



**Si Capital & Financial Services Limited**

CIN : L67190TN1994PLC029151

Reg. Office : 64, Montieth Road, Egmore, Chennai - 600 008

# ANNUAL REPORT

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2021 - 2022

A Subsidiary of Sharewealth  
Securities Ltd.



**Board of Directors**

Mr. Sreeram Gopinathan Nair	- Managing Director
Mr. Vinod Manazhy	- Chairman (Non - Executive Independent Director)
Mr. T B Ramakrishnan	- Non - Executive Director
Mrs. Jitha Chummar	- Non - Executive Director
Dr. Anil Menon	- Non - Executive Director
Mr. Rajesh Narayan Pillai	- Non - Executive Independent Director
CA. Unnikrishnan Anchery	- Additional Non-Executive Director
Mr. Anu Thomas Cheriyan	- Additional Non-Executive Director
Mr. Abraham George	- Additional Independent Director
Dr. Habeeb Rahiman	- Additional Independent Director
Mr. Thomas Jacob	- Additional Independent Director

**Board Committees**

**Audit Committee**

Mr. Rajesh Narayan Pillai	- Chairman
Mr. Abraham George	- Member
Mr. Vinod Manazhy	- Member

**Nomination & Remuneration Committee**

Mr. Rajesh Narayan Pillai	- Chairman
Mr. Vinod Manazhy	- Member
Mr. T B Ramakrishnan	- Member

**Stakeholders Relationship Committee**

Dr. Habeeb Rahiman	- Chairman
Mr. T B Ramakrishnan	- Member
Mr. Abraham George	- Member

**Independent Directors Committee**

Mr. Abraham George	- Chairman
Mr. Vinod Manazhy	- Member
Mr. Rajesh Narayan Pillai	- Member
Dr. Habeeb Rahiman	- Member
Mr. Thomas Jacob	- Member

**Risk Management Committee**

Mr. T B Ramakrishnan	- Chairman
Mr. Sreeram Gopinathan Nair	- Member
Mr. Abraham George	- Member
Mr. Ajeesh K A	- Member

Ms. Anu Jaya - Company Secretary

Mr. Ajeesh K A - Chief Financial Officer

**Statutory Auditor**

CA Dijo Philip Mathew  
Ayyar & Cherian  
No.101, Santhi K George Technology  
Arcade, K C Joseph Road, Panampilly Nagar,  
Ernakulam, Kerala - 682036

**Registrar & Share Transfer Agent**

S.K.D.C. Consultants Limited  
"Surya", 35, Mayflower Avenue  
Behind Senthil Nagar, Sowripalayam Road  
Coimbatore - 641028

**Registered Office**

64, Montieth Road, Egmore, Chennai - 600008,  
Tamil Nadu  
Ph: 044 - 42145840  
E-mail: info@sicapital.co.in  
Website: www.sicapital.co.in  
CIN : L67190TN1994PLC029151

**Shares listed with**

BSE Limited (Scrip Code: 530907)

## NOTICE

NOTICE is hereby given that the Twenty-Eighth Annual General Meeting of the members of S.I. Capital & Financial Services Limited (“the Company”) will be held on **Friday, September 16, 2022 at 2.00 P.M.** (IST) through Video Conferencing / Other Audio-Visual Means (“VC/OAVM”) to transact the following business:

**ORDINARY BUSINESS**

1. **To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2022 and the report of the Directors and Auditors thereon and, in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

2. **To appoint Mr. Thandassery Balachandran Ramakrishnan (DIN: 01601072) who retires by rotation as a Director and, in this regard, to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Thandassery Balachandran Ramakrishnan (DIN: 01601072), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

3. **To appoint Mrs. Jitha Chummar (DIN: 02582004) who retires by rotation as a Director and, in this regard, to consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Jitha Chummar (DIN: 02582004), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

**SPECIAL BUSINESS**

4. **Appointment of Mr. Unnikrishnan Anchery (DIN: 00007022) as a Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions, if any, Mr. Unnikrishnan Anchery (DIN: 00007022) who was appointed as an Additional Director of the Company with effect from December 28, 2021 pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offers himself for appointment and in respect of whom the Company has received a Notice in writing from a Member, pursuant to the provisions of Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

5. **Appointment of Mr. Anu Thomas Cheriyan (DIN: 06461786) as a Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions, if any, Mr. Anu Thomas Cheriyan (DIN: 06461786) who was appointed as an Additional Director of the Company with effect from June 13, 2022 pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offers himself for appointment and in respect of whom the Company has received a Notice in writing from a Member, pursuant to the provisions of Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

**6. Appointment of Mr. Abraham George (DIN: 09413342) as a Non-Executive - Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) and other applicable provisions, if any, Mr. Abraham George (DIN: 09413342) who was appointed as an Additional Director in the capacity of Independent Director in terms of Section 161 of the Act, be and is hereby appointed as Non-Executive – Independent Director of the Company, not liable to retire by rotation, for a tenure of 5 consecutive years with effect from December 28, 2021.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

**7. Appointment of Mr. Habeeb Rahiman (DIN: 09413355) as a Non-Executive - Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations) and other applicable provisions, if any, Mr. Habeeb Rahiman (DIN: 09413355) who was appointed as an Additional Director in the Capacity of Independent Director in terms of Section 161 of the Act, be and is hereby appointed as Non-Executive – Independent Director of the Company, not liable to retire by rotation, for a tenure of 5 consecutive years with effect from December 28, 2021.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

**8. Appointment of Mr. Thomas Jacob (DIN: 08017693) as a Non-Executive - Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations) and other applicable provisions, if any, Mr. Thomas Jacob (DIN: 08017693) who was appointed as an Additional Director in the Capacity of Independent Director in terms of Section 161 of the Act, be and is hereby appointed as Non-Executive – Independent Director of the Company, not liable to retire by rotation, for a tenure of 5 consecutive years with effect from June 13, 2022.

**RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

**9. Change in name of the Company and consequent change in Memorandum and Articles of Association**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 4, 13(2), 14, 15 and other applicable provisions, if any, of the Companies Act, 2013 (“Act, 2013”) read with the rules framed thereunder (“Rules”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approvals, consents, sanctions and permissions of the Reserve Bank of India / Central Government / and such other approvals, permissions and sanctions of other regulatory and statutory authority, if any, required under the provisions of the Act, 2013 or under any other law for the time being in force, the consent of the Members of the Company be and is hereby accorded for changing the name of the Company from ‘S.I.Capital& Financial Services Limited’ to any of the following names, other than the names of Companies already in existence, as permitted by the concerned Registrar of Companies :

1. Sharewealth Capital and Financial Services Limited
2. Sharewealth Capital & Financial Services Limited
3. Any other name beginning with ‘Sharewealth’ or combination thereof.

**RESOLVED FURTHER THAT** upon receipt of fresh certificate of Incorporation from the Registrar of Companies consequent to the change in name of the Company, the Memorandum of Association of the Company, including Clause I thereof, be altered by substituting the existing name of the Company, wherever appearing therein, with the new name of the Company.

**RESOLVED FURTHER THAT** in terms of Section 14 of the Companies Act, 2013, the Articles of Association of the Company be altered by substituting the existing name of the Company, wherever appearing therein, with the new name of the Company

**RESOLVED FURTHER THAT** Mr. Thandassery Balachandran Ramakrishnan (DIN: 01601072), Director, Mr. Sreeram Gopinathan Nair (DIN: 05143385), Managing Director, and/or Mrs. Anu Jaya (Mem No.A56122) Company Secretary be and are hereby severally or jointly authorised to make necessary application / appear before the Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, Central Government, Registrar of Companies, Government departments and other regulatory authorities, if required, in this matter, to appear before them, to make any modifications, changes, variations, alterations or revisions stipulated by the concerned authorities while according approval or consent, and to do all such acts, deeds, matters and things as may be necessary/incidental/ancillary to give effect to this resolution including execution / signing / filing of necessary forms / documents / affidavits / indemnity / undertakings / declarations / appointing attorneys or authorised representatives for and on behalf of the Company, and to delegate all or any of the powers conferred herein as they deem fit, from time to time.”

**By order of the Board of Directors**

**Anu J**

**19-08-2022**

**Thrissur**

**Company Secretary(Mem No.A56122)**

**Notes:**

1. In view of the pandemic situation of COVID-19 and pursuant to the guidelines and notification issued by the Ministry of Home Affairs, Government of India and in light of circulars issued by the Ministry of Corporate Affairs, Government of India (the ‘MCA’) vide its General Circular No.14/2020 dated April 08, 2020 and General Circular No.17/2020 dated April 13, 2020 read with General Circular No. 33/2020 dated September 28, 2021, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 08, 2021 and General Circular No.3/2022 dated May 05, 2022 (collectively referred to as ‘MCA Circulars’) and Circular no.SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular no.SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/ 62 dated May 13, 2022 issued by the Securities and Exchange Board of India (‘SEBI’) and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting may be held through video conferencing or other audio visual means (“VC/OAVM”). In compliance with the

provisions of the Companies Act, 2013 (the “Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) and MCA/ SEBI Circulars, the AGM of the Company is being held through VC/OAVM, hereinafter called as “e-AGM”. Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members are requested to send a certified copy of the Board resolution authorizing their representative to attend the meeting by email to [info@sicapital.co.in](mailto:info@sicapital.co.in)
7. Notice calling the AGM/EGM has been uploaded on the website of the Company at <http://www.sicapital.co.in/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com). The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
9. A Statement pursuant to Section 102(1) of the Act relating to the Special Business to be transacted at the AGM is annexed hereto and forms part of this Notice.
10. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the Director(s) retiring by rotation/ seeking appointment at the AGM, forms part of this Notice.
11. Since the AGM is held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
12. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members

during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. **Friday, September 16, 2022**. Members seeking to inspect such documents can send an email to [info@sicapital.co.in](mailto:info@sicapital.co.in)

14. The Board has appointed CS Sreekrishna Kumar K, Company Secretary in Practice, as the Scrutinizer to scrutinize the process of e-voting. The Scrutinizer shall submit his report to the Chairman of the Company ('the Chairman') after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than One working day from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges within two working days from the conclusion of AGM. The result, along with the Scrutinizer's Report, will be placed on the Company's website and the same shall be communicated to BSE.

#### 15. Instructions for Remote E-Voting/ E-Voting during AGM

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (i) The voting period begins on Sunday, **September 11, 2022 at 9.00 A.M.** and ends on Thursday, **September 15, 2022 at 5.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, **September 09, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS" "Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal</li> </ol>



	Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz, [info@sicapital.co.in](mailto:info@sicapital.co.in) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance latest by **10.00 A.M. on Monday, September 12, 2022** mentioning their name, demat account number/folio number, email id, mobile number at (to [info@sicapital.co.in](mailto:info@sicapital.co.in)) The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance latest by **10.00 A.M. on Monday, September 12, 2022** mentioning their name,

demat account number/folio number, email id, mobile number to [info@sicapital.co.in](mailto:info@sicapital.co.in) These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time, for smooth conduct of the AGM.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to the RTA at [green@skdc-consultants.com](mailto:green@skdc-consultants.com).
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

#### **ANNEXURE TO THE NOTICE**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 4**

##### **Appointment of Mr. Unnikrishnan Anchery (DIN: 00007022) as a Director of the Company**

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Unnikrishnan Anchery (DIN: 00007022) as an Additional Director at their meeting held on December 28, 2021 pursuant to Section 161 of the Companies Act, 2013 (“Act”) to hold office up to the date of this AGM.

A notice under Section 160 of the Act has been received from a member proposing his candidature as a Director.

Mr. Unnikrishnan Anchery is a Chartered Accountant based on Mumbai having more than 3 decades of experience in Audit and Taxation. He holds Bachelor's Degree in Science from the University of Calicut. Being a Practicing professional, he is playing advisory roles in several Listed and Unlisted entities.

Additional information in respect of Mr. Unnikrishnan Anchery pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice.

The Board considers the business in Item No. 4 as unavoidable to be considered at the e-AGM and commends the said resolution for approval by members via an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Unnikrishnan Anchery to whom the resolution relates, are in any way concerned or interested, financially or otherwise, in the resolution set out in Item no. 4 of accompanying notice.

### **Item No. 5**

#### **Appointment of Mr. Anu Thomas Cheriyan (DIN: 06461786) as a Director of the Company**

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Anu Thomas Cheriyan (DIN: 06461786) as an Additional Director subject to RBI approval, at their meeting held on June 13, 2022, pursuant to Section 161 of the Companies Act, 2013 ('Act'), to hold office up to the date of this AGM.

A notice under Section 160 of the Act has been received from a member proposing his candidature as a Director.

Mr. Anu Thomas Cheriyan is a graduate with extensive experience in financing business. Additional information in respect of Mr. Anu Thomas Cheriyan pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice.

The Board considers the business in Item No. 5 as unavoidable to be considered at the e-AGM and commends the said resolution for approval by members via an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Anu Thomas Cheriyan to whom the resolution relates, are in any way concerned or interested, financially or otherwise, in the resolution set out in Item no. 5 of accompanying notice.

### **Item No. 6**

#### **Appointment of Mr. Abraham George (DIN: 09413342) as a Non-Executive - Independent Director of the Company**

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Abraham George (DIN: 09413342) as an Additional and Independent Director at their meeting held on December 28, 2021 for a tenure of 5 years w.e.f. December 28, 2021, subject to the approval of the members of the Company at this AGM.

The Company has received a declaration from Mr. Abraham George confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr. Abraham George consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Mr. Abraham George, an LLB Holder, is having an experience of 31 years in Life Insurance Corporation of India. He started his career as a Development Officer in LIC and retired therefrom as a Manager. He is experienced in marketing, recruitment, training of insurance agents etc. The Board is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of 5 years w.e.f. December 28, 2021.

Copy of letter of appointment of Mr. Abraham George setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode.

Additional information in respect of Mr. Abraham George, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice.

The Board considers the business in Item No. 6 as unavoidable to be considered at the e-AGM and commends the said resolution for approval by members via an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Abraham Georgeto whom the resolution relates, are in any way concerned or interested, financially or otherwise, in the resolution set out in Item no. 6 of accompanying notice.

### **Item No. 7**

#### **Appointment of Dr. Habeeb Rahiman (DIN: 09413355) as a Non-Executive - Independent Director of the Company**

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, had appointed Dr. Habeeb Rahiman (DIN: 09413355) as an Additional and Independent Director at their meeting held on December 28, 2021 for a tenure of 5 years w.e.f. December 28, 2021, subject to the approval of the members of the Company at this AGM.

The Company has received a declaration from Dr. Habeeb Rahiman confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received consent from Dr. Habeeb Rahiman, to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Dr. Habeeb Rahiman is a PhD Holder in Finance (Banking) and an experienced academic professional having around 15 years of experience as full time Professor/ HoD/ Director in MBA Colleges affiliated to MG University and approved by AICTE (All India Council for Technical Education). He started his career at Bank of Baroda and has held various positions of Branch Manager, Senior Manager and Senior Branch Manager. He has also completed CAIIB in the year of 1982. Presently, he is a visiting Professor in Jain University. The Board is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of 5 years w.e.f. December 28, 2021.

Copy of letter of appointment of Dr. Habeeb Rahiman setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode.

Additional information in respect of Dr. Habeeb Rahiman, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice.

The Board considers the business in Item No. 7 as unavoidable to be considered at the e-AGM and commends the said resolution for approval by members via an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives, except Dr. Habeeb Rahiman to whom the resolution relates, are in any way concerned or interested, financially or otherwise, in the resolution set out in Item no. 7 of accompanying notice.

### **Item No. 8**

#### **Appointment of Mr. Thomas Jacob (DIN: 08017693) as a Non-Executive - Independent Director of the Company**

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Thomas Jacob (DIN: 08017693) as an Additional and Independent Director at their meeting held on June 13, 2022, for a tenure of 5 years w.e.f. June 13, 2022, subject to the approval of the members of the Company at this AGM.

The Company has received a declaration from Mr. Thomas Jacob confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015. Further, the Company has also received consent from Mr. Thomas Jacob, to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Mr. Thomas Jacob is a Diploma holder in Engineering based in Kayamkulam, He has over 20 years of varied experience in Operations, Marketing, Construction Contracting and Trading in various domestic and foreign entities based in UAE & Kuwait. He was one of the founder-director of Indian Badminton Association, Kuwait and a Certified National Grade 1 Umpire under World Badminton Federation. He is the first president of World Malayalee Federation, Kuwait National Council. The Board is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of 5 years w.e.f. June 13, 2022.

Copy of letter of appointment of Mr. Thomas Jacob setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode.

Additional information in respect of Mr. Thomas Jacob, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is given at Annexure A to this Notice.

The Board considers the business in Item No. 8 as unavoidable to be considered at the e-AGM and commends the said resolution for approval by members via an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Thomas Jacob to whom the resolution relates, are in any way concerned or interested, financially or otherwise, in the resolution set out in Item no. 8 of accompanying notice.

### **Item No. 9**

#### **Change in name of the Company and consequent change in Memorandum and Articles of Association**

The Company is promoted by & a subsidiary of Sharewealth Securities Limited. In order to take advantage of the positive brand equity of the holding Company, the Company proposes to change its name to any name beginning with 'Sharewealth' or a combination thereof. The Board of Directors, at their meeting held on August 02, 2022 has decided to obtain the necessary approval from the Registrar of Companies (MCA) for availability of the proposed name in terms of Section 4(5) of the Companies Act, 2013.

The Company is a Non-Systemically important Non-Deposit taking NBFC and intends to continue the same line of activity under the proposed new name. Compliance Certificate under Regulation 45 of SEBI (Listing Obligations and Disclosure Requirements) is enclosed as **Annexure 3**.

The provisions of Section 13(2) of the Companies Act, 2013, inter-alia, requires the approval of the shareholders by means of special resolutions for change of name and consequential amendment in Memorandum and Articles of Association of the Company, therefore the Board of Directors has recommended the resolution to be passed by the shareholders in the interest of the Company.

The promoter Sharewealth Securities Limited is interested in the resolution. None of the directors except Mr. T B Ramakrishnan, Mr. Anil Menon, Mrs. Jitha Chummar, Mr. Unnikrishnan Anchery and Mr. Anu Thomas Cheriyan are concerned or interested in the resolution. None of the key managerial personnel or relatives are concerned or interested in the resolution.

