

## NOTICE

NOTICE is hereby given that the 15<sup>th</sup> Annual General Meeting of the members of the Company will be held on Monday the 14<sup>th</sup> day of September 2009 at, Greenmedows- Conference Hall No.4/364-A, Anna Salai, Palavakkam , Chennai - 600 041 at 10.30 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2009 and Profit and Loss Account for the year ended 31<sup>st</sup> March 2009 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of, Mr.Sanjay Arjundas Wadhwa, Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company who shall hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Sudhindran & Co., Chartered Accountants, Chennai, being the retiring auditors are eligible for re-appointment.

**for & on behalf of the Board**

sd/-  
V A Kurien  
Director

**Place : Chennai**

**Date : 28.07.2009**

### NOTES

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxy or proxies so appointed need not be a member or members as the case may be of the Company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company not later than 48 hours before the time fixed for holding the meeting.**
2. The Register of members and the share transfer books of the company will remain closed from 10<sup>th</sup> September 2009 to 14<sup>th</sup> September 2009 (both days inclusive.)
3. Members are requested to notify immediately any change in their address to the company.
4. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Members are therefore requested to bring their copies of the annual report to the meeting.
5. Members are requested to affix their signature at the space provided on the attendance sheet annexed to the proxy form and hand over the slip at the entrance of the meeting hall.
6. No gifts/refreshments will be provided at the venue of the meeting.
7. Re-Appointment of Director – At the ensuing Annual general meeting, Mr.Sanjay Arjundas Wadhwa retire by rotation and being eligible offers himself for re-appointment.

**for & on behalf of the Board**

sd/-  
V A Kurien  
Director

**Place : Chennai**

**Date : 28-07-2009**

**DIRECTORS REPORT & MANAGEMENT DISCUSSION AND ANALYSIS**

The Directors are pleased to present the 15<sup>th</sup> Annual Report and the Audited Accounts for the year ended 31.03.2009.

**FINANCIAL HIGHLIGHTS**

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

( Rs. in Lakhs)

| <b>Particulars</b>                | <b>Year Ended<br/>31.03.2009</b> | <b>Year Ended<br/>31.03.2008</b> |
|-----------------------------------|----------------------------------|----------------------------------|
| Total Income                      | <b>21.11</b>                     | 25.68                            |
| Total Expenditure                 | <b>16.25</b>                     | 15.06                            |
| Profit/(Loss) before depreciation | <b>4.86</b>                      | 10.62                            |
| Less: Depreciation                | <b>1.57</b>                      | 1.57                             |
| <b>Profit/(Loss) after Tax</b>    | <b>2.05</b>                      | 6.88                             |
| Paid Up Capital                   | <b>300</b>                       | 300                              |

**OPERATIONS**

During the year under review the Company has made a total income of Rs.21.11 Lakhs as against Rs.25.68 Lakhs in the previous Year. The Company had earned a Profit after tax Rs.2.05 Lakhs during the year. The Company is taking all possible efforts to improve the performance and achieve better results in future years.

**DIVIDEND**

In view of insufficient Profits, Your Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March 2009.

**INDUSTRY STRUCTURE & DEVELOPMENT**

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

**OPPORTUNITIES & THREATS**

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

**INTERNAL CONTROL SYSTEMS & ADEQUACY**

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

## **OUTLOOK**

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

## **DIRECTORS**

Mr. Sanjay Arjundas Wadhwa, Director liable to retire by rotation and being eligible offers himself for re-appointment.

## **AUDITORS**

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

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

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

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

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

- (i) That in the preparation of the Annual Accounts for the financial year ended 31.03.2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the company as on 31.3.2009 and of the profit or loss of the company for the year financial year ended 31.3.2009.
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors had prepared the annual accounts for the financial year ended 31.03.2009 on a going concern basis.

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

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

**DEPOSITORY SYSTEM**

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

**CORPORATE GOVERNANCE**

The Corporate Governance report as set out in Annexure hereto form an integral part of this report. A Certificate from the auditors of the company certifying compliance of the conditions of corporate governance as stipulated in Clause 49 of the listing agreement with stock exchanges is also annexed to the report on Corporate Governance.

**PUBLIC DEPOSITS**

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

**STATEMENT PURSUANT TO LISTING AGREEMENT**

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

**FUTURISTIC STATEMENTS**

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

**ACKNOWLEDGEMENT**

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

For & On Behalf of the Board of Directors

Sd/-  
V.A. Kurian  
Director

Sd/-  
Mary Rodrigues  
Director

Place: Chennai

Datee : 28.07.2009

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

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

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

**2. BOARD OF DIRECTORS:**

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

|                            |   |                        |
|----------------------------|---|------------------------|
| Mr. V.A.Kurien             | - | Non Executive Director |
| Mr. Sanjay Arjundas Wadhwa | - | Non Executive Director |
| Mr. Laxmi Niwas Sharma     | - | Non Executive Director |
| Mr.Ranjith Mathan          | - | Non Executive Director |
| Mrs.Mary Rodrigues         | - | Non Executive Director |

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

| Name                   | Category      | No of BM (A) | AGM(A) | No of Directorships & Committee member in other Public Limited Companies |                  |
|------------------------|---------------|--------------|--------|--|------------------|
|                        |               |              |        | Directorships  | Committee member |
| V.A.Kurien             | NI<br>NE<br>P | 4            | Y      | 2  | 2                |
| Sanjay Arjundas Wadhwa | I<br>NE       | 4            | Y      | 1  | 2                |
| Laxmi Niwas Sharma     | I<br>NE       | 3            | Y      | 3  | 5                |
| Ranjith Mathan         | I<br>NE<br>NI | 3            | Y      | —  | —                |
| Mary Rodrigues         | NE            | 3            | Y      | 1  | 1                |

BM (A) – Board Meeting Attendance during the 2008 - 2009, Y-Yes, N-No, AGM (A) – Whether Attended Annual General Meeting held on 18.09.2008,C- Chairman, E- Executive , NE- Non executive, I- Independent, NI- Non Independent.

Four Board Meetings were held during the year 2008 – 2009 and the dates on which the Board meetings were held were as follows: 30/4/2008, 30/07/2008, 31/10/2008, and 30/01/2009

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

#### **BOARD PROCEDURE**

The Company has convened Four Board Meetings during the Financial Year 2008-09. The Notices of the Board meeting were sent a week in advance to all the Directors to enable them to make themselves convenient to attend the Meeting. The detailed Agenda for the meeting along with notes if any, were sent to the Directors about one week to ten days before the Meeting. The Director would give a overview of the performance of the Industry, in general and the Company, in particular. The Board of Directors generally reviewed the following:

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

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

|   |                           |
|---|---------------------------|
| <b>Name of the Director</b>                                       | Mr.Sanjay Arjundas Wadhwa |
| <b>Date of Birth</b>  | 42 Years                  |
| <b>Qualification</b>  | B.Com, MBA                |
| <b>Nature of Expertise</b>  | Wide Business Experience  |
| <b>Date of First Appointment</b>                                  | 30.09.2006                |
| <b>Name of the other Companies in which he holds Directorship</b> | NIL                       |

### **3. CODE OF CONDUCT**

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

### **4. REMUNERATION TO DIRECTORS**

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

**5. AUDIT COMMITTEE**

The Committee had held four Meetings during the financial year 2008-09 and the details of Compositions of the Audit Committee and the meetings attended by the Directors are given below:

| Name of Members                 | No of Meetings attended during the year 2008 – 2009 |
|---------------------------------|---|
| Mr.Laxmi Niwas Sharma, Chairman | 3   |
| Mr.Sanjay Arjundas Wadhwa       | 4   |
| Mr.Ranjith Mathan               | 3   |
| Mr.V.A.Kurien                   | 4   |

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

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

**6. SHAREHOLDERS COMMITTEE**

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

|                            |   |                        |
|----------------------------|---|------------------------|
| Mr. V.A.Kurien             | - | Non Executive Director |
| Mr. Sanjay Arjundas Wadhwa | - | Non Executive Director |
| Mr.Ranjith Mathan          | - | Non Executive Director |

Name, Designation and Address of Compliance Officer: Mr.V.A.Kurien, Director  
No – 64, Montieth Road, Egmore, Chennai – 600 008

|  |   |     |
|--|---|-----|
| No of Complaints received from Shareholders from 01.04.2008 – 31.03.2009       | - | 4   |
| No. Complaints not solved to the satisfaction of shareholders as on 31.03.2009 | - | Nil |
| No of Pending Share Transfers as on 31.03.2009                                 | - | Nil |

The Committee looks after the Share transfers and no Shares Transfers are pending as on 31.03.2009.

