICULARS	Note No.	31.03.2013	31.03.2012
<b>I. INCOME :</b>			
Revenue from operations	17	1,074,347.75	1,045,406.57
Other Income	18	1,786,227.29	1,413,645.40
<b>Total Revenue</b>		<b>2,860,575.04</b>	<b>2,459,051.97</b>
<b>II. EXPENSES :</b>			
Employee benefit expenses	19	938,725.19	823,949.00
Financial cost	20	50,474.34	16,442.53
Provisions and Contingencies	5	10,534.63	9,066.66
Depreciation	8	48,531.55	184,029.66
Other Administrative expenses	21	1,099,544.11	779,372.95
<b>Total Expenses</b>		<b>2,147,809.82</b>	<b>1,812,860.80</b>
Profit before exceptional and extraordinary items and tax		712,765.22	646,191.17
Exceptional Items		-	-
Profit before extraordinary items and tax		712,765.22	646,191.17
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>712,765.22</b>	<b>646,191.17</b>
Less: Transfer to Special Reserve		142,553.04	129,238.23
		570,212.18	516,952.94
Tax Expenses :			
Current Tax		145,000.00	87,000.00
Deferred Tax Liability		23,771.00	13,489.46
<b>Profit for the year</b>		<b>401,441.18</b>	<b>416,463.47</b>
Earnings Per Equity Share			
(i) Basic		0.13	0.14
(ii) Diluted		N.A	N.A

Accounting policies and Notes forming part of the financial statements.

For and on behalf of the Board

As per our separate report of even date

Sd/-  
Mr. V.A Kurien  
Director

Sd/-  
Mrs. Mary Rodrigues  
Director

Sd/-  
For Sudhindran & Co  
Chartered Accountants.

Place : Chennai  
Date : 29.07.2013

Sd/-  
Mr. Sanjay Arjundas Wadhwa  
Director

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

**Cash flow statement for the year ended 31.03.2013**

	<u>As on 31.03.2013</u>		<u>As on 31.03.2012</u>	
<b>A. Cash Flow From Operating Activities</b>				
Net Profit / (Loss) Before Tax & Extraordinary items		712,765.22		646,191.17
Add: Depreciation	48,531.55		184,029.66	
Loss on Sale of mutual funds	-		922.52	
Loss on Sale of Motor Car	104,825.79		-	
Excess provision for Income Tax written back	171.00	153,528.34	43,450.00	228,402.18
		<u>866,293.56</u>		<u>874,593.35</u>
Less: Profit on Redemption of Mutual Funds	281,017.42		225,388.79	
Profit On Sale of Shares	498,705.00		-	
Profit on Sale of Assets	-		165,209.31	
Interest received	999,906.87		1,016,686.03	
Dividend received	4,217.00	1,783,846.29	5,582.00	1,412,866.13
Operating Profit Before Working Capital Changes		<u>(917,552.73)</u>		<u>(538,272.78)</u>
Changes In Working Capital				
Add: Decrease in Current Assets/Non current Assets	1,894,249.78		2,339,535.83	
Add: Increase in Current Liabilities / Non Current Liabilities	(388,948.73)		132,964.21	
Less: Decrease in Current Liabilities / Non Current Liabilities	-	1,505,301.05	-	2,472,500.04
		<u>587,748.32</u>		<u>1,934,227.26</u>
Less: Provision For Taxation		145,000.00		87,000.00
Net Cash from Operating Activities		<u>442,748.32</u>		<u>1,847,227.26</u>
<b>B. Cash Flow From Investing Activities</b>				
Sale of Investments	10,694,234.43		11,387,635.27	
Sale of Fixed Assets	350,000.00		405,000.00	
Interest Received	999,906.87		1,016,686.03	
Dividend Received	4,217.00	12,048,358.30	5,582.00	12,814,903.30
Less : Purchase of Fixed Assets	145,098.00		590,816.00	
Less: Purchase of Mututal Fund	8,775,000.00	8,920,098.00	15,093,647.00	15,684,463.00
Net Cash from Investing Activities		<u>3,128,260.30</u>		<u>(2,869,559.70)</u>
<b>C. Cash Flow from Financing Activities</b>				
Decrease in Secured Loans	-			
Increase in Secured Loans	-			
Decrease in Unsecured Loans	-			
Increase in Unsecured Loans	-			
Less : Decrease in bank borrowings	-			
Interest on Loans	-			
Net Cash from Financing Activities		<u>-</u>		<u>-</u>

