



Si Capital & Financial Services Limited

Where Forex standards are set, not Just met

CIN : L67190TN1994PLC029151

04.09.2021

To
The General Manager - DCS
Listing Operations – Corporate Service Dept.
BSE Ltd.

Scrip Code: 530907

Dear Sir/ Madam,

Sub: Corrigendum to Annual Report FY 2020-21

Ref: Notice of 27th Annual General Meeting and Annual Report filed on September 01, 2021

With reference to the above, we would like to inform that Annexure 'A' and 'B' to Independent Auditors' Report were not incorporated in the Annual Report 2020-21 due to oversight.

In this regard, we have inserted Annexure 'A' and 'B' to Independent Auditor's Report in the Annual Report after page No. 50.

This Corrigendum shall form an integral part of Annual Report 2020-21 which has been sent/ dispatched on September 01, 2021. Accordingly, all Shareholders, Stock Exchange, Depositories, Registrar and Share Transfer Agent, other Authorities, Regulators and all other persons concerned are requested to take note of the change as mentioned above.

Kindly take the information on record.

Thank You

For S.I. Capital & Financial Services Limited

ANEETTA C VILSON
Company Secretary



Si Capital & Financial Services Limited

CIN : L67190TN1994PLC029151

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

ANNUAL REPORT

2020 - 2021

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
Mr. Ramanathan Anchery	- Non - Executive Director
Dr. Anil Menon	- Non - Executive Director
Mrs. Jitha Chummar	- Additional Director
Dr. V M Xaviour	- Non - Executive Independent Director
Mr. Rajesh Narayan Pillai	- Non - Executive Independent Director

Board Committees

Audit Committee

Dr. V M Xaviour	- Chairman
Mr. Vinod Manazhy	- Member
Mr. Rajesh Narayan Pillai	- Member

Nomination & Remuneration Committee

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

Stakeholders Relationship Committee

Dr. V M Xaviour	- Chairman
Mr. T B Ramakrishnan	- Member
Mr. Ramanathan Anchery	- Member

Independent Directors Committee

Mr. Vinod Manazhy	- Chairman
Dr. V M Xaviour	- Member
Mr. Rajesh Narayan Pillai	- Member

Ms. Aneetta C Vilson	- Company Secretary
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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-Seventh Annual General Meeting of the members of S.I. Capital & Financial Services Limited ("the Company") will be held on **Friday, September 24, 2021 at 02:00 PM (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, 2021 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, 2021 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 Dr. Anil Menon (DIN: 02390719) 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, Dr. Anil Menon (DIN: 02390719), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS

3. **Appointment of Mrs. Jitha Chummar (DIN: 02582004) 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, Mrs. Jitha Chummar (DIN: 02582004) who was appointed as an Additional Director of the Company with effect from October 20, 2020 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 herself 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 her candidature for the office of Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

4. **Appointment of Mr. Vinod Manazhy (DIN: 08986929) 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.

Vinod Manazhy (DIN: 08986929) 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 10, 2020.

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.”

5. Appointment of Mr. Vadukkoot Mathayi Xaviour (DIN: 08984734) 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. Vadukkoot Mathayi Xaviour (DIN: 08984734) 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 10, 2020.

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.”

6. Appointment of Mr. Sreeram Gopinathan Nair (DIN: 05143385) as the Managing 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 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the ‘Act’) read with schedule V to the Act (including any amendment(s), statutory modification(s), variation(s) and/or re-enactment(s) for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and based on the recommendation of Nomination and Remuneration Committee and subject to such sanctions as may be necessary, the consent of the members be and is hereby accorded for the appointment of Mr. Sreeram Gopinathan Nair (DIN: 05143385) as Managing Director of the Company for a five years commencing from December 17, 2020, upon the terms and conditions set out in the explanatory statement annexed to the Notice for convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of section 197 of the Act, with liberty to the Board of Directors to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as agreed between the Board of Directors and Managing Director.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to revise the

remuneration of Managing Director from time to time to the extent it may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with schedule V thereto and any other applicable provisions.

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and is hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution."

By order of the Board of Directors

20.08.2021
Thrissur

Aneetta C Vilson
Company Secretary

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021 read together with Circulars dated May 5, 2020, April 13, 2020 and April 8, 2020 (collectively referred to as "MCA Circulars") and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 & SEBI/HO/CFD/CMD2/CIR/ P/ 2021/11 dated January 15, 2021 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 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".
2. 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.
3. 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.
4. 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.
5. The Members can join the 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 AGM through VC/OAVM will be made available to at least 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 AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

7. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a member of the company. Since the AGM is being held in accordance with the Circulars through VC/OAVM, the facility for appointment of proxies by the members will not be available for the e-AGM.
8. 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.
9. Members may also note that the Notice of the 27th AGM and the Annual Report 2020-21 will also be available on the Company's website, www.sicapital.co.in, websites of BSE Limited at www.bseindia.com and on the website of CSDL www.evotingindia.com.
10. 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.
11. 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. September 24, 2021. Members seeking to inspect such documents can send an email to info@sicapital.co.in.
12. 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 exchange 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.

13. Instructions for Remote E-Voting/ E-Voting during AGM

- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), 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. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the /AGM will be provided by CDSL.
- ii. The voting period begins on Tuesday, September 21, 2021 at 09.00 AM and ends on Thursday, September 23, 2021 at 05.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, Friday, September 17, 2021 (Record Date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

iv. Login method for E-Voting and joining virtual meeting for Individual shareholders holding securities in Demat mode are given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1. Users of who have opted for CDSL's 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 URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL. Click on CDSL name to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 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: https://eservices.nsd.com 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 & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeA S "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal 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 CDSL's name and you will be redirected to eVoting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</p> <p>2. 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 CDSL's name and you will be redirected to CDSL's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

- v. 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 CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- vi. **Login method for E-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.**

- a. The shareholders should log on to the e-voting website www.evotingindia.com.
- b. Click on "Shareholders" module.
- c. Now enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

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

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <input checked="" type="checkbox"/> 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.
Dividend Bank Details OR 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. <input checked="" type="checkbox"/> 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 as mentioned in instruction (v).

- g. After entering these details appropriately, click on "SUBMIT" tab.
- h. 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.
- i. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- k. 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.
- l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m. 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.
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- p. 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.

vii. Facility for Non – Individual Shareholders and Custodians –Remote Voting

- ☒ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.
- ☒ 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- ☒ 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 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, if they have voted from individual tab & not uploaded same in the CDSL’s evoting system for the scrutinizer to verify the same.

14. Instructions to attend AGM through VC/OAVM & E-Voting during the meeting

- i. The procedure for attending meeting & E-Voting on the day of the AGM are same as the instructions mentioned above for Remote e-voting.
- ii. 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 Remote e-voting.
- iii. 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.
- iv. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- v. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- vi. 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.
- vii. 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 at least 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at info@sicapital.co.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at info@sicapital.co.in. These queries will be replied to by the company suitably by email.
- viii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- ix. Only those shareholders, who are present in the AGM 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 AGM.

15. Process for those Shareholders whose E-Mail Addresses are not registered with the Depositories for obtaining Login Credentials for E-Voting

i. 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 e-mail to RTA viz., green@skdc-consultants.com.

ii. For Demat shareholders

Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to RTA viz., green@skdc-consultants.com.

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 or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has appointed Mrs. Jitha Chummar (DIN: 02582004) as an Additional Director at its meeting held on October 20, 2020 pursuant to Section 161 of the Companies Act, 2013 ("Act") and approval of Reserve Bank of India

In terms of the Section 161 of the Act, Mrs. Jitha Chummar holds office only up to the date of this AGM and shall be appointed as a Director by the members. A notice under Section 160 of the Act has been received from a member proposing her candidature as a Director.

Mrs. Jitha Chummar has more than 8 years of experience in Financial Services industry particularly engaged in stock broking business. The Board believes that her expertise will reward the Company in future years.

Additional information in respect of Mrs. Jitha Chummar, 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. 3 as unavoidable to be considered at the e-AGM and commends the said resolution for approval by members by passing an Ordinary Resolution.

No Director, Key Managerial Personnel or their relatives except Mrs. Jitha Chummar, to whom the resolution relates, in any way, is concerned or interested, financially or otherwise, in this Resolution.

Item No. 4

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Vinod Manazhy (DIN: 08986929) as an Additional Director in the capacity of an Independent

Director at its meeting held on December 10, 2020 for a tenure of 5 years w.e.f. December 10, 2020, subject to the approval of the members of the Company.

In terms of the Section 161 of the Act, Mr. Vinod Manazhy holds office only up to the date of this AGM and shall be appointed as a Director by the members.

The Company has received a declaration from Mr. Vinod Manazhy 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. Vinod Manazhy's 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. Vinod Manazhy was a banker having more than 2 decades of experience in the financial services sector. He started his career with Federal Bank and gained experience and exposure over the years from the position of Assistant Manager till the level of head of Corporate Relationship Banking. Meanwhile, he got opportunities to deal with several NBFCs. 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 10, 2020.

Copy of letter of appointment of Mr. Vinod Manazhy 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. Vinod Manazhy, 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 by passing an Ordinary Resolution.

Except Mr. Vinod Manazhy, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item No. 5

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Vadukkoot Mathayi Xaviour (DIN: 08984734) as an Additional Director in the capacity of an Independent Director at its meeting held on December 10, 2020 for a tenure of 5 years w.e.f. Dec 10, 2020, subject to the approval of the members of the Company.

In terms of the Section 161 of the Act, Mr. Vadukkoot Mathayi Xaviour holds office only upto the date of this AGM and shall be appointed as a Director by the members.

The Company has received a declaration from Mr. Vadukkoot Mathayi Xaviour 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. Vadukkoot Mathayi Xaviour's 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. Vadukkoot Mathayi Xaviour has started his career in banking sector. He was a resource person for Securities & Exchange Board of India, Khadi & Village Industries Commission and MSMED. In addition to his teaching profession of 30 plus years, he has served multiple roles as Additional Co-ordinator, Guest faculty etc throughout his career. 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 10, 2020.

Copy of letter of appointment of Mr. Vadukkoot Mathayi Xaviour 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. Vadukkoot Mathayi Xaviour, 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 by passing an Ordinary Resolution.

Except Mr. Vadukkoot Mathayi Xaviour, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6

Mr. Sreeram Gopinathan Nair was appointed as the Managing Director of the Company with effect from October 31, 2019 post takeover of the Company. He was paid Rs. 3,00,000/- (Rupees Three Lakhs only) as remuneration. Later on, he resigned on June 09, 2020 to pursue an appointment in banking sector.