**7. DISCLOSURES.**

## a). Related party Transactions

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

## b). Compliance by the company

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

## c). Secretarial Audit

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

**8. GENERAL BODY MEETINGS.**

Last Three Annual General Meetings were held as under:

| Year | Date & Time             | Place  |
|------|-------------------------|--|
| 2006 | 30.09.2006 at 11.00 a.m | TANSTIA, No.10, G.S.T.Road,<br>Guindy, Chennai – 600 032                           |
| 2007 | 28-09-2007 at 11.00 a.m | TANSTIA, No.10, G.S.T.Road,<br>Guindy, Chennai – 600 032                           |
| 2008 | 18.09.2008 at 10.30 a.m | Green Meadows Conference Hall<br>4/364-A Annasalai, Palavakkam,<br>Chennai-600 041 |

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

**9. MEANS OF COMMUNICATION.**

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



**GENERAL SHAREHOLDER INFORMATION**

• Annual General Meeting

- Date, time and venue - 14.09.2009, 10.30 A.M,  
at Green Meadows Conference Hall  
4/364-A Annasalai, Palavakkam,  
Chennai-600 041

Financial Calendar

Financial reporting for

- Quarter ending June 30, 2009 - July 2009
- Quarter ending September 30, 2009 - October 2009
- Quarter ending December 31, 2009 - January 2010
- Quarter ending March 31, 2010 - April 2010
- Annual General meeting for the year ended 31.03.2009 - 14<sup>th</sup> September 2009
- Date of Book closure - 10.09.2009 - 14.09.2009
- Dividend Payment Date - N.A
- Listing on Stock Exchanges - Madras Stock Exchange,  
The Stock Exchange, Mumbai.
- Stock Code - BSE – Scrip Code – 530907 – Scrip Name – SICAP & FINA

Market Price Data :

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

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

Distribution of shareholding as on 31.03.2009

| No. of Shares held | Shareholders | Shares           |               |
|--------------------|--------------|------------------|---------------|
|                    | Number       | Number           | %             |
| Upto – 500         | 1394         | 294160           | 9.81          |
| 501 – 1000         | 203          | 167300           | 5.58          |
| 1001 – 2000        | 93           | 143100           | 4.77          |
| 2001 – 3000        | 79           | 201800           | 6.73          |
| 3001 – 4000        | 18           | 63410            | 2.11          |
| 4001 – 5000        | 17           | 80500            | 2.68          |
| 5001 – 10000       | 24           | 181230           | 6.04          |
| 10001 and above    | 25           | 1868500          | 62.28         |
| <b>TOTAL</b>       | <b>1853</b>  | <b>30,00,000</b> | <b>100.00</b> |

Shareholding pattern as on 31.03.2009

| Category   | No. of Shares held | Percentage of share holding |
|--|--------------------|-----------------------------|
| <b>A. PROMOTER'S HOLDING</b>   |                    |                             |
| 1. <i>Promoters</i>  |                    |                             |
| <b>Indian Promoters</b>  | 833720             | 27.79                       |
| Foreign Promoters  |                    |                             |
| 2. Persons acting in Concert   | —                  | —                           |
| <b>Sub –Total</b>  | <b>833720</b>      | <b>27.79</b>                |
| <b>B. NON – PROMOTER'S HOLDING</b>   |                    |                             |
| 3. Institutional Investors   |                    |                             |
| a. Mutual Funds and UTI  | —                  | —                           |
| b. Banks, Financial Institutions,<br>Insurance Companies(Central / State Govt.<br>Institutions / Non- Government Institutions) | 9200               | 0.31                        |
| c.Foreign Institutional Investors  | —                  | —                           |
| <b>Sub - Total</b>   | <b>9200</b>        | <b>0.31</b>                 |
| 4.Others   |                    |                             |
| a.Private Corporate Bodies   | 844900             | 28.16                       |
| b.Indian Public  | 1312180            | 43.74                       |
| c.NRIs / OCBs  | —                  | —                           |
| d. Any other   | —                  | —                           |
| <b>Sub – Total</b>   | <b>2157080</b>     | <b>71.90</b>                |
| <b>GRAND TOTAL</b>   | <b>3000000</b>     | <b>100.00</b>               |

Registrar and Transfer Agents - M/s Knack Corporate Services Private Limited,  
New No.17/9 . G.V. House, Thiruvengadam Street,  
Mandaveli, Chennai - 600 028

Share Transfer System - Share Transfers in physical form can be lodged with  
M/s Knack Corporate Services Private Limited,  
New No.17/9 G.V. House  
Thiruvengadam Street  
Mandaveli, Chennai - 600 028

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

convenience of the investors.

**Dematerialisation of shares**

The Shares of the Company are in compulsory Demat System. As on 31/03/2009, the total number of Dematerialized Shares are 350800 The Company's shares are available for Demat with both National Securities Depository Limited (NSDL) and Central Depository (India) Limited (CDSL). International Securities Identification Number (ISIN) allotted to the Equity shares of the company is ISIN INE417F01017.

**Address for correspondence**

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

**DECLARATION**

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

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31<sup>st</sup> March 2009, as envisaged in clause 49 of the Listing Agreement with Stock Exchanges.

For & On Behalf of the Board of Directors

Sd/-  
V.A. Kurian  
Director

Sd/-  
Mary Rodrigues  
Director

Place: Chennai

Datee : 28.07.2009

## AUDITORS ' REPORT ON CORPORATE GOVERNANCE

To the Members,

S.I. Capital & Financial Services Ltd.

We have examined the compliance of conditions of Corporate Governance by S.I. Capital & Financial Services Ltd., for the year ended on 31st March ' 2009 as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the company as per the records maintained by the shareholders/Investor's grievance Committee.

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

Place : Chennai  
Date : 28.07.2009

for SUDHINDRAN & CO.  
Chartered Accountants

Sd/-  
P. SUDHINDRAN  
Partner.  
Membership No - 32100

AUDITOR'S REPORT  
TO THE MEMBERS OF M/s. S.I.CAPITAL & FINANCIAL SERVICES LTD

We have audited the attached Balance Sheet of M/s. S.I. Capital & Financial Services Ltd, Chennai, as at 31<sup>st</sup> March 2009 and the Profit and Loss account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order 2003, (as amended) hereinafter referred to as "the order" issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, hereinafter referred to as "the Act" we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
- iii) The Balance sheet together with notes attached thereto and Profit and loss account and Cash Flow statement dealt with the report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet and the Profit and Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2009 from being appointed as Director in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the schedule attached thereto together with the accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a. in the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2009.
  - b. in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date and
  - c. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Chennai  
Date : 28-07-2009

for SUDHINDRAN & CO.  
Chartered Accountants  
Sd/-  
P. SUDHINDRAN  
Partner.  
Membership No - 32100

**Annexure referred to in paragraph 1 of our audit report of even date to the members  
of M/s. S.I.CAPITAL & FINACIAL SERVICES LTD. Chennai.**

**1. Fixed Assets**

- 1.1 The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- 1.2 The fixed assets of the company have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification as compared to the book records.
- 1.3 As explained to us, the Company has not disposed of substantial part of fixed assets during the year and the going concern assumption of the Company is not affected.