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

D. Net Increase/(Decrease in) Cash & Cash Equivalents		
(A + B + C) or (F - E )	3,571,008.62	(1,022,332.44)
E. Cash & Cash Equivalent at the start of the year	1,512,309.35	2,534,641.79
F. Cash & Cash Equivalent at the end of the year	5,083,317.98	1,512,309.35
	<u>3,571,008.63</u>	<u>(1,022,332.44)</u>

**NOTES :**

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

For and on behalf of the Board

sd/-  
V.A. KURIEN  
Director

sd/-  
MARY RODRIGUES  
Director

sd/-  
SANJAY ARJUNDAS WADHWA  
Director

Place : Chennai  
Date : 29.07.13

The Board of Directors  
S.I. CAPITAL & FINANCIAL SERVICES LTD., Chennai

We have examined the attached cash flow statement of S.I. Capital & Financial Services Ltd., for the year ended 31.03.2013.

The statement has been prepared by the company in accordance with the requirement of listing agreement clause 32 with the stock exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the company by our report of 29.07.2013 to the members of the company.

Place : Chennai  
Date : 29.07.2013

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

sd/-  
CA. P. Sudhindran  
Partner  
Mem.No. 32100  
Firm Registration No. 006019S

**Note: 21 - Notes forming part of the financial statements for the year ended 31st March 2013**

**1. CORPORATE INFORMATION**

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

The company has been engaged mainly in the following businesses :

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

**1 Basis of Preparation**

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

**2 Inter Branch Transfers**

Inter Branch Transfers of currency are at cost.

**3 Valuation of Inventories**

Currencies in stock are valued at cost.

**4 Use of Estimates**

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

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

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

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

## **6 Fixed Assets and Depreciation**

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

## **7 Investments**

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

## **8 Loans**

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

## **9 Revenue Recognition**

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

## **10 Retirement Benefits**

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

## **11 Impairment of Assets**

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

## **12 Cash and Cash Equivalents**

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

## **13 Cash Flow Statement**

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



## NOTES FORMING PART OF FINANCIAL STATEMENT FOR 2012 - 2013.

	31.03.2013	31.03.2012
<b>NOTE NO. 3</b>		
AUTHORISED CAPITAL		
35,00,000 equity shares @ Rs.10/- each	35,000,000.00	35,000,000.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
Issued & Subscribed and paidup fully		
30,00,000 equity shares @ Rs.10/- each	30,000,000.00	30,000,000.00
Reconciliation of number of equity shares and share capital		

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

## Disclosures :

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

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

<u>Name of the Shareholders</u>	<u>Number of Equity Shares</u>	<u>% of Ratio</u>	<u>Number of Equity Shares</u>	<u>% of Ratio</u>
Mr. V A Kurien	567,410	18.91	567,410	18.91
Southern warehousing Co. Pvt Ltd	424,700	14.16	288,400	9.61
Pyramid Audio Ind Ltd	179,000	5.97	179,000	5.97
Southern Sea Foods Ltd	-	0.00	186,300	6.21