After completion of the said assignment in the banking sector, the Board of Directors of the Company at its meeting held on December 10, 2020 has appointed him as the Managing Director of the Company with effect from December 17, 2020 subject to the approval of members in the ensuing General Meeting. Thus, the same needs to be approved by the members by passing an Ordinary Resolution under Section 196 read with Section 197 of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V thereto.

Statement Pursuant to Section II of Schedule V of Companies Act, 2013

i. General Information:		
1	Nature of Industry	NBFC
2	Date or Expected Date of Commercial Production	Existing Company in operation since 1994
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in prospectus	Not Applicable
4	Financial Performance based on given indicators	Performance for 2020-21: Revenue from Operations: 35.58 Lakhs Net Loss after taxes: 39.99 Lakhs EPS(Basic): -1.33
5.	Foreign Investments or Collaborations, if any	Not Applicable
ii. Information about the appointee:		

1	Background details	Mr. Sreeram Gopinathan Nair is an Engineering graduate with post graduate diploma in personnel Management and CAIIB. He has 4 decades of experience in all facets of banking including overseas assignment. He started his career with Canara Bank as Technical Officer and worked Pan India in various managerial/ top executive positions acquiring skills in commercial/ retail/ corporate & MSME lending, foreign exchange, marketing as well as Human Resoure Management. He elevated to the position of Chief General Manager in Canara Bank before moving as MD & CEO of Dhanlaxmi Bank Ltd. for a period of 3 years.
2.	Past remuneration	Rs. 3,00,000/- was paid during his tenure from October 31, 2019 till June 09, 2020.
3	Recognition or awards	NA
4	Job profile and his suitability	He is an eminent personality in his areas of expertise with experience of handling the responsibilities of Managing Director.
5.	Remuneration proposed	Remuneration – Nil Travelling allowance - Rs. 5,000/- per month Sitting fees - within the limits prescribed under the Companies Act, 2013
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person is not required as no remuneration is paid except travelling allowance and sitting fees as mentioned above.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Mr. Sreeram Gopinathan Nair is not related to any of the Directors and the key managerial personnel, directly or indirectly.
iii. Other Information		
1.	Reasons of loss or inadequate profits	The Company has started its operations through various verticals and branches after takeover. However, Covid-19 pandemic highly impacted the profitability of the Company during 2020-21.
2	Steps taken or proposed to be taken for improvement	It is proposed to improve performance in terms of growth and profitability by opening new branches and introducing new products/ verticals.
3	Expected increase in productivity and profits in measurable terms	The company is expecting more than 50% growth in business and profits during this financial year.

Additional information in respect of Mr. Sreeram Gopinathan Nair, 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 recommends the said resolution for approval by members by passing an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item No. 6.

By order of the Board of Directors

20.08.2021
Thrissur

Aneetta C Vilson
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) retire by rotation or seeking Appointment**Dr. Anil Menon (DIN: 02390719)**

Date of Birth	01.03.1962
Age	58 Years
Experience	More than 10 years of experience in stock broking business
Qualifications	MBBS
Terms and Conditions of Appointment	Appointed as 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
Date of first appointment on Board	31.10.2019
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
No. of meetings of the Board attended during the year	9
Directorships held in other Companies	Non-Executive Director of Sharewealth Securities Limited
Memberships/ Chairmanships of committees across other Companies	Nil

Mrs. Jitha Chummar (DIN: 02582004)

Date of Birth	14.03.1985						
Age	36 Years						
Experience	More than 8 years of experience in stock broking						
Qualifications	MBA – Finance						
Terms and Conditions of Appointment	Appointed as Additional Director of the Company						
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						
Date of first appointment on Board	20.10.2020						
Shareholding in the Company	225 Equity Shares						
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil						
No. of meetings of the Board attended during the year	6						
Directorships held in other Companies	Director in Sharewealth Securities Limited and Sharewealth Commodities Private Limited						
Memberships/ Chairmanships of committees across other Companies	<table border="1"> <thead> <tr> <th>Name of the Company</th> <th>Name of the Committee</th> <th>Role</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Name of the Company	Name of the Committee	Role			
Name of the Company	Name of the Committee	Role					

	Sharewealth Securities Limited	Nomination & Remuneration Committee	Chairperson
		Stakeholders Relationship Committee	Member

Mr. Vinod Manazhy (DIN: 08986929)

Date of Birth	30.04.1970
Age	51 Years
Experience	More than 25 years of experience in finance sector
Qualifications	B. Tech (Civil)
Terms and Conditions of Appointment	Appointed as Non-Executive Independent Director, not liable to retire by rotation, for a tenure of 5 years w.e.f. December 10, 2020
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
Date of first appointment on Board	10.12.2020
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
No. of meetings of the Board attended during the year	3
Directorships held in other Companies	Nil
Memberships/ Chairmanships of committees across other Companies	Nil

Mr. Vadukkoot Mathayi Xaviour (DIN: 08984734)

Date of Birth	28.11.1954
Age	66 Years
Experience	More than 30 years of experience
Qualifications	Doctor of Philosophy
Terms and Conditions of Appointment	Appointed as Non-Executive Independent Director, not liable to retire by rotation, for a tenure of 5 years w.e.f. December 10, 2020
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
Date of first appointment on Board	10.12.2020
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
No. of meetings of the Board attended during the year	3
Directorships held in other Companies	Nil

Memberships/ Chairmanships of committees across other Companies	Nil
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Mr. Sreeram Gopinathan Nair (DIN: 05143385)

Date of Birth	20.03.1957
Age	64 Years
Experience	More than 35 years of experience in banking sector inclusive of overseas experience
Qualifications	B. Sc. (Engg) PGDPM (IR & PM) CAIIB – Indian Institute of Banking & Finance
Terms and Conditions of Appointment	Appointed as Managing Director of the Company for a period of 5 years with effect from December 17, 2020
Details of remuneration sought to be paid and the remuneration last drawn	Travelling Allowance of Rs. 5,000/- per month Sitting fees for attending meetings of Board within the limit specified under the Companies Act, 2013
Date of first appointment on Board	31.10.2019
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
No. of meetings of the Board attended during the year	4
Directorships held in other Companies	Nil
Memberships/ Chairmanships of committees across other Companies	Nil

BOARD'S REPORT

Dear Members,

The Board of Directors present the Company's Twentyseventh Annual Report and Audited Financial Statements for the financial year ended March 31, 2021.

Financial Results

The Company's financial performance for the year ended March 31, 2021 is summarized below:

	(Rs. in Lakhs)	
	2020-21	2019-20
Profit before tax	(40.14)	(5.40)
Current Tax	-	-
Deferred Tax	(0.15)	0.69
Profit for the Year	(39.99)	(6.09)
Other comprehensive income	-	-
Total comprehensive income for the year	(39.99)	(6.09)

Results of Operations and the state of affairs of the Company

The highlights of company's performance for the year ended March 31, 2021 are as under:

- ☒ Revenue from operations was Rs. 35.58 Lakhs
- ☒ Net Loss for the year was Rs. 39.99 Lakhs

Dividend

In view of the loss incurred by the Company, the Board does not recommend any dividend for this year.

Details of material changes from the end of the financial year

The outbreak of Covid-19 pandemic is causing significant disturbance and slow down across the globe. Operations and cash inflows of the Company have been impacted due to Covid-19.

Material events during the year under review***Preferential Issue of Convertible Warrants***

During the year under review, 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.

Change of Registrar & Share Transfer Agents

The Board of Directors has approved the change of the Registrar and Share Transfer Agent of the Company from GNSA Infotech Private Limited to SKDC Consultants Limited at its meeting held on May 19, 2020.

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 carrying on the business of Non-Banking Financial Services and a Full Fledged Money Changing under the License of Reserve Bank of India.

Non-Banking Financial Service segment marked a remarkable performance against the backdrop of challenging business environment arising out of Covid-19 pandemic situation. The Company could meet the financial needs of various sections of society as a result of introducing new products. The Company commenced Gold Loan business during FY21 leading to embark on new vertical. Assets Under Management (AUM) grew by 266.95% during FY21 led mainly by growth in gold loans. On the other hand, the gross NPA stood at 0.51%. Y-o-y growth of 98.77% in interest income was also remarkable. The constant efforts to soar up the ratio of Financial Assets to total Assets and Financial Income to total Income was also found satisfactory.

Income from money changing business was down by 61.36% y-o-y due to erosion in the demand of foreign currencies resulting from lockdown.

During 2020-21, the Company has raised funds through Preferential Issue and issue of Subordinated debts to deploy in core business activities. Amidst unprecedented spread of Covid-19 pandemic, the management is taking all possible efforts to improve the performance and achieve better results in the coming years.

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.

Director's 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, 2021, 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, 2021 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 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.

Share Capital

The Paid up equity share capital of the Company as on March 31, 2021 stood at Rs. 3,50,00,000/- comprising of 35,00,000 equity shares of Rs. 10/- each.

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.

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.

Changes in Directors

Ms. Mary Rodrigues, Mr. Chintan Bharat Shah and Mr. Shanmugam Ramesh resigned from the office of Directors w.e.f. May 27, 2020.

Mr. Sreeram Gopinathan Nair stepped down from the office of Managing Director w.e.f. June 9, 2020 and again appointed as the Managing Director of the Company w.e.f. December 17, 2020.

Mr. Sreeram Kamalpriya Sreedharan and Mr. Rajesh Narayan Pillai were appointed as Non-Executive Independent Directors of the Company w.e.f. July 22, 2020. Mr. Sreeram Kamalpriya Sreedharan resigned from the office of Independent Director of the Company w.e.f. December 05, 2020.

Mrs. Jitha Chummar was appointed as Additional Director w.e.f. October 20, 2020.

Mr. Vinod Manazhy and Mr. V M Xaviour were appointed as Non-Executive Independent Directors of the Company w.e.f. December 10, 2020 subject to the approval of members in the ensuing general meeting.

The Board Composition as on March 31, 2021 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	Mr. Ramanathan 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. Vadukkoot Mathayi Xaviour	Non-Executive Independent Director

Changes in Key Managerial Personnel

Mrs. Jitha Chummar was appointed as the Chief Financial Officer (CFO) of the Company w.e.f. April 1, 2020.

Mr. Joju Madathumpady Johny was appointed as the Chief Executive Officer (CEO) of the Company w.e.f. August 29, 2020. He resigned from the office of CEO w.e.f. October 19, 2020.