**2. Inventories**

- 2.1 As per the information and explanations furnished to us, physical verification has been conducted at reasonable intervals by the management.
- 2.2 The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 2.3 The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification of stocks as compared to the book records.

**3. Loans and Advances**

- 3.1 As informed to us, the company has granted loans, secured or unsecured to the companies covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion, the terms and conditions on which the loans are granted are prima facie not prejudicial to the interest of the company.
- 3.2 As informed to us, the company has not taken any loans, secured or unsecured from the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

**4. Internal Controls**

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of foreign currency. During the course of audit, no major weakness has been noticed in these internal controls.

**5. Related Parties**

- 5.1 According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

**6. Deposits from Public**

The company has not accepted any deposits from the public and consequently the provisions of section 58A and 58AA of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the company.

**7. Internal audit system**

In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

**8. Cost records**

As per the information and explanations given to us, maintenance of cost records has not been prescribed by the central government under Section 209(1)(d) of the Companies Act, 1956.

**9. Statutory Dues**

9.1 According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been regular in depositing undisputed statutory dues including income tax, sales tax and any other statutory dues during the year with the appropriate authorities.

9.2 According to the information and explanations given to us, there were no undisputed dues payable in respect of Income tax, Sales tax, Wealth tax, Customs duty, Excise duty and Cess outstanding as on 31<sup>st</sup> March 2009 for a period of more than six months from the date they became payable except fringe benefit tax to the tune of Rs.24,205/-

9.3 According to the information and explanation given to us, there are no dues in respect of Income tax, Sales tax, Custom duty, Wealth tax, Excise duty and Cess that have not been deposited with the appropriate authorities on account of any dispute.

**10. Accumulated Losses**

The company has accumulated losses at the end of the financial year. The company has made profit during the financial year and during the year immediately preceding financial year. However the accumulated loss of the company is less than 50% of the net worth of the company.

**11. Dues to Financial Institutions, Banks etc.**

In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions and banks. The company has not issued any debentures.

**12. Loans against security**

The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

**13. Chit Fund/Nidhi**

In our opinion, the company is not a chit fund or a nidhi, mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

**14. Dealing in shares/securities etc.**

According to the information and explanation given to us the company has maintained proper records as regards dealing in shares, securities, debentures and other investments. The Investments are held by the company in its own name.

**15. Guarantees for others**

According to the information and explanations furnished to us, the company has not given guarantees, for loans taken by others from banks or financial institutions.

**16. Term Loans**

The company has not obtained any Term Loans.

**17. Short Term Loans**

According to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term basis and vice versa.

**18. Preferential allotment of shares**

According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

**19. Debentures**

The company has not issued any debentures.

**20. Public Issues**

According to the information and explanations furnished to us, the company has not raised any funds by public issues during the year.

**21. Frauds etc.**

Based upon the audit procedures performed and information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place : Chennai  
Date : 28.07.2009

for SUDHINDRAN & CO.  
Chartered Accountants

P. SUDHINDRAN

Sd/-  
Partner.  
Membership No - 32100



|                      |   |   |
|----------------------|---|---|
| Board of Directors   | : | Mr. V.A. Kurien<br>Mr. Sanjay Arjundas Wadhwa<br>Mr. Laxmi Niwas Sharma<br>Mr. Ranjith Mathan<br>Mrs. Mary Rodrigues                          |
| Auditors             | : | Sudhindran & Co.<br>Chartered Accountants<br>G/1, Kesari Kutteram<br>27, West Cott Road,<br>Chennai - 600 014.                                |
| Bankers              | : | Indian Overseas Bank.,<br>Standard Chartered Bank.,<br>ABN Amro Bank Ltd.,<br>HDFC Bank Limited.,<br>Karnataka Bank Ltd.<br>UTI Bank Ltd.,    |
| Registered Office    | : | ‘Montieth Court’<br>No.64, Montieth Road,<br>Egmore, Chennai - 600 008.<br>Ph: 28415438, 28415439   |
| Branches             | : | Chennai , Cochin & Andaman  |
| Shares listed with   | : | 1. Madras Stock Exchange<br>2. The Stock Exchange, Mumbai   |
| Share Transfer Agent | : | KNACK CORPORATE SERVICES Pvt. Ltd<br>New No.17/9 G.V. House<br>Thiruvengadam Street<br>Mandaveli, Chennai - 600 028<br>Phone : 044 - 42303383 |

## BALANCE SHEET AS AT 31.03.2009

|                                    | SCH. NO   | AS AT<br>31.03.2009<br>RS.        | AS AT<br>31.03.2008<br>RS.  |
|------------------------------------|---|-----------------------------------|-----------------------------|
| <b><u>SOURCES OF FUNDS</u></b>     |   |                                   |                             |
| <b>1</b>                           | <b><u>SHAREHOLDERS' FUNDS</u></b>                                     |                                   |                             |
|                                    | Share Capital   | 30,000,000.00                     | 30,000,000.00               |
|                                    | Reserve & surplus   | 575,006.92                        | 509,158.02                  |
| <b>2</b>                           | <b><u>LOAN FUNDS</u></b>  |                                   |                             |
|                                    | Secured Loans   | -                                 | 16,238.00                   |
|                                    | <b>Total</b>  | <b><u>30,575,006.92</u></b>       | <b><u>30,525,396.02</u></b> |
| <b><u>APPLICATION OF FUNDS</u></b> |   |                                   |                             |
| <b>1</b>                           | <b><u>FIXED ASSETS</u></b>  | <b>4</b>                          |                             |
|                                    | Gross Block   | 9,653,150.83                      | 9,481,456.70                |
|                                    | Less: Depreciation  | 2,139,344.52                      | 2,165,158.77                |
|                                    | Net Block   | (I) <b><u>7,513,806.31</u></b>    | <b><u>7,316,297.93</u></b>  |
| <b>2</b>                           | <b>INVESTMENTS</b>  | (II) <b>5</b>                     | 3,808,951.75                |
| <b>3</b>                           | <b><u>CURRENT ASSETS, LOANS,<br/>ADVANCES &amp; DEPOSITS</u></b>      | <b>6</b>                          | 14,600,451.26               |
|                                    | Less: CURRENT LIABILITIES<br>& PROVISIONS                             | <b>7</b>                          | 820,654.00                  |
|                                    | Net Current Assets  | (III) <b><u>13,779,797.26</u></b> | <b><u>13,550,199.15</u></b> |
| <b>4</b>                           | Deferred Tax Assets (Net)   | (IV) <b>877,096.26</b>            | 910,611.97                  |
| <b>5</b>                           | <b>A) MISCELLANEOUS EXPENDITURE TO<br/>THE EXTENT NOT WRITTEN OFF</b> | <b>8</b>                          | 4,595,355.34                |
|                                    | <b>Total</b>  | <b><u>30,575,006.92</u></b>       | <b><u>30,525,396.02</u></b> |
| <b>Notes to Accounts</b>           | <b>14</b>   |                                   |                             |