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

<u>Year</u>	
2012-13	Nil
2011-12	Nil
2010-11	Nil
2009-10	Nil
2008-09	Nil

**NOTES FORMING PART OF FINANCIAL STATEMENT FOR 2012 - 2013.**

<b>NOTE NO. 4</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Reserves and Surplus		
a. Special reserve		
Balance at the beginning of the year	798,218.59	668,980.36
Add: Special reserve for the year	142,553.04	129,238.23
Balance at the end of the year ----- (a)	<u>940,771.64</u>	<u>798,218.59</u>
b. Surplus (Profit & Loss account)		
Balance at the beginning of the year	(4,266,889.46)	(4,726,802.94)
Add : Excess provision of Income Tax w/back	171.00	43,450.01
Profit for the year	401,441.18	416,463.47
Balance at the end of the year ----- (b)	<u>(3,865,277.28)</u>	<u>(4,266,889.46)</u>
Grand Total (a+b)	<u><b>(2,924,505.63)</b></u>	<u><b>(3,468,670.85)</b></u>
<b>NOTE NO. 5</b>		
Long Term Provisions		
Gratuity Provision	179,630.19	159,147.00
Contingent Provision against Standard Assets	19,601.29	9,066.66
	<u><b>199,231.48</b></u>	<u><b>168,213.66</b></u>
<b>NOTE NO. 6</b>		
Other Current Liabilities		
Service Tax payable	8,588.00	66,772.55
TDS Payable	6,000.00	6,000.00
	<u><b>14,588.00</b></u>	<u><b>72,772.55</b></u>
<b>NOTE NO. 7</b>		
Short Term Provisions		
Provision for Employees Benefit		
Salary Payable	30,000.00	26,388.00
Bonus Payable	17,500.00	20,992.00
PF Payable	-	5,401.00
Others		
Trident - Portfolio Manager	-	4,125.00
Mahesh & Co.	-	20,292.00
Sudhindran & Co.	122,833.00	61,417.00
Electricity Charges Payable	3,500.00	-
Rent Payable	9,936.00	9,936.00
White Sands Media House	45,000.00	
Kunnel Projects (P) Ltd.	-	500,000.00
Provision for Tax A.Y 2012 - 13	-	87,000.00
Provision for Tax A.Y 2013 - 14	145,000.00	-
	<u><b>373,769.00</b></u>	<u><b>735,551.00</b></u>

**NOTE NO.8**  
**FIXED ASSETS**

**DEPRECIATION SCHEDULE AS PER COMPANIES ACT FOR THE YEAR ENDED 31.03.2013**

Particulars	Gross Block			Rate %	As on 31.03.2013	Depreciation			Net Block		
	As on 01.04.2012	Additions	Deletions			As on 01.04.2012	On Assets sold	For the year	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
<b>TANGIBLE</b>											
Land	6,646,565.50	145,098.00	-	-	6,791,663.50	-	-	-	-	6,791,663.50	6,646,565.50
Building	105,000.00	-	-	5.33	105,000.00	-	3,500.92	42,817.57	62,182.43	65,683.35	65,683.35
Plant & Machinery	973,120.19	-	-	13.91	973,120.19	-	11,988.21	898,924.26	74,195.93	86,184.14	86,184.14
Electrical Machinery	99,990.85	-	-	13.91	99,990.85	-	6,886.09	57,372.36	42,618.49	49,504.58	49,504.58
Air Conditioner	30,000.00	-	-	13.91	30,000.00	-	1,450.87	21,020.48	8,979.52	10,430.39	10,430.39
Canon Xerox	52,200.00	-	-	13.91	52,200.00	-	5,264.60	19,617.03	32,582.97	37,847.57	37,847.57
Furniture & Fixtures	931,651.15	-	-	18.10	931,651.15	-	12,104.22	876,881.20	54,769.95	66,874.17	66,874.17
Motor Car - Ford	579,950.00	-	579,950.00	25.89	-	125,124.21	-	-	-	454,825.79	454,825.79
Computers & Peripherals	408,076.00	-	-	40.00	408,076.00	-	7,336.64	397,071.05	11,004.95	18,341.59	18,341.59
<b>Total</b>	<b>9,826,553.69</b>	<b>145,098.00</b>	<b>579,950.00</b>		<b>9,391,701.69</b>	<b>125,124.21</b>	<b>48,531.55</b>	<b>2,313,703.95</b>	<b>7,077,997.74</b>	<b>7,436,257.09</b>	<b>7,436,257.09</b>
Previous Year :	9,745,350.83	590,816.00	509,613.14		9,826,553.69	269,822.45	184,029.66	2,390,296.60	7,436,257.09	7,269,261.44	7,269,261.44

Note:

Sale Value of Car 350,000.00

Less:

W.D.V of Motor Car  
as on 01.04.2012 454,825.79

Loss on Sale of Car 104,825.79

**NOTE NO. 9**

COMPUTATION OF DEFERRED TAX AS PER AS 22 FOR THE YEAR 2012 -2013

	Rs
<b>Deferred Tax for the Current year 2012-13</b>	
Depreciation as per Companies Act	48,531.55
Depreciation as per as per I.T. Act	87,475.68
	38,944.13
Deferred Tax Liability on the above @ 30.90 %	12,034.00
<b>Deferred Tax Liability For The Year</b>	
Provision for Bonus	17,500.00
Provision for Gratuity	20,483.19
	37,983.19
Deferred Tax Liability for the year @ 30.90% on the above	11,737.00
Net Deferred Tax Liability to be taken to P& L Account	23,771.00
<b>Summary :</b>	
Deferred Tax Asset as per Last Year Balance Sheet	842,623.14
Deferred Tax Liability as per Current Year	23,771.00
Net Deferred Tax Asset as at 31.03.2013	818,852.14

NOTES FORMING PART OF FINANCIAL STATEMENT FOR 2012 - 2013.