**By order of the Board of Directors**

**19-08-2022**

**Thrissur**

**Anu J**

**Company Secretary**

Registered Office:

64, Montieth Road, Egmore,  
Chennai – 600008, Tamil Nadu  
CIN: L67190TN1994PLC029151  
Website: www.sicapital.co.in  
E-mail ID: info@sicapital.co.in

**BRIEF NOTE ON DIRECTOR(S) SEEKING APPOINTMENT OR RE-APPOINTMENT**  
(Pursuant to Regulation 36(3) SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name & DIN	Mr. Unnikrishnan Anchery (DIN: 00007022)	Anu Thomas Cheriyan (DIN: 06461786)
Date of Birth	19/01/1956	03/05/1976
Age	66 Years	46 Years
Experience	Mr. Unnikrishnan Anchery is a Chartered Accountant based on Mumbai having more than 3 decades of experience in Audit and Taxation and been playing advisory roles in several Listed and Unlisted entities.	Mr. Anu Thomas Cheriyan has over three decades of experience in financing business and is the founder of Ettutharayil Group.
Qualifications	Chartered Accountant	Graduate
Terms and Conditions of Appointment	Non-Executive Non-Independent Director, liable to retire by rotation	Non-Executive Non-Independent Director, liable to retire by rotation
Details of remuneration sought to be paid and the remuneration last drawn	Sitting fees for attending meetings of Board within the limit specified under the Companies Act, 2013	Sitting fees for attending meetings of Board within the limit specified under the Companies Act, 2013
Date of first appointment on Board	December 28, 2021	June 13, 2022
Shareholding / Beneficial ownership in the Company	Nil	200000 Equity shares of Face Value Rs.10/- each 200000 Warrants convertible into equal no. of Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Not related to any Director / Manager / Key Managerial Personnel except for his membership and directorship held in Sharewealth Securities Limited, the holding Company	Not related to any Director / Manager / Key Managerial Personnel except for his membership in the Company and shareholding and / or directorship in Ettutharayil Nidhi Limited /Ettutharayil Chits Private Limited / Sharewealth Securities Limited
No. of meetings of the Board attended during the year	1	Nil (Appointed with effect from June 13, 2022)
Directorships held in other Companies	Amalfi Properties Private Limited AmdoshiWangani Services Private Limited Hathway Investments Private Limited Siena Traders Private Limited Outlook Publishing (India) Private Limited Fantasia Enterprises Private Limited Gstaad Estates Private Limited Kanyakumari Investment And Finance Pvt Ltd Gstaad Trading Company Pvt Ltd Rajan Estates and Finance Pvt Ltd Kaveri Construction Pvt Ltd Fortune Films Private Limited	Ettutharayil Nidhi Limited Ettutharayil Chits Private Limited
Memberships/ Chairmanships of committees across other Companies	Nil	Nil
Listed entities from which the proposed director has resigned in the past three years	Nil	Nil



Name & DIN	Mr. Abraham George (DIN: 09413342)	Dr. Habeeb Rahiman (DIN: 09413355)	Mr. Thomas Jacob (DIN: 08017693)
Date of Birth	07/07/1961	20/09/1954	20/05/1968
Age	61 years	67 Years	54 years
Experience	Mr. Abraham George is an LLB holder with 31 years of experience in Life Insurance Corporation of India. He started his career as a Development Officer in LIC and retired therefrom as a manager. He is experienced in marketing, recruitment & training of insurance agents.	Dr.Habeeb Rahiman is a PhD Holder in Finance (Banking) and an experienced academic professional having around 15 years of experience as full time Professor/ HoD/ Director in MBA Colleges affiliated to MG University. He started his career at Bank of Baroda and held various positions like Branch Manager, Senior Manager / Senior Branch Manager. He completed CAIIB in the year of 1982.	Mr. Thomas Jacob is a Diploma Holder in Engineering and has over 20 years of experience in Business Operations in domestic and foreign entities. He was the first president of World Malayalee Federation, Kuwait National Council.
Qualifications	LLB	PhD	Diploma in Engineering
Terms and Conditions of Appointment	Non-Executive Independent Director for a period of 5 years w.e.f December 28, 2021, subject to approval by members.	Non-Executive Independent Director for a period of 5 years w.e.f December 28, 2021, subject to approval by members.	Non-Executive Independent Director for a period of 5 years w.e.f June 13, 2022, subject to approval by members.
Details of remuneration sought to be paid and the remuneration last drawn	Sitting fees for attending meetings of Board within the limit specified under the Companies Act, 2013	Sitting fees for attending meetings of Board within the limit specified under the Companies Act, 2013	Sitting fees for attending meetings of Board within the limit specified under the Companies Act, 2013
Date of first appointment on Board	December 28, 2021	December 28, 2021	June 13, 2022
Shareholding / Beneficial ownership in the Company	Nil	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil	Nil	Mr. Thomas Jacob has no other relationship with directors of the Company, apart from holding directorship of Ettutharayil Nidhi Limited for the period from 01-08-2018 to 07-10-2019.
No. of meetings of the Board attended during the year	2	1	Nil (Appointed w.e.f. June 13, 2022)
Directorships held in other Companies	Nil	Nil	Nil
Memberships/ Chairmanships of committees across other Companies	Nil	Nil	Nil
Listed entities from which the proposed director has resigned in the past three years	Nil	Nil	Nil
Skills and capabilities	Professional Industry knowledge and experience Leadership Ethics	Professional Industry knowledge and experience Leadership Ethics	Professional Industry knowledge and experience Leadership Ethics
Summary of performance evaluation report [in case of re-appointment of Independent Directors]	N.A.	N.A.	N.A.

**BOARD'S REPORT**

Dear Members,

The Board of Directors present the Company's Twenty-eighth Annual Report and Audited Financial Statements for the financial year ended March 31, 2022.

**Financial Results**

The Company's financial performance for the year ended March 31, 2022 is summarized below:

	<b>(Rs. in Lakhs)</b>	
	<b>2021-22</b>	<b>2020-21</b>
Profit before tax	(12.59)	(40.14)
Current Tax	-	-
Deferred Tax	-	(0.15)
<b>Profit for the Year</b>	<b>(12.59)</b>	<b>(39.99)</b>
Other comprehensive income	-	-
Total comprehensive income for the year	(12.59)	(39.99)

**Results of Operations and the state of affairs of the Company**

The company is a Non-Systemically Important Non-Banking Financial Company and a Full Fledged Money Changer. The highlights of company's performance for the year ended March 31, 2022 are as under:

- Revenue from operations was Rs. 58.93 Lakhs
- Net Loss for the year was Rs. 12.59 Lakhs

Operations and cash inflows of the Company for the year under review shows signs of recovery from the impact of Covid-19. Revenue from Operations increased by 65.63% compared to previous year, operational expenses for the year reduced by 4.09% and resultant the pre-tax loss reduced by 27.55%. The company is making sustained efforts to achieve improved performance and profitability in the coming years.

**Dividend**

In the absence of profits, no dividend is recommended for payment this year.

**Details of material events between the end of the financial year 2021-22 and the date of the report**

The outbreak of Covid-19 pandemic is causing significant disturbance and slow down across the globe.

**Preferential Issue of Equity Shares**

The Company had issued and allotted 2 Lakh Equity shares of face value Rs.10/- each at a premium of Rs. 15/- per Equity Share to person belonging to Non-promoter category and a sum equivalent to 100% of issue price amounting to Rs.50 Lakhs was received by the Company.

**Preferential Issue of Convertible Warrants**

The Company had issued and allotted 4 Lakh Warrants in aggregate, i.e.2 lakhs Warrants each convertible into equal number of equity shares of face value Rs.10/- each, at a premium of Rs. 15/- per Warrant to persons belonging to Promoter Category and Non-Promoter Category, respectively and a sum amounting to Rs.25 lakhs, being 25% of issue price was received by the Company.

**Change in Share Capital**

The Authorised capital of the Company remained unchanged at Rs.6 Crores. The paid-up capital of the Company increased from Rs.3 Crores to Rs.3.2 Crores pursuant to the preferential allotment of 2 lakh equity shares on April 04, 2022.

**Location of Registered Office**

The Company, pursuant to the approval of shareholders dt 19<sup>th</sup> June 2022 and subject to the approval of Central

Government (Powers delegated to Regional Director), and such other approvals, permissions and sanctions, if any, required under the provisions of the Act, 2013 or under any other law for the time being in force, proposes to shift the Registered Office of the Company from the jurisdiction of Registrar of Companies, Chennai to No.27, First floor, New Scheme Road, Pollachi – 642001, under the jurisdiction of Registrar of Companies, Coimbatore, within the State of Tamil Nadu.

### **Management Discussion and Analysis Report**

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), is presented in a separate section, forming part of the Annual Report.

### **Business Operations/ Performance of the Company**

The Company is a Non-Banking Financial Services Company and a Full-Fledged Money Changer operating under the License of Reserve Bank of India.

Non-Banking Financial Services sector had a rebound in credit growth despite the challenges raised by the pandemic. The Company’s disbursements are on revival path and stood at Rs.250.17 lakhs during the year under review, an increase of 14.39% y-o-y, reflecting the improved market conditions and focused efforts of the company. Vehicle and business loans increased by 42.84% and 100.48% respectively, an indicator of economy normalizing and overall positive market sentiment, while gold and personal loan declined by 46.61% and 77.27% respectively. The income from forex business recorded a decline of 26.96%, commensurate with impact of pandemic on travel and tourism industry.

Despite the challenges raised by the pandemic, the management remains committed towards ensuring continuous improvement in efficiency and performance, by realigning its strategies, products and process as and when required.

### **Secretarial Standards**

The Company has followed the applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to ‘Meetings of the Board of Directors’ and ‘General Meetings’ respectively.

### **Directors’ Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies 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 as at March 31, 2022 and of the loss of the company for that period;
- (c) the Directors have 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;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **Corporate Governance**

The Company is committed to maintain high standards of Corporate Governance. The Report on Corporate Governance as stipulated under the Listing Regulations forms part of this Annual Report. Since Regulation 15 of Listing Regulations is applicable to the Company, Certificate from Statutory Auditor/ Practicing Company Secretary regarding compliance of conditions of Corporate Governance was not obtained.

**Risk Management**

The Company has a Board of Directors approved Risk Management Policy which may be accessed on the Company's website at the link [www.sicapital.co.in/risk%20management%20policy.pdf](http://www.sicapital.co.in/risk%20management%20policy.pdf).

**Internal Control systems and adequacy**

The Company's internal control system is properly placed and strengthened taking into account the nature of business and size of operations. Periodic audits provide reasonable assurance that the Company's internal financial controls are adequate.

**Directors and Key Managerial Personnel**

The Board Composition as on March 31, 2022 is as follows:

S. No.	Name of Directors	Designation
1	Mr. Sreeram Gopinathan Nair	Managing Director
2	Mr. Thandassery Balachandran Ramakrishnan	Non-Executive Director
3	CA Unnikrishnan Anchery	Non-Executive Director
4	Dr. Anil Menon	Non-Executive Director
5	Mrs. Jitha Chummar	Non-Executive Director
6	Mr. Rajesh Narayan Pillai	Non-Executive Independent Director
7	Mr. Vinod Manazhy	Non-Executive Independent Director
8	Mr. Abraham George	Non-Executive Independent Director
9	Dr. Habeeb Rahiman	Non-Executive Independent Director

**Change in Directors and Key Managerial Personnel during the year 2021-22**

- CA Akhilesh Gopinath resigned from the office of Chief Financial Officer w.e.f. April 30, 2021.
- Designation of Mrs. Jitha Chummar was changed from Additional Director to Director on September 24, 2021.
- Designation of Mr. Vinod Manazhy was changed from Additional Director to Independent Director on September 24, 2021.
- Designation of Mr. Vadukkoot Mathayi Xaviour was changed from Additional Director to Independent Director on September 24, 2021.
- Mr. Ramanathan Anchery ceased to be Non-Executive Director w.e.f. November 15, 2021.
- Mr. Vadukkoot Mathayi Xaviour ceased to be Non-executive Independent Director w.e.f. December 28, 2021.
- CA Unnikrishnan Anchery was appointed as Additional Director w.e.f. December 28, 2021.
- Mr. Abraham George was appointed as Additional and Independent Director w.e.f. December 28, 2021.
- Dr. Habeeb Rahiman was appointed as Additional and Independent Director w.e.f. December 28, 2021.
- Mr. Ajeesh Karekattil Antony was appointed as Chief Financial Officer w.e.f. January 01, 2022.

**Change in Directors and Key Managerial Personnel after the financial year 2021-22 and upto the date of report**

- CS Aneetta Chirayath Vilson resigned from the office of Company Secretary w.e.f. April 30, 2022.
- CS Anu J was appointed as Company Secretary w.e.f. May 13, 2022.
- Mr. Thomas Jacob was appointed as Additional and Independent Director w.e.f. June 13, 2022.
- Mr. Anu Thomas Cheriyan was appointed as Additional Director on June 13, 2022.

**Declaration of Independent Directors**

The Independent Directors have confirmed that they meet criteria as mentioned in Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Act, 2015 by submitting a Declaration towards this end to the Company.

**Contracts or Arrangements with Related Parties**

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. Particulars of material contracts/ arrangements with

related parties are annexed with this report in Form AOC-2 as Annexure – I. Members may refer to Note 37 to the Financial Statement which sets out related party disclosures pursuant to Ind AS.

### Nomination & Remuneration Policy

The Board of Directors has adopted a policy on comprising of criteria for determining qualification, positive attributes, and independence of Directors as laid down by the Nomination & Remuneration Committee of the Board in compliance with the provisions of Section 178 of the Act. The Policy is available on Company's website and can be accessed at

<http://www.sicapital.co.in/downloads/policies/Nomination%20&%20Remuneration%20Policy.pdf>

The Board has made a formal evaluation of its own performance, committees of the Board and Independent Directors as per the above policy and is satisfactory over its performance.

### Auditors and Auditors' Report

#### a) Statutory Auditor

M/s. Ayyar & Cherian, Chartered Accountant, (Firm Registration No. 000284S), appointed for a term of 5 (five) consecutive years at the Annual General Meeting held on September 30, 2020, continues as Statutory Auditor of the Company. The notes annexed to the Financial Statements referred in the Independent Auditors' Reports are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

There were no frauds reported by the statutory auditors to Audit Committee or Board under Section 143 of the Act.

#### b) Secretarial Auditor

The Board appointed M/s. Liya & Associates, Company Secretary in practice (CP No. 19314) to conduct Secretarial Audit for the financial year 2021-22. Secretarial audit report for year ended on March 31, 2022 is annexed herewith and marked as Annexure – II to this Report. The Secretarial Audit Report contains the following observation :

1. The company is regular in submission of consumer information to all four Credit Information Companies (CICs) viz. Credit Information Bureau (India) Limited, Equifax Credit Information Services Private Limited, Experian Credit Information Company of India Private Limited and CRIF High Mark Credit Information Services Private Limited *except the Commercial information, as per Regulation 7 of Credit Information Companies Regulation 2006.*

### The Board's Reply to Observations of Secretarial Auditor

1. Due to technical issues with our NBFC software, credit information report could be generated only on individual basis, and not on commercial basis. The matter has been taken up with the concerned software support team by the Company and the software update to generate commercial bureau information is in process. The Company is also in the process of adopting a new NBFC software capable of generating Credit Information Reports in formats prescribed by the Credit Information Companies.

### Meetings of the Board

6 Meetings of the Board of Directors were held during the year. The particulars of the meeting held and attended by each Director are detailed in the Corporate Governance Report.

### Committees of the Board

In compliance with the provisions of Section 177 & 178 of the Companies Act, 2013, the Board constituted Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The Company has also constituted Risk Management Committee, pursuant to Scale Based Regulations issued by the Reserve Bank of

India. The details of composition of committees and their meetings and attendance of members are given in the Corporate Governance Report.

**Vigil Mechanism**

The Company has established a robust Vigil Mechanism and a Whistleblower policy in accordance with the provisions of the Companies Act, 2013 and Listing Regulations. The Whistle Blower Policy & Vigil mechanism is available on company's website and can be accessed at <http://www.sicapital.co.in/downloads/policies/Whistle%20Blower%20Policy%20&%20Vigil%20Mechanism.pdf>

**Prevention of Sexual Harassment at Workplace**

The Company has zero tolerance towards sexual harassment at the workplace. During the Financial Year 2021-22, the Company has not received any complaints.

Internal Committee has not been constituted since the number of employees is less than 10 as stipulated under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Particulars of Loans, Guarantees or Investments made on under Section 186 of the Companies Act, 2013**

There were no loans or guarantees made by the Company under Section 186 of the Companies Act, 2013 during the year under review. The particulars of Investments made by the Company are given in Note 11 to the Financial Statements.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The Company has taken reasonable steps to conserve energy by supporting go green initiatives. The Company follows the practice of purchasing energy efficient electrical/ electronic equipments for its operations. The Capital Investment on energy conservation equipment is nil.

The Company is making use of the technology platform to ease of operations and to provide better services to its customers.

There were no Foreign Exchange Inflow and Outflow during the year under review.

**Annual Return**

The Annual Return of the Company as on March 31, 2022 is available on the Company's website and can be accessed at [http://www.sicapital.co.in/downloads/Annual%20Return%202021-22\\_Form%20MGT-7.pdf](http://www.sicapital.co.in/downloads/Annual%20Return%202021-22_Form%20MGT-7.pdf)

**Particulars of employees and related disclosures**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed herewith as Annexure III.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn forms part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may address their email to [info@sicapital.co.in](mailto:info@sicapital.co.in).

**Listing with Stock Exchange**

The Company has paid Annual Listing Fee for the FY 2021-22 to BSE Limited wherein the Company's shares are listed.

**Compliance with NBFC Regulation**

The Company has complied with the regulatory provisions of the Reserve Bank of India applicable to Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company. The Company has not accepted

Public Deposits during the year under review.

#### Disclosure on Gold Auction

No. of Loan Accounts	Outstanding Amount (Rs.)	Value Fetched (Rs.)	Name of Group Companies participated in the Auction
5	309762.00	272816.00	Nil
8	545991.00	490362.00	Nil
13	855753.00	763178.00	Nil

#### General

The Board of Directors state that no disclosure or reporting in respect of the following matters as there were no transactions on these matters or as the provisions were not applicable to the Company during the year under review:

- Details related to deposits covered under Chapter V of the Act
- Issue of equity shares with differential rights as to dividend, voting or otherwise
- Issue of shares to employees of the Company under any Employees' Stock Option Scheme
- Buyback of shares
- Significant or material orders passed by Regulators / Court / Tribunals impacting the going concern status and company's operation in future
- Change in the nature of business in the Company.
- Proceeding pending under the Insolvency and Bankruptcy Code, 2016
- Corporate Social Responsibility initiatives by the Company and constitution of CSR committee
- Transfer of amount to Reserves
- Transfer of Unclaimed dividend/ shares to Investor Education and Protection Fund (IEPF)
- Particulars of Associate, Subsidiary and Joint Venture
- Maintenance of Cost Records
- Statement of deviation(s) or variation(s) in use of issue proceeds
- Utilization of funds raised through preferential allotment
- Statement on Impact of Audit Qualifications

#### Acknowledgements

The Board of Directors place sincere appreciation for the seamless support and co-operation received from the employees, members, banks, government and other regulatory authorities, stock exchange, customers, vendors, and other service providers during the year under review.