As per our separate report of even date

For Sudhindran & Co,  
Chartered Accountants,

Sd/-  
P. SUDHINDRAN  
Partner

Membership No. 32100

Place : Chennai

Date : 28.07.2009

Sd/-  
V. A. KURIEN  
Director

Sd/-  
SANJAY ARJUNDAS WADHWA  
Director

Sd/-  
MARY RODRIGUES  
Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009**

| Particulars   | Sch No.    | 31.03.2009<br>Rs.          | 31.03.2008<br>Rs.          |
|---|------------|----------------------------|----------------------------|
| <b><u>I. Income</u></b>                             |            |                            |                            |
| Income from Forex Dealings                          |            | 972,206.22                 | 940,182.84                 |
| Other Income  | 9          | 1,138,542.97               | 1,627,968.02               |
| <b>Total</b>  |            | <b><u>2,110,749.19</u></b> | <b><u>2,568,150.86</u></b> |
| <b><u>II. Expenditure</u></b>                       |            |                            |                            |
| Admin. & Other Expenses                             | 10         | 851,090.01                 | 755,304.82                 |
| Employees Expenses                                  | 11         | 616,286.81                 | 543,243.99                 |
| Financial Expenses                                  | 12         | 23,821.40                  | 24,059.63                  |
| Bad Debts & Losses W/off                            | 13         | 133,364.00                 | 183,577.47                 |
| <b>Total</b>  |            | <b><u>1,624,562.22</u></b> | <b><u>1,506,185.91</u></b> |
| Profit Before Depreciation                          |            | 486,186.97                 | 1,061,964.95               |
| Less: Depreciation                                  | 4          | 156,942.49                 | 157,532.09                 |
| Profit Before Tax                                   |            | 329,244.48                 | 904,432.86                 |
| Less: Transfer to Special Reserve                   |            | 65,848.90                  | 180,886.57                 |
| Provision for Taxation                              |            | -                          | -                          |
| Income Tax  |            | -                          | -                          |
| Fringe Benefit Tax                                  |            | 24,205.00                  | 19,890.00                  |
| Deferred Tax Liability (Net )                       |            | 33,515.71                  | 15,823.78                  |
| <b>Profit After Tax</b>                             |            | <b><u>205,674.87</u></b>   | <b><u>687,832.51</u></b>   |
| Less: Income Tax of earlier years written off       |            | 2,059.00                   | 30,500.00                  |
| Add : Balance Brought Forward                       | (-)        | <b><u>4,798,971.21</u></b> | <b><u>5,456,303.72</u></b> |
| Excess provision for<br>Doubtful debts written back |            | -                          | -                          |
| <b>Balance carried to Balance Sheet</b>             | <b>(-)</b> | <b><u>4,595,355.34</u></b> | <b><u>4,798,971.21</u></b> |

Earnings per share (in Rupees)= Profit/(Loss)  
after Tax and Deferred Tax divided by 30,00,000  
equity shares

|                           |          |         |
|---------------------------|----------|---------|
|                           | 0.07     | 0.23    |
| Nominal value per share   | Rs. 10/- | Rs.10/- |
| Diluted earning per share | NA       | N.A.    |

As per our separate report of even date

|  |                                    |
|--|------------------------------------|
| Sd/-   | Sd/-                               |
| For Sudhindran & Co,<br>Chartered Accountants, | SANJAY ARJUNDA WADHWA<br>Director  |
| Sd/-<br>P. SUDHINDRAN<br>Partner               | Sd/-<br>MARY RODRIGUES<br>Director |

Membership No. 32100

Place : Chennai

Date : 28.07.2009

**SCHEDULES TO BALANCE SHEET**

|   | <b>31.03.2009</b>        | <b>31.03.2008</b>        |
|---|--------------------------|--------------------------|
|   | Rs.                      | Rs.                      |
| <b><u>Schedule 1</u></b>  |                          |                          |
| <u>Share Capital</u>  |                          |                          |
| Authorised : 35,00,000 equity shares of Rs.10/- Each                | 35,000,000.00            | 35,000,000.00            |
|   | <u>35,000,000.00</u>     | <u>35,000,000.00</u>     |
| Issued ,Suscribed & Paid Up 30,00,000 Equity shares of Rs.10/- Each | 30,000,000.00            | 30,000,000.00            |
|   | <u>30,000,000.00</u>     | <u>30,000,000.00</u>     |
| <b><u>Schedule 2</u></b>  |                          |                          |
| <b>Reserves and Surplus</b>   |                          |                          |
| Special Reserve - Opening Balance                                   | 509,158.02               | 328,271.44               |
| Add: Addition during the year                                       | 65,848.90                | 180,886.57               |
| <b>Total</b>  | <b><u>575,006.92</u></b> | <b><u>509,158.02</u></b> |
| <b><u>Schedule 3</u></b>  |                          |                          |
| <b><u>LOAN FUNDS</u></b>  |                          |                          |
| <u>Secured loan</u>   |                          |                          |
| Loan from CITI Bank   | -                        | 16,238.00                |
| (Secured Against hypothecation of Motor Car)                        |                          |                          |
| <b>Total</b>  | <b><u>-</u></b>          | <b><u>16,238.00</u></b>  |

**Schedule 4 - FIXED ASSETS & DEPRECIATION FOR THE YEAR ENDED 31.03.2009**

| Particulars                | Gross Block         |                   |                   | Depreciation        |           |                   |                             |                   | Net Block           |                     |                     |
|----------------------------|---------------------|-------------------|-------------------|---------------------|-----------|-------------------|-----------------------------|-------------------|---------------------|---------------------|---------------------|
|                            | As on<br>01.4.2008  | Additions         | Deletions         | As on<br>01.04.2008 | Rate<br>% | On<br>Deletions   | Excluding - On<br>Deletions | For the<br>year   | Upto<br>31.03.2009  | As on<br>31.03.2009 | As on<br>31.03.2008 |
| Land                       | 6,646,565.50        | -                 | -                 | -                   | -         | -                 | -                           | -                 | -                   | 6,646,565.50        | 6,646,565.50        |
| Building                   | 105,000.00          | -                 | -                 | 23,227.77           | 5.33      | -                 | 23,227.77                   | 4,358.46          | 27,586.23           | 77,413.77           | 81,772.23           |
| Plant & Machinery          | 973,120.19          | -                 | -                 | 816,222.51          | 13.91     | -                 | 816,222.51                  | 21,824.47         | 838,046.98          | 135,073.21          | 156,897.68          |
| Electrical Machinery       | 59,990.85           | -                 | -                 | 25,630.17           | 13.91     | -                 | 25,630.17                   | 4,779.57          | 30,409.74           | 29,581.11           | 34,360.68           |
| Furniture & Fixtures       | 931,651.15          | -                 | -                 | 783,015.57          | 18.10     | -                 | 783,015.57                  | 26,903.04         | 809,918.61          | 121,732.54          | 148,635.58          |
| Air Conditioner            | 30,000.00           | -                 | -                 | 11,011.54           | 13.91     | -                 | 11,011.54                   | 2,641.29          | 13,652.84           | 16,347.16           | 18,988.46           |
| Motor Car-Wagon R          | 392,669.01          | -                 | 392,669.01        | 182,756.73          | 25.89     | 182,756.73        | -                           | -                 | -                   | -                   | 209,912.28          |
| Motor Car - Swift          | -                   | 509,613.14        | -                 | -                   | 25.89     | -                 | -                           | 73,018.21         | 73,018.21           | 436,594.93          | -                   |
| Computers<br>& Peripherals | 342,460.00          | 54,750.00         | -                 | 323,294.46          | 40.00     | -                 | 323,294.46                  | 23,417.45         | 346,711.91          | 50,498.09           | 19,165.54           |
| <b>Total</b>               | <b>9,481,456.70</b> | <b>564,363.14</b> | <b>392,669.01</b> | <b>2,165,158.77</b> |           | <b>182,756.73</b> | <b>1,982,402.03</b>         | <b>156,942.49</b> | <b>2,139,344.52</b> | <b>7,513,806.31</b> | <b>7,316,297.93</b> |