CA Akhilesh Gopinath was appointed as the Chief Financial Officer (CFO) of the Company w.e.f. December 5, 2020 in lieu of Mrs. Jitha Chummar. He resigned from the office of CFO w.e.f. April 30, 2021.

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 www.sicapital.co.in/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 Auditor's Report

a) Statutory Auditor

M/s. Ayyar & Cherian, Chartered Accountant, (Firm Registration No. 000284S) was appointed as the Statutory Auditor of the Company for a term of 5 (five) consecutive years at the Annual General Meeting held on September 30, 2020.

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 2020-21. Secretarial audit report for year ended on March 31, 2021 is annexed herewith and marked as Annexure – II to this Report. The Secretarial Audit Report does not contain any qualification, adverse remark or disclaimer except one observation, the reply for which is given below.

The Board has found one observation in the Secretarial Audit Report 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.

Meetings of the Board

12 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 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 www.sicapital.co.in/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 2020-21, 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 Investment 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, 2021 is available on the Company's website and can be accessed at http://www.sicapital.co.in/MGT_7%2031032021_Draft.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.

Listing with Stock Exchange

The Company has paid Annual Listing Fee for the FY 2020-21 to BSE Limited wherein the Company's shares are listed.

Compliance with NBFC Regulation

The Company has complied with all the regulatory provisions of the Reserve Bank of India applicable to Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company.

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 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 committee related thereto
- 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

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: 13.08.2021
Place : Thrissur

Vinod Manazhy
Chairman
DIN: 08986929

Annexure - I

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:

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	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	Rent paid
Duration of the contracts/ arrangements/ transaction			11 months
Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 180 lakhs	Rs. 283 Lakhs	Rs. 2.55 Lakhs
Date of approval by the Board	NA	NA	NA
Amount paid as advances, if any	No	No	No

For and on behalf of the Board of Directors

Date: 13.08.2021

Place : Thrissur

Vinod Manazhy

Chairman

DIN: 08986929

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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, 2021 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, 2021 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:

1. ***The Company has sold foreign currency of USD 300 (INR equivalent to 21,840/-) to one traveller proceeding to Nepal in contravention of Para 5(I), Section V of Master Direction on Money Changing Activities dated January 1, 2016 (Updated as on March 29, 2019). A show cause notice was received from the RBI highlighting this contravention and imposing a monetary penalty of INR 10,000/- against the company under Section 11(3) of FEMA, 1999.***

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

Place: Ernakulam
Date: 13/08/2021
UDIN: A039611C000779735

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

Place: Ernakulam
Date: 13/08/2021
UDIN : A039611C000779735

*Annexure - III***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 2020-21:

Name of Director	Ratio of the remuneration to the median remuneration of employees
Mr. Sreeram Gopinathan Nair, Managing Director	2.73:1

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

Name of Director/ Key Managerial Personnel (KMP)	Percentage increase or decrease in remuneration
Mr. Sreeram Gopinathan Nair, Managing Director*	-
Ms. Aneetta C Vilson, Company Secretary	162.81%
Mrs. Jitha Chummar, Chief Financial Officer**	-
Mr. Akhilesh Gopinath, Chief Financial Officer#	-

*No remuneration was paid in the Financial Year 2019-20

**Appointed on April 1, 2020

#Appointed on December 5, 2020

- iii. Percentage increase in the median remuneration of employees in the financial year 2020-21: -28%
- iv. The number of permanent employees on the rolls of Company : 8 employees as on March 31, 2021
- 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:
- Not applicable as there is no increase in salary of the employees.
- vi. Affirmation that the remuneration is as per the remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid to the Directors and Key managerial Personnel are as per the Nomination & Remuneration Policy.

For and on behalf of the Board of Directors

Date: 13.08.2021
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 operations 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, 2021, the Board of Directors of the Company comprised of 8 (Eight) 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, 2021

Name of the Director	Category
Mr. Sreeram Gopinathan Nair	Managing Director
Mr. Thandassery Balachandran Ramakrishnan	Non-Executive Director
Mr. Ramanathan 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. V M Xaviour	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	26 th Annual General Meeting
Mr. Sreeram Gopinathan Nair*	04	04	NA
Mr. Thandassery Balachandran Ramakrishnan	12	12	YES
Mr. Ramanathan Anchery	12	11	YES
Dr. Anil Menon	12	09	NO
Mrs. Jitha Chummar#	06	06	NA
Mr. Rajesh Narayan Pillai**	10	06	YES
Mr. Vinod Manazhy##	03	03	NA
Mr. V M Xaviour##	03	03	NA

Ms. Mary Rodrigues^	01	01	NA
Mr. Chintan Bharat Shah^	00	01	NA
Mr. Shanmugam Ramesh^	00	01	NA
Mr. Sreeram K S**	05	03	YES

*Mr. Sreeram Gopinathan Nair stepped down from the office of Managing Director w.e.f. June 9, 2020 and again appointed as the Managing Director of the Company w.e.f. December 17, 2020.

**Mr. Sreeram Kamalapriya Sreedharan and Mr. Rajesh Narayan Pillai were appointed as Non-Executive Independent Directors of the Company w.e.f. July 22, 2020. Mr. Sreeram Kamalapriya Sreedharan resigned from the office of Independent Director of the Company w.e.f. December 05, 2020 due to his personal commitments. He has confirmed that there are no material reasons for his resignation.

#Mrs. Jitha Chummar was appointed as Additional Director w.e.f. October 20, 2020.

##Mr. Vinod Manazhy and Mr. V M Xaviour were appointed as Non-Executive Independent Directors of the Company w.e.f. December 10, 2020 subject to the approval of members in the ensuing general meeting.

^Ms. Mary Rodrigues, Mr. Chintan Bharat Shah and Mr. Shanmugam Ramesh resigned from the office of Directors w.e.f. May 27, 2020.

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 - Director
Mr. Vinod Manazhy	-	-	-	-
Mr. V M Xaviour	-	-	-	-

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

d. Board Meetings

Twelve Board Meetings were held during the financial year 2020-21. The details of Board Meetings are given below:

Date	Board Strength	No. of Directors present
19/05/2020	07	05
22/07/2020	03	03
29/07/2020	05	05
14/08/2020	05	05
29/08/2020	05	03
19/10/2020	05	03
13/11/2020	06	06

05/12/2020	05	03
10/12/2020	05	04
21/01/2021	08	08
28/01/2021	08	06
31/03/2021	08	07

e. Brief note on Directors seeking appointment / re-appointment: Annexure - 1

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:

- a. 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;
- b. To recommend the appointment, remuneration, terms of appointment and removal of Statutory Auditors, and to review the manner of rotation of Statutory Auditors;
- c. To recommend the appointment, remuneration and removal of Cost Auditors, where necessary;
- d. To approve transactions of the Company with related parties, including modifications thereto;
- e. To review and monitor the Statutory Auditor's independence and performance, and effectiveness of the audit process;
- f. To evaluate the Company's internal financial controls and risk management systems;
- g. To review with the management the following:
 1. Annual financial statements and Auditor's Report thereon before submission to the Board for approval;
 2. Quarterly financial statements before submission to the Board for approval;
- h. To review the following:
 1. Management discussion and analysis of financial condition and results of operations;
 2. 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;
 3. Reports of Internal Audit and discussion with Internal Auditors on any significant findings and follow-up thereon;
 4. System / manner of maintenance, storage, retrieval, display, print out and security of books of account of the Company maintained in the electronic form;

5. Functioning of Whistle Blower mechanism in the Company

Composition, Name of members / Chairman, Meetings held and members present during the year 2020-21:

Name of the Member	Category	Date of Meeting / Attendance				
		29/07/2020	14/08/2020	29/08/2020	13/11/2020	21/01/2021
Mr. Sreeram K S	Non-Independent Executive Director (Chairman)	Yes	Yes	Yes	Yes	NA
Dr. Anil Menon	Non-Independent Executive Director (Member)	Yes	Yes	Yes	Yes	NA
Mr. Rajesh Narayan Pillai	Non-Independent Executive Director (Member)	Yes	Yes	No	Yes	Yes
Mr. V M Xaviour	Non-Independent Executive Director (Chairman)	NA	NA	NA	NA	Yes
Mr. Vinod Manazhy	Non-Independent Executive Director (Member)	NA	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 2020-21:

Name of the Member	Category	Date of Meeting / Attendance			
		01/05/2020	28/08/2020	04/12/2020	10/12/2020
Mr. Shanmugam Ramesh	Non-Executive Independent Director (Chairman)	Yes	NA	NA	NA
Mr. Chintan Bharat Shah	Non-Executive Independent Director (Member)	Yes	NA	NA	NA
Mr. T B Ramakrishnan	Non-Executive Director (Member)	Yes	Yes	Yes	Yes
Mr. Sreeram K S	Non-Executive Independent Director (Member)	NA	Yes	Yes	NA
Mr. Rajesh Narayan Pillai	Non-Executive Independent Director (Chairman)	NA	Yes	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 www.sicapital.co.in/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.

Remuneration of Rs. 3,00,000/- was paid to Mr. Sreeram Gopinathan Nair 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 the remuneration paid to him by passing an ordinary resolution at the Annual General Meeting held on September 30, 2020. Apart from the remuneration, Rs. 18,000/- was paid to him as travelling allowance during the Financial year 2020-21.

The details of sitting fees paid to the directors during the financial year 2020-21 are given below:

Name of the Director	Sitting Fees (Rs. in Lakhs)
Mr. Sreeram Gopinathan Nair	0.04
Mr. Thandassery Balachandran Ramakrishnan	0.12
Mr. Ramanathan Anchery	0.11
Dr. Anil Menon	0.09
Mrs. Jitha Chummar	0.06
Mr. Rajesh Narayan Pillai	0.06
Mr. Vinod Manazhy	0.03
Mr. V M Xaviour	0.03
Mr. Sreeram K S	0.03
Total	0.57

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

Performance evaluation

The crux of performance evaluation criteria of the Directors of the Company are their leadership skills, ability to form and execute strategies, Financial Planning/ Performance, Relationships with the Board members/ External relations, Human Resource Management skills, Industry knowledge, personal attributes, diligence, participation in company's affairs, performance in Board Committees. The detailed performance evaluation criteria of all directors including Independent Directors are given in the Nomination & Remuneration Policy of the Company.

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.

Stakeholders relationship committee

Stakeholders Relationship Committee comprises of Mr. V M Xaviour (Chairman), Mr. T B Ramakrishnan (Member) and Mr. Ramanathan A (Member) as on March 31, 2021.