**For and on behalf of the Board of Directors**

**Date: 02-08-2022**  
**Place : Thrissur**

**Vinod Manazhy**  
**Chairman**  
**DIN: 08986929**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**

Particulars	Details
Name (s) of the related party & nature of relationship	Nil
Nature of contracts/arrangements/transaction	
Duration of the contracts/arrangements/transaction	
Salient terms of the contracts or arrangements or transaction including the value, if any	
Date of approval by the Board	
Amount paid as advances, if any	

**2. Details of material contracts or arrangements or transactions at Arm's length basis:**

Particulars	Details			
Name (s) of the related party & nature of relationship	Sharewealth Securities Limited Holding Company			Mr. Anoop Jolly Relative of Director
Nature of contracts/arrangements/ transaction	Amount paid for purchase of Liquid Fund for S.I.Capital& Financial Services Limited	Amount received on Sale of Liquid Fund by S.I.Capital& Financial Services Limited	Interest paid on Subordinated Debt	Rent paid
Duration of the contracts/arrangements/ transaction	Ongoing	Ongoing	Ongoing	11 months
Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 155 lakhs	Rs. 132.41 Lakhs	Rs.0.71 lakhs	Rs. 1.80 Lakhs
Date of approval by the Board	30-03-2022	30-03-2022	30-03-2022	30-03-2022
Amount paid as advances, if any	No	No	No	No

For and on behalf of the Board of Directors

Date: 02-08-2022  
Place : Thrissur

Vinod Manazhy  
Chairman  
DIN: 08986929



**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Member**  
**S.I.Capital& Financial Services Limited**  
**CIN :L67190TN1994PLC029151**  
**64, Montieth Road, Egmore, Chennai - 600008, Tamil Nadu**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **S.I.Capital& Financial Services Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts ( Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India , 1992 ( ' SEBI Act' );
  1. The Securities and Exchange Board of India( Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  2. The Securities and Exchange Board of India ( Prohibition of Insider Trading) Regulations, 1992;
  3. The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2018;
  4. The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations,2014;
  5. The Securities and Exchange Board of India ( Issue and Listing of Debt Securities) Regulations, 2008;
  6. The Securities and Exchange Board of India ( Registration to an Issue and Share Transfers Agents ) Regulations, 1993;
  7. The Securities and Exchange Board of India ( Delisting of Equity Shares) Regulations, 2009;
  8. The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 1998;
  9. Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
6. The following laws, regulations, directions, orders applicable specifically to the Company:
  - i. The Reserve Bank of India Act, 1934
  - ii. Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

- iii. Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

We have also examined compliance with the applicable clause of the following:

- I. The Secretarial Standards issue by the Institute of Company Secretaries of India
- II. The Listing Agreements entered into by the Company with BSE Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above subject to following observation:

- I. The company is regular in submission of consumer information to all four Credit Information Companies (CICs) viz. Credit Information Bureau (India) Limited, Equifax Credit Information Services Private Limited, Experian Credit Information Company of India Private Limited and CRIF High Mark Credit Information Services Private Limited *except the Commercial information, as per Regulation 7 of Credit Information Companies Regulation 2006.*

On the basis of the information and explanation provided, the Company had no transaction during the period under Audit requiring the compliance of applicable provisions of Act / Regulations / Directions as mentioned above in respect of:

- i. Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment.
- ii. Buy-back of securities.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Liya and Associates**

**Liya Antony**

**(Practicing Company Secretary)**

**Proprietor**

**ACS: 39611, CP: 19314**

**Peer Review Certificate no. 2482/2022**

**Place: Ernakulam**

**Date: 01/08/2022**

**UDIN : A039611D000723866**

Note: This report is to be read with our letter of even date which is annexed as “ANNEXURE A” and forms an integral part of this report.

“ANNEXURE A”

To,  
The Member  
S.I.Capital& Financial Services Limited  
CIN : L67190TN1994PLC029151  
64, Montieth Road, Egmore, Chennai - 600008, Tamil Nadu

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis. Further compliance of Act, Regulations, Directions listed under Para (vi) of the report is limited to issue of securities, corporate governance aspects and filing of forms and returns there under.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Liya and Associates**

**Liya Antony**  
**(Practicing Company Secretary)**  
**Proprietor**  
**ACS: 39611, CP: 19314**  
**Peer Review Certificate no. 2482/2022**

**Place: Ernakulam**  
**Date: 01/08/2022**

**UDIN : A039611D000723866**

**Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014**

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22:

Name of Director	Ratio of the remuneration to the median remuneration of employees
Mr. Sreeram Gopinathan Nair, Managing Director	0.54:1

- ii. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive officer, Company Secretary or Manager, if any, in the Financial Year 2021-22:

Name of Director/ Key Managerial Personnel (KMP)	Percentage increase or decrease in remuneration
Mr. Sreeram Gopinathan Nair, Managing Director	-81.13%
Ms. Aneetta C Vilson, Company Secretary*	40.93%
Mrs. Jitha Chummar, Chief Financial Officer**	N.A.
Mr. Akhilesh Gopinath, Chief Financial Officer***	-75%
Mr. Ajeesh Karekkattil Antony, Chief Financial Officer****	N.A.

Notes :

- \*Resigned w.e.f April 30, 2022
- \*\*No remuneration was paid in FY 2021-22
- \*\*\*Resigned w.e.f April 30, 2021
- \*\*\*\*Joined w.e.f. January 01, 2022

- iii. Percentage increase in the median remuneration of employees in the financial year 2021-22: -4.64%
- iv. The number of permanent employees on the rolls of Company: 9 employees as on March 31, 2022
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Percentage increase in Salary of employee other than managerial personnel	50%
Percentage increase in Salary of Managerial Personnel	Nil
Justification for percentage increase in managerial remuneration	N.A.
Exceptional circumstance for increase in managerial remuneration	N.A.

- vi. Affirmation that the remuneration is as per the remuneration Policy of the Company:

The remuneration paid to the Directors and Key managerial Personnel are as per the Nomination & Remuneration Policy of the Company

**For and on behalf of the Board of Directors**

Date: 02-08-2022  
Place : Thrissur

**Vinod Manazhy**  
Chairman  
DIN: 08986929

## CORPORATE GOVERNANCE REPORT

This report is prepared pursuant to Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) read with applicable provisions of Schedule V thereto.

**Company’s Philosophy on Code of Governance**

Corporate Governance is indispensable for the profitability, growth and survival of a company through creation and enhancement of value to stakeholders. The Company believes that robust corporate governance system based on trust and relationship building will endure value to all stakeholders. Corporate Governance Philosophy envisages striving for excellence in all facets of its operation through socially and environmentally acceptable means. The Company wants to be a responsible corporate citizen and share the benefits with society and also will make its customers, employees, suppliers, shareholders and other stakeholders feel proud of their association with the Company through highest level of fairness and transparency in its dealings.

**Board of Directors****a. Composition of the Board**

As on March 31, 2022, the Board of Directors of the Company comprised of 9 (Nine) Directors. The categories of Directors are detailed below. The Composition of the Board as mentioned in Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) is not applicable to the Company as the Company has not crossed the threshold mentioned in Regulation 15 of the Listing Regulations.

*As on March 31, 2022*

Name of the Director	Category
Mr. Sreeram Gopinathan Nair	Managing Director
Mr. Thandassery Balachandran Ramakrishnan	Non-Executive Director
CA Unnikrishnan Anchery	Non-Executive Director
Dr. Anil Menon	Non-Executive Director
Mrs. Jitha Chummar	Non-Executive Director
Mr. Rajesh Narayan Pillai	Non-Executive Independent Director
Mr. Vinod Manazhy	Non-Executive Independent Director
Mr. Abraham George	Non-Executive Independent Director
Dr. Habeeb Rahiman	Non-Executive Independent Director

**b. Attendance at the meeting of Board of Directors and last Annual General meeting**

Name of the Director	No. of Board Meetings entitled to attend	Attendance	
		Meeting of Board of Directors	27 <sup>th</sup> Annual General Meeting
Mr. Sreeram Gopinathan Nair	06	06	Y
Mr. Thandassery Balachandran Ramakrishnan	06	06	Y
Mr. Ramanathan Anchery*	03	03	Y
Dr. Anil Menon	06	05	Y
Mrs. Jitha Chummar	06	05	Y
Mr. Rajesh Narayan Pillai	06	04	Y
Mr. Vinod Manazhy	06	06	Y

Mr. V M Xaviour**	03	02	Y
CA. Unnikrishnan Anchery***	02	01	NA
Mr. Abraham George****	02	02	NA
Dr. Habeeb Rahiman*****	02	01	NA

Notes :

1. \*Mr.RamanathanAnchery resigned with effect from November 15, 2021
2. \*\*Mr. V M Xaviour resigned with effect from December 28, 2021
3. \*\*\*CA Unnikrishnan Anchery was appointed as additional director w.e.f. December 28, 2021
4. \*\*\*\*Mr.Abraham George was appointed as additional and independent director w.e.f December 28, 2021
5. \*\*\*\*\*Dr. Habeeb Rahman was appointed as additional and independent director w.e.f December 28, 2021

**c. Other Directorships or Memberships in Committees**

Name of the Director	Other Directorship	Other Membership*		Other Listed Entities in which he is a Director
		Member	Chairman	
Mr. Sreeram Gopinathan Nair	-	-	-	-
Mr. Thandassery Balachandran Ramakrishnan	1	-	-	-
Mr. Ramanathan Anchery	1	-	-	-
Dr. Anil Menon	1	-	-	-
Mrs. Jitha Chummar	2	1	-	-
Mr. Rajesh Narayan Pillai	1	1	1	Sungold Capital Limited –Non-Executive Director
Mr. Vinod Manazhy	-	-	-	-
Mr. V M Xaviour	-	-	-	-
CA. Unnikrishnan Anchery	12	1	-	-
Mr. Abraham George	-	-	-	-
Dr. Habeeb Rahiman	-	-	-	-

\*Membership(s)/ Chairmanship(s) of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies have been considered.

**d. Board Meetings**

The details of Six Board Meetings held during the financial year 2021-22 are given below:

Date	Board Strength	No. of Directors present
28-05-2021	08	08
13-08-2021	08	08
11-11-2021	08	06
28-12-2021	06	05
12-02-2022	09	09
30-03-2022	09	05

**e. Skills / Expertise and Competence of Board of Directors**

Name of the Director	Skills / Expertise / Competence
Mr. Sreeram Gopinathan Nair	Professional / Industry knowledge and experience / Leadership / Ethics
Mr. Thandassery Balachandran Ramakrishnan	Professional / Industry knowledge and experience / Leadership / Ethics
Mr. Ramanathan Anchery	Professional / Industry knowledge and experience / Leadership / Ethics
Dr. Anil Menon	Professional / Industry knowledge and experience / Leadership / Ethics
Mrs. Jitha Chummar	Professional / Industry knowledge and experience / Leadership / Ethics

Mr. Rajesh Narayan Pillai	Professional / Industry knowledge and experience / Leadership / Ethics
Mr. Vinod Manazhy	Professional / Industry knowledge and experience / Leadership / Ethics
Mr. V M Xaviour	Professional / Industry knowledge and experience / Leadership / Ethics
CA Unnikrishnan Anchery	Professional / Industry knowledge and experience / Leadership / Ethics
Dr. Habeeb Rahiman	Professional / Industry knowledge and experience / Leadership / Ethics
Mr. Abraham George	Professional / Industry knowledge and experience / Leadership / Ethics

### f. Confirmation on Independence

Based on declarations received from independent directors and performance evaluation, the Board of Directors hereby opine that the independent directors fulfill the conditions specified in Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and are independent of the management.

### g. Reasons for resignation of Independent director

Mr. Vadukoot Mathayi Xaviour (DIN : 08984734) tendered his resignation from the office of Independent Director of the Company due to his personal commitments w.e.f. December 28, 2021, before expiry of his term and has confirmed that there are no material reason(s) other than specified above for his resignation.

### h. Brief note on Directors seeking appointment / re-appointment: Annexure – 1

### i. Board Committees

#### Audit Committee

The Committee is mandated with the same terms of reference as specified in Section 177 of the Companies Act, 2013 read with applicable Rules made thereunder.

The Audit Committee of the Board provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- a. efficiency and effectiveness of operations;
- b. safeguarding of assets and adequacy of provisions for all liabilities;
- c. reliability of financial and other management information and adequacy of disclosures. compliance with all relevant statutes.

The role of the Committee includes the following:

- i. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ii. To recommend the appointment, remuneration, terms of appointment and removal of Statutory Auditors, and to review the manner of rotation of Statutory Auditors;
- iii. To recommend the appointment, remuneration and removal of Cost Auditors, where necessary;
- iv. To approve transactions of the Company with related parties, including modifications thereto;
- v. To review and monitor the Statutory Auditor's independence and performance, and effectiveness of the audit process;
- vi. To evaluate the Company's internal financial controls and risk management systems;
- vii. To review with the management the following:
  - a. Annual financial statements and Auditor's Report thereon before submission to the Board for approval;
  - b. Quarterly financial statements before submission to the Board for approval;
- viii. To review the following:
  - c. Management discussion and analysis of financial condition and results of operations;
  - d. Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management, Statutory and Internal Auditors;
  - e. Report of Internal Audit and discussion with Internal Auditor on any significant findings and follow-up thereon;

- f. System / manner of maintenance, storage, retrieval, display, print out and security of books of account of the Company maintained in the electronic form;
- g. Functioning of Whistle Blower mechanism in the Company

Composition, Name of members / Chairman, Meetings held and members present during the year 2021-22:

Name of the Member	Category	Date of Meeting / Attendance			
		28-05-2021	13-08-2021	11-11-2021	12-02-2022
Mr. Rajesh Narayan Pillai	Non- Executive Independent Director (Member)	Yes	Yes	Yes	Yes
Mr. V M Xaviour	Non- Executive Independent Director (Chairman)	Yes	Yes	Yes	NA
Mr. Vinod Manazhy	Non- Executive Independent Director (Member)	Yes	Yes	Yes	Yes
Mr. Abraham George	Non- Executive Independent Director (Chairman)	NA	NA	NA	Yes

#### Nomination and Remuneration Committee

The Committee shall formulate for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The Committee shall identify the persons who are qualified to become Directors / Senior Management Personnel of the Company in accordance with the criteria laid down, recommend to the Board their appointment, the remuneration including commission, perquisites and benefits payable to the Directors and their removal. It shall also carry out the evaluation of every Director's performance.

Composition, Name of Members / Chairman, Meetings held and Members present during the year 2021-22:

Name of the Member	Category	Date of Meeting / Attendance	
		28-12-2021	28-03-2022
Mr. T B Ramakrishnan	Non-Executive Director (Member)	Yes	Yes
Mr. Vinod Manazhy	Non- Executive Independent Director (Member)	Yes	Yes
Mr. Rajesh Narayan Pillai	Non-Executive Independent Director (Chairman)	Yes	Yes

#### Nomination and Remuneration Policy

The Board of Directors has adopted a policy on comprising of criteria for determining qualification, positive attributes, and independence of Directors as laid down by the Nomination & Remuneration Committee of the Board in compliance with the provisions of Section 178 of the Act. The Policy is available on Company's website and can be accessed at

<http://www.sicapital.co.in/downloads/policies/Nomination%20&%20Remuneration%20Policy.pdf>



**Remuneration of Directors**

All the Directors are paid with sitting fees of Rs.1000/- (Rupees One Thousand only) for the Board Meetings attended by them. They have given waiver of sitting fees for all the Committee meetings in which they are members and certain Board Meetings. Directors were not granted stock options during the year under review.

An amount of Rs.60,000/- was paid to Mr. Sreeram Gopinathan Nair, Managing Director, as travelling allowance during the financial year 2021-22. The amount was paid pursuant to the provisions of sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V of Companies Act, 2013 and subject to the provisions of Articles of Association of the Company. The members of the Company have ratified his remuneration vide an ordinary resolution at the Annual General Meeting held on September 30, 2020.

The details of sitting fees paid to the directors during the financial year 2021-22 are given below:

<b>Name of the Director</b>	<b>Sitting Fees (Rs. in Lakhs)</b>
Mr. Sreeram Gopinathan Nair	0.05
Mr. Thandassery Balachandran Ramakrishnan	0.05
Mr. Ramanathan Anchery	0.03
Dr. Anil Menon	0.05
Mrs. Jitha Chummar	0.04
Mr. Rajesh Narayan Pillai	0.04
Mr. Vinod Manazhy	0.05
Mr. V M Xaviour	0.02
CA Unnikrishnan Anchery	0.01
Dr. Habeeb Rahiman	0.01
Mr. Abraham George	0.01
<b>Total</b>	<b>0.36</b>

The Company has not granted any stock options to its Directors.

**Performance evaluation criteria for independent Directors**

The Company, on an annual basis, inter-alia evaluates performance of independent directors of the Company by Peer Review Process based on the following criteria - Participation in Board / Committee Meetings, Managing Relationship, Knowledge and Skill and other attributes viz. standards of ethics and integrity, independent judgement, awareness on corporate governance, up to date knowledge, adherence to code of conduct and maintenance of confidentiality.

**Stakeholders Relationship Committee**

Composition, Name of Members/Chairman, Meetings held and Members present during the year 2021-22:

<b>Name of Member</b>	<b>Category</b>	<b>Date of Meeting/ Attendance</b>
		<b>28-03-2022</b>
Dr. Habeeb Rahiman	Non-Executive Independent Director (Chairman)	Yes
Mr. T B Ramakrishnan	Non-Executive Director (Member)	Yes
Mr. Abraham George	Non-Executive Independent Director (Member)	Yes

Name of Compliance Officer for 2021-22: Ms. Aneetta C Vilson, Company Secretary & Compliance Officer

Number of Investor complaints received / resolved / pending : One / One / NIL

**Risk Management Committee**

The objective of Risk Management at S.I. Capital & Financial Services Limited is to create and protect shareholder value by minimizing threats or losses, and identifying and maximizing opportunities. An enterprise-wide risk management framework is applied so that effective management of risks is an integral part of every employee's job.

Composition, Name of Members/Chairman, Meetings held and Members present during the year 2021-22:

Name of Member	Category	Date of Meeting/ Attendance
		21-02-2022
Mr. T B Ramakrishnan	Non-Executive Director (Chairman)	Yes
Mr. Sreeram Gopinathan Nair	Managing Director (Member)	Yes
Mr. Abraham George	Non-Executive Independent Director (Member)	Yes

**Independent Directors' Committee**

Composition, Name of Members/Chairman, Meetings held and Members present during the year 2021-22:

Name of Member	Category	Date of Meeting/ Attendance
		25-03-2022
Mr. Abraham George	Non-Executive Independent Director (Chairman)	Yes
Mr. Vinod Manazhy	Non-Executive Independent Director (Member)	Yes
Mr. Rajesh Narayan Pillai	Non-Executive Independent Director (Member)	Yes
Dr. Habeeb Rahiman	Non-Executive Independent Director (Member)	Yes

**GENERAL BODY MEETINGS**

**Annual General Meetings**

The date, time, venue of the Annual General Meetings held during preceding three years and the special resolutions passed thereat, are as follows:

Year	Date	Time	Venue	Special Resolutions Passed
2020-21	24.09.2021	02.00 PM	Through Video Conferencing/ Other Audio Visual Means	No Special Resolution was passed
2019 - 20	30.09.2020	03.00 PM	Through Video Conferencing/ Other Audio Visual Means	1. Alteration of Articles of Association 2. Approval to borrow in excess of the paid-up share capital and free reserves and securities premium of the Company under Section 180(1)(c) of the Companies Act,

2013

3. Approval to create charge/mortgage over the properties of the Company for the purpose of borrowing in the terms of Section 180(1)(a) of the Companies Act, 2013

2018 - 19    26.09.2019    10.00 AM    Conference Hall, Green Meadows 4/364A, Anna Salai Palavakkam    No Special Resolution was passed.