|  |               | 31.03.2009                 | 31.03.2008                 |
|--|---------------|----------------------------|----------------------------|
|  |               | Rs.                        | Rs.                        |
| <b><u>Schedule 5</u></b>                       |               |                            |                            |
| Investments- at cost Quoted                    | <u>No of</u>  |                            |                            |
| Name of the Scrip                              | <u>Shares</u> | Amount                     | Amount                     |
| Bherudan Dugar Finance Ltd                     | 500           | -                          | 5,000.00                   |
| Bhuvan Tripura Ltd                             | 1000          | -                          | 3,800.00                   |
| Hindustan Oil Exploration Ltd                  | 100           | -                          | 2,764.00                   |
| Jindal Vijayanagar Steels Ltd                  | 800           | -                          | 16,000.00                  |
| K.Dhandapani & Co.Ltd                          | 3700          | 111,000.00                 | 111,000.00                 |
| Kandagiri Spinning Mills Ltd                   | 600           | -                          | 30,000.00                  |
| Laser Diamond Ltd                              | 22900         | 229,000.00                 | 229,000.00                 |
| Modi GBC Ltd                                   | 1000          | -                          | 14,000.00                  |
| Polyspin Exports Ltd                           | 1900          | -                          | 19,000.00                  |
| Reliance Petroleum Ltd                         | 200           | -                          | 5,800.00                   |
| Sambandam Spinning Mills Ltd                   | 900           | 45,000.00                  | 45,000.00                  |
| Saravana Estates & Plantation Ltd              | 20000         | 200,000.00                 | 200,000.00                 |
| SI Property Development limited                | 1950          | 43,195.00                  | 43,195.00                  |
| Skandam Farms & Plantations Ltd.               | 50000         | 470,000.00                 | 470,000.00                 |
| Southern Iron and Steel Co Ltd                 | 300           | -                          | 6,000.00                   |
| Sri Ganapathy Mills Co. Ltd                    | 400           | -                          | 36,000.00                  |
| Sri Nachammai Cotton Mills Ltd.                | 800           | 56,000.00                  | 56,000.00                  |
| SSF Ltd  | 24900         | 298,095.00                 | 298,095.00                 |
| Thambi Modern Spinning Mills Ltd               | 100           | 5,000.00                   | 5,000.00                   |
| White House Cotton Mills Ltd                   | 200           | -                          | 2,000.00                   |
| <b>Sub Total</b>                               |               | <b><u>1,457,290.00</u></b> | <b><u>1,597,654.00</u></b> |
| <b>Mutual funds:</b>                           |               |                            |                            |
| Prudential ICICI Dynamic Plan Fund             |               | 502,757.00                 | 502,757.00                 |
| Reliance Equity Advantage Fund -Retail Divd    |               | 824,604.00                 | 824,604.00                 |
| Sundaram BNP Paribas Growth Fund -Appriciation |               | 1,024,300.75               | 1,024,300.75               |
| <b>Sub Total</b>                               |               | <b><u>2,351,661.75</u></b> | <b><u>2,351,661.75</u></b> |
| <b>Total</b>                                   |               | <b><u>3,808,951.75</u></b> | <b><u>3,949,315.75</u></b> |

Market value of above Investments as on 31.03.2009 is Rs. 15,01,078.00

|   | 31.03.2009<br>Rs.          | 31.03.2008<br>Rs.          |
|---|----------------------------|----------------------------|
| <b><u>Schedule 6</u></b>  |                            |                            |
| <b><u>CURRENT ASSETS, LOANS, ADVANCES &amp; DEPOSITS</u></b>  |                            |                            |
| <b><u>A. CURRENT ASSETS</u></b>   |                            |                            |
| Stock in trade  | 31,642.15                  | 592,284.69                 |
| <b>Sub Total</b>  | <b><u>31,642.15</u></b>    | <b><u>592,284.69</u></b>   |
| <b><u>Sundry Debtors</u></b>  |                            |                            |
| (Unsecured considered good for which the company holds no security other than Debtor's Personal Security) |                            |                            |
| a) Debts Outstanding for a period exceeding six months  | 2,581,533.51               | 4,197,369.94               |
| b) Other Debts  | 1,990,567.67               | 370,162.54                 |
| <b>Sub Total</b>  | <b><u>4,572,101.18</u></b> | <b><u>4,567,532.48</u></b> |
| <b><u>Cash &amp; Bank Balances</u></b>  |                            |                            |
| Cash in hand  | 367,785.24                 | 416,158.28                 |
| Balance with Scheduled Banks in Current Account   | 2,008,753.28               | 497,258.01                 |
| <b>Sub Total</b>  | <b><u>2,376,538.52</u></b> | <b><u>913,416.29</u></b>   |
| <b><u>Other Current Assets</u></b>  |                            |                            |
| Interest Receivable   | 172,783.00                 | 200,626.00                 |
| Interest Suspense on Motor Car Loan   | -                          | 1,423.00                   |
| <b>Sub Total</b>  | <b><u>172,783.00</u></b>   | <b><u>202,049.00</u></b>   |
| <b><u>B. LOANS &amp; ADVANCES</u></b>   |                            |                            |
| <b><u>I) Loans Recoverable</u></b>  |                            |                            |
| Secured - Efficiency Aids Agencies  | 5,000,000.00               | 5,000,000.00               |
| Southern Warehousing co, Pvt Ltd.,  | -                          | 600,000.00                 |
| SSF LTD   | 250,000.00                 | 430,000.00                 |
| Murugesan   | 417,766.00                 | 500,000.00                 |
| Praba Narasimhan  | 350,000.00                 | 40,000.00                  |
| Unsecured - Considered Doubtful   | 909,674.65                 | 909,674.65                 |
|   | <u>6,927,440.65</u>        | <u>7,479,674.65</u>        |
| Less : Provision for Doubtful Loans   | 909,674.65                 | 909,674.65                 |
| <b>Sub Total</b>  | <b><u>6,017,766.00</u></b> | <b><u>6,570,000.00</u></b> |

|   |    | <b>31.03.2009</b>           | <b>31.03.2008</b>           |
|---|----|-----------------------------|-----------------------------|
|   |    | Rs.                         | Rs.                         |
| <b><u>II ) Advances recoverable in cash or in kind</u></b>    |    |                             |                             |
| <b><u>or for value to be received and considered good</u></b> |    |                             |                             |
| Advance for Land  |    | 430,000.00                  | 430,000.00                  |
| Ebenezer  |    | 283,586.16                  | 276,645.76                  |
| AFL Receivable  |    | 14,325.17                   | 13,574.04                   |
| Staff Advance   |    | 38,000.00                   | 18,500.00                   |
| Rent Deposit  |    | 45,920.00                   | 45,920.00                   |
| Telephone Deposit   |    | 37,139.00                   | 37,139.00                   |
| Tax Deducted at Source AY 2007-08                             |    | 189,896.00                  | 189,896.00                  |
| Tax Deducted at Source AY 2008-09                             |    | 197,709.08                  | 197,709.08                  |
| Tax Deducted at Source AY 2009-10                             |    | 193,045.00                  | -                           |
| Income Tax Refund Due AY: 2005-06                             |    | -                           | 128,110.00                  |
| Income Tax Refund Due AY: 2006-07                             |    | -                           | 159,888.00                  |
| <b>Sub Total</b>  | VI | <b><u>1,429,620.41</u></b>  | <b><u>1,497,381.88</u></b>  |
| <b>Total - (I+II+III+IV+V+VI)</b>                             |    | <b><u>14,600,451.26</u></b> | <b><u>14,342,664.34</u></b> |