Composition, Name of Members / Chairman, Meetings held and Members present during the year 2020-21:

Name of Member	Category	Date of Meeting/ Attendance		
		05/10/2020	23/12/2020	13/01/2020
Mr. Rajesh Narayan Pillai	Non-Executive Independent Director (Chairman)	Yes	NA	NA
Mr. T B Ramakrishnan	Non-Executive Director (Member)	Yes	Yes	Yes
Mr. Ramanathan Anchery	Non-Executive Director (Member)	Yes	Yes	Yes
Mr. V M Xaviour	Non- Executive Independent Director (Chairman)	NA	Yes	Yes

During the year, no investor Complaints were left unattended.

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
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.
2017 - 18	17.09.2018	10.00 AM	Conference Hall, Green Meadows 4/364A, Anna Salai Palavakkam	No Special Resolution was passed.

Postal Ballot

During the Financial Year 2020-21, the Company has passed a Special Resolution with respect to issue of Warrants convertible into equity shares to Non-Promoter on preferential basis by way of Postal Ballot through remote e-voting procedure on March 12, 2021.

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 Thursday, February 11, 2021 at 09:00 AM (IST) and closed on Friday, March 12, 2021 at 05:00 PM (IST).

Accordingly, on the closure of e-voting period, CS Sathish V, Scrutinizer, submitted his report dated March 13, 2021 to the Chairman of the Company on March 13, 2021.

The voting pattern is given below:

Promoter/ Public	No. of Shares held (1)	No. of Votes polled (2)	% of Votes polled outstanding shares (3) = [(2)/(1)]*100	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	2,38,976	17.32	2,38,976	-	100	-
Total	30,00,000	18,49,756	61.66	18,49,756	-	100	-

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 Financial Express (English), Maalaimalar (Tamil), 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.

General Shareholder Information

Annual General Meeting

Friday, September 24, 2021 at 02:00 PM (IST) through Video Conferencing/ Other Audio Visual Means

Financial Year

April 01, 2020 – March 31, 2021

Dividend Payment Date

NA

Listing on Stock Exchange

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

Scrip Code: 530907
ISIN: INE417F01017

Payment of Listing Fees

Annual Listing Fees for the year 2021-22 has been paid by the Company to BSE Limited.

Payment of Depository Fees

Annual Custody/ Issuer Fees have been paid by the Company for the financial year 2021-22 based on the Invoices received from both depositories.

Stock Market Price Data*

Month	High Price (In Rs.)	Low Price (In Rs.)	Volume (No.)
April 2020	-	-	-
May 2020	-	-	-
June 2020	-	-	-
July 2020	-	-	-
August 2020	15.00	15.00	4,100
September 2020	17.02	15.60	8,400
October 2020	16.50	15.00	3,600
November 2020	23.20	15.45	8,700
December 2020	22.90	20.75	3,500
January 2021	26.00	20.75	9,400
February 2021	27.00	24.70	500
March 2021	24.40	20.10	50,000

*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, 2021

S. No.	Category of Shareholders	No. of Share holders	Total number of Shares	% of Shareholding	No. of Warrants	% of Shareholding assuming full conversion of Warrants
A	Promoter & Promoter Group					
1	Indian	1	16,10,780	53.69	-	43.89
2	Foreign	-	-	-	-	-
	Total (A1 + A2)	1	16,10,780	53.69	-	43.89

B Public Shareholding						
1	Institutions	1	9,200	00.31	-	00.25
2	Non-Institutions	1667	13,80,020	46.00	6,70,000	55.86
Total (B1 + B2)		1668	13,89,220	46.31	6,70,000	56.11
C Non-Promoter Non-Public						
Total (A + B + C)		1669*	30,00,000	100	6,70,000	100

*It includes the number of warrant holder.

Distribution of Shareholding by size as on March 31, 2021

Category (Based on Value)	No. of Shareholders	%	Shareholding (In Rs.)	%
Up to 5,000	1273	76.32	2723720	9.08
5,001 – 10,000	201	12.05	1670000	5.57
10,001 – 20,000	78	4.68	1211000	4.04
20,001 – 30,000	68	4.08	1710000	5.70
30,001 – 40,000	9	0.54	318780	1.06
40,001 – 50,000	10	0.60	463000	1.54
50,001 – 1,00,000	18	1.08	1423000	4.74
1,00,001 & Above	11	0.66	20480500	68.27
Total	1668	100	30000000	100

Dematerialisation of Shares

Mode of Shareholding	No. of Shares	%
CDSL	19,03,600	63.45
NSDL	1,93,150	6.44
Physical	9,03,250	30.11
Total	30,00,000	100

Convertible Warrants

During the year under review, 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 as a part of Shareholding Pattern as on March 31, 2021.

Address for Correspondence

Registrar & Transfer Agents	Company
SKDC Consultants Limited "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641028 Phone: 0422 4958995, 2539835 / 836 E-mail ID: info@skdc-consultants.com	Ms. Aneetta C Vilson Company Secretary & Compliance Officer 64, Montieth Road, Egmore, Chennai – 600 008, Tamil Nadu Ph: 044- 28415439/ 42145840 e-mail: info@sicapital.co.in

Other Disclosures**Penalty imposed by Reserve Bank of India**

Reserve Bank of India has issued a Show Cause Notice dated January 8, 2021 asking the Company to show cause as to why appropriate penalty should not be imposed in terms of Section 11(3) of Foreign Exchange Management Act, 1999 for the contravention of Para 5(I), Section V of Master Direction on Money Changing Activities dated January 1, 2016. The Company has paid penalty of Rs. 10,000 with respect to the same.

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.

Certificate on Disqualification of Directors

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

For and on behalf of the Board of Directors

Date: 13.08.2021
Place : Thrissur

Vinod Manazhy
Chairman
DIN: 08986929

Brief note on Directors seeking Appointment

Mr. Sreeram Gopinathan Nair (DIN: 05143385)

Date of Birth	20.03.1957
Age	64 Years
Experience	More than 35 years of experience in banking sector inclusive of overseas experience
Qualifications	B. Sc. (Engg) PGDPM (IR & PM) CAIIB – Indian Institute of Banking & Finance
Terms and Conditions of Appointment	Appointed as Managing Director of the Company for a period of 5 years with effect from December 17, 2020
Details of remuneration sought to be paid and the remuneration last drawn	Travelling Allowance of Rs. 5,000/- per month Sitting fees for attending meetings of Board within the limit specified under the Companies Act, 2013
Date of first appointment on Board	31.10.2019
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
No. of meetings of the Board attended during the year	4
Directorships held in other Companies	Nil
Memberships/ Chairmanships of committees across other Companies	Nil

Mrs. Jitha Chummar (DIN: 02582004)

Date of Birth	14.03.1985		
Age	36 Years		
Experience	More than 8 years of experience in stock broking		
Qualifications	MBA – Finance		
Terms and Conditions of Appointment	Appointed as Additional Director of the Company		
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		
Date of first appointment on Board	20.10.2020		
Shareholding in the Company	225 Equity Shares		
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil		
No. of meetings of the Board attended during the year	6		
Directorships held in other Companies	Director in Sharewealth Securities Limited and Sharewealth Commodities Private Limited		
Memberships/ Chairmanships of committees across other Companies	Name of the Company	Name of the Committee	Role

	Sharewealth Securities Limited	Nomination & Remuneration Committee	Chairperson
		Stakeholders Relationship Committee	Member

Mr. Vinod Manazhy (DIN: 08986929)

Date of Birth	30.04.1970
Age	51 Years
Experience	More than 25 years of experience in finance sector
Qualifications	B. Tech (Civil)
Terms and Conditions of Appointment	Appointed as Non-Executive Independent Director, not liable to retire by rotation, for a tenure of 5 years w.e.f. December 10, 2020
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
Date of first appointment on Board	10.12.2020
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
No. of meetings of the Board attended during the year	3
Directorships held in other Companies	Nil
Memberships/ Chairmanships of committees across other Companies	Nil

Mr. Vadukkoot Mathayi Xaviour (DIN: 08984734)

Date of Birth	28.11.1954
Age	66 Years
Experience	More than 30 years of experience
Qualifications	Doctor of Philosophy
Terms and Conditions of Appointment	Appointed as Non-Executive Independent Director, not liable to retire by rotation, for a tenure of 5 years w.e.f. December 10, 2020
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
Date of first appointment on Board	10.12.2020
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
No. of meetings of the Board attended during the year	3
Directorships held in other Companies	Nil
Memberships/ Chairmanships of committees across other Companies	Nil

Annexure - 2

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) 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 31st March, 2021 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	Mr. Ramanathan Anchery	02415497	31/10/2019
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. Vadukkoot Mathayi Xaviour	08984734	10/12/2020

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

Place: Ernakulam
 Date: 13/08/2021
 UDIN : A039611C000779779

MANAGEMENT DISCUSSION & 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 Changing. The Company has a diversified lending portfolio covering the retail and commercial customers.

ECONOMIC OVERVIEW

Global

The Global Economy de-grew by 3% during the calendar year 2020 due to unprecedented spread of Covid-19 pandemic. The Governments across the globe took instant measures to curb the spread of Covid-19 by lockdowns, closure of international borders etc. CY 2020 witnessed a focus shift to health infrastructure development and vaccine development.

Except few nations like China, the global economy slipped into an economic shock with massive contraction in the first half of the year. According to International Monetary Fund's (IMF) World Economic Outlook of April 2021, the output contraction of Emerging Economies by 4.7% is steeper than that of Developing Economies by 2.2%. The global economy is pulling out of the loss of momentum in Q4:2020, driven by multiple vaccine approvals, the launch of inoculation drives in many countries and the extension of monetary and fiscal stimuli. On the other hand, new mutants of the COVID-19 virus, second/third waves of infections, renewed lockdowns in many countries and uneven access to vaccines across countries continue to weigh on the outlook.

Irrespective of the impact of certain significant events like US-China trade tensions, India-China border issues, Middle East peace initiatives, devastating wildfires in Australia & US, the timely intervention of the Governments and regulators revived the global economy in the later part of 2020. A jump IMF's price index in the second half of 2020 reflect a revival in the global economy.

The global financial markets remained buoyant, supported by highly accommodative monetary and fiscal policies and vaccine-led recovery optimism. Stock markets reached record highs in a few jurisdictions in February 2021, despite output being well-below pre-pandemic path, raising concerns of a disconnect between the markets and the real economy and risks of future financial fragility.