### Postal Ballot

During the Financial Year 2021-22, the Company had conducted a postal ballot through remote e-voting process which concluded on March 17, 2022 and the results of which were declared on March 18, 2022.

In terms of Sections 110, 108 and other applicable provisions of the Companies Act, 2013, as amended from time to time, read with the Companies (Management and Administration) Rules, 2014 and in compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SS-2 and the provisions of the MCA Circulars, the Company had offered remote e-voting facility to its Members. The Company had appointed CDSL for facilitating e-voting to enable the Members to cast their votes electronically (hereinafter referred to as the "Remote e-voting").

The Portal for e-voting was opened for the Members from Wednesday, February 16, 2022 at 09:00 AM (IST) and closed on Thursday, March 17, 2022 at 05:00 PM (IST).

Accordingly, on the closure of e-voting period, CS K Sreekrishna Kumar, Scrutinizer, submitted his report dated March 18, 2022 to the Chairman of the Company on March 18, 2022 and the following special business were considered as passed: -

1. Alteration of Object Clause of Memorandum of Association
2. Issue of Equity Shares to Person(s) belonging to Non-Promoter Category on preferential basis
3. Issue of Warrants, convertible into Equity Shares to person(s) belonging to promoter category and to person(s) belonging to non-promoter category on preferential basis
4. Approval of Related Party Transaction
5. Adoption of new set of Articles of Association

The voting pattern was as follows:

#### Item No.1 : Special Resolution - Alteration of object clause of Memorandum of Association

Promoter/ Public	No. of Shares held (1)	No. of Votes polled (2)	% of Votes polled outstanding shares (3) = [(2)/(1)]*10 0	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6)=[(4)/( 2)]*100	% of Votes in against on votes polled (7)=[(5)/( 2)]*100
Promoter	16,10,780	16,10,780	100	16,10,780	-	100	-
Public	-	-	-	-	-	-	-
Institutions	9,200	-	-	-	-	-	-
Public	-	-	-	-	-	-	-
Non	13,80,020	2,50,024	18.12	2,50,024	-	100	-
Institutions	-	-	-	-	-	-	-
<b>Total</b>	<b>30,00,000</b>	<b>18,60,804</b>	<b>62.03</b>	<b>18,60,804</b>	<b>-</b>	<b>100</b>	<b>-</b>

**Item No.2 : Special Resolution - Issue of equity shares to person(s) belonging to non-promoter category on preferential basis**

Promoter/ Public	No. of Shares held (1)	No. of Votes polled (2)	% of Votes polled outstanding shares (3) = [(2)/(1)]*10 0	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6)=[(4)/( 2)]*100	% of Votes against on votes polled (7)=[(5)/( 2)]*100
Promoter	16,10,780	16,10,780	100	16,10,780	-	100	-
Public - Institutions	9,200	-	-	-	-	-	-
Public - Non Institutions	13,80,020	2,50,024	18.12	2,50,024	-	100	-
<b>Total</b>	<b>30,00,000</b>	<b>18,60,804</b>	<b>62.03</b>	<b>18,60,804</b>	<b>-</b>	<b>100</b>	<b>-</b>

**Item No.3 :Special Resolution - Issue of warrants, convertible into equity shares to person(s) belonging to promoter category and to person(s) belonging to non-promoter category on preferential basis**

Promoter/ Public	No. of Shares held (1)	No. of Votes polled (2)	% of Votes polled outstanding shares (3) = [(2)/(1)]*10 0	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6)=[(4)/( 2)]*100	% of Votes against on votes polled (7)=[(5)/( 2)]*100
Promoter	16,10,780	16,10,780	100	16,10,780	-	100	-
Public - Institutions	9,200	-	-	-	-	-	-
Public - Non Institutions	13,80,020	2,50,024	18.12	2,50,024	-	100	-
<b>Total</b>	<b>30,00,000</b>	<b>18,60,804</b>	<b>62.03</b>	<b>18,60,804</b>	<b>-</b>	<b>100</b>	<b>-</b>

**Item No.4 : Ordinary Resolution - Approval of related party transaction**

Promoter/ Public	No. of Shares held (1)	No. of Votes polled (2)	% of Votes polled outstanding shares (3) = [(2)/(1)]*10 0	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6)=[(4)/( 2)]*100	% of Votes against on votes polled (7)=[(5)/( 2)]*100
Promoter	16,10,780	16,10,780	100	16,10,780	-	100	-
Public - Institutions	9,200	-	-	-	-	-	-
Public - Non Institutions	13,80,020	2,50,024	18.12	2,50,024	-	100	-
<b>Total</b>	<b>30,00,000</b>	<b>18,60,804</b>	<b>62.03</b>	<b>18,60,804</b>	<b>-</b>	<b>100</b>	<b>-</b>

**Item No.5 : Special Resolution – Adoption of new set of Articles of Association**

Promoter/ Public	No. of Shares held (1)	No. of Votes polled (2)	% of Votes polled outstanding shares (3) = [(2)/(1)]*10 0	No. of Votes in favour (4)	No. of Votes against (5)	% of Votes in favour on votes polled (6)=[(4)/( 2)]*100	% of Votes against on votes polled (7)=[(5)/( 2)]*100
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Public	Shares held (1)	Votes polled (2)	polled outstanding shares (3) = [(2)/(1)]*100	Votes in favour (4)	Votes against (5)	Votes in favour on votes polled (6)=[(4)/(2)]*100	Votes against on votes polled (7)=[(5)/(2)]*100
Promoter	16,10,780	16,10,780	100	16,10,780	-	100	-
Public Institutions	- 9,200	-	-	-	-	-	-
Public Non Institutions	- 13,80,020	2,50,024	18.12	2,50,024	-	100	-
<b>Total</b>	<b>30,00,000</b>	<b>18,60,804</b>	<b>62.03</b>	<b>18,60,804</b>	<b>-</b>	<b>100</b>	<b>-</b>

There is no immediate proposal for passing any resolution through postal ballot.

### Means of Communication

The quarterly / half yearly/ annual financial results of the Company were published in Business Line (English) and The Hindu (Tamil) in the respective quarters. The financial results, the annual reports of the Company and other corporate announcements were uploaded on the Company's website: [www.sicapital.co.in](http://www.sicapital.co.in).

### General Shareholder Information

#### Annual General Meeting

Friday, September 16, 2022 at 2.00 P.M(IST)through Video Conferencing/ Other Audio-Visual Means

#### Financial Year

April 01, 2021 – March 31, 2022

#### Dividend Payment Date

NA

#### Listing on Stock Exchange

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

#### Payment of Listing Fees

Annual Listing Fees for the year has been paid by the Company to BSE Limited.

#### Stock Code

Scrip Code: 530907

ISIN: INE417F01017

#### Payment of Depository Fees

Annual Custody/ Issuer Fees have been paid by the Company based on the Invoices received from both depositories.

#### Stock Market Price Data\*

Month	High Price (In Rs.)	Low Price (In Rs.)	Volume (No.)
April 2021	24.90	22.65	800
May 2021	28.75	24.90	1500
June 2021	29.25	27.00	2500
July 2021	31.15	26.00	2600
August 2021	-	-	-

September 2021	28.10	28.10	400
October 2021	29.50	29.50	100
November 2021	28.05	20.90	15500
December 2021	32.40	21.00	11107
January 2022	32.00	30.40	650
February 2022	30.40	27.50	2995
March 2022	30.00	28.00	650

\*This information is compiled from the data available on the website of BSE Limited.

### Registrar & Share Transfer Agent

SKDC Consultants Limited

“Surya”, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028

Phone: 0422 4958995, 2539835 / 836 Email: info@skdc-consultants.com

### Share Transfer System

As mandated by SEBI, the securities of the Company can be traded/ transferred only in dematerialized form. Shareholders holding shares in physical form are advised to avail the facility of dematerialization.

### Shareholding Pattern as on March 31, 2022

S. No.	Category of Shareholders	No. of Share holders	Total number of Shares	% of Shareholding	No. of Warrants	% of Shareholding assuming conversion of Warrants	of full of
<b>A</b>	<b>Promoter &amp; Promoter Group</b>						
1	Indian	1	16,10,780	53.69	-	43.89	
2	Foreign	-	-	-	-	-	
	<b>Total (A1 + A2)</b>	<b>1</b>	<b>16,10,780</b>	<b>53.69</b>	<b>-</b>	<b>43.89</b>	
<b>B</b>	<b>Public Shareholding</b>						
1	Institutions	1	9,200	00.31	-	00.25	
2	Non-Institutions	1669	13,80,020	46.00	6,70,000	55.86	
	<b>Total (B1 + B2)</b>	<b>1670</b>	<b>13,89,220</b>	<b>46.31</b>	<b>6,70,000</b>	<b>56.11</b>	
<b>C</b>	<b>Non-Promoter Non-Public</b>	-	-	-	-	-	
	<b>Total (A + B + C)</b>	<b>1670*</b>	<b>30,00,000</b>	<b>100</b>	<b>6,70,000</b>	<b>100</b>	

\*Includes the number of warrant holder.

### Distribution of Shareholding by size as on March 31, 2022

Category (Based on Value)	No. of Shareholders	%	Shareholding (In Rs.)	%
Up to 5,000	1290	76.83	2735960	9.12
5,001 – 10,000	197	11.73	1618050	5.39
10,001 – 20,000	74	4.41	1137000	3.79
20,001 – 30,000	68	4.05	1710000	5.70
30,001 – 40,000	10	0.60	355070	1.18
40,001 – 50,000	11	0.66	516000	1.72
50,001 – 1,00,000	16	0.95	1251010	4.17
1,00,001 & Above	13	0.77	20676910	68.92
<b>Total</b>	<b>1679</b>	<b>100.00</b>	<b>30000000</b>	

**Dematerialisation of Shares**

Mode of Shareholding	No. of Shares	%
CDSL	19,71,557	65.72%
NSDL	1,61,893	5.39%
Physical	8,66,550	28.89%
<b>Total</b>	<b>30,00,000</b>	<b>100</b>

**Convertible Warrants**

The Company has not allotted any Convertible Warrants during the year under review. During previous financial year 2020-21, the Company had issued and allotted 6,70,000 Convertible Warrants at a premium of Rs. 2/- per Warrant aggregating to Rs. 12/- per Warrant to Doha Brokerage & Financial Services Limited. An amount equivalent to 25% of the Issue Price viz. Rs. 20.10 Lakhs was received by the Company. The Conversion date is within 18 months from the date of allotment, i.e., on or before September 29, 2022. The likely impact on the equity shareholding post conversion of Warrants is given above, as a part of Shareholding Pattern as on March 31, 2022.

**Credit Ratings and revisions**

N.A.

**Address for Correspondence**

Registrar & Transfer Agents	Company
SKDC Consultants Limited "Surya", 35, Mayflower Avenue, Behind Senthil64, Montieth Road, Egmore, Chennai – 600 Nagar, Sowripalayam Road, Coimbatore – 641028 008, Tamil Nadu Phone: 0422 4958995, 2539835 / 836 E-mail ID: info@skdc-consultants.com	Company Secretary & Compliance Officer Ph: 044- 28415439/ 42145840 e-mail: info@sicapital.co.in

**Penalty imposed by Statutory Authority during last three years**

During Financial year 2020-21, regarding contravention of Para 5(I), Section V of Master Direction on Money Changing Activities dated January 1, 2016 (Updated as on March 29, 2019) and subsequent receipt of a show cause notice from the Reserve Bank of India highlighting the contravention and imposition of a monetary penalty of INR 10,000/- against the company under Section 11(3) of FEMA, 1999. In this regard, the Company has paid the penalty of Rs. 10,000/- and took necessary steps to ensure compliance regarding the same in future.

**Vigil Mechanism**

The Whistle Blower Policy & Vigil mechanism is available on company's website and can be accessed at [www.sicapital.co.in/Whistle%20Blower%20Policy%20&%20Vigil%20Mechanism.pdf](http://www.sicapital.co.in/Whistle%20Blower%20Policy%20&%20Vigil%20Mechanism.pdf).

**Certificate on Non-Disqualification of Directors**

The Certificate on Non-Disqualification of Directors of the Company obtained from Mrs. Liya Antony, Company Secretary in Practice is annexed as Annexure – 2.

**Fees paid to Statutory Auditor**

The Statutory Auditors were paid Rs.1.20 Lakhs during the year 2021-22; particulars of fee paid are given in Note 31(i) of Audited Financial Statements forming part of this Annual Report

**Loan and advances to related parties / entities**

The particulars related to Loan to related entities are detailed in Note.37 of Audited Financial Statements forming part of this Annual Report

**Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

No.of Complaints filed / disposed during the year and pending as on end of financial year : NIL

**For and on behalf of the Board of Directors**

**Date: 02-08-2022**  
**Place : Thrissur**

**Vinod Manazhy**  
**Chairman**  
**DIN: 08986929**

**DECLARATION**

I, Sreeram Gopinathan Nair, Managing Director of the Company, hereby state that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct.

**For and on behalf of the Board of Directors**

**Date: 02-08-2022**  
**Place : Thrissur**

**Sreeram Gopinathan Nair**  
**Managing Director**  
**DIN: 05143385**



**BRIEF NOTE ON DIRECTOR(S) SEEKING APPOINTMENT OR RE-APPOINTMENT**  
(Pursuant to Regulation 36(3) SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015

Name & DIN	Mr. Unnikrishnan Anchery (DIN: 00007022)	Anu Thomas Cheriyan (DIN: 06461786)
Date of Birth	19/01/1956	03/05/1976
Age	66 Years	46 Years
Experience	Mr. Unnikrishnan Anchery is a Chartered Accountant based on Mumbai having more than 3 decades of experience in Audit and Taxation and been playing advisory roles in several Listed and Unlisted entities.	Mr. Anu Thomas Cheriyan has over three decades of experience in financing business and is the founder of Ettutharayil Group.
Qualifications	Chartered Accountant	Graduate
Terms and Conditions of Appointment	Non-Executive Non-Independent Director, liable to retire by rotation	Non-Executive Non-Independent Director, liable to retire by rotation
Details of remuneration sought to be paid and the remuneration last drawn	Sitting fees for attending meetings of Board within the limit specified under the Companies Act, 2013	Sitting fees for attending meetings of Board within the limit specified under the Companies Act, 2013
Date of first appointment on Board	December 28, 2021	June 13, 2022
Shareholding / Beneficial ownership in the Company	Nil	200000 Equity shares of Face Value Rs.10/- each 200000 Warrants convertible into equal no. of Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Not related to any Director / Manager / Key Managerial Personnel except for his membership and directorship held in Sharewealth Securities Limited, the holding Company	Not related to any Director / Manager / Key Managerial Personnel except for his membership in the Company and shareholding / directorship in Ettutharayil Nidhi Limited & Ettutharayil Chits Private Limited.
No. of meetings of the Board attended during the year	1	Nil (Appointed with effect from June 13, 2022)
Directorships held in other Companies	Amalfi Properties Private Limited Amdoshi Wangani Services Private Limited Hathway Investments Private Limited Siena Traders Private Limited Outlook Publishing (India) Private Limited Fantasia Enterprises Private Limited Gstaad Estates Private Limited Kanyakumari Investment And Finance Pvt Ltd Gstaad Trading Company Pvt Ltd Rajan Estates and Finance Pvt Ltd Kaveri Construction Pvt Ltd Fortune Films Private Limited	Ettutharayil Nidhi Limited Ettutharayil Chits Private Limited
Memberships/ Chairmanships of committees across other Companies	Nil	Nil
Listed entities from which the proposed director has resigned in the past three years	Nil	Nil

Name & DIN	Mr. Abraham George (DIN: 09413342)	Dr. Habeeb Rahiman (DIN: 09413355)	Mr. Thomas Jacob (DIN: 08017693)
Date of Birth	07/07/1961	20/09/1954	20/05/1968
Age	61 years	67 Years	54 years
Experience	Mr. Abraham George is an LLB holder with 31 years of experience in Life Insurance Corporation of India. He started his career as a Development Officer in LIC and retired therefrom as a manager. He is experienced in marketing, recruitment & training of insurance agents.	Dr.Habeeb Rahiman is a PhD Holder in Finance (Banking) and an experienced academic professional having around 15 years of experience as full time Professor/ HoD/ Director in MBA Colleges affiliated to MG University. He started his career at Bank of Baroda and held various positions like Branch Manager, Senior Manager / Senior Branch Manager. He completed CAIIB in the year of 1982.	Mr. Thomas Jacob is a Diploma Holder in Engineering and has over 20 years of experience in Business Operations in domestic and foreign entities. He was the first president of World Malayalee Federation, Kuwait National Council.
Qualifications	LLB	PhD	Diploma in Engineering
Terms and Conditions of Appointment	Non-Executive Independent Director for a period of 5 years w.e.f December 28, 2021, subject to approval by members.	Non-Executive Independent Director for a period of 5 years w.e.f December 28, 2021, subject to approval by members.	Non-Executive Independent Director for a period of 5 years w.e.f June 13, 2022, subject to approval by members.
Details of remuneration sought to be paid and the remuneration last drawn	Sitting fees for attending meetings of Board within the limit specified under the Companies Act, 2013	Sitting fees for attending meetings of Board within the limit specified under the Companies Act, 2013	Sitting fees for attending meetings of Board within the limit specified under the Companies Act, 2013
Date of first appointment on Board	December 28, 2021	December 28, 2021	June 13, 2022
Shareholding / Beneficial ownership in the Company	Nil	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil	Nil	Mr. Thomas Jacob has no other relationship with directors of the Company, apart from holding directorship of Ettutharayil Nidhi Limited for the period from 01-08-2018 to 07-10-2019.
No. of meetings of the Board attended during the year	2	1	Nil (Appointed w.e.f. June 13, 2022)
Directorships held in other Companies	Nil	Nil	Nil
Memberships/ Chairmanships of committees across other Companies	Nil	Nil	Nil
Listed entities from which the proposed director has resigned in the past three years	Nil	Nil	Nil
Skills and capabilities	Professional Industry knowledge and experience Leadership Ethics	Professional Industry knowledge and experience Leadership Ethics	Professional Industry knowledge and experience Leadership Ethics
Summary of performance evaluation report [in case of re-appointment of Independent Directors]	N.A.	N.A.	N.A.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
**The Member**  
**S.I.Capital& Financial Services Limited**  
**CIN :L67190TN1994PLC029151**  
**64, Montieth Road, Egmore, Chennai - 600008, Tamil Nadu**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **S.I.Capital& Financial Services Limited** having CIN **L67190TN1994PLC029151** and having registered office at 64, Montieth Road, Egmore, Chennai – 600008, Tamil Nadu (hereinafter referred to as ‘the Company’), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Sreeram Gopinathan Nair	05143385	17/12/2020
2	Mr. Thandassery Balachandran Ramakrishnan	01601072	31/10/2019
3	CA Unnikrishnan Anchery	00007022	28/12/2021
4	Dr. Anil Menon	02390719	31/10/2019
5	Mrs. Jitha Chummar	02582004	20/10/2020
6	Mr. Rajesh Narayan Pillai	07585805	22/07/2020
7	Mr. Vinod Manazhy	08986929	10/12/2020
8	Mr. Abraham George	09413342	28/12/2021
9	Dr. Habeeb Rahiman	09413355	28/12/2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

**For Liya and Associates**

**Liya Antony**  
**(Practicing Company Secretary)**  
**Proprietor**  
**ACS: 39611, CP: 19314**  
**Peer Review Certificate no. 2482/2022**  
**Place: Ernakulam**  
**Date: 01/08/2022**  
**UDIN: A039611D000723932**

## MANAGEMENT DISCUSSION &amp; ANALYSIS REPORT

S.I.Capital& Financial Services Limited (“SI Capital”/ “the Company”) is a Non Deposit Taking Non-Systemically Important Non-Banking Financial Company registered with Reserve Bank of India (RBI). It is a Subsidiary Company of Sharewealth Securities Limited. SI Capital also possess license to carry on the business of Full Fledged Money Changer. The Company has a diversified lending portfolio covering the retail and commercial customers.