**Schedule 7****Current Liabilities & Provisions****A. Current Liabilities****Sundry Creditors****For Expenses**

|                     |    |                          |                          |
|---------------------|----|--------------------------|--------------------------|
| Expenses Payable    |    | 70,426.00                | 60,861.00                |
| Mahesh & Associates |    | 36,000.00                | 24,000.00                |
| Sudhindran & Co.    |    | 48,001.00                | 71,635.00                |
| <b>Sub Total</b>    | I  | <b><u>158,547.00</u></b> | <b><u>156,496.00</u></b> |
| <b>For Others</b>   |    | <b><u>500,000.00</u></b> | <b><u>500,000.00</u></b> |
| <b>Sub Total</b>    | II | <b><u>500,000.00</u></b> | <b><u>500,000.00</u></b> |

**B. Provisions**

|                                |     |                          |                          |
|--------------------------------|-----|--------------------------|--------------------------|
| Provision for Gratuity         |     | 94,402.00                | 72,579.19                |
| Provision for Taxation :       |     |                          |                          |
| Income Tax AY: 2007-08         |     | 43,500.00                | 43,500.00                |
| Fringe Benefit Tax A.Y 2008-09 |     | -                        | 19,890.00                |
| Fringe Benefit Tax A.Y 2009-10 |     | 24,205.00                | -                        |
| <b>Sub Total</b>               | III | <b><u>162,107.00</u></b> | <b><u>135,969.19</u></b> |

**Total (I+II+III)****820,654.00****792,465.19****Schedule 8****Miscellaneous Expenditure to the extent not written off / adjusted**

|                       |  |                            |                            |
|-----------------------|--|----------------------------|----------------------------|
| Profit & Loss Account |  | 4,595,355.34               | 4,798,971.21               |
| <b>Total</b>          |  | <b><u>4,595,355.34</u></b> | <b><u>4,798,971.21</u></b> |



31.03.2009

Rs.

31.03.2008

Rs.

**SCHEDULES TO PROFIT AND LOSS ACCOUNT****Schedule 9****Other Income**

|  |                            |                            |
|--|----------------------------|----------------------------|
| Commission Received on Money Transfer Services | 29,750.34                  | 38,188.33                  |
| Dividend Received - Shares                     | 11,210.20                  | 14,565.26                  |
| Dividend Received -Mutual Fund                 | 57,390.07                  | 102,313.25                 |
| Interest Received                              | 982,445.00                 | 890,236.00                 |
| Profit on Redemption of Mutual Funds           | 4,534.70                   | 576,439.22                 |
| Profit on sale of car                          | 45,087.86                  | -                          |
| Miscellaneous Income                           | 8,124.80                   | 6,225.96                   |
| <b>Total</b>                                   | <b><u>1,138,542.97</u></b> | <b><u>1,627,968.02</u></b> |

**Schedule 10****Administrative & Other Expenses**

|                               |                          |                          |
|-------------------------------|--------------------------|--------------------------|
| Rent                          | 169,680.00               | 149,880.00               |
| Rates & Taxes                 | 56,028.00                | 378.00                   |
| Electricity Charges           | 8,465.00                 | 22,860.82                |
| Telephone Charges             | 61,057.00                | 63,269.00                |
| Postage & Telegram            | 2,207.00                 | 10,256.00                |
| Printing & Stationery         | 18,631.01                | 18,314.00                |
| Conveyance Expenses           | 12,110.00                | 12,338.00                |
| Travelling Expenses           | 56,875.00                | 14,301.00                |
| Vehicle Maintenance           | 94,528.00                | 88,273.00                |
| Office Maintenance expenses   | 35,521.00                | 63,110.00                |
| Property Maintenance Expenses | 6,000.00                 | 9,000.00                 |
| Business Promotion Expenses   | 7,361.00                 | 2,052.00                 |
| Insurance Charges             | 19,942.00                | 6,436.00                 |
| AGM & Publishing Expenses     | 43,596.00                | 32,715.00                |
| Annual Maintenance Charges    | 4,450.00                 | 6,052.00                 |
| Repairs and Maintenance       | 62,301.00                | 58,420.00                |
| Listing & Filing Fee          | 27,395.00                | 27,195.00                |
| Sitting Fees                  | 13,000.00                | 15,000.00                |
| Share transfer fee            | 17,407.00                | 20,633.00                |
| Professional Charges          | 86,350.00                | 91,000.00                |
| Profession Tax                | 3,996.00                 | 5,994.00                 |
| Miscellaneous Expenses        | 70.00                    | 4,120.00                 |
| Auditor's Remuneration        | 44,120.00                | 33,708.00                |
| <b>Total</b>                  | <b><u>851,090.01</u></b> | <b><u>755,304.82</u></b> |

|  | 31.03.2009<br>Rs.        | 31.03.2008<br>Rs.        |
|--|--------------------------|--------------------------|
| <b><u>Schedule 11</u></b>                            |                          |                          |
| <b><u>Employees Expenses</u></b>                     |                          |                          |
| Salary, Bonus & Allowances including PF Contribution | 596,043.81               | 528,715.61               |
| Staff - Coffee & Tea expenses                        | 20,243.00                | 14,528.38                |
| <b>Total</b>   | <b><u>616,286.81</u></b> | <b><u>543,243.99</u></b> |

**Schedule 12**  
**Financial Expenses**

|                              |                         |                         |
|------------------------------|-------------------------|-------------------------|
| Finance charges on Motor car | 1,423.00                | 8,539.00                |
| Bank Charges                 | 22,398.40               | 15,520.63               |
| <b>Total</b>                 | <b><u>23,821.40</u></b> | <b><u>24,059.63</u></b> |

**Schedule 13**  
**Bad Debts & Losses W/off**

|                                   |                          |                          |
|-----------------------------------|--------------------------|--------------------------|
| Loss on Sale of Asset             | -                        | 7,878.22                 |
| Loss on Redemption of mutual fund | -                        | 175,699.25               |
| Loss on Sale of Shares            | 133,364.00               | -                        |
| <b>Total</b>                      | <b><u>133,364.00</u></b> | <b><u>183,577.47</u></b> |

**Schedule 14**  
**Notes Forming Parts of Accounts**

**A SIGNIFICANT ACCOUNTING POLICIES:**

**1 General**

The financial statements are prepared under the historical cost convention, on the basis of a going concern and as per the applicable accounting standards. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis.

The company has followed prudential norms prescribed by the R.B.I in respect of Income Recognition, capital Adequacy and Provision for Bad and Doubtful Debts.

**2 Inter Branch Transfers**

Inter Branch Transfers of currency are at cost.

**3 Valuation of Inventories**

Currencies in stock are valued at cost.

**4 Fixed Assets and Depreciation**

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

**5 Investments**

Investments are held on long term basis and valued at cost. Diminution in the value of investments is not provided for, as the management is of the opinion that the diminution is of temporary nature.

**6 Revenue Recognition**

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

**7 Retirement Benefits**

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

**8 Impairment of Assets**

The Company has not provided for impairment of any assets.

**B. NOTES TO ACCOUNTS:**

9 Land shown in fixed assets is at Thevara, Cochin and is on equal co-ownership basis with M/s. SSF Ltd.

10 The balance in various accounts in Sundry Debtors and Sundry Creditors are subject to confirmation and reconciliation. They have been shown as per values appearing in the books of accounts.