	<b>31.03.2013</b>	<b>31.03.2012</b>
<b>NOTE NO. 10</b>		
<u>Long Term Loans &amp; Advances</u>		
i) Advance for land	430,000.00	430,000.00
ii) <u>Security Deposit</u>		
a) Unsecured, considered Good :		
Telephone Deposit	35,139.00	35,139.00
Rent Deposit	45,920.00	45,920.00
	511,059.00	511,059.00
<b>NOTE NO. 11</b>		
<u>Current Investments</u>		
a. <u>Investment in Equity Instruments</u>		
<u>Quoted:</u>		
Sambandam Spinning Mills Ltd	45,000.00	45,000.00
Sri Nachammai Cotton Mills Ltd.	56,000.00	56,000.00
<u>Un Quoted:</u>		
Laser Diamond Ltd	229,000.00	229,000.00
Saravana Estates & Plantation Ltd	200,000.00	200,000.00

SI Property Development Limited	43,195.00	43,195.00
Skandam Farms & Plantations Ltd.	470,000.00	470,000.00
SSF Ltd	-	298,095.00
Thambi Modern Spinning Mills Ltd	5,000.00	5,000.00
Sub - Total (a)	1,048,195.00	1,346,290.00

**b. Investment in Mutual Fund**

HDFC Cash Management - Treasury Advantage	2,000,000.00	1,100,850.00
HDFC Short Term Plan Dividend	52,230.00	1,352,230.00
ICICI Prudential FMP Series 64 - 367 Days Plan G	2,700,000.00	-
ICICI Fmp Series 57-1 Y Plan C Cumulative	-	2,515,660.00
Reliance Money Manager Fund -Retail Plan Weekly Div	-	624,907.00
Reliance Short Term Fund Quarterly Divd	700,000.00	700,000.00
Sub - Total (b)	5,452,230.00	6,293,647.00
Grand Total (a+b)	6,500,425.00	7,639,937.00

**NOTE NO.12**

Inventories

Stock-in-trade	30,173.55	552,551.35
	30,173.55	552,551.35

**NOTE NO.13**

Trade Receivables

1. Outstanding for more than six months

a) Unsecured, considered Good	2,661,475.14	2,661,475.14
	2,661,475.14	2,661,475.14

**NOTE NO.14**

Cash & Cash Equivalent

1. Cash in hand	272,052.36	25,744.36
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2. Cash at Banks

i. In Current account

Royal Bank of Scotland	3,438,115.23	41,685.58
HDFC Bank Ltd - Chennai	30,270.88	3,584.79
Indian Overseas Bank	15,720.09	10,068.09
Axis Bank Ltd	146,359.33	143,495.11
Axis Bank Ltd- Port Blair	5,325.00	5,325.00
Karnataka Bank - Kochi	612,608.02	726,183.92

Karnataka Bank - Kochi	3,567.60	6,222.50
HDFC Bank Ltd - Kochi	9,299.47	-
<u>ii. In Deposit account</u>		
Karnataka Bank	550,000.00	550,000.00
	5,083,317.98	1,512,309.35

**NOTE NO.15**

Short Term Loans & Advances

1. Loans & Advances from related parties

a) Secured considered Good :

Advance to Associate concerns	10,212.00	357,016.85
-------------------------------	-----------	------------

2. Others

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

a) <u>Secured Considered Good</u> :	[See note (a)]	3,967,563.00	4,911,666.00
b) <u>Unsecured Considered good</u> :	[See note (a)]	236,077.22	357,979.35
c) <u>Doubtful</u>	[See note (a)]	909,674.65	909,674.65
		5,123,526.87	6,536,336.85
Less: Provision for Doubtful debts		909,674.65	909,674.65
		4,213,852.22	5,626,662.20

<u>ii) Advance Income Tax / Refund Due</u>	425,129.08	392,129.08
	4,638,981.30	6,018,791.28

(a) The classification of loans under the RBI guidelines is as under :

(i) Standard assets	4,213,852.22	3,626,662.20
(ii) Sub-standard assets	-	2,000,000.00
(iii) Doubtful assets	909,674.65	909,674.65
(iv) Loss assets	-	-
	5,123,526.87	6,536,336.85