**ECONOMIC OVERVIEW****Global**

Financial year 2021-22 started amidst second wave of pandemic Covid-19. It closed with optimism of a post Covid-19 pandemic recovery but the invasion of Ukraine by Russia in February 2022 resulted in significant slowdown in global growth thereafter. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

Global growth is projected to slowdown from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. It is expected to hover around that pace over 2023-24, as the war in Ukraine disrupts trade activity and investment in the near term.

On the interest rate front, market-implied volatility has remained elevated, reflecting uncertainties about the policy normalization process in advanced economies. Conditions have also tightened for many emerging market economies, reflecting higher interest rates to combat inflation, lower equity valuations, and higher external borrowing costs.

Global firms have been hit by the rise in energy and raw material prices. In addition, supply chain challenges that have emerged during the pandemic have been exacerbated by the uncertainties and reductions in export quantities of agricultural commodities, energy, metals, and technology inputs affecting a variety of industries.

Emerging and developing economies that are net importers of energy and food will be hit the hardest by surging international prices. Governments are currently focused on ensuring greater resilience through investment in health, food, and sourcing energy from cleaner sources.

**India**

The Indian economy, the world's fifth-largest by nominal GDP and the third-largest by purchasing power parity (PPP), renewed its tryst with recovery from pandemic in 2021-22, although interrupted by a virulent second wave of infections and a relatively milder third wave. Headline inflation spiked on repetitive supply shocks during the year, though decline to the target was also evident as shocks receded.

Monetary and credit conditions evolved in sync with the accommodative monetary policy stance, although global spillovers towards the close of the year led to some tightening in financial conditions and heightened volatility in financial markets. The intensification and materialisation of geopolitical risks in early 2022 overcast the global outlook, with EMEs including India, being the most vulnerable to spillovers. A robust recovery in tax revenues helped contain the gross fiscal deficit close to budgetary targets. The sustained strength of exports and revival in inbound remittances underpinned the viability of the balance of payments, with net capital flows also contributing to the accretion to foreign exchange reserves.

With revival of economy, employment indicators bounced back to pre-pandemic levels and merchandise exports and imports surpassed pre-covid levels. India's merchandise exports touched US\$ 417.8 billion for the whole year as against the target of US\$ 400 billion set for 2021-22. Multiple initiatives including product diversification to export hi-tech goods, Geographic Indicator (GI) products, roll out of export incentives schemes such as Remission of Duties and Taxes on Export Products (RoDTEP) and Rebate of State and Central Taxes and Levies (RoSCTL) have contributed to the robust export performance. The exports of major commodities, viz., engineering goods, petroleum products, chemicals and gems and jewellery, accounting for more than half of the exports, witnessed robust expansion during 2021-22. Macroeconomic stability indicators suggest that the Indian Economy is well placed to take on the challenges of 2022-23. Combination of high foreign exchange reserves, sustained foreign direct investment, and rising export earnings is expected to provide adequate buffer against possible global liquidity tapering in 2022-23.

Economic impact of second wave was much smaller than that during the full lockdown phase in 2020-21, though health impact was more severe. Government of India's unique response comprised of safety-nets to cushion the impact on vulnerable sections of society and the business sector, significant increase in capital expenditure to spur growth and supply side reforms for a sustained long-term expansion. Government's flexible and multi-layered

response is partly based on an “Agile” framework that uses feedback-loops, and the use of eighty High Frequency Indicators (HFIs) in an environment of extreme uncertainty. (Source: RBI / PIB Bulletins, 2022)

### **NBFC Industry**

The Non-Banking Financial Companies (NBFC) sector has, over the years, evolved considerably in terms of size, operations, technological sophistication and entry into newer areas of financial services and products. The number of NBFCs as well as the size of the sector have grown significantly. There is an increasingly complex web of inter-linkages of the sector with banks, capital market and other financial sector entities, on both sides of the balance sheet. The sector has also seen advent of many non-traditional players leveraging technology to adopt tech-based business models.

Borrowings remained the major source of funds for NBFCs, mainly in the form of debentures and bank borrowings. Aggregate credit extended by NBFCs stood at ₹28.5 lakh crores in March 2022. Loans to industry constituted the largest segment (39.1 per cent), followed by personal loans (27.4 per cent) and those to services (15.3 per cent). Credit to agriculture sector accounted for a miniscule share (1.8 per cent). In terms of credit dispensation by category of NBFC, investment and credit companies (NBFC-ICC) and infrastructure finance companies (NBFC-IFC) predominated in gross loans and advances in March 2022. The GNPA ratio of NBFCs eased in March 2022 from 6.8 per cent in September 2021, the moderation witnessed across both public and private sector NBFCs. The improvement was primarily on account of 340 bps dip in the GNPA ratio of the services sector. Nevertheless, it remained higher than other sectors at 9.9 per cent. There was a larger concentration of NPAs in the industrial sector for which the loan book size far exceeds that of the services sector.

The aggregate NNPA ratio of NBFCs also ebbed in March 2022, despite a 90 bps rise in the NNPA ratio for the industrial sector loans on account of curtailed provisioning. The capital position of NBFCs remained robust and their return on assets (RoA) recouped in March 2022. Credit expansion in the services sector was led by NBFCs and trade, which together constitute around 58 per cent of the total services sector credit. Credit growth to the NBFCs moved out of negative territory in October 2021 and rose sharply to 14.6 per cent in February 2022 from 7.0 per cent a year ago.

Recognizing the role played by NBFCs in providing credit to the sectors at the bottom of the pyramid, which contribute significantly in terms of exports and employment, and with a view to augmenting the liquidity position of the NBFCs, the dispensation provided to banks to classify their lending to NBFCs [other than microfinance institutions (MFIs)] for ‘on-lending’ to the agriculture and MSE sectors as PSL was extended up to March 31, 2022. Following the Statement on Developmental and Regulatory Policies dated December 04, 2020, RBI has put in place a Scale Based Regulatory (‘SBR’) framework for NBFCs, encompassing different facets of regulation covering capital requirements, governance standards, prudential regulation, etc., effective from October 01, 2022. (Source : RBI Reports, 2022)

### **THE COMPANY – BUSINESS OVERVIEW & OUTLOOK**

S.I.Capital is a Non-Systemically Important Non-Deposit taking NBFC and a Full Fledged Money Changer. Your company’s focus is to extend credit to unbanked sectors of the economy. The Company’s disbursements stood at 250.17 lakhs during the year under review, an increase of 14.39%, reflecting the improved market conditions and focused efforts of the company. Compared to previous financial year, vehicle and business loans increased by 42.84% and 100.48% respectively, while gold and personal loan declined by 46.61% and 77.27% respectively. The income from forex business recorded a decline of 26.96%.

S.I.Capital has been maintaining comfortable liquidity in the form of liquid investments and absence of leverage. The Company expects to benefit from repo hike and stringent credit norms on financial products of banks announced by RBI in 2022. The Company plans to focus on rural markets, where significant gaps in credit facility exists, as compared to semi-urban zones. Rural inflation being well ahead of urban inflation and emphasis on electric vehicles remains a concern, but the forecast of another normal monsoon is a positive as is the government’s efforts to sustain and accelerate the startup environment.

### **RISK MANAGEMENT**

As an NBFC, SI Capital is exposed to liquidity, credit, interest and market risk. The Company has a strong risk management policy and will continue to invest in processes to build advance risk management.

A strong governance framework ensures that the Board of Directors and its committees approve risk strategies and delegates credit authorities. Risk assessment of customers is made at the time of initial appraisal for pricing and granting loans.

### HUMAN RESOURCES / INDUSTRIAL RELATIONS

Company's relation with employees & Industrial Relations remained cordial during the year under review, and no material developments occurred during that period. Nine employees were on the payrolls of the Company as on 31<sup>st</sup> March 2022.

### SWOT ANALYSIS

Strength	The Company is virtually debt free, well-defined management etc.
Weakness	Presence of accumulated loss
Opportunity	Untapped market potential, continuing opportunities in unbanked sectors
Threat	High competition, Spread of Covid-19 pandemic

### INTERNAL CONTROL SYSTEM

The Company's internal control system is properly placed and strengthened taking into account the nature of business and size of operations. Internal auditors are conducting periodic audits and bring out any deviations in internal audit procedures and their observations are periodically reviewed and compliance is ensured. The audit committee is properly reviewing and monitoring this internal audit process.

### KEY FINANCIAL RATIOS

Particulars	As on 31-03-2022	As on 31-03-2021	Explanation
Current Ratio	10.91	12.60	N.A.
Interest Coverage Ratio	-2.32	-12.95	Subordinated debt for the year increased to 97.48 (current year) from 80.75 (last year). Subsequently, the interest liability also increased. In addition to this the Loan portfolio also increased from 218.70 (Previous Year) to 250.17 (Current Year). This helped to reduce the loss and the Interest Coverage Ratio.
Debt Equity Ratio	0.40	0.32	The Subordinated debt liability increased from 80.75 to 97.48 as against last year. The loss of the current financial year is also included in equity. Thus reduces the value of equity. Hence the ratio increased from 0.32 to 0.40.
Operating Profit Margin (%)	-37.55	-122.26	The loan size is increased to 250.17 as against 218.70 and this reduced losses in the current year due to return in EMI/Interest Collection. Subsequent increase in Loan also affects increase in return. Hence the ratio increased from -122.26 to -37.55
Net Profit Margin (%)	-21.37	-112.39	The operating profit affected the Net Profit. Hence the Net Profit margin has increased.
Return on Net worth	-0.05	-0.16	Earnings on Networth increased due to subsequent rise in Operating profit and resulted in reduction of loss. Hence the return on Net worth Ratio has increased.

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of**

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

**Report on the Audit of Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **S.I. CAPITAL & FINANCIAL SERVICES LIMITED** (the company), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of changes in equity and Statement of Cash Flow for the year ended and notes to financial statement including a summary of significant accounting policies and other explanatory information (herein referred to as “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 as amended (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the companies (Indian Accounting standards) Rules 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, the loss and total comprehensive income, change in equity and its cash flow for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 1.Provision for Expected Credit Losses (ECL) on Loans

Management estimates impairment provision using Expected Credit loss model for the loan exposure. Measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are:

Timely identification and classification of the impaired loans, and

Determination of probability of defaults (PD) and estimation of loss given defaults (LGD) based on the value of collaterals and relevant factors.

The estimation of Expected Credit Loss (ECL) on financial instruments involves significant judgements and estimates. Following are points with increased level of audit focus: Classification of assets to stage 1, 2, or 3 using criteria in accordance with Ind AS 109 which also include considering the impact of recent RBI's Covid-19 regulatory circulars; Accounting interpretations, modelling assumptions and data used to build and run the models; Measurement of individual borrowers' provisions including Covid-19 impact assessment of multiple economic scenarios.

Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment arising out of the COVID 19 Pandemic and

The disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL. Refer note 41 to the standalone financial statements.

#### Principle Audit Procedures:

We evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of stage effectiveness, model monitoring including the need for post model adjustments, model validation, credit monitoring, individual/collective provisions and production of journal entries and disclosures. We tested the completeness of loans included in the Expected Credit Loss calculations as of 31 March 2022. We tested assets in stage 1, 2 and 3 on sample basis to verify that they were allocated to the appropriate stage. For samples of exposure, we tested the appropriateness of determining Exposure at Default (EAD), PD and LGD. We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. We assessed the adequacy and appropriate

We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 in relation to ECL especially in relation to judgements used in estimation of ECL provision.



**Information other than the financial statements and auditor's report thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the company's ability of each entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected

to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also.

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the company has adequate financial control with reference to standalone financial statements in place and the operating effectiveness of the such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

- 1) As required by Companies (Auditors Report) Order, 2020, issued by the Government of India in terms of sub-section 11 of section 143 of the Companies Act 2013 we give in the Annexure- "A", a statement on the matters specified in the paragraphs 3 and 4 of the order.
- 2) As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and 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 including other comprehensive income, Statement of changes in Equity and Statement of cash flow dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended including the companies (Indian Accounting Standards) amendment rules, 2019.
  - e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company in reference to the financial statements and the operating effectiveness of such controls, refer our separate report in "Annexure- B"
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The company has disclosed the impact of pending litigations on its financial position in its financials.

- ii) The company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
- iv) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts,
  - (a) no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities 'Intermediaries', with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company 'Ultimate Beneficiaries 'or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (b) no funds have been received by the company from any person(s) or entity(ies), including foreign entities 'Funding Parties', with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party 'Ultimate Beneficiaries' or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on audit procedures carried out by us, that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - (d) The company has not declared or paid any dividends during the year and accordingly reporting on the compliance with section 123 of the companies Act,2013 is not applicable for the FY 2021-22.

**for Ayyar & Cherian**

*Chartered Accountants*

Firm Registration No. 000284S

**Dijo Philip Mathew**

Membership No. 224930

Place: Ernakulam

Date:13-05-2022

UDIN:22224930AIXVPC9440

**“Annexure A” to the Independent Auditors’ Report**

Annexure referred to in Independent Auditor’s Report to the members of the company on the standalone financial statements for the year ended 31<sup>st</sup> March 2022.

- 1)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment & Intangible assets.
  - (b) According to the information and explanation given to me, all the fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in my opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to me, no material discrepancies were noticed on such verification.
  - (c) The title deeds of all the immovable properties (other than property where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
  - (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
  - (e) According to the information and explanation given to me ,no such proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 2) The Company is a Non-Banking Financial Company (‘NBFC’) and is in the business providing financial services and does not have any inventories. Accordingly, the Clause 3(ii) of the Order not applicable to the Company.
- 3) As explained to us, the company has not made investments in nor provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans granted, investments made and guarantees given, as applicable.
- 5) According to the information and explanation given to us, the Company has not accepted any deposits from the public. Hence directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant sections of the Companies Act and rules framed thereunder are not applicable.
- 6) According to the information and explanation given to us the Central Government has not prescribed the maintenance of cost records under sub-section (1) of the Section 148 of the Act for any of the products or services of the company.
- 7)
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- 8) According to the information and explanation given to us, the company does not have any such transactions that are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- 9) According to the information and explanation given to us, the Company has not availed any loans or borrowings from financial institution, bank, or Government. Hence the clause regarding default in repayment of loans and borrowings is not applicable.
- 10) The Company has not raised money by way of initial public offer or further public offer (including debt instrument) or term loans during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order is not applicable to the Company
- 13) In our opinion and according to the information and explanations given to us, the Company is compliance with Section 177 and 188 of the Act, where applicable, for all transactions with related parties and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standard.
- 14) a) The company has an internal audit system commensurate with the size and nature of its business.  
b) The reports of the Internal Auditors for the period under audit were considered during the audit.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order is not applicable to the Company and hence not commented upon.
- 16) a). The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.  
b). The Company is registered as Non-Deposit Accepting Non-Banking Financial Company from the Reserve Bank of India as per the Reserve Bank of India Act, 1934  
c). The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, therefore, the provisions of clause 3 (xvi)(c) of the Order is not applicable to the Company.
- 17) Based upon the audit procedures performed and the information and explanations given by the management, The company has incurred a cash loss of Rs 9.17 and 36.17 (Rs. in lakhs) in the financial year and in the immediately preceding financial year respectively.
- 18) No such resignation of statutory auditor took place during the previous year. Therefore, the provisions of clause 3 (xviii) of the Order is not applicable to the Company
- 19) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- 20) (a) Based upon the audit procedures performed and the information and explanations given by the management, in respect of other than ongoing projects, the Company has not transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section

135 of the said Act.

(b) No such remaining unspent amount under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

- 21) In our opinion consolidated financial statement is not applicable for the company. Therefore, the provisions of clause 3 (xxi) of the Order is not applicable to the Company.