11 Sundry Debtors include Debtor from Company under the same management.

12 Loans and Advances are subject to confirmation. The secured loans are sufficiently covered by securities. As regards Un-secured loans, though the management is confident of realising the loans recoverable, and for which necessary efforts are already in process, as a matter of abundant caution provision for doubtful loans has been created for the whole amount on these loans.

13 Advances for Land as stated in the schedules to accounts is for the purchase of lands at Thenkasi. The registration of the land having not been finalised, the amounts advanced towards the purchase of these lands remain as advances and is stated as such in the schedules to the accounts.

14 Related Parties disclosure as per Accounting Standard 18:

a) List of Parties - Group concerns and Associates.

- i) Si Cap Insurance Agency (P) Ltd.
- ii) SSF Ltd.
- iii) Southern Warehousing Co, Pvt Ltd

b) Related Party Transactions:

| Name of the Associate Concerns        | Amount taken<br>(Incl. O/s on<br>01.04.2008) | Amount<br>O/s as on<br>31.03.2009 |
|---------------------------------------|--|-----------------------------------|
| i) Si Cap Insurance Agency (P) Ltd.   | 25,868                                       | 25,868                            |
| ii) SSF Ltd.                          | 612,559                                      | 433,363                           |
| iii) Southern Warehousing Co, Pvt Ltd | 600,000                                      | Nil                               |

c) The maintenance expenses of Rs. 6,000/- has been incurred on Thevara property held jointly with SSF Ltd.

**15 Segment Reporting:**

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

| <b>16 <u>Earning per Share:</u></b>              | <u>31.03.2009</u> | <u>31.03.2008</u> |
|--|-------------------|-------------------|
| <b><u>Basic and Diluted</u></b>                  |                   |                   |
| Weighted Average No. of Shares outstanding (Nos) |                   |                   |
| Net Profit / (Loss) in Rupees                    | 205,674.87        | 687,832.51        |
| Earning Per Share                                | 0.07              | 0.23              |
| Nominal value of Share                           | Rs.10/-           | Rs.10/-           |

**17 Deferred Tax:**

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

**Deferred Tax Asset**

|  |                   |                          |
|--|-------------------|--------------------------|
| Opening Balance  |                   | 910,611.97               |
| Deferred Tax for the year                                    |                   |                          |
| Depreciation as per Income Tax Act                           | 222,776.76        |                          |
| Depreciation as per Company Act                              | <u>156,942.49</u> |                          |
| Difference   | 65,834.27         |                          |
| Deferred Tax Liability for the year @ 30.90%<br>on the above |                   | 20,342.79                |
| Provision for Gratuity                                       | 21,642.81         |                          |
| Provision for Bouns  | <u>20,988.00</u>  |                          |
|  | 42,630.81         |                          |
| Deferred Tax Liability for the year @ 30.90%<br>on the above |                   | <u>13,172.92</u>         |
| Current year Deferred Tax Liability<br>debited to P&L a/c    |                   | 33,515.71                |
| Net Deferred Tax Asset shown in the Balance Sheet            |                   | <u><u>877,096.26</u></u> |

18 Income from Forex Business Rs.9,72,206.22 has been arrived at as follows.

|   | <u>31.03.2009</u>        | <u>31.03.2008</u>        |
|---|--------------------------|--------------------------|
| <u>Income from Forex Business:</u>  |                          |                          |
| Sales of Currencies & Travellers Cheque                                   | 79,547,825.10            | 64,083,888.11            |
| Less:Purchase of Currencies &<br>Travellers Cheques, Service Charges paid | <u>78,014,976.34</u>     | <u>63,483,256.21</u>     |
| Sub Total - (a)   | 1,532,848.76             | 600,631.90               |
| Add: Increase / ( Decrease) in Stock                                      |                          |                          |
| Closing Stock   | 31,642.15                | 592,284.69               |
| Less: Opening Stock   | 592,284.69               | 252,733.75               |
| Sub Total - (b)   | (560,642.54)             | 339,550.94               |
| TOTAL (a+b)   | <u><u>972,206.22</u></u> | <u><u>940,182.84</u></u> |

19 Managerial Remuneration:

|             |                         |                         |
|-------------|-------------------------|-------------------------|
| Sitting fee | <u>13,000.00</u>        | <u>15,000.00</u>        |
| Total       | <u><u>13,000.00</u></u> | <u><u>15,000.00</u></u> |

20 Auditor's Remuneration:

|  |                         |                         |
|--|-------------------------|-------------------------|
| As Audit fee                           | 30,000.00               | 20,000.00               |
| As Tax audit fee including service tax | <u>14,120.00</u>        | <u>13,708.00</u>        |
| Total                                  | <u><u>44,120.00</u></u> | <u><u>33,708.00</u></u> |

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

22 Previous year's figures have been regrouped/rearranged wherever necessary to conform with current year presentation.

For Sudhindran & Co,  
Chartered Accountants,

Sd/-  
P. SUDHINDRAN  
Partner

V. A. KURIEN  
Director

SANJAY ARJUNDAS WADHWA  
Director

Sd/-  
MARY RODRIGUES  
Director

Membership No. 32100

Place : Chennai

Date : 28.07.2009

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I REGISTRATION DETAILS**

|                    |            |            |    |
|--------------------|------------|------------|----|
| Registration No.   | 29151      | State Code | 18 |
| Balance Sheet Date | 31.03.2009 |            |    |

**II CAPITAL RAISED DURING THE YEAR (AMOUNT Rs. In THOUSANDS)**

|              |     |                   |     |
|--------------|-----|-------------------|-----|
| Public Issue | NIL | Rights Issue      | NIL |
| Bonus issue  | NIL | Private Placement | NIL |

**III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs. In THOUSANDS)**

|                         |           |                             |           |
|-------------------------|-----------|-----------------------------|-----------|
| Total Liabilities       | 30,575.01 | Total Assets                | 30,575.01 |
| <b>Sources of Funds</b> |           | <b>Application of Funds</b> |           |
| Paid up Capital         | 30,000.00 | Net Fixed Assets            | 7,513.80  |
| Reserves & Surplus      | 575.01    | Net Current Assets          | 13,779.80 |
| Secured Loans           | -         | Investment                  | 3,808.95  |
| Unsecured Loans         | -         | Misc. Expenditure           | -         |
|                         |           | Accumulated Lossess         | 4,595.36  |
|                         |           | Deferred Tax                | 877.10    |

**IV PERFORMANCE OF COMPANY (Rs. IN THOUSANDS)**

|                          |          |                        |          |
|--------------------------|----------|------------------------|----------|
| Turnover                 | 2,110.75 | Total Expenditure      | 1,781.51 |
| Profit / Loss Before Tax | 329.24   | Profit /Loss After Tax | 205.67   |
| Earning per Share        | 0.07     | Dividend Rate          | NIL      |

**V GENERAL NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)**

|                          |                 |
|--------------------------|-----------------|
| Item Code No.(ITC Code)  | N.A             |
| Product Description      | ForeignExchange |
| Item Code No. (ITC Code) | NIL             |
| Product Description      |                 |
| Item Code No.(ITC Code)  | NIL             |
| Product Description      |                 |