The global economy is expecting a rebound in 2021 with IMF's projection of growth at 6% in 2021, moderating to 4.4% in 2022. Thanks to unprecedented policy response, the COVID-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.

India

India, the second largest emerging economy, witnessed strict and early lockdowns to control the spread of Covid-19. Real GDP declined by an unprecedented 24.4% in Q1: 2020-21 and domestic economic activity remains badly hit by the unrelenting pandemic. However, the growth has continued to recover and was back in positive territory in Q3: 2020-21 which was indicative of slow resumption of economic activities, higher

consumption and activity across sectors. Industry and Service indicators brought a mixed picture in the first half of 2020-21.

Government's effort in the form of reduction in lending rates, moratorium of loans, easing out of financial obligations of states to the Centre and declaring certain mission critical sectors such as healthcare, chemicals and agriculture under essential services, allowed it to competently prepare for the worst pandemic in the century. Atmanirbhar Bharat Abiyan package announced by Hon'ble Prime Minister with special focus on MSME sector also facilitated boosting of Indian Economy.

Going forward in CY 2021, various government and international institutions initially projected a sharp "V shaped recovery" for the Indian economy. IMF projected the economy to grow by 11.5% (further raising it to 12.5% later) and predicts India to lead the global recovery and emerge as the fastest growing economies in the world. RBI estimated the economic growth at 10.5% (further revising to 9.5%) in FY 2021-22, supported by sustained improvement in financial resources and strong push provided by the Union Budget for revival of key sectors.

Overall, the sequential recovery from the second half of 2020 backed by the Government's stimulus and infrastructure push, improving employment situation and forecast of a normal monsoon augurs well for the country's economic recovery. Additionally, the strengthening of corporate earnings and financial position, sustained performance of the capital markets coupled with increasing participation by the foreign investing community, makes India as the preferred investment destination in the world economy.

NBFC Industry

The Non-Banking Financial Companies (NBFC) sector in India has sailed through highs and lows to reach where it is today. Their scale of operations and diversity in financial intermediation are testimony to their adaptability and agility in transforming their business models, gauging needs of a growing economy and the evolving regulatory milieu. NBFCs complement banks in the credit intermediation process by offering diversified, tailor-made financial products through innovative service delivery mechanisms. Furthermore, they facilitate financial inclusion by providing credit to unbanked sections of the population. Over the years, NBFCs have assumed systemic importance due to their inter-linkages with the banking sector, capital market and other financial sector entities. NBFCs' credit to Gross Domestic Product (GDP) ratio increased from 8.6 per cent in 2012-13 to 12.2 per cent in 2018-19 before moderating slightly to 11.6 per cent in 2019-20 in the wake of the pandemic (Reserve Bank of India, 2019-20).

The consolidated balance sheet of NBFCs registered a Y-o-Y growth of 13.0 per cent and 11.6 per cent in Q2 and Q3:2020-21, respectively. This deceleration compared to corresponding quarters of 2019-20 could be attributed to the COVID-19 induced economic slowdown and weak demand. However, this double-digit growth in an adverse macroeconomic environment points to the resilience of NBFCs, which were able to cushion the impact of the pandemic on their balance sheets through quick adoption of technology, policy support and reasonably strong fundamentals. Both NBFCs- ND-SI and NBFCs-D experienced a slowdown in their balance sheets in Q2 and Q3: 2020-21 vis-à-vis previous periods, as loans and advances moderated sharply.

The Reserve Bank and the Government undertook various liquidity augmenting measures to tackle COVID-19 disruptions, which facilitated favourable market conditions as indicated by the pick-up in debenture issuances. Among sectors NBFCs lend to, industrial sector, particularly micro and small and large industries, were the

hardest hit by the pandemic as they posted decline in credit growth. NBFCs in the retail loan sector stayed ahead of the curve aided by their relatively low delinquency. Profitability of the sector improved marginally in Q2 and Q3:2020-21 as NBFCs' expenditures registered a steeper fall than income. The asset quality of NBFCs improved in Q2 and Q3:2020-21, vis-à-vis Q4:2019-20, on account of regulatory forbearance to mitigate the impact of COVID-19.

THE COMPANY – BUSINESS OVERVIEW & OUTLOOK

SI Capital witnessed a strong gear change in the Financial Year 2019-20 subsequent to takeover by Sharewealth Securities Limited. Post takeover, the Company started to focus on NBFC activities by introducing wide range of loan products and opening new branches. The Company's focus is to extend credit to unbanked sectors of the economy.

Raising of funds through issue of Subordinated Debts and Convertible Warrants provide a financial cushion to carry on the business of the Company. The deployment was mainly to extend financial assistance in terms of Gold loan, business loan, personal loan and vehicle loan. The total Asset Under Management of the Company was increased by 266.95% as compared to FY 20. Gross NPA was at 0.51% as on March 31, 2021 which is one of the lowest in the industry.

Gold Loan business marked a robust growth driven by adverse impact of Covid-19 on the economic activity and household finance. The rise in gold price gave a boost to the market for gold loans. The vehicle loans were marked all time high due to increased demand to fund the new and used vehicles to adhere to social distancing norms by the Governments to curb the spread of Covid-19. The Company has generated income from Full Fledged Money Changing Business. The income from the said business was deteriorated by 61.36% Y-o-Y due to decline in foreign travels driven by spread of the pandemic.

The Company expects growth in the coming years by exploring a judicious mix of different loan products and new verticals. Factors like increased rates on unemployment, double-digit negative economic growth, strict credit norms for secured and unsecured financial products etc. may increase the number of individuals, households and businesses who are likely to avail loan. This may create a multiplier impact on the profitability of the Company in coming years.

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.

SWOT ANALYSIS

Strength	The Company is virtually debt free, well defined management etc.
Weakness	High employee attrition rate, presence of accumulated losses etc.
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	FY 2021	FY 2020
Current Ratio	12.60	23.38
Interest Coverage Ratio	-12.95	-12.74
Debt Equity Ratio	0.32	-
Operating Profit Margin (%)	-122.26	-17.29
Net Profit Margin (%)	-112.39	.17.96
Return on Net worth	-0.16	-0.02

INDEPENDENT AUDITOR'S REPORT

To the Members of
SI CAPITAL & FINANCIAL SERVICES LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SI CAPITAL & FINANCIAL SERVICES LIMITED**, which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of changes in equity and Statement of Cash Flow for the period 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, the profit and total comprehensive income, change in equity and its cash flow for the period 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.

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, including Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the companies (Indian Accounting Standard) rules, 2015 as amended including the companies (Indian Accounting Standard) amendment rules, 2019. 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 skepticism 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.

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, 2021 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, 2016, 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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 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) 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.

for **Ayyar & Cherian**

Chartered Accountants

Firm Registration No. 000284S

Dijo Philip Mathew

Membership No. 224930

Place: Ernakulam

Date: 28-05-2021

UDIN: 21224930AAAALK5571

“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 31st March 2021.

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment.
- (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.
- 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 Order is not applicable to the Company.
- 3) As explained to us, the Company has not 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 and hence not commented upon.
- 4) As explained to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of granting loans, making investments and providing guarantees and securities, 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 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, Service Tax, Valued Added Tax, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities.
- (c) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Valued Added Tax, Goods and Service Tax and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- 8) The Company has not availed any loans or borrowings from financial institution, bank or Government, the clause regarding default in repayment of loans and borrowings is not applicable.
- 9) 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.
- 10) 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.
- 11) According to the information and explanation given to me and based on my examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 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 in

compliance with Section 177 and 188 of the Act, where applicable, for all transactions with related parties have been disclosed in the financial statements as required by the applicable Indian Accounting Standard.

- 14) In our opinion and according to the information and explanations given to us, the Company has made preferential allotment by way of warrants during the year, which is applied for the purpose for which they were raised except pending utilisation of funds which were temporarily deployed in liquid assets.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into 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) The Company is registered as Non Deposit Accepting Non-Banking Financial Company. The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Ayyar & Cherian
Chartered Accountants
Firm Registration No. 000284S

Dijo Philip Mathew
Membership No. 224930

Place: Ernakulam
Date : 28-05-2021
UDIN: 21224930AAAALK5571

“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, 2021 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, 2021 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: 28-05-2021

UDIN: 21224930AAAALK5571

SI Capital & Financial Services Limited
 Standalone Balance Sheet as at 31 March 2021
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
I. ASSETS			
1 Financial assets			
a) Cash and cash equivalents	9	91.92	94.37
b) Loans	10	218.70	65.77
c) Investments	11	1.36	101.01
d) Other financial assets	12	3.07	2.75
2 Non-financial assets			
a) Current tax assets (net)	13	1.21	1.77
b) Deferred tax assets (net)	32	6.76	6.61
c) Property, plant and equipment	14	5.85	2.40
d) Other intangible assets	15	7.26	1.70
e) Other non-financial assets	16	9.97	7.98
Total assets		346.10	284.35
II. LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
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		6.24	2.29
b) Subordinated liabilities	18	80.75	-
c) Other financial liabilities	19	2.16	5.00
2 Non-financial Liabilities			
a) Provisions	20	1.36	2.02
b) Other non-financial liabilities	21	0.58	0.14
		91.09	9.45
EQUITY			
a) Equity share capital	22	300.00	300.00
b) Other equity	23	(65.09)	(25.10)
c) Money received against share warrants (Ref Note.36)		20.10	-
Total liabilities and equity		346.10	284.35

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

For Ayyar & Cherian
 Chartered Accountants

For and on behalf of the Board of Directors

Dijo Philip Mathew
 Partner
 M NO. 224930
 UDIN: 21224930AAAALK5571

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

Aneetta C. Vilson
 Company Secretary

Place: Ernakulam
 Date: May 28, 2021

Place: Thrissur
 Date: May 28, 2021

SI Capital & Financial Services Limited
 Standalone Statement of Profit and Loss for the year ended 31 March 2021
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note No:	Year ended 31 March 2021	Year ended 31 March 2020
(I) Revenue from operations			
(i) Interest income	24 (i)	27.41	13.79
(ii) Dividend Income	24 (ii)	0.01	0.05
(iii) Net gain on fair value changes	24 (iii)	0.35	-
(iv) Net gain / loss on sale of investments	24 (iv)	3.10	7.86
(v) Sale of services	24 (v)	4.71	12.19
Total Revenue from operations (I)		35.58	33.89
(II) Other income	25	0.11	0.03
(III) Total income (I + II)		35.69	33.92
Expenses			
(i) Finance costs	26	3.36	0.46
(ii) Fees and commission expense	27	0.04	0.55
(iii) Impairment of financial instruments	28	1.49	0.15
(iv) Employee benefits expenses	29	29.41	14.05
(v) Depreciation and amortisation	30	3.82	0.53
(vi) Other expenses	31	37.71	23.59
(IV) Total expenses (IV)		75.83	39.32
(V) Profit/(loss) before exceptional items and tax (III - IV)		(40.14)	(5.40)
(VI) Exceptional items		-	-
(VII) Profit before tax (III - IV)		(40.14)	(5.40)
(VIII) Tax expense:	32		
(1) Current tax		-	-
(2) Deferred tax		(0.15)	0.69
(IX) Profit for the year (V - VI)		(39.99)	(6.09)
(X) Other comprehensive income			
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		-	-
Subtotal (A)		-	-
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		-	-
Subtotal (B)		-	-
Other comprehensive income (A + B)		-	-
(XI) Total comprehensive income for the year (VII + VIII)		(39.99)	(6.09)
(XII) Earnings per equity share	34		
Basic (Rs.)		(1.33)	(0.20)
Diluted (Rs.)		(1.33)	(0.20)

See accompanying notes forming part of the standalone financial statements.