**For Ayyar & Cherian**

*Chartered Accountants*

Firm Registration No. 000284S

**Dijo Philip Mathew**

Membership No. 224930

Place: Ernakulam

Date:13-05-2022

UDIN: 22224930AIXVPC9440

**“Annexure B” to the Independent Auditor’s Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of SI Capital & Financial Services Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the company maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*For Ayyar & Cherian*

*Chartered Accountants*

Firm Registration No. 000284S

**Dijo Philip Mathew**

Membership No. 224930

Place: Ernakulam

Date: 13-05-2022

UDIN: 22224930AIXVPC9440

**S.I. Capital & Financial Services Limited**  
**Standalone Balance Sheet as at 31 March 2022**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
<b>I. ASSETS</b>			
<b>1 Financial assets</b>			
a) Cash and cash equivalents	9	45.02	91.92
b) Loans	10	250.17	218.70
c) Investments	11	28.18	1.36
d) Other financial assets	12	1.96	3.07
<b>2 Non-financial assets</b>			
a) Current tax assets (net)	13	0.11	1.21
b) Deferred tax assets (net)	32	6.76	6.76
c) Property, plant and Equipment	14	3.70	5.85
d) Other intangible assets	15	6.10	7.26
e) Other non-financial assets	16	7.67	9.97
<b>Total assets</b>		<b>349.67</b>	<b>346.10</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1 Financial liabilities</b>			
a) Payables			
(i) Trade payables	17		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2.90	6.24
b) Subordinated liabilities	18	97.48	80.75
c) Other financial liabilities	19	2.04	2.16
<b>2 Non-financial Liabilities</b>			
a) Provisions	20	4.15	1.36
b) Other non-financial liabilities	21	0.69	0.58
		<b>107.26</b>	<b>91.09</b>
<b>EQUITY</b>			
a) Equity share capital	22	300.00	300.00
b) Other equity	23	(77.69)	(65.09)
c) Money received against share warrants (Ref Note.36)		20.10	20.10
<b>Total liabilities and equity</b>		<b>349.67</b>	<b>346.10</b>

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

**For Ayyar & Cherian**  
 Chartered Accountants  
 FRN:0002845

**Dijo Philip Mathew**  
 Partner  
 Membership No.224930  
 UDIN:22224930AIXVPC9440

Place: Ernakulam  
 Date: 13-05-2022

**For and on behalf of the Board of Directors**

**Sreeram Gopinathan Nair**      **T. B. Ramakrishnan**  
 Managing Director                  Director  
 DIN: 05143385                      DIN: 01601072

**Anu Jaya**                                  **Ajeesh K. A**  
 Company Secretary                  Chief Financial Officer  
 Membership No.:A56122

Place: Thrissur  
 Date: 13-05-2022

# S.I. Capital & Financial Services Limited

## S.I. Capital & Financial Services Limited

### Standalone Statement of Profit and Loss for the year ended 31 March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

S.No	Particulars	Note No:	Year ended 31 March 2022	Year ended 31 March 2021
(I)	<b>Revenue from operations</b>			
	(i) Interest income	24 (i)	51.23	27.41
	(ii) Dividend Income	24 (ii)	-	0.01
	(iii) Net gain on fair value changes	24 (iii)	1.84	0.35
	(iv) Net gain / loss on sale of investments	24 (iv)	2.42	3.10
	(v) Sale of services	24 (v)	3.44	4.71
	<b>Total Revenue from operations (I)</b>		<b>58.93</b>	<b>35.58</b>
(II)	Other income	25	0.22	0.11
(III)	<b>Total Income (I + II)</b>		<b>59.15</b>	<b>35.69</b>
	<b>Expenses</b>			
	(i) Finance costs	26	9.53	3.36
	(ii) Fees and commission expense	27	0.22	0.04
	(iii) Impairment of financial instruments	28	1.06	1.49
	(iv) Employee benefits expenses	29	23.37	29.41
	(v) Depreciation and amortisation	30	3.42	3.82
	(vi) Other expenses	31	34.14	37.71
(IV)	<b>Total expenses (IV)</b>		<b>71.74</b>	<b>75.83</b>
(V)	<b>Profit/(loss) before exceptional items and tax (III - IV)</b>		<b>(12.59)</b>	<b>(40.14)</b>
(VI)	Exceptional items		-	-
(VII)	<b>Profit before tax (III - IV)</b>		<b>(12.59)</b>	<b>(40.14)</b>
(VIII)	Tax expense:	32		
	(1) Current tax		-	-
	(2) Deferred tax		-	(0.15)
(IX)	<b>Profit for the year (V - VI)</b>		<b>(12.59)</b>	<b>(39.99)</b>
(X)	<b>Other comprehensive income</b>			
	A) (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	<b>Subtotal (A)</b>		<b>-</b>	<b>-</b>
	B) (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
	<b>Other comprehensive income (A + B)</b>		<b>-</b>	<b>-</b>
(XI)	<b>Total comprehensive income for the year (VII + VIII)</b>		<b>(12.59)</b>	<b>(39.99)</b>
(XII)	<b>Earnings per equity share</b>	34		
	Basic (Rs.)		(0.42)	(1.33)
	Diluted (Rs.)		(0.37)	(1.33)

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

For Ayyar & Cherian  
Chartered Accountants  
FRN:0002845

For and on behalf of the Board of Directors

Dijo Philip Mathew  
Partner  
Membership No.224930  
UDIN:22224930AIXVPC9440

Sreeram Gopinathan Nair  
Managing Director  
DIN: 05143385

T. B. Ramakrishnan  
Director  
DIN: 01601072

Anu Jaya  
Company Secretary  
Membership No.:A56122

Ajeesh K. A  
Chief Financial Officer

Place: Ernakulam  
Date: 13-05-2022

Place: Thrissur  
Date: 13-05-2022

## S.I. Capital & Financial Services Limited

Cash flow statement for the Year ended 31 March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the Year ended 31 March 2022	For the Year ended 31 March 2021
<b>A. Cash flow from operating activities</b>		
Net profit / (Loss) before tax	(12.59)	(40.14)
Adjustments for:		
Depreciation and amortization expense	3.42	3.82
Impairment on financial instruments	1.06	1.49
Profit on redemption of Mutual Funds	(2.42)	(3.10)
Dividend Received	-	(0.01)
Interest income from banks, investments and others	(0.04)	(1.01)
Unrealised gain on investment		
<b>Operating Profit before working capital changes</b>	<b>(10.57)</b>	<b>(38.95)</b>
Changes in working capital and loans:		
Decrease / (increase) in non-financial assets	2.30	(1.99)
Decrease / (increase) in loans	(32.53)	(154.42)
Decrease / (increase) in other financial assets	0.10	(0.10)
Increase / (decrease) in trade payables	(3.34)	3.95
Increase / (decrease) in other financial liabilities	(0.12)	(2.84)
Increase / (decrease) in provisions	2.79	(0.66)
Increase / (decrease) in other non-financial liabilities	0.11	0.44
<b>Cash generated from operations</b>	<b>(30.69)</b>	<b>(155.63)</b>
Bank Charges		
Net income tax (paid) <span style="float: right;">NOTE-05</span>	1.10	0.56
<b>Net cash flows from/(used in) operating activities (A)</b>	<b>(40.16)</b>	<b>(194.02)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure, including capital advances	(0.12)	(12.82)
Purchase of property, plant and Equipment	-	
(Purchase) / Sale of investments <span style="float: right;">NOTE-03</span>	(26.82)	99.65
Profit on redemption of Mutual Funds	2.42	3.10
Interest received	0.05	1.79
Dividend Received	-	0.01
Bank balances not considered as cash and cash equivalents	1.00	(1.00)
<b>Net cash flows from/(used in) Investing activities (B)</b>	<b>(23.47)</b>	<b>90.73</b>

## S.I. Capital & Financial Services Limited

Cash flow statement for the Year ended 31 March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

<b>C. Cash flow from financing activities</b>		
Subordinated liabilities issued (net) <span style="float: right;">NOTE-10</span>	16.73	80.75
Proceeds from money received against share warrants	-	20.10
<b>Net cash flow from financing activities (C)</b>	<b>16.73</b>	<b>100.85</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(46.90)</b>	<b>(2.44)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>91.92</b>	<b>94.37</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>45.02</b>	<b>91.92</b>

In terms of our report attached.

**For Ayyar & Cherian**  
Chartered Accountants  
FRN:000284S

**For and on behalf of the Board of Directors**

**Dijo Philip Mathew**  
Partner  
Membership No.224930  
UDIN:22224930AIXVPC9440

**Sreeram Gopinathan Nair**  
Managing Director  
DIN: 05143385

**T. B. Ramakrishnan**  
Director  
DIN: 01601072

**Anu Jaya**  
Company Secretary  
Membership No.:A56122

**Ajeesh K. A**  
Chief Financial Officer

Place: Emakulam  
Date: 13-05-2022

Place: Thrissur  
Date: 13-05-2022

## S.I. Capital & Financial Services Limited

### Statement of changes in Equity for the year ended 31 March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

S.I. Capital & Financial Services Limited

#### A. Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid

Particulars	No. in Lakhs	Rs. in Lakhs
As at 1 April 2020	30.00	300.00
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
As at 31 March 2021		
As at 1 April 2021	30.00	300.00
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
As at 31 March 2022	30.00	300.00

#### B. Other Equity

Particulars	Reserves and Surplus		Other comprehensive income	Money Received against share warrants	Total
	Statutory reserve	Retained earnings			
Balance as at 1 April 2020	28.69	(53.80)	-	-	(25.11)
Transfer to/from retained earnings	-	-	-	-	-
Profit / (Loss) for the year after Income tax	-	(39.99)	-	-	(39.99)
Total comprehensive income for the year before Income tax	-	-	-	-	-
Income tax on OCI	-	-	-	-	-
Money Received against Share Warrants	-	-	-	20.10	20.10
Balance as at 31 March 2021	28.69	(93.79)	-	20.10	(45.00)
Transfer to/from retained earnings	-	-	-	-	-
Profit / (Loss) for the year after Income tax	-	(12.59)	-	-	(12.59)
Other comprehensive income for the year before Income tax	-	-	-	-	-
Income tax on OCI	-	-	-	-	-
Money Received against Share Warrants	-	-	-	20.10	20.10
Balance as at 31 March 2022	28.69	(106.38)	-	20.10	(57.59)

In terms of our report attached.

For Ayyar & Cherian  
Chartered Accountants  
FRN:0002845

For and on behalf of the Board of Directors

Dijo Philip Mathew  
Partner  
Membership No.224930  
UDIN:22224930AIXVPC9440

Sreeram Gopinathan Nair  
Managing Director  
DIN: 05143385

T. B. Ramakrishnan  
Director  
DIN: 01601072

Anu Jaya  
Company Secretary  
Membership No.:A56122

Ajeesh K. A  
Chief Financial Officer

Place: Ernakulam  
Date: 13-05-2022

Place: Thrissur  
Date: 13-05-2022

## S.I. Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2022

### 1 Corporate Information

S.I.Capital & Financial Services Limited ("the Company") was incorporated on November 8, 1994 at Chennai, Tamil Nadu. The Company is a Non-Sytemically Important Non-Deposit Taking Non Banking Financial Company and a Full Fledged Money Changer. The Company has been providing fund based and fee based services. The equity shares of the Company are listed on the BSE Limited. The Company is registered with the Reserve Bank of India (RBI). The registration details are as follows:

1. NBFC License No. - 07.00078

2. FFMC License No. - FE.CHE.AM.400/2022

3. Corporate Identity Number (CIN) : L67190TN1994PLC029151

The Company is the Subsidiary company of the Sharewealth Securities Limited.

The company's registered office is at 64, Montieth Road, Egmore, Chennai - 600 008, Tamil Nadu.

### 2 Basis of preparation

The financial statements have been prepared as a going concern in accordance with the Indian Accounting Standard ('Ind AS'), notified under section 133 of the Companies Act,2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules,2015 and Companies (Indian Accounting Standards) amendments Rules,2016 issued by the Ministry of Corporate Affairs (MCA). The Company has adopted Ind AS from April 1, 2019 with effective transition date as April 1, 2018

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except when otherwise indicated.

### 3 Presentation of financial statement

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified (as amended) by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties.

### 4 Statement of compliance

These separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the generally accepted accounting principles as referred to in paragraph 2 "Basis of Preparation" above.

S.I. Capital & Financial Services Limited  
Notes to Standalone Financial Statements for the year ended 31 March 2022

## 5 Significant accounting policies

### 5.1 Financial instruments

#### (i) Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The business model is assessed on the basis of aggregated portfolios based on observable factors. These factors include:

- ▶ Reports reviewed by the entity's key management personnel on the performance of the financial assets
- ▶ The risks impacting the performance of the business model (and the financial assets held within that business model) and its management thereof
- ▶ The compensation of the managing teams (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- ▶ The expected frequency, value and timing of trades.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account.

The Company also assesses the contractual terms of financial assets on the basis of its contractual cash flow characteristics that are solely for the payments of principal and interest on the principal amount outstanding.

'Principal' is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

#### (ii) Financial assets measured at amortised cost

These Financial assets comprise bank balances, Loans and other financial assets.

Financial Assets with contractual terms that give rise to cash flows on specified dates, and represent solely payments of principal and interest on the principal amount outstanding; and are held within a business model whose objective is achieved by holding to collect contractual cash flows are measured at amortised cost.

These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability.



**S.I. Capital & Financial Services Limited**  
**Notes to Standalone Financial Statements for the year ended 31 March 2022**

**(iii) Financial assets measured at fair value through profit or loss**

Items at fair value through profit or loss comprise:

- Investment in equity shares held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not designated in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

**(iv) Debt securities and other borrowed funds**

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

**(v) Recognition and derecognition of financial assets and liabilities**

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers. Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. A financial liability is derecognised from the balance sheet when the Company has discharged its obligation or the contract is cancelled or expires.

**(vi) Impairment of financial assets**

The Company recognises impairment allowance for expected credit loss on financial assets held at amortised cost.

The Company recognises loss allowances (provisions) for expected credit losses on its financial assets (including non-fund exposures) that are measured at amortised costs or at fair value through other comprehensive income account.

The Company applies a three-stage approach to measuring expected credit losses (ECLs) for the Loan assets that are not measured at fair value through profit or loss. No ECL is recognised on equity investments. Financial assets migrate through the following three stages based on the change in credit risk since initial recognition:

Stage 1: 12-months ECL

For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

Stage 2: Lifetime ECL - not credit impaired

For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

Stage 3: Lifetime ECL - credit impaired

Exposures are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

## S.I. Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2022

### Determining the stage for impairment

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose.

This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowances reverts from lifetime ECL to 12-months ECL.

The loss allowances for these financial assets is based on a 12-months ECL.

When an asset is uncollectible, it is written off against the related allowance. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the allowances in the profit and loss statement.

The Company assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

### Measurement of ECLs

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The Company has grouped its various financial assets in to pools containing loans bearing homogeneous risks characteristics. The probability of default for the pools are computed based on the historical trends, adjusted for any forward looking factors. Similarly the Company computes the Loss Given Default based on the recovery rates.
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted by the effective interest rate.

### Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, , etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

### Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

### (vii) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

## S.I. Capital &amp; Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2022

**(viii) Determination of fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Financial assets and liabilities are presented in ascending order of their liquidity. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

**Difference between transaction price and fair value at initial recognition**

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

**5.2 Revenue from operations****(i) Interest Income**

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in Interest Income with the corresponding adjustment to the carrying amount of the assets.

## S.I. Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2022

### (ii) Dividend Income

Dividend income is recognised

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably.

### (iii) Fees & Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration Processing fee which is not form part of effective interest rate has been recognised as and when it accrues.

### (iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Company does not have any financial instruments measured at FVTPL and debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

## 5.3 Expenses

### (i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

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Notes to Standalone Financial Statements for the year ended 31 March 2022

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

Post-employment employee benefits

a) Defined contribution schemes

All the employees of the Company are entitled to receive benefits under the Provident Fund and Employees State Insurance scheme, defined contribution plans in which both the employee and the Company contribute monthly at a stipulated rate. The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'.

(iii) Other income and expenses

All Other income and expense are recognized in the period they occur.

(iv) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(v) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## S.I. Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2022

### Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

### Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## 5.4 Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

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.

## 5.5 Property, Plant and equipment (PPE)

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

## S.I. Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2022

Depreciation is calculated using the Written Down Value Method (WDV) in accordance with the useful life prescribed in Schedule II to the Companies Act, 2013 to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated.

The estimated useful lives are, as follows:

Particulars	Useful life estimated by Company
Computers and data processing units	
- Enduser devices -Desktops, Laptops	3 years
Furniture and fittings	
- General	10 years
Office equipment	5 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

### 5.6 Intangible assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / upto the date of acquisition/sale.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 6 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

### 5.7 Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

**S.I. Capital & Financial Services Limited****Notes to Standalone Financial Statements for the year ended 31 March 2022****5.8 Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**5.9 Earnings Per Share**

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

**5.10 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Board of Directors (BOD) of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The BOD, which has been identified as being the chief operating decision maker. The Company is engaged in the business of i) Lending finance and ii) Fees & commission income. The said business are aggregated for the purpose of review of performance by CODM. Accordingly, the Company has concluded that the business of lending finance and fees & commission income to be the only reportable segment.

**5.11 Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. Since all leases of the Company is for a term less than 12 months, single lessee accounting model under Ind AS 116 is not applicable.

**6 Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.



## S.I. Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2022

### 7 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 5.1(vi) Overview of ECL principles.

In case, higher provisions are to be considered as per the prudential norms of the Reserve Bank of India, they are considered.

### 8 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

## S.I. Capital & Financial Services Limited

### Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### Note 9: Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	6.31	4.81
Balances with Banks in current accounts		
- In current accounts	36.79	87.09
Others		
- Foreign currency balances	1.91	-
- Stamp in Hand	-	0.02
	<b>45.02</b>	<b>91.92</b>

S.I. Capital & Financial Services Limited  
Notes to Standalone Financial Statements for the year ended 31st March 2022  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 10: Loans

Particulars	As at 31st March 2022 At Fair value				As at 31 March 2021 At Fair value					
	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at Fair Value Through profit or loss	Total	Amortised Cost	Through Other Comprehensive Income	Through profit or loss	Designated at Fair Value Through profit or loss	Total
<b>LOANS</b>										
(A)										
i) Gold Loan	44.20	-	-	-	44.20	82.79	-	-	-	82.79
ii) Vehicle Loan	109.32	-	-	-	109.32	76.53	-	-	-	76.53
vi) Business Loan	41.14	-	-	-	41.14	20.52	-	-	-	20.52
vi) Personal Loan	9.40	-	-	-	9.40	41.36	-	-	-	41.36
v) Term Loan	49.67	-	-	-	49.67	-	-	-	-	-
	253.73	-	-	-	253.73	221.20	-	-	-	221.20
Total (A) - Gross	253.73	-	-	-	253.73	221.20	-	-	-	221.20
Less: Impairment loss allowance	3.56	-	-	-	3.56	2.50	-	-	-	2.50
Total (A) - Net	250.17	-	-	-	250.17	218.70	-	-	-	218.70
(B)										
i) Secured by tangible assets	203.19	-	-	-	203.19	159.32	-	-	-	159.32
ii) Unsecured	50.54	-	-	-	50.54	61.88	-	-	-	61.88
Total (B) - Gross	253.73	-	-	-	253.73	221.20	-	-	-	221.20
Less: Impairment loss allowance	3.56	-	-	-	3.56	2.50	-	-	-	2.50
Total (B) - Net	250.17	-	-	-	250.17	218.70	-	-	-	218.70
(C)										
Loans in India	-	-	-	-	-	-	-	-	-	-
i) Public Sector	-	-	-	-	-	-	-	-	-	-
ii) Others	253.73	-	-	-	253.73	221.20	-	-	-	221.20
Total (C) - Gross	253.73	-	-	-	253.73	221.20	-	-	-	221.20
Less: Impairment loss allowance	3.56	-	-	-	3.56	2.50	-	-	-	2.50
Total (C) - Net	250.17	-	-	-	250.17	218.70	-	-	-	218.70

S.I. Capital & Financial Services Limited  
Notes to Standalone Financial Statements for the year ended 31st March 2022  
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 11: Investments