**NOTE NO. 16**

Other Current Assets

Interest accrued on FD	70,801.00	19,834.00
Interest Receivable	270,000.00	313,029.00
	340,801.00	332,863.00

<b><u>NOTE NO. 17</u></b>	<b><u>31.03.2013</u></b>	<b><u>31.03.2012</u></b>
<u>Revenue from operations</u>		
Total Sales	148,662,076.01	97,831,327.14
Service Charges Received	14,324.47	-
Add: Closing Stock	30,173.55	552,551.35
(A)	<u>148,706,574.03</u>	<u>98,383,878.49</u>
Opening Stock	552,551.35	422,433.48
Purchase of cn	56,141,860.78	48,300,679.36
Service Charges Paid	3,520.00	-
Encashment of Cheque	90,934,294.15	48,615,359.08
(B)	<u>147,632,226.28</u>	<u>97,338,471.92</u>
(A - B)	<u>1,074,347.75</u>	<u>1,045,406.57</u>

<b><u>NOTE NO. 18</u></b>		
<u>Other Income</u>		
Interest Received on Loans	943,275.87	972,929.03
Interest From Bank on deposits	56,631.00	43,757.00
Interest on Income Tax Refund	2,381.00	779.27
Dividend Received - Shares	4,217.00	5,582.00
Profit on sale of Shares	498,705.00	-
Profit on Redemption of Mutual Funds	281,017.42	225,388.79
Profit on sale of Motor car	-	165,209.31
	<u>1,786,227.29</u>	<u>1,413,645.40</u>

<b><u>NOTE NO. 19</u></b>		
<u>Employee benefit expenses</u>		
Employee Cost (Salaries, bonus and allowances)	877,990.00	771,898.00
Gratuity	40,795.19	39,758.00
Staff Welfare	19,940.00	12,293.00
	<u>938,725.19</u>	<u>823,949.00</u>

<b><u>NOTE NO. 20</u></b>		
<u>Finance cost</u>		
Interest paid - Service Tax	25,378.50	-
Bank Charges	25,095.84	16,442.53
	<u>50,474.34</u>	<u>16,442.53</u>

<b><u>NOTE NO. 21</u></b>		
<u>ADMINISTRATIVE EXPENSES</u>		
Rent	196,232.00	181,124.00
Rates & Taxes	30,648.00	28,859.00
Electricity Charges	51,064.00	36,138.00
Telephone Charges	45,312.00	51,686.00
Postage & Telegram	2,905.00	3,346.00
Printing & Stationery	46,877.32	39,401.02
Conveyance Expenses	20,240.00	8,145.00
Travelling Expenses	207,596.00	31,575.00
Vehicle Maintenance	66,157.00	71,770.00

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

Office Maintenance expenses	22,827.00	26,152.00
Business Promotion Expenses	8,877.00	10,859.41
Insurance Charges	18,987.00	6,067.00
AGM & Publishing Expenses	30,606.00	33,634.00
Annual Maintenance Charges	12,230.00	18,077.00
Repairs and Maintenance	11,732.00	54,321.00
Property Maintenance	-	28,500.00
Website Charges	30,700.00	-
Commission Paid	-	7,000.00
Listing & Filing Fee	46,544.00	11,030.00
Sitting Fees	15,000.00	20,000.00
Share transfer fee	23,619.00	29,850.00
Loss on Sale of Motor Car	104,825.79	-
Loss on redemption of mutual Funds	-	922.52
Professional Charges	39,149.00	13,500.00
Audit fees	67,416.00	67,416.00
	<u>1,099,544.11</u>	<u>779,372.95</u>

**Note: 22 - Notes forming part of the financial statements for the year ended 31st March 2013**

**B. NOTES TO ACCOUNTS:**

- 12 Land shown in fixed assets is at Thevara, Cochin and is on co-ownership basis with M/s. Green Meadows Holiday Resorts Pvt. Ltd on equal co-ownership.
- 13 The balance in various accounts in Trade receivable and Current / Non Current liabilities are subject to confirmation and reconciliation. They have been shown as per values appearing in the books of accounts.
- 14 Current / Non Current Loans and Advances are subject to confirmation. The secured loans are sufficiently covered by securities. As regards Un-secured loans, though the management is confident of realising the loans recoverable, and for which necessary efforts are already in process, as a matter of abundant caution provision for doubtful loans have been created for the whole amount on these loans.
- 15 Advances for Land as stated in the schedules to accounts is for the purchase of lands at Thenkasi. The registration of the land having not been finalised, the amounts advanced towards the purchase of these lands remain as advances and is stated as such in the schedules to the accounts.
- 16 Related Parties disclosure as per Accounting Standard 18:
- a) List of Parties - Directors, Group concerns and Associates.
- i) SSF Ltd.
- ii) Southern Warehousing Company Pvt Ltd
- iii) Mary Rodrigues
- b) Related Party Transactions: 31.03.2013
- Rent Paid to
- Mrs. Mary Rodrigues 77,000.00