**Cash flow statement for the year ended 31.03.2009**

|  | <u>As on 31.03.2009</u> |                       | <u>As on 31.03.2008</u> |                       |
|--|-------------------------|-----------------------|-------------------------|-----------------------|
| <b>A. Cash Flow From Operating Activities</b>                    |                         |                       |                         |                       |
| Net Profit Before Tax & Extraordinary items                      |                         | 329,244.48            |                         | 904,432.86            |
| Add: Depreciation  | 156,942.49              |                       | 157,532.09              |                       |
| Loss on Sale of Assets   | -                       |                       | 7,878.22                |                       |
| Loss on Sale of mutual funds                                     | -                       |                       | 175,699.25              |                       |
| Loss on Sale of shares   | 133,364.00              |                       | -                       |                       |
| Interest on Loans  | <u>1,423.00</u>         | <u>291,729.49</u>     | <u>8,539.00</u>         | <u>349,648.56</u>     |
|  |                         | 620,973.97            |                         | 1,254,081.42          |
| Less: Profit on Redemption of Mutual Funds                       | 4,534.70                |                       | 576,439.22              |                       |
| Profit on Sale of Assets   | 45,087.86               |                       | -                       |                       |
| Interest received  | 982,445.00              |                       | 890,236.00              |                       |
| Dividend received  | 68,600.27               |                       | 116,878.51              |                       |
| Income Tax of earlier years written off                          | <u>2,059.00</u>         | <u>1,102,726.83</u>   | <u>30,500.00</u>        | <u>1,614,053.73</u>   |
| Operating Profit Before Working Capital Changes                  |                         | (481,752.86)          |                         | (359,972.31)          |
| Add: Decrease in Current Assets                                  | 1,205,334.31            |                       | -                       |                       |
| Less: Increase in Current Assets                                 | -                       |                       | 2,144,315.69            |                       |
| Add: Increase in Current Liabilities                             | 3,984.81                |                       | 33,905.31               |                       |
| Less: Decrease in Current Liabilities                            | <u>-</u>                | <u>1,209,319.12</u>   | <u>-</u>                | <u>(2,110,410.38)</u> |
| <b>Net Cash from Operating Activities</b>                        |                         | <b>727,566.26</b>     |                         | <b>(2,470,382.69)</b> |
| <b>B. Cash Flow From Investing Activities</b>                    |                         |                       |                         |                       |
| Sale of Investments  | 704,534.70              |                       | 6,207,455.26            |                       |
| Sale of Shares   | 7,000.00                | -                     |                         |                       |
| Sale of Fixed Assets   | 255,000.14              |                       | 2,500.00                |                       |
| Interest Received  | 982,445.00              |                       | 890,236.00              |                       |
| Dividend Received  | <u>68,600.27</u>        | 2,017,580.11          | <u>116,878.51</u>       | 7,217,069.77          |
| Less :Bad debts written off                                      | -                       |                       | -                       |                       |
| Less :Purchase of Fixed Assets                                   | 564,363.14              |                       | -                       |                       |
| Less: Purchase of Mututal Fund                                   | <u>700,000.00</u>       | <u>1,264,363.14</u>   | <u>5,658,376.75</u>     | <u>5,658,376.75</u>   |
| <b>Net Cash from Investing Activities</b>                        |                         | <b>753,216.97</b>     |                         | <b>1,558,693.02</b>   |
| <b>C. Cash Flow from Financing Activities</b>                    |                         |                       |                         |                       |
| Decrease in Secured Loans  | (16,238.00)             |                       | (97,428.00)             |                       |
| Increase in Secured Loans  | -                       |                       | -                       |                       |
| Decrease in Unsecured Loans                                      | -                       |                       | -                       |                       |
| Increase in Unsecured Loans                                      | -                       |                       | -                       |                       |
| Less : Decrease in bank borrowings                               | -                       |                       | -                       |                       |
| Interest on Loans  | <u>(1,423.00)</u>       | <u>(17,661.00)</u>    | <u>(8,539.00)</u>       | <u>(105,967.00)</u>   |
| <b>Net Cash from Financing Activities</b>                        |                         | <b>(17,661.00)</b>    |                         | <b>(105,967.00)</b>   |
| <b>D. Net Increase/(Decrease in) Cash &amp; Cash Equivalents</b> |                         | <b>1,463,122.23</b>   |                         | <b>(1,017,656.67)</b> |
| (A + B + C) or (F - E)   |                         |                       |                         |                       |
| E. Cash & Cash Equivalent at the start of the year               |                         | 913,416.29            |                         | 1,931,072.96          |
| F. Cash & Cash Equivalent at the end of the year                 |                         | <u>2,376,538.52</u>   |                         | <u>913,416.29</u>     |
|  |                         | <u>1,463,122.23</u>   |                         | <u>(1,017,656.67)</u> |
|  |                         | <b>(1,463,122.23)</b> |                         | <b>1,017,656.67</b>   |

**NOTES :**

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

|                   |              |                |                        |
|-------------------|--------------|----------------|------------------------|
| Place : Chennai   | Sd/          | Sd/            | Sd/                    |
| Date : 28-07-2009 | V. A. KURIEN | MARY RODRIGUES | SANJAY ARJUNDAS WADHWA |
|                   | Director     | Director       | Director               |

**AUDITORS CERTIFICATE**

The Board of Directors  
S.I. CAPITAL & FINANCIAL SERVICES LTD., Chennai  
We have examined the attached cash flow statement of S.I. Capital & Financial Services Ltd., for the year ended 31.03.2009. The statement has been prepared by the Company in accordance with the requirement of listing agreement clause 32 with the stock exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the company by our report of 28th July 2009 to the members of the company.

Place : Chennai  
Date : 28-07-2009

For Sudhindran & Co,  
Chartered Accountants,  
S/d  
P. SUDHINDRAN  
Partner  
Membership No. 32100

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

Registered Office :

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

**PROXY FORM**

I/We .....being member(s)  
of the above named company, hereby appoint ..... or failing her  
.....of  
.....as my/ our proxy to vote  
for me/us on my/our behalf at the 15th Annual General Meeting of the Company to be held on  
Monday, the 14th September 2009 at 10.30 A.M. at Greenmedows- Conference Hall No.4/364-A, Anna Salai,  
Palavakkam , Chennai - 600 041.

Signed at .....(Place) this .....day of .....2009.

Membership Folio No. ....

No. of Shares held .....



**Note :**

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

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

Registered Office :

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

**ATTENDANCE SLIP**

I hereby record my presence at the 15th Annual General Meeting of the Company being held on Monday, the 14th September 2009 at 10.30 A.M. at Greenmedows- Conference Hall No.4/364-A, Anna Salai, Palavakkam , Chennai - 600 041.

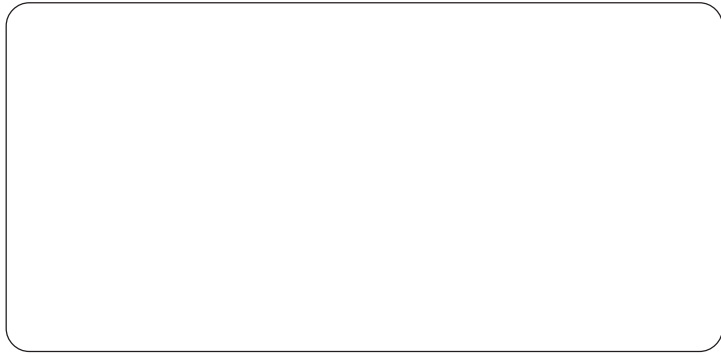
- 1. Full Name of the Member (in Block Letters) :
- 2. Full Name of the Proxy (in Block Letters) :
- 3. Ledger Folio of Shares held :
- 4. Number of Shares held :
- 5. Signature of the Member/Proxy Attending :
- 6. To be used only when Member, first named is not attending. Please give full name of the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

Mr. / Mrs. ....

**Note :**

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





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