Particulars	As at 31st March 2022			As at 31st March 2021				
	Amortised Cost	At Fair Value through profit or Loss	Others	Total	Amortised Cost	At Fair Value through profit or Loss	Others	Total
i) Mutual Funds	-	25.16	-	25.16	-	-	-	-
ii) Equity instruments in others (Quoted)								
900 Equity shares of Rs. 10/- each fully paid in Sambandam Spinning Mills Ltd	-	1.93	-	1.93	-	0.85	-	0.85
800 Equity shares of Rs. 10/- each fully paid in Sri Nachammai Cotton Mills Ltd	-	0.44	-	0.44	-	0.09	-	0.09
100 Equity shares of Rs.1/- each fully paid in Pricol Ltd.	-	0.13	-	0.13	-	0.07	-	0.07
100 Equity shares of Rs.10/- each fully paid in Thambbi Modern Spinning Mills Ltd.	-	0.01	-	0.01	-	0.01	-	0.01
550 Equity shares of Rs.10/- each fully paid in Andhra Petrochemicals Ltd.	-	0.51	-	0.51	-	0.34	-	0.34
<b>Total Gross (A)</b>	-	<b>28.18</b>	-	<b>28.18</b>	-	<b>1.36</b>	-	<b>1.36</b>
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	-	28.18	-	28.18	-	1.36	-	1.36
<b>Total Gross (B)</b>	-	<b>28.18</b>	-	<b>28.18</b>	-	<b>1.36</b>	-	<b>1.36</b>
<b>Less : Allowance for Impairment loss (C)</b>	-	-	-	-	-	-	-	-
<b>Total - Net (D) = (A) - (C)</b>	-	<b>28.18</b>	-	<b>28.18</b>	-	<b>1.36</b>	-	<b>1.36</b>

**S.I. Capital & Financial Services Limited**
**Notes to Standalone Financial Statements for the year ended 31st March 2022**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note 12: Other financial assets**

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued on fixed deposits and investment	-	0.01
Bank deposits with original maturity exceeding 12 months	-	1.00
Security deposits	-	
- Rental deposits	1.61	1.61
- Other security deposits	0.35	0.35
Others		
- Others	0.00	0.10
<b>Total</b>	<b>1.96</b>	<b>3.07</b>

**Note 13: Current tax assets (net)**

Particulars	As at 31 March 2022	As at 31 March 2021
Income Tax Refund and tax deducted at source (net of provisions)	0.11	1.21
<b>Total</b>	<b>0.11</b>	<b>1.21</b>

**S.I. Capital & Financial Services Limited**  
**Notes to Standalone Financial Statements for the year ended 31st March 2022**  
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note 14: Property, plant and equipment**

Particulars	Office equipment	Electrical Installation	Computer Equipment	Furniture and Fixtures	Plant and Equipment	Total
<b>Cost:</b>						
At 1 April 2021	2.38	1.00	7.61	11.59	10.19	32.77
Additions	0.12	-	-	-	-	0.12
Disposals	-	-	-	-	-	-
At 31 March 2022	2.50	1.00	7.61	11.59	10.19	32.89
<b>Accumulated Depreciation:</b>						
At 1 April 2021	0.94	0.94	5.70	9.59	9.75	26.92
Disposals	-	-	-	-	-	-
Depreciation charge for the year	0.63	0.01	1.18	0.41	0.04	2.27
At 31 March 2022	1.57	0.95	6.87	10.00	9.79	29.19
<b>Carrying Amount</b>						
At 1 April 2021	1.44	0.06	1.91	2.00	0.44	5.85
At 31 March 2022	0.93	0.05	0.74	1.59	0.40	3.70

**S.I. Capital & Financial Services Limited**
**Notes to Standalone Financial Statements for the year ended 31st March 2022**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note 15: Other intangible assets**

Particulars	Computer Software
<b>Cost:</b>	
At 1 April 2021	<b>8.95</b>
Additions	-
Disposals	-
At March 2022	<b>8.95</b>
<b>Accumulated amortisation</b>	
At 1 April 2021	<b>1.69</b>
Disposals	-
Amortisation charge for the year	<b>1.16</b>
At March 2022	<b>2.85</b>
<b>Carrying Amount</b>	
At 1 April 2021	<b>7.26</b>
At March 2022	<b>6.10</b>

**Note 16: Other non-financial assets**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with government authorities	7.27	7.25
Other Receivables	0.41	2.72
<b>Total</b>	<b>7.67</b>	<b>9.97</b>

**S.I. Capital & Financial Services Limited**

**Notes to Standalone Financial Statements for the year ended 31st March 2022**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note 17: Trade payables**

Particulars	As at 31 March 2022	As at 31 March 2021
(i) total outstanding dues of micro enterprises and small enterprises - (MSME)	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.90	6.24
<b>Total</b>	<b>2.90</b>	<b>6.24</b>

**Trade Payable Ageing Schedule**

Particulars	Outstanding for the following periods from due date of payment				
	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
(i) total outstanding dues of micro enterprises and small enterprises - (MSME)	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2.90	-	-	-	2.90
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-



**Note 18: Subordinated liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>At amortised cost:</b>		
Subordinated debt from banks	-	-
Subordinated debt from others	97.48	80.75
<b>Total</b>	<b>97.48</b>	<b>80.75</b>
Subordinate liabilities in India	97.48	80.75
<b>Total</b>	<b>97.48</b>	<b>80.75</b>

**Subordinate debts from others:**

Subordinate bonds have a face value of Rs 1/- each. Details of rate of interest and maturity pattern from the date of the balance sheet is as under:

**As at 31 March 2022**

Redeemable at par within	Rate of interest				Total Amount
	10.50%		11.00%		
	Number	Amount	Number	Amount	
Due after 5 years			2.15	2.15	2.15
Due within 4-5 years	10.00	55.85	6.00	38.00	93.85
Due within 3-4 years	45.85	-	32.00		-
Due within 2-3 years	-	-	-		-
Due within 1-2 years	-	-	-		-
Due within 1 year	-	-	-		-
<b>Grand Total</b>	<b>55.85</b>	<b>55.85</b>	<b>40.15</b>	<b>40.15</b>	<b>96.00</b>

Effective Interest rate adjustment	(0.06)
Interest accrued as on 31st March 2022	1.55
<b>Total</b>	<b>97.48</b>

**As at 31 March 2022**

**97.48**

**As at 31 March 2021**

Redeemable at par within	Rate of interest				Total Amount
	10.50%		11.00%		
	Number	Amount	Number	Number	
Due after 5 years			2.15	2.15	2.15
Due within 4-5 years	45.85	45.85	32.00	32.00	77.85
Due within 3-4 years	-	-	-		-
Due within 2-3 years	-	-	-		-
Due within 1-2 years	-	-	-		-
Due within 1 year	-	-	-		-
<b>Grand Total</b>	<b>45.85</b>	<b>45.85</b>	<b>34.15</b>		<b>80.00</b>

Effective Interest rate adjustment	(0.42)
Interest accrued as on 31st March 2021	1.17
<b>Total</b>	<b>80.75</b>

**As at 31 March 2021**

**80.75**

## S.I. Capital &amp; Financial Services Limited

## Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

## Note 19: Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Others	2.04	2.16
	2.04	2.16

## Note 20: Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Gratuity	4.15	1.36
	4.15	1.36

## Note 21: Other non-financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	0.69	0.58
	0.69	0.58

## S.I. Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Note 22: Equity share capital

The reconciliation of equity shares outstanding at the beginning and at the end of the period

Authorised	As at 31 March 2022
60,00,000 (31 March 2021: 60,00,000) equity shares of Rs. 10/- each	600.00
	<u>600.00</u>
Issued, subscribed and fully paid up 30,00,000 (31 March 2021: 30,00,000 ) equity shares of Rs. 10/- each	300.00
<b>Total Issued, subscribed and fully paid up</b>	<b>300.00</b>

### Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

	No. in Lakhs
Balance as at 1 April 2021	30.00
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2022</b>	<b>30.00</b>

### Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors (if any) is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

### Details of shareholders holding more than 5% shares in the Company

Particulars	31-Mar-22		31-Mar-21	
	No. in Lakhs	% holding in the class	No. in Lakhs	% holding in the class
Sharewealth Securities Ltd	16.11	53.69	16.11	53.69

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### Details of shareholding of Promoters of the Company

Shares held by promoters at the end of the year			% of change during the year
Promoters Name	No of Share	% of Shares	
Sharewealth Securities Ltd	16.11	53.69	Nil
<b>Total</b>	<b>16.11</b>	<b>53.69</b>	<b>Nil</b>

## S.I. Capital & Financial Services Limited

### Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

<b>Note 23: Other equity</b>	
<b>Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934</b>	
At 1 April 2021	28.69
Add: Transfer from surplus balance in the Statement of Profit and Loss	-
At 31 March 2022	28.69
<b>Retained earnings</b>	
At 1 April 2021	(53.80)
Add: Profit for the year	(39.99)
Less: Appropriations	-
Transfer to Statutory Reserve	-
At 31 March 2021	(93.79)
At 1 April 2022	(93.79)
Add: Profit for the year	(12.59)
Less: Appropriations	-
Transfer to Statutory Reserve	-
At 31 March 2022	(106.38)
<b>Total other equity</b>	
At 31 March 2021	(65.10)
At 31 March 2022	(77.69)

#### Nature and purpose of Reserves

**Statutory reserve (Statutory Reserve pursuant to Section 45-IC of The RBI Act, 1934):** Section 45IC of Reserve Bank of India Act, 1934 ("RBI Act, 1934") defines that every non banking finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. The Company has not created any special reserve (20% of Profit) under Section 45-IC of RBI Act, 1934 for Current year (FY 2021-22) and Previous year (FY 2020-21) since, the Company has incurred losses.

## S.I. Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Note 24: Revenue from operations

#### Note 24 (i): Interest Income

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
<i>On financial assets measured at amortised cost:</i>		
Interest on loans		
- Gold loans	15.48	6.97
- Vehicle Loans	24.17	8.61
- Business Loans	6.96	3.91
- Personal Loans	4.40	6.91
- Term Loans	0.19	
Interest on deposits with banks	0.04	1.01
<b>Total</b>	<b>51.23</b>	<b>27.41</b>

#### Note 24 (ii): Dividend Income

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Dividend Income	-	0.01
<b>Total</b>	<b>-</b>	<b>0.01</b>

#### Note 24 (iii): Net gain on fair value changes

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Net Gain on fair value changes	1.84	0.35
<b>Total</b>	<b>1.84</b>	<b>0.35</b>

#### Note 24 (iv): Net gain / loss on sale of investments

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	2.42	3.10
(ii) On financial instruments designated at fair value through profit or loss		-
(B) Others		
(i) Loss on fair valuation of equity shares		-
<b>Total Net gain fair value changes</b>	<b>2.42</b>	<b>3.10</b>
Fair value changes:		
- Realised	2.42	3.10
- Unrealised		-
<b>Total Net gain fair value changes (B)</b>	<b>2.42</b>	<b>3.10</b>

**S.I. Capital & Financial Services Limited**

Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note 24 (v): Sale of services**

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Income from Foreign Exchange business	3.44	4.71
<b>Total</b>	<b>3.44</b>	<b>4.71</b>

**Note 25: Other income**

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Others	0.22	0.11
<b>Total</b>	<b>0.22</b>	<b>0.11</b>

**Note 26: Finance costs**

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
<i>On financial liabilities measured at amortised cost:</i>		
Interest on borrowings	-	-
Interest on subordinated liabilities	9.53	3.36
<b>Total</b>	<b>9.53</b>	<b>3.36</b>

**S.I. Capital & Financial Services Limited**
**Notes to Standalone Financial Statements for the year ended 31st March 2022**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note 27: Fees and commission expense**

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
<i>On financial liabilities measured at amortised cost:</i>		
Commission paid	0.22	0.04
<b>Total</b>	<b>0.22</b>	<b>0.04</b>

**Note 28: Impairment on financial instruments**

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
<i>On financial instruments measured at amortised cost:</i>		
<b>Loans</b>		
- Standard assets	0.06	1.39
- Non-performing assets	1.00	0.10
<b>Total</b>	<b>1.06</b>	<b>1.49</b>

**Note 29: Employee benefits expense**

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Salaries and wages	20.99	27.23
Contribution to provident and other funds	2.18	1.91
Staff welfare expenses	0.20	0.27
<b>Total</b>	<b>23.37</b>	<b>29.41</b>

**Note 30: Depreciation, amortization and impairment**

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Depreciation of tangible assets	2.27	2.44
Amortisation of intangible assets	1.16	1.38
<b>Total</b>	<b>3.42</b>	<b>3.82</b>

**S.I. Capital & Financial Services Limited**
**Notes to Standalone Financial Statements for the year ended 31st March 2022**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note 31: Other expenses**

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Rent	5.89	6.55
Rates and taxes	5.79	12.38
Energy costs	0.69	0.56
Repairs and maintenance	0.60	1.14
Communication costs	0.76	0.76
Printing and stationery	0.93	1.53
Advertising and publicity	3.49	3.92
Director's fees, allowances and expenses	0.36	0.57
Auditor's fees and expenses (Refer Note 27 (i))	1.20	1.26
Legal and professional charges	7.78	3.58
Company Law matters	0.26	-
Insurance	0.08	0.11
Travelling and conveyance	0.92	1.98
Bank charges	0.09	0.18
Information Technology Support costs	1.10	1.19
Rebate on Loan	1.12	-
Loss on Auction	0.93	-
Miscellaneous expense	2.15	2.00
<b>Total</b>	<b>34.14</b>	<b>37.71</b>

**Note (i) Auditor's fees and expenses**

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
(a) Auditor	1.20	1.05
(b) for taxation matters	-	-
(c) for Company law matters	-	-
(d) for other services	-	0.21
(e) for reimbursement of expenses	-	-
<b>Total</b>	<b>1.20</b>	<b>1.26</b>



## S.I. Capital & Financial Services Limited

### Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### Note 32: Income Tax

The components of income tax expense for the year ended 31 st March 2022 are:

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	-	0.15
<b>Income tax expense reported in statement of profit and loss</b>	<b>-</b>	<b>0.15</b>
Current tax	-	-
Deferred tax	-	0.15

#### Note 33: Deferred Tax

As at 31 March 2021

Particulars	Income Statement	OCI
	2020-21	2020-21
Provisions	0.03	-
Depreciation	(0.07)	-
Impairment allowance for financial assets	0.36	-
Remeasurement gain / (loss) on defined benefit plan	(0.17)	-
<b>Total</b>	<b>0.15</b>	<b>-</b>

## S.I. Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Note 34: Earnings per share

Particulars	For year ended 31 March 2022	For year ended 31 March 2021
Net profit for calculation of basic earnings per share	(12.59)	(39.99)
Weighted average number of equity shares for basic earnings per share (Nos.)	30,00,000	30,00,000
Effect of dilution:		-
Weighted average number of equity shares outstanding for the period (A)	30,00,000	30,00,000
Weighted average number of warrants to be converted	6,70,000	-
Weighted average number of equity shares outstanding that would have been issued at average Market Price	-2,68,000	-
Weighted average number of equity shares for diluted earnings per share (Nos.)	34,02,000	-
Basic earnings per share (Rs.)	(0.42)	(1.33)
Diluted earnings per share (Rs.)	(0.37)	(1.33)

**S.I. Capital & Financial Services Limited****Notes to Standalone Financial Statements for the year ended 31st March 2022**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note 35: Retirement Benefit Plan****Defined Contribution Plan**

The Company makes Provident Fund contribution which is defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 1.13 (31 March 2021: Rs. 1.09) for Provident Fund contribution in the Statement of Profit and Loss. The contribution payable to these plans by the Company are at rates specified in the rules of the Scheme.

**Defined Benefit Plan**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

**Note 36: Issue of Convertible Warrants**

During previous year, the Company has allotted 6,70,000 (Six Lakh Seventy Thousand Only) Convertible Warrants at a price of Rs.12/- (Rupees Twelve Only) per warrant including a Premium of Rs. 2/- (Rupees Two Only) to Doha Brokerage & Financial Services Limited (the warrant holder).

The warrant holder has paid 25% of the amount payable against each warrant. The amount payable before the date of conversion of Warrants would be 75% of the total consideration. The Warrant holder shall be entitled to exercise option to convert warrants, in one or more tranches for allotment of one Equity Share of face value of Rs. 10/- (Rupees Ten only) for every warrant, within a period of 18 (eighteen) months from the date of allotment of such warrants.

In case the Warrant holder does not apply for the conversion of the outstanding Warrants into Equity Shares of the Company within 18 (eighteen) months from the date of allotment of the said Warrants, then the amount paid on each of the said outstanding Warrants shall be forfeited and all the rights attached to the said Warrants shall lapse automatically.