Name of the Associate Concerns	Amount o/s as on 31.03.2013	Amount o/s as on 31.03.2012
i) SSF Ltd. (Maintenance charges receivable)	-	223,696.85
ii) Southern Warehousing Company Pvt Ltd., (Hire Purchase loan)	10,212.00	133,320.00

**17 Segment Reporting:**

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

**18 Earning per Share:**

Basic and Diluted	31.03.2013	31.03.2012
Weighted Average No. of Shares outstanding (Nos)		
Net Profit / (Loss) in Rupees	401,441.18	416,463.47
Earning Per Share	0.13	0.14
Nominal value of Share	Rs. 10/-	Rs. 10/-

**19 Taxation**

**Income Tax:**

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

**Deferred Tax:**

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

**Deferred Tax Asset:**

Opening Balance		842,623.14
Deferred Tax for the year		
Depreciation as per Companies Act	48,531.55	
Depreciation as per Income Tax Act	87,475.68	
Difference	<u>38,944.13</u>	
Deferred Tax Liability for the year @ 30.90% on the above		12,034.00
Provision for Bonus	17,500.00	
Provision for Gratuity	20,483.19	
	<u>37,983.19</u>	
Deferred Tax Liability for the year @ 30.90% on the above		<u>11,737.00</u>
Current year Deferred Tax Liability debited to P&L a/c		23,771.00
Net Deferred Tax Asset shown in the Balance Sheet		<u>8,18,852.15</u>

20 Income from Forex Business Rs. 1,074,347.75 has been arrived at as follows.

<u>Income from Forex Business:</u>	31.03.2013	31.03.2012
Sales of Currencies & Travellers Cheque	148,662,076.01	97,831,327.14
Less.Purchase of Currencies & Travellers Cheques, Service Charges paid	147,065,350.46	96,916,038.44
Sub Total - (a)	1,596,725.55	915,288.70
Add: Increase / ( Decrease) in Stock		
Closing Stock	30,173.55	552,551.35
Less: Opening Stock	552,551.35	422,433.48
Sub Total - (b)	(522,377.80)	130,117.87
TOTAL (a+b)	1,074,347.75	1,045,406.57

21	Managerial Sitting fee	31.03.2013	31.03.2012
	Directors' Sitting fee	15,000.00	20,000.00
22	Auditor's Remuneration:		
	As Audit fee	40,000.00	40,000.00
	As Tax audit fee including service tax	27,416.00	27,416.00
	Total	67,416.00	67,416.00

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

24 Prior year Comparatives

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.

Sd/-  
Mr. V.A Kurien  
Director

Sd/-  
Mrs. Mary Rodrigues  
Director

Sd/-  
For Sudhindran & Co  
Chartered Accountants.

Place : Chennai  
Date : 29.07.2013

Sd/-  
Mr. Sanjay Arjundas Wadhwa  
Director

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

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

Registered Office :

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

**PROXY FORM**

I/We .....  
.....being member(s)  
of the above named company, hereby appoint ..... or failing her .....  
.....of  
.....as my/ our proxy  
to vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on  
Friday, the 13th September 2013 at 11.00 A.M. at Greenmedows- Conference Hall No.4/364-A, Anna Salai,  
Palavakkam , Chennai - 600 041.

Signed at .....(Place) this .....day of .....2013.

Membership Folio No. ....

No. of Shares held .....



**Note :**

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

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

Registered Office :

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

**ATTENDANCE SLIP**

I hereby record my presence at the 19th Annual General Meeting of the Company being held on Friday, the 13th September 2013 at 11.00 A.M. at Greenmedows- Conference Hall No.4/364-A, Anna Salai, Palavakkam , Chennai - 600 041.

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

Mr. / Mrs. ....

**Note :**

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



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