In terms of our report attached.

For Ayyar & Cherian
 Chartered Accountants

For and on behalf of the Board of Directors

Dijo Philip Mathew
 Partner
 M NO. 224930
 UDIN: 21224930AAAAALK5571

Sreeram Gopinathan Nair
 Managing Director
 DIN: 05143385

T. B. Ramakrishnan
 Chairman
 DIN: 01601072

Aneetta C. Vilson
 Company Secretary

Place: Ernakulam
 Date: May 28, 2021

Place: Thrissur
 Date: May 28, 2021

SI Capital & Financial Services Limited
Cash flow statement for the Year ended 31 March 2021
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flow from operating activities		
Net profit / (Loss) before tax	(40.14)	(5.40)
Adjustments for:		
Depreciation and amortization expense	3.82	0.53
Impairment on financial instruments	1.49	0.15
Profit on redemption of Mutual Funds	(3.10)	(7.86)
Dividend Received	(0.01)	(0.05)
Income tax of earlier years written off	-	(0.30)
Interest income from banks, investments and others	(1.01)	(5.47)
Operating Profit before working capital changes	(38.96)	(18.41)
Changes in working capital and loans:		
Decrease / (increase) in non-financial assets	(1.99)	(1.67)
Decrease / (increase) in loans	(154.42)	(16.52)
Decrease / (increase) in other financial assets	(0.10)	(1.15)
Increase / (decrease) in trade payables	3.95	0.06
Increase / (decrease) in other financial liabilities	(2.84)	5.00
Increase / (decrease) in provisions	(0.66)	(2.41)
Increase / (decrease) in other non-financial liabilities	0.44	(0.01)
	(155.63)	(16.69)
Cash generated from operations	(194.58)	(35.10)
Net income tax (paid)	0.56	0.38
Net cash flows from/(used in) operating activities (A)	(194.02)	(34.72)
B. Cash flow from investing activities		
Capital expenditure, including capital advances	(12.82)	(3.55)
Proceeds from sale of property, plant and equipment	-	0.00
(Purchase) / Sale of investments	99.65	(36.23)
Profit on redemption of Mutual Funds	3.10	7.86
Interest received	1.79	8.06
Dividend Received	0.01	0.05
Bank balances not considered as cash and cash equivalents	(1.00)	-
Net cash flows from/(used in) investing activities (B)	90.73	(23.82)

SI Capital & Financial Services Limited
 Cash flow statement for the Year ended 31 March 2021
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

C. Cash flow from financing activities		
Subordinated liabilities issued (net)	80.75	-
Proceeds from money received against share warrants	20.10	-
Net cash flow from financing activities (C)	100.85	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2.44)	(58.54)
Cash and cash equivalents at the beginning of the year	94.37	152.91
Cash and cash equivalents at the end of the year	91.92	94.37

In terms of our report attached.
For Ayyar & Cherian
 Chartered Accountants

For and on behalf of the Board of Directors

Dijo Philip Mathew
 Partner

Sreeram Gopinathan Nair
 Managing Director
 DIN: 05143385

T. B. Ramakrishnan
 Chairman
 DIN: 01601072

Aneetta C. Vilson
 Company Secretary

Place: Ernakulam
 Date: May 28, 2021

Place: Thrissur
 Date: May 28, 2021

SI Capital & Financial Services Limited

Statement of changes in Equity for the year ended 31 March 2021

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

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 2019	30.00	300.00
Changes in equity share capital during the year	-	-
As at 1 April 2020	30.00	300.00
Changes in equity share capital during the year	-	-
As at 31 March 2021	30.00	300.00

B. Other Equity

Particulars	Reserves and Surplus		Other comprehensive	Total
	Statutory reserve	Retained earnings		
Balance as at 1 April 2019	28.69	(47.43)	-	(18.73)
Transfer to/from retained earnings	-	(0.28)	-	(0.28)
Profit / (Loss) for the year after Income tax	-	(6.09)	-	(6.09)
Other comprehensive income for the year before Income tax	-	-	-	-
Income tax on OCI	-	-	-	-
Balance as at 31 March 2020	28.68	(53.80)	-	(25.10)
Transfer to/from retained earnings	-	-	-	-
Profit / (Loss) for the year after Income tax	-	(39.99)	-	(39.99)
Other comprehensive income for the year before Income tax	-	-	-	-
Income tax on OCI	-	-	-	-
Balance as at 31 March 2021	28.68	(93.79)	-	(65.09)

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
M NO. 224930
UDIN: 21224930AAAALK5571

Sreeram Gopinathan Nair
Managing Director
DIN: 05143385

T. B. Ramakrishnan
Chairman
DIN: 01601072

Aneetta C. Vilson
Company Secretary

Place: Ernakulam
Date: May 28, 2021

Place: Thrissur
Date: May 28, 2021

SI Capital & Financial Services Limited
Notes to Standalone Financial Statements for the year ended 31 March 2021

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.400/2018
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 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.

SI Capital & Financial Services Limited
Notes to Standalone Financial Statements for the year ended 31 March 2021

5 Significant accounting policies (Also refer note 2 above)

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.

SI Capital & Financial Services Limited
Notes to Standalone Financial Statements for the year ended 31 March 2021

(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.

SI Capital & Financial Services Limited
Notes to Standalone Financial Statements for the year ended 31 March 2021

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.

SI Capital & Financial Services Limited
Notes to Standalone Financial Statements for the year ended 31 March 2021

(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.

SI Capital & Financial Services Limited
Notes to Standalone Financial Statements for the year ended 31 March 2021

(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 received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Processing fee which is not form part of effective interest rate has been recognised as and when it is accrue.

(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.

SI Capital & Financial Services Limited
Notes to Standalone Financial Statements for the year ended 31 March 2021

(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.

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Notes to Standalone Financial Statements for the year ended 31 March 2021

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.

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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.

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Notes to Standalone Financial Statements for the year ended 31 March 2021

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 if 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.

SI Capital & Financial Services Limited
Notes to Standalone Financial Statements for the year ended 31 March 2021

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.

SI Capital & Financial Services Limited
Notes to Standalone Financial Statements for the year ended 31 March 2021
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 9: Cash and cash equivalents

Particulars	As at	As at
	31 March 2021	31 March 2020
Cash on hand	4.81	0.51
Balances with Banks in current accounts		
- In current accounts	87.09	80.66
- In fixed deposits (maturing within a period of three months)	-	13.20
Others		
- Stamp in Hand	0.02	-
	91.92	94.37

SI Capital & Financial Services Limited
 Notes to Standalone Financial Statements for the year ended 31 March 2021
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 10: Loans

Particulars	As at 31 March 2021					As at 31 March 2020				
	Amortised Cost	At Fair value			Total	Amortised Cost	At Fair value			Total
		Through Other Comprehensive Income	Through profit or loss	Designated at Fair Value Through profit or loss			Through profit or loss	Designated at Fair Value Through profit or loss		
LOANS										
(A)										
i) Gold Loan	82.79	-	-	-	82.79	-	-	-	-	-
ii) Vehicle Loan	76.53	-	-	-	76.53	-	-	-	-	-
vii) Business Loan	20.52	-	-	-	20.52	-	-	-	-	-
vii) Personal Loan	41.36	-	-	-	41.36	66.78	-	-	-	66.78
Total (A) - Gross	221.20				221.20	66.78				66.78
Less: Impairment loss allowance	2.50				2.50	1.01				1.01
Total (A) - Net	218.70				218.70	65.77				65.77
(B)										
i) Secured by tangible assets	159.32	-	-	-	159.32	-	-	-	-	-
ii) Unsecured	61.88	-	-	-	61.88	66.78	-	-	-	66.78
Total (B) - Gross	221.20				221.20	66.78				66.78
Less: Impairment loss allowance	2.50				2.50	1.01				1.01
Total (B) - Net	218.70				218.70	65.77				65.77
(C)										
Loans in India										
i) Public Sector	-	-	-	-	-	-	-	-	-	-
ii) Others	221.20	-	-	-	221.20	66.78	-	-	-	66.78
Total (C) - Gross	221.20				221.20	66.78				66.78
Less: Impairment loss allowance	2.50				2.50	1.01				1.01
Total (C) - Net	218.70				218.70	65.77				65.77

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 Notes to Standalone Financial Statements for the year ended 31 March 2021
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Note 11: Investments

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

SI Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2021

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

Particulars	Amortised Cost	At Fair value Through profit or loss	Others	Total
As at 31 March 2020				
i) Mutual Funds				
Canara Roberco Liquid Growth	-	50.00	-	50.00
HDFC Liquid fund Growth (Fair Value)	-	50.00	-	50.00
ii) Equity instruments in others (Quoted)				
900 Equity shares of Rs. 10/- each fully paid in Sambandam Spinning Mills Ltd	-	0.45	-	0.45
800 Equity shares of Rs. 10/- each fully paid in Sri Nachammai Cotton Mills Ltd	-	0.56	-	0.56
Total Gross (A)	-	101.01	-	101.01
i) Investments outside India	-	-	-	-
ii) Investments in India	-	101.01	-	101.01
Total Gross (B)	-	101.01	-	101.01
Less : Allowance for impairment loss (C)	-	-	-	-
Total - Net (D) = (A) - (C)	-	101.01	-	101.01

Investment designated at FVTPL is a portfolio of equity instruments. Equity instruments have been classified at Fair value through profit and loss since cash flows from equity instruments does not represent solely payment of principal and interest.

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 Notes to Standalone Financial Statements for the year ended 31 March 2021
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Note 12: Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued on fixed deposits and investment	0.01	0.79
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	0.10	-
Total	3.07	2.75

Note 13: Current tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance tax and tax deducted at source (net of provisions)	1.21	1.77
Total	1.21	1.77

SI Capital & Financial Services Limited
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Note 14: Property, plant and equipment

Particulars	Office equipment	Electrical installation	Computer Equipment	Furniture and Fixtures	Plant and Equipment	Total
Cost:						
At 1 April 2019	0.52	1.00	4.08	9.70	10.03	25.33
Additions	-	-	1.37	0.02	0.16	1.55
Disposals	0.00	-	-	-	-	0.00
At 31 March 2020	0.52	1.00	5.46	9.71	10.19	26.88
Additions	1.86	-	2.15	1.88	-	5.89
Disposals	-	-	-	-	-	-
At 31 March 2021	2.38	1.00	7.61	11.59	10.19	32.77
Accumulated Depreciation:						
At 1 April 2019	0.43	0.93	4.04	9.21	9.67	24.27
Disposals	-	-	-	-	-	-
Depreciation charge for the year	0.02	0.01	0.15	0.02	0.01	0.22
At 31 March 2020	0.45	0.94	4.18	9.23	9.68	24.49
Disposals	-	-	-	-	-	-
Depreciation charge for the year	0.49	0.00	1.51	0.36	0.07	2.44
At 31 March 2021	0.94	0.94	5.70	9.59	9.75	26.92
Carrying Amount						
At 31 March 2020	0.08	0.06	1.27	0.48	0.51	2.40
At 31 March 2021	1.44	0.06	1.91	2.00	0.44	5.85

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 Notes to Standalone Financial Statements for the year ended 31 March 2021
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 15: Other intangible assets

Particulars	Computer Software
Cost:	
At 1 April 2019	-
Additions	2.02
Disposals	-
At 31 March 2020	2.02
Additions	6.93
Disposals	-
At 31 March 2021	8.95
Accumulated amortisation	
At 1 April 2019	-
Disposals	-
Amortisation charge for the year	0.31
At 31 March 2020	0.31
Disposals	-
Amortisation charge for the year	1.38
At 31 March 2021	1.69
Carrying Amount	
At 31 March 2020	1.70
At 31 March 2021	7.26

Note 16: Other non-financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with government authorities	7.25	7.93
Other Receivables	2.72	0.04
Total	9.97	7.98

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Notes to Standalone Financial Statements for the year ended 31 March 2021
(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 17: Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6.24	2.29
Total	6.24	2.29

Note 18: Subordinated liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
At amortised cost:		
Subordinated debt from banks	-	-
Subordinated debt from others	80.75	-
Total	80.75	-
Subordinate liabilities in India	80.75	-
Total	80.75	-

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 2021

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

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

As at 31 March 2020 Nil

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Notes to Standalone Financial Statements for the year ended 31 March 2021

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

Note 19: Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Security deposits	-	5.00
Others	2.16	-
	2.16	5.00

Note 20: Provisions

Particulars	As at 31 March 2021	As at 31 March 2020
Employee benefits		
- Gratuity	1.36	2.02
	1.36	2.02

Note 21: Other non-financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	0.58	0.14
Retention money and other sundry liabilities	-	0.00
	0.58	0.14

SI Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2021

(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

	As at 31 March 2021	As at 31 March 2020
Authorised		
60,00,000 (31 March 2020: 35,00,000) equity shares of Rs. 10/- each	600.00	350.00
	600.00	350.00
Issued, subscribed and fully paid up		
30,00,000 (31 March 2020: 30,00,000) equity shares of Rs. 10/- each	300.00	300.00
Total Issued, subscribed and fully paid up	300.00	300.00

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

	No. in Lakhs	Rs. in Lakhs
Balance as at 1 April 2019	30.00	300.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2020	30.00	300.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	30.00	300.00

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 March 2021		31 March 2020	
	No. in Lakhs	% holding in the class	No. in Lakhs	% holding in the class
Sharewealth Securities Ltd	16.11	53.69	18.28	60.93

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.

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Notes to Standalone Financial Statements for the year ended 31 March 2021
 (All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 23: Other equity

Statutory reserve pursuant to Section 45-IC of the RBI Act, 1934

At 1 April 2019	28.69
Add: Transfer from surplus balance in the Statement of Profit and Loss	-
At 31 March 2020	<u>28.69</u>
Add: Transfer from surplus balance in the Statement of Profit and Loss	-
At 31 March 2021	<u>28.69</u>

Retained earnings

At 1 April 2019	(47.43)
Add: Profit for the year	(6.09)
Less : Income tax of earlier years w/off	(0.30)
Add : Life of fixed assets value lapsed	0.02
Transfer to Statutory Reserve	-
At 31 March 2020	<u>(53.80)</u>
Add: Profit for the year	(39.99)
Less: Appropriations	-
Transfer to Statutory Reserve	-
At 31 March 2021	<u>(93.79)</u>

Total other equity

At 31 March 2020	(25.11)
At 31 March 2021	(65.10)

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 2020-21) and Previous year (FY 2019-20) since, the Company has incurred losses.

SI Capital & Financial Services Limited
Notes to Standalone Financial Statements for the year ended 31 March 2021
(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 2021	For year ended 31 March 2020
<i>On financial assets measured at amortised cost:</i>		
Interest on loans		
- Gold loans	6.97	-
- Vehicle Loans	8.61	0.40
- Business Loans	3.91	-
- Personal Loans	6.91	7.92
Interest on deposits with banks	1.01	5.47
Total	27.41	13.79

Note 24 (ii): Dividend Income

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
Dividend Income	0.01	0.05
Total	0.01	0.05

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

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
Net Gain on fair value changes	0.35	-
Total	0.35	-

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

Particulars	For year ended 31 March 2021	For the year ended 31 March 2019
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	3.10	7.86
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others		
(i) Loss on fair valuation of equity shares	-	-
Total Net gain fair value changes	3.10	7.86
Fair value changes:		
- Realised	3.10	7.86
- Unrealised	-	-
Total Net gain fair value changes (B)	3.10	7.86

SI Capital & Financial Services Limited
 Notes to Standalone Financial Statements for the year ended 31 March 2021
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Note 24 (v): Sale of services

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
Income from Foreign Exchange business	4.71	12.19
Total	4.71	12.19

Note 25: Other income

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
Others	0.11	0.03
Total	0.11	0.03

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Note 26: Finance costs

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
<i>On financial liabilities measured at amortised cost:</i>		
Interest on borrowings	-	0.46
Interest on subordinated liabilities	3.36	-
Total	3.36	0.46

Note 27: Fees and commission expense

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
<i>On financial liabilities measured at amortised cost:</i>		
Commission paid	0.04	0.55
Total	0.04	0.55

Note 28: Impairment on financial instruments

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
<i>On financial instruments measured at amortised cost:</i>		
Loans		
- Standard assets	1.39	0.15
- Non-performing assets	0.10	-
Total	1.49	0.15

Note 29: Employee benefits expense

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
Salaries and wages	27.23	12.18
Contribution to provident and other funds	1.91	1.69
Staff welfare expenses	0.27	0.18
Total	29.41	14.05

Note 30: Depreciation, amortization and impairment

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
Depreciation of tangible assets	2.44	0.22
Amortisation of intangible assets	1.38	0.31
Total	3.82	0.53

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Note 31: Other expenses

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
Rent	6.55	1.49
Rates and taxes	12.38	9.67
Energy costs	0.56	2.17
Repairs and maintenance	1.14	1.15
Communication costs	0.76	0.69
Printing and stationery	1.53	0.30
Advertising and publicity	3.92	-
Director's fees, allowances and expenses	0.57	1.37
Auditor's fees and expenses (Refer Note 27 (i))	1.26	1.18
Legal and professional charges	3.58	4.05
Insurance	0.11	0.10
Travelling and conveyance	1.98	1.11
Bank charges	0.18	0.12
Information Technology Support costs	1.19	-
Miscellaneous expense	2.00	0.21
Total	37.71	23.59

Note (i) Auditor's fees and expenses

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
(a) Auditor	1.05	1.18
(b) for taxation matters	-	-
(c) for Company law matters	-	-
(d) for other services	0.21	-
(e) for reimbursement of expenses	-	-
Total	1.26	1.18

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Note 32: Income Tax

The components of income tax expense for the year ended 31 March 2021 and March 2020 are:

Particulars	Rs. In Millions	
	For year ended 31 March 2021	For year ended 31 March 2020
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	(0.15)	0.69
Income tax expense reported in statement of profit and loss	(0.15)	0.69
Current tax	-	-
Deferred tax	(0.15)	0.69

Note 33: Deferred Tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

As at 31 March 2021

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	31 March 2021	31 March 2021	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)	
Total	-	-	0.15	-
Net Deferred tax asset as at 31 March 2021		-		

As at 31 March 2020

Particulars	Deferred Tax Assets	Deferred Tax Liabilities	Income Statement	OCI
	31 March 2020	31 March 2020	2019-20	2019-20
Provisions			(0.09)	
Depreciation			(0.32)	
Impairment allowance for financial assets			-	
Remeasurement gain / (loss) on defined benefit plan			(0.27)	
Total	-	-	(0.68)	-
Net Deferred tax asset as at 31 March 2020		-		

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Note 34: Earnings per share

Particulars	For year ended 31 March 2021	For year ended 31 March 2020
Net profit for calculation of basic earnings per share	(39.99)	(6.09)
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 for diluted earnings per share (Nos.)	30,00,000	30,00,000
Basic earnings per share (Rs.)	(1.33)	(0.20)
Diluted earnings per share (Rs.)	(1.33)	(0.20)

SI Capital & Financial Services Limited**Notes to Standalone Financial Statements for the year ended 31 March 2021**

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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. 1.09 (31 March 2020: Rs. 0.51) 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 the 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.

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Notes to Standalone Financial Statements for the year ended 31 March 2021

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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. T B Ramakrishnan Mr. Ramanathan A Mr. Anil Menon Mrs. Jitha Chummar (Wef October 20, 2020) Mrs. Mary Rodrigues (Ceased On May 27, 2020) Mr. Joseph P Antony (Director of Fellow subsidiary)
Non- Executive Independent Directors	Mr. Chintan Bharat Shah (Ceased On May 27, 2020) Mr. Shanmugam Ramesh (Ceased On May 27, 2020) Mr. Rajesh Narayan Pillai (Wef July 22, 2020) Mr. Sreeram K S (From July 22, 2020 Till December 5, 2020) Mr. V M Xaviour (Wef December 10, 2020) Mr. Vinod Manazhy (Wef December 10, 2020)
Key Managerial Personnel	Mr. Sreeram Gopinathan Nair (Managing Director)(Ceased On June 9, 2020) (& Again Appointed Wef December 17, 2020) Mrs. Jitha Chummar - Chief Financial Officer (From April 1, 2020 Till December 5, 2020) Mr. Joju M J - Chief Executive Officer (From August 29, 2020 Till October 19, 2020)* Mr. Akhilesh Gopinath - Chief Financial Officer (Wef December 5, 2020) Mrs. Aneetta C Vilson - Company Secretary
Relatives of Directors and KMPs	Mr. Anoop Jolly (Husband of Mrs. Jitha Chummar)

* No transactions with these related parties

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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 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Transactions during the year								
Rent Paid	-	-	-	0.45	-	0.90	2.55	-
Mr. Anoop Jolly	-	-	-	-	-	-	2.55	-
Mrs. Mary Rodrigues	-	-	-	-	-	0.90	-	-
Mrs. Suzanne Venglet	-	-	-	0.45	-	-	-	-
Remuneration to KMPs	-	-	1.63	-	10.44	1.20	-	-
Mr. Sreeram Gopinathan Nair	-	-	-	-	3.18	-	-	-
Mrs. Jitha Chummar	-	-	1.63	-	-	-	-	-
Mr. Akhilesh Gopinath	-	-	-	-	3.00	-	-	-
Mrs. Aneetta C Vilson	-	-	-	-	4.26	-	-	-
Mrs. Mary Rodrigues	-	-	-	-	-	1.20	-	-
Sitting Fee to Directors:	-	-	0.53	0.12	0.04	0.05	-	-
Mr. Sreeram Gopinathan Nair	-	-	-	-	0.04	0.01	-	-
Mr. T B Ramakrishnan	-	-	0.12	0.01	-	-	-	-
Mr. Ramanathan A	-	-	0.11	-	-	-	-	-
Mr. Anil Menon	-	-	0.09	-	-	-	-	-
Mrs. Jitha Chummar	-	-	0.06	-	-	-	-	-
Mr. Rajesh Narayan Pillai	-	-	0.06	-	-	-	-	-
Mr. Sreeram K S	-	-	0.03	-	-	-	-	-
Mr. V M Xaviour	-	-	0.03	-	-	-	-	-
Mr. Vinod Manazhy	-	-	0.03	-	-	-	-	-
Mrs. Mary Rodrigues	-	-	-	-	-	0.04	-	-
Mr. Chintan Bharat Shah	-	-	-	0.04	-	-	-	-
Mr. Shanmugam Ramesh	-	-	-	0.02	-	-	-	-
Mr. Sanjay Arjundas Wadhwa	-	-	-	0.03	-	-	-	-
Mrs. Suzanne Venglet	-	-	-	0.02	-	-	-	-
Loan given	50.00	-	5.00	-	20.00	-	-	-
Sharewealth Securities Limited	50.00	-	-	-	-	-	-	-
Mr. Joseph P Antony	-	-	5.00	-	-	-	-	-
Mr. Ramanathan A	-	-	-	-	20.00	-	-	-
	-	-	-	-	-	-	-	-
Interest Income from Loan given	0.61	-	0.03	-	0.74	-	-	-
Sharewealth Securities Limited	0.61	-	-	-	-	-	-	-
Mr. Joseph P Antony	-	-	0.03	-	-	-	-	-
Mr. Ramanathan A	-	-	-	-	0.74	-	-	-
Repayment of Loan given	50.00	-	5.00	-	-	-	-	-
Sharewealth Securities Limited	50.00	-	-	-	-	-	-	-
Mr. Joseph P Antony	-	-	5.00	-	-	-	-	-

SI Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2021

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

Particulars	Holding Company		Non- Executive Directors (Including Independent Directors)		Key Managerial Personnel		Relatives of Directors and Key Managerial Personnel	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Transfer of Gratuity	1.48	-	-	-	-	-	-	-
Sharewealth Securities Limited	1.48	-	-	-	-	-	-	-
Amount paid on Purchase of Liquid Fund*	180.00	100.00	-	-	-	-	-	-
Sharewealth Securities Limited	180.00	100.00	-	-	-	-	-	-
Amount received on Sale of Liquid Fund*	283.00	-	-	-	-	-	-	-
Sharewealth Securities Limited	283.00	-	-	-	-	-	-	-
Balance outstanding at the end of the year	-	-	-	-	-	-	-	-
Rent Deposit	-	-	-	0.90	-	-	-	-
Mrs. Suzanne Venglet	-	-	-	0.90	-	-	-	-
Loan Outstanding	-	-	-	-	20.00	-	-	-
Mr. Ramanathan A	-	-	-	-	20.00	-	-	-
Amounts receivable from related parties	0.10	0.00	-	-	-	-	-	-
Sharewealth Securities Limited (Trading A/c)	0.10	0.00	-	-	-	-	-	-
Amounts payable to related parties	1.48	-	-	-	0.18	-	-	-
Mr. Sreeram Gopinathan Nair (Remuneration)	-	-	-	-	0.18	-	-	-
Sharewealth Securities Limited (Gratuity)	1.48	-	-	-	-	-	-	-

Note:

- Related parties have been identified on the basis of the declaration received by the management and other records available.
- Loans given to related parties are repayable on demand.
- The remuneration to the key managerial personnel does not include the provisions made for gratuity.
- *Company holds demat account with Sharewealth Securities Limited (holding company). Transactions with Sharewealth Securities Limited denoting sale & purchase of Liquid fund represents the transactions entered in the demat statement of the holding company.

SI Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2021

(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 2021			31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	91.92	-	91.92	94.37	-	94.37
Loans	134.63	84.07	218.70	56.63	9.14	65.77
Investments	-	1.36	1.36	100.00	1.01	101.01
Other financial assets	0.01	3.06	3.07	0.79	1.96	2.75
Non-financial Assets						
Current tax assets (net)	-	1.21	1.21	-	1.77	1.77
Deferred tax assets (net)	-	6.76	6.76	-	6.61	6.61
Property, plant and equipment	-	5.85	5.85	-	2.40	2.40
Other intangible assets	-	7.26	7.26	-	1.70	1.70
Other non-financial assets	-	9.97	9.97	-	7.98	7.98
Total assets	226.56	119.54	346.10	251.79	32.57	284.35
Liabilities						
Financial Liabilities						
Payables	6.24	-	6.24	2.29	-	2.29
Subordinated Liabilities	-	80.75	80.75	-	-	-
Other Financial liabilities	2.16	-	2.16	5.00	-	5.00
Non-financial Liabilities						
Provisions	1.36	-	1.36	2.02	-	2.02
Other non-financial liabilities	0.58	-	0.58	0.14	-	0.14
Total Liabilities	10.34	80.76	91.09	9.45	0.00	9.45
Net	216.22	38.78	255.01	242.33	32.57	274.90

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 2021 and 31st March 2020.

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).

SI Capital & Financial Services Limited

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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 2021				31 March 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis								
<i>Financial instrument held for trading</i>								
Equity Shares	1.36	-	-	1.36	1.01	-	-	1.01
Mutual Funds	-	-	-	-	-	100.00	-	100.00
Total financial instrument held for trading	1.36	-	-	1.36	1.01	100.00	-	101.01

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.

SI Capital & Financial Services Limited**Notes to Standalone Financial Statements for the year ended 31 March 2021**

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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 90 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.

SI Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2021

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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 2021, the PD percentages are mentioned below:

Pools	Stage I	Stage II	Stage III
1) Gold Loan	0.64%	0.64%	100.00%
2) Vehicle Loan	2.87%	5.43%	100.00%
3) Business Loan	1.00%	2.87%	100.00%
3) Personal Loan	0.97%	21.00%	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	40.00%
2) Vehicle Loan	40.00%
3) Business 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.

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

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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 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

Maturity pattern of assets and liabilities as on 31 March 2020:

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	-	-	-	-	-	-	-	-	-
Loans	-	3.34	-	28.11	25.18	3.30	5.84	-	65.77
Investments	100.00	-	-	-	-	-	-	1.01	101.01

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

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 2021
 (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)
Performing Assets						
Standard	Stage 1	218.00	1.34	216.66	0.85	0.49
	Stage 2	2.09	0.05	2.04	0.01	0.04
Subtotal		220.09	1.39	218.70	0.86	0.53
Non-Performing Assets (NPA)						
Substandard	Stage 3	-	-	-	-	-
Doubtful upto 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	1.11	1.11	-	1.11	-
Subtotal for Loss		1.11	1.11	-	1.11	-
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		-	-	-	-	-
Total	Stage 1	218.00	1.34	216.66	0.85	0.49
	Stage 2	2.09	0.05	2.04	0.01	0.04
	Stage 3	1.11	1.11	-	1.11	-
	Total	221.20	2.50	218.70	1.97	0.53

SI Capital & Financial Services Limited

Notes to Standalone Financial Statements for the year ended 31 March 2021

(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
Liabilities side			
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		
Assets side		Amount outstanding (net of provisions)	
3	Break-up of Loans and Advances including bills receivables (other than those included in (4) below):		
a	Secured	158.19	
b	Unsecured	60.51	
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	

	Debtures and Bonds			Nil
	Units of mutual funds			Nil
	Government Securities			Nil
	Others (please specify)			Nil
	Long Term Investments			
1	Quoted			
	Shares			
	a) Equity			1.36
	b) Preference			Nil
	Debtures and Bonds			Nil
	Units of mutual funds			Nil
	Government Securities			Nil
	Others (please specify)			Nil
2	Unquoted			
	Shares			
	a) Equity			Nil
	b) Preference			Nil
	Debtures 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	19.91	19.91
	Subsidiaries	Nil	Nil	Nil
	Companies in the same group	Nil	Nil	Nil
	Other related parties	Nil	Nil	Nil
2	Other than related parties	158.19	40.6	198.79
	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	1.36		1.36
	b) Mutual Fund	Nil		Nil
	Total	1.36		1.36
	**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	1.11		
ii	Net Non Performing Assets			