## S.I. Capital & Financial Services Limited

### Notes to Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### Note 37: Related Party Disclosures

<u>Relationship</u>	<u>Name of the party</u>
Holding company	Sharewealth Securities Limited
Fellow Subsidiaries	Sharewealth Commodities Private Limited Sharewealth Chits Limited Sharewealth Wealth Management Limited
Non- Executive Directors	Mr. Thandassery Balachandran Ramakrishnan Mr. Unnikrishnan Anchery (w.e.f. December 28, 2021) Mr. Anil Menon Mrs. Jitha Chummar Mr. Ramanathan Anchery (Ceased on November 15, 2021)
Non- Executive Independent Directors	Mr. Rajesh Narayan Pillai Mr. Manazhy Vinod Mr. Abraham George (w.e.f. December 28, 2021) Mr. Habib Rahiman (w.e.f. December 28, 2021) Mr. Vadukkoot Mathayi Xaviour (Ceased on December 28, 2021)
Key Managerial Personnel	Mr. Sreeram Gopinathan Nair - Managing Director Mrs. Aneetta Chirayath Vilson - Company Secretary (Resigned on April 30, 2022) Mr. Akhilesh Gopinath - Chief Financial Officer (Ceased on April 30, 2021) Mr. Ajeesh Karekkattil Antony - Chief Financial Officer (w.e.f. January 01, 2022)
Relatives of Directors and KMPs	Mr. Anoop Jolly (Husband of Mrs. Jitha Chummar)
Director of Fellow Subsidiaries	Mr. Joseph P Antony

**Related Party transactions during the year:**

Particulars	Holding Company		Non- Executive Directors (Including Independent Directors)		Key Managerial Personnel		Relatives of Directors and Key Managerial Personnel	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Transactions during the year</b>								
<b>Rent Paid</b>	-	-	-	-	-	-	1.80	2.55
Mr. Anoop Jolly	-	-	-	-	-	-	1.80	2.55
<b>Remuneration to KMPs</b>	-	-	-	1.63	9.15	10.44	-	-
Mr. Sreeram Gopinathan Nair	-	-	-	-	0.60	3.18	-	-
Mrs. Jitha Chummar	-	-	-	1.63	-	-	-	-
Mr. Akhilesh Gopinath	-	-	-	-	0.75	3.00	-	-
Mrs. Aneetta C Vilson	-	-	-	-	6.00	4.26	-	-
Mr. Ajeesh K A	-	-	-	-	1.80	-	-	-
<b>Sitting Fee to Directors:</b>	-	-	0.36	0.53	-	0.04	-	-
Mr. Sreeram Gopinathan Nair	-	-	0.05	-	-	0.04	-	-
Mr. T B Ramakrishnan	-	-	0.05	0.12	-	-	-	-
Mr. Ramanathan Anchery	-	-	0.03	0.11	-	-	-	-
Mr. Anil Menon	-	-	0.05	0.09	-	-	-	-
Mrs. Jitha Chummar	-	-	0.04	0.06	-	-	-	-
Mr. Rajesh Narayan Pillai	-	-	0.04	0.06	-	-	-	-
Mr. Sreeram K S	-	-	-	0.03	-	-	-	-
Mr. Vadukkoot Mathayi Xaviour	-	-	0.02	0.03	-	-	-	-
Mr. Vinod Manazhy	-	-	0.05	0.03	-	-	-	-
Mr. Habeeb Rahiman	-	-	0.01	-	-	-	-	-
Mr. Abraham George	-	-	0.01	-	-	-	-	-
Mr. Unnikrishnan Anchery	-	-	0.01	-	-	-	-	-
<b>Loan given</b>	-	50.00	-	5.00	-	20.00	-	-
Sharewealth Securities Limited	-	50.00	-	-	-	-	-	-
Mr. Joseph P Antony	-	-	-	5.00	-	-	-	-
Mr. Ramanathan Anchery	-	-	-	-	-	20.00	-	-
<b>Interest Paid on Sub Debts</b>	0.71	-	-	-	-	-	-	-
Sharewealth Securities Limited	0.71	-	-	-	-	-	-	-
<b>Sale of Foreign Currency</b>	-	-	0.70	-	-	-	-	-
Mr. Ramanathan Anchery	-	-	0.70	-	-	-	-	-
<b>Interest Income from Loan given</b>	-	0.61	-	0.03	-	0.74	-	-
Sharewealth Securities Limited	-	0.61	-	-	-	-	-	-
Mr. Joseph P Antony	-	-	-	0.03	-	-	-	-
Mr. Ramanathan Anchery	-	-	-	-	-	0.74	-	-
<b>Repayment of Loan given</b>	-	50.00	-	5.00	-	-	-	-
Sharewealth Securities Limited	-	50.00	-	-	-	-	-	-
Mr. Joseph P Antony	-	-	-	5.00	-	-	-	-

Particulars	Holding Company		Non- Executive		Key Managerial		Relatives of	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Transfer of Gratuity	1.73	1.48	-	-	-	-	-	-
Sharewealth Securities Limited	1.73	1.48	-	-	-	-	-	-
Amount paid on Purchase of Liquid Fu	155.00	180.00	-	-	-	-	-	-
Sharewealth Securities Limited	155.00	180.00	-	-	-	-	-	-
Amount received on Sale of Liquid Fu	132.41	283.00	-	-	-	-	-	-
Sharewealth Securities Limited	132.41	283.00	-	-	-	-	-	-
<b>Balance outstanding at the end of the</b>	-	-	-	-	-	-	-	-
<b>Rent Deposit</b>	-	-	-	-	-	-	-	-
Mrs. Suzanne Venglet	-	-	-	-	-	-	-	-
<b>Loan Outstanding</b>	-	-	-	-	-	-	-	-
Mr. Ramanathan Anchery	-	-	-	-	-	-	-	-
<b>Amounts receivable from related part</b>	-	-	-	-	-	-	-	-
Sharewealth Securities Limited (Trading	-	-	-	-	-	-	-	-
Mr. Sreeram Gopinathan Nair (Remuner	-	-	-	-	-	-	-	-
Sharewealth Securities Limited (Gratuit	-	-	-	-	-	-	-	-

## S.I. Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Note 38: Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	31 March 2022			31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	45.02	-	45.02	91.92	-	91.92
Loans	151.31	98.86	250.17	134.63	84.07	218.70
Investments	-	28.18	28.18	-	1.36	1.36
Other financial assets	-	3.07	3.07	0.01	3.06	311.98
<b>Non-financial Assets</b>						
Current tax assets (net)	-	0.11	0.11	-	1.21	1.21
Deferred tax assets (net)	-	6.76	6.76	-	6.76	6.76
Property, plant and equipment	-	3.70	3.70	-	5.85	5.85
Other intangible assets	-	6.10	6.10	-	7.26	7.26
Other non-financial assets	-	7.67	7.67	-	9.97	9.97
<b>Total assets</b>	<b>196.33</b>	<b>154.45</b>	<b>350.78</b>	<b>226.56</b>	<b>119.54</b>	<b>655.01</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Payables	2.90	-	2.90	6.24	-	6.24
Subordinated Liabilities	-	97.48	97.48	-	80.75	80.75
Other Financial liabilities	2.04	-	2.04	2.16	-	2.16
<b>Non-financial Liabilities</b>						
Provisions	4.15	-	4.15	1.36	-	1.36
Other non-financial liabilities	0.69	-	0.69	0.58	-	0.58
<b>Total Liabilities</b>	<b>9.78</b>	<b>97.48</b>	<b>107.26</b>	<b>10.34</b>	<b>80.75</b>	<b>91.09</b>
<b>Net</b>	<b>186.55</b>	<b>56.97</b>	<b>243.52</b>	<b>216.22</b>	<b>38.79</b>	<b>563.92</b>

### Note 39: Contingent liabilities, commitments and leasing arrangements

#### Note 39 (i): Contingent Liabilities

The Company is not exposed to any contingent liabilities during the current and previous year.

#### Note 39 (ii): Commitments

The Company does not have any Irrevocable commitments as at 31st March 2022 and 31st March 2021.

#### Note 39 (iii): Lease Disclosures (entity as a lessee)

The Company has not recognised ROU asset and lease liability for all lease contracts since, all such leases are either low value leases or short term leases (lease term of twelve months or less).

## S.I. Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

### Note 40: Fair Value Measurement

#### 40.1 Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

#### 40.2 Valuation governance

The Company's process to determine fair values is part of its periodic financial close process. The Audit Committee exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.

#### 40.3 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Particulars	31 March 2022				31 March 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>								
<i>Financial instrument held for trading</i>								
Equity Shares	3.02	-	-	3.02	1.36	-	-	1.36
Mutual Funds	25.16	-	-	25.16	-	-	-	-
<b>Total financial instrument held for trading</b>	<b>28.18</b>	<b>-</b>	<b>-</b>	<b>28.18</b>	<b>1.36</b>	<b>-</b>	<b>-</b>	<b>1.36</b>

#### 40.4 Valuation techniques

##### Equity instruments

The majority of equity instruments are actively traded on public stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally Level 2. Equity instruments in non-listed entities included investment in private equity funds are initially recognised at transaction price and re-measured (to the extent information is available) and valued on a case-by-case and classified as Level 3.

##### Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only.

##### Short-term financial assets and liabilities

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, balances other than cash and cash equivalents, trade payables and other financial liabilities without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

##### Loans and advances to customers

The fair values of loans and receivables are estimated by discounted cash flow models that incorporate assumptions for credit risks, foreign exchange risk, probability of default and loss given default estimates.



## S.I. Capital & Financial Services Limited

### Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### Note 41: Risk Management

Risk is an integral part of the Company's business and sound risk management is critical to the success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates and primarily includes credit, liquidity and market risks. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The Board of Directors of the company are responsible for the overall risk management approach, approving risk management strategies and principles. The company have a risk management policy which covers all the risk associated with its assets and liabilities.

The Company has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously reviewed, improved and adapted in the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis.

The Company has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

#### Credit Risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances.

The credit risk management policy of the Company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Minimize losses due to defaults or untimely payments by borrowers
- Design appropriate credit risk mitigation techniques

In order to mitigate the impact of credit risk in the future profitability, the company makes reserves basis the expected credit loss (ECL) model for the outstanding loans as balance sheet date.

The below discussion describes the Company's approach for assessing impairment as stated in the significant accounting policies.

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 180 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

## S.I. Capital & Financial Services Limited

### Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### Exposure at Default (EAD)

The outstanding balance at the reporting date is considered as EAD by the Company. Considering that the PD determined above factors in amount at default, there is no separate requirement to estimate EAD.

The Company don't have historical information and hence uses the PD default rates stated by external reporting agencies. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools.

Based on its review of macro-economic developments and economic outlook, the Company has assessed that there are certain adjustments on account of impact of COVID 19 are required in the form of temporary overlays on its PD's as at 31 March 2022, the PD percentages are mentioned below:

Pools	Stage I	Stage II	Stage III
1) Gold Loan	5.41%	5.41%	5.41%
2) Vehicle Loan	0.00%	0.00%	0.00%
3) Business Loan	1.50%	1.50%	1.50%
4)Term Loan	0.00%	0.00%	0.00%
4) Personal Loan	1.00%	1.00%	100.00%

#### Loss Given Default

The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. Based on its analysis of historical trends, the Company has assessed that significant recoveries happen in the year in which default has occurred.

1) Gold Loan	55.00%
2) Vehicle Loan	45.00%
3) Business Loan	45.00%
4)Term Loan	45.00%
4) Personal Loan	45.00%
In all classified 'Loss Assets', LGD has been considered as 100%.	

LGD Rates have been considered based on proxy FIRB rates for all loans.

The Company has applied management overlays to the ECL Model to consider the impact of the Covid-19 pandemic on the provision. The adjustment to the probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to the pandemic.

## S.I. Capital & Financial Services Limited

### Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### Asset & Liability management

Asset and Liability Management (ALM) is defined as the practice of managing risks arising due to mismatches in the asset and liabilities. Company's funding consist long term source with different maturity patterns and varying interest rates. On the other hand, the asset book also comprises of loans of different duration and interest rates. Maturity mismatches are therefore common and has an impact on the liquidity and profitability of the company. It is necessary for Company's to monitor and manage the assets and liabilities in such a manner to minimize mismatches and keep them within reasonable limits.

The objective of this policy is to create an institutional mechanism to compute and monitor periodically the maturity pattern of the various liabilities and assets of Company to (a) ascertain in percentage terms the nature and extent of mismatch in different maturity buckets, especially the 1-30/31days bucket, which would indicate the structural liquidity (b) the extent and nature of cumulative mismatch in different buckets indicative of short term dynamic liquidity and (c) the residual maturity pattern of repricing of assets and liabilities which would show the likely impact of movement of interest rate in either direction on profitability. This policy will guide the ALM system in Company.

The scope of ALM function can be described as follows:

- Liquidity risk management
- Management of market risks
- Others

#### Liquidity Risk

Liquidity risk refers to the risk that the Company may not meet its financial obligations. Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. The objective of liquidity risk management, is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generates sufficient cash flows from operating and financial activities to meet its financial obligations as and when they fall due. Our resource mobilisation team sources funds from multiple sources. The resource mobilisation team is responsible for diversifying fund raising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies to ensure the liquidity risk is well addressed.

The table below provide details regarding the contractual maturities of significant financial assets and liabilities as on:-

#### Maturity pattern of assets and liabilities as on 31 March 2022:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total*
Subordinated Liabilities	-	-	-	-	-	-	93.85	2.15	96.00
Loans	28.17	7.34	20.60	8.25	86.95	98.07	0.79	-	250.17
Investments	-	-	-	-	-	-	-	28.18	28.18

#### Maturity pattern of assets and liabilities as on 31 March 2021:

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total*
Subordinated Liabilities	-	-	-	-	-	-	78.54	2.21	80.75
Loans	0.14	14.57	12.07	48.83	59.02	84.07	-	-	218.70
Investments	-	-	-	-	-	-	-	1.36	1.36

\*Amount represents net balance after the adjustments on account of Indian Accounting Standards

## S.I. Capital & Financial Services Limited

### Notes to Standalone Financial Statements for the year ended 31st March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

#### Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are not subject to interest rate risk, because we lend to clients at fixed interest rates and for periods that may differ from our funding sources and our borrowings i.e. subordinated debts are at fixed interest rate for different periods.

#### Price Risk

The Company's exposure to price risk is not material.

#### Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

**SI Capital & Financial Services Limited**

**Notes to Standalone Financial Statements for the year ended 31 March 2022**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note 42: Appendix based on RBI notification dated March 13, 2020 on Implementation of Indian Accounting Standards**

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1	221.24	1.24	220.00	0.88	0.35
	Stage 2	24.32	0.22	24.10	0.09	0.12
Subtotal		245.56	1.45	244.11	0.97	0.48
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	6.39	0.32	6.07	0.30	0.03
Doubtful upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	1.78	1.78	-	1.17	0.61
Subtotal for Loss		1.78	1.78	-	1.17	0.61
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
<b>Total</b>	Stage 1	221.24	1.24	220.00	0.88	0.35
	Stage 2	24.32	0.22	24.10	0.09	0.12
	Stage 3	8.17	2.11	6.07	1.47	0.64
	<b>Total</b>	<b>253.73</b>	<b>3.56</b>	<b>250.17</b>	<b>2.44</b>	<b>1.12</b>

## SI Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

**Note 43: Schedule to the Balance Sheet of a Non-Banking Financial Company (As required in terms of Paragraph 19 of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016**

Particulars		Amount Outstanding	Amount overdue
<b>Liabilities side</b>			
1	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid		
a	Debentures: Secured & Unsecured (other than falling within the meaning of public deposit*)	Nil	Nil
b	Deferred Credits	Nil	Nil
c	Term Loans	Nil	Nil
d	Inter-corporate loans and borrowing	Nil	Nil
e	Commercial Paper	Nil	Nil
f	Public Deposits*	Nil	Nil
g	Other Loans (specify nature)	Nil	Nil
	*Please see Note 1 below		
2	Break-up of (1)(f) above (Outstanding Public Deposits inclusive of interest accrued thereon but not paid)		
a	In the form of Unsecured Debentures	Nil	Nil
b	In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
c	Other Public Deposits	Nil	Nil
	*Please see Note 1 below		
<b>Assets side</b>		<b>Amount outstanding</b>	
3	Break-up of Loans and Advances including bills receivables (other than those included in (4) below):		
a	Secured	203.19	
b	Unsecured	50.54	
4	Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
i	Lease assets including lease rentals under sundry debtors: Financial Lease and Operating	Nil	
ii	Stock on hire including hire charges under sundry debtors: Assets on hire & Repossessed Assets	Nil	
iii	Other loans counting towards asset financing activities		
	Loans where assets have been possessed and Loans other than (a) above	Nil	
5	Break-up of Investments		
	Current Investments		
1	Quoted		
	Shares		
	a) Equity	Nil	
	b) Preference	Nil	
	Debentures and Bonds	Nil	
	Units of mutual funds	Nil	
	Government Securities	Nil	
	Others (please specify)	Nil	
2	Unquoted		
	Shares		
	a) Equity	Nil	
	b) Preference	Nil	

	Debentures and Bonds				NIL
	Units of mutual funds				NIL
	Government Securities				NIL
	Others (please specify)				NIL
	<b>Long Term Investments</b>				
1	Quoted				
	Shares				
	a) Equity				3.02
	b) Preference				NIL
	Debentures and Bonds				NIL
	Units of mutual funds				NIL
	Government Securities				NIL
	Others (please specify)				NIL
2	Unquoted				
	Shares				
	a) Equity				NIL
	b) Preference				NIL
	Debentures and Bonds				NIL
	Units of mutual funds				NIL
	Government Securities				NIL
	Others (please specify)				NIL
6	Borrower group-wise classification of assets financial as in (3) and (4) above: Please see Note 2 below				
	Category	Amount net of provisions			
		Secured	Unsecured	Total	
1	Related Parties	NIL	NIL	NIL	
	Subsidiaries	NIL	NIL	NIL	
	Companies in the same group	NIL	NIL	NIL	
	Other related parties	NIL	NIL	NIL	
2	Other than related parties	203.19	50.54	253.73	
	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) Please see note 3 below				
	Category	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
1	Related Parties**	NIL		NIL	
	Subsidiaries	NIL		NIL	
	Companies in the same group	NIL		NIL	
	Other related parties	NIL		NIL	
2	Other than related parties				
	a) Shares	3.02		3.02	
	b) Mutual Fund	25.16		25.16	
	Total	28.18		28.18	
	**As per Accounting Standards of ICAI (Please see Note 3)				
8	Other Information				
	Particulars	Amount			
I	Gross Non Performing Asset				
	Related Parties	NIL			
	Other than related parties	8.17			
II	Net Non Performing Assets				
	Related Parties	NIL			
	Other than related parties	6.06			
III	Assets acquired in satisfaction of debt	NIL			
<b>Notes:</b>					
1	As defined in point xxv of paragraph 3 of Chapter - II of these Directions				
2	Provisioning norms shall be applicable as prescribed in these Directions				
3	All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments shall be disclosed irrespective of whether they are classified as long term or current in (5) above.				

## Si Capital & Financial Services Limited

### Notes to Standalone Financial Statements for the year ended 31 March 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

#### Note 44: Segment Reporting:

The Principal business of the company is financing long and medium term loans and dealing in foreign currency. Though the company has earned income from other sources in the form of dividend on investments, interest and profit on redemption of mutual funds, the percentage of other business income does not exceed 10% of the gross turnover of the principal business, and as such no segment reporting has been made.

<b>Note 45: Earnings in Foreign Exchange</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Export of Goods calculated on FOB Basis	Nil	Nil

<b>Note 46: Expenditure in foreign currency</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Expenditure incurred by the Company in foreign currency	Nil	Nil

#### Note 47: Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

#### Note 48: Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform current year's classification.

#### Note 49: Compliance related to disclosure of certain ratios

a) Capital to risk-weighted assets ratio (CRAR)(note i)	109.15
b) Tier I CRAR	87.52
c) Tier II CRAR	21.64
d) Liquidity Coverage Ratio(note ii)	4.94

Notes:

i) Capital to risk-weighted assets ratio, TIER I and TIER II has been computed on a standalone basis as per relevant RBI guidelines.

ii) Liquidity Coverage Ratio(Highly Liquid Asset Amount(HQLA)/Total Net Cashflow)

**For Ayyar & Cherian**  
Chartered Accountants  
FRN:000284S

**For and on behalf of the Board of Directors**

**Dijo Philip Mathew**  
Partner  
Membership No.224930  
UDIN:22224930AIXVPC9440

**Sreeram Gopinathan Nair** **T. B. Ramakrishnan**  
Managing Director **Director**  
DIN: 05143385 **DIN: 01601072**

**Anu Jaya**  
Company Secretary  
Membership No.:A56122

**Ajeesh K. A**  
Chief Financial Officer

Place: Ernakulam  
Date: 13-05-2022

Place: Thrissur  
Date: 13-05-2022



*Annexure 3*

Ayyar & Cherian  
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**Certificate**

This is to certify than **M/s SI Capital & Financial Services Limited** having business at 64, Montieth Road. Egmore, Chennai - 600 008, Tamil Nadu has complied with conditions contained in Sub-regulation (1) of Regulation 45 of SEBI (Listing Obligations and Disclosure Requirements) and ;

- (i) Has not changed its name in the past one year
- (ii) Is a Non-Sytemically important non-Deposit taking NBFC and intends to carry on the same line of activity under the proposed new name

for Ayyar & Cherian  
Chartered Accountants  
Firm's Registration Number : 000284S

Dijo Philip Mathew  
Partner  
Membership No.224930  
UDIN : 22224930APEPKF7778

Place : Ernakulam  
Date : 02-08-2022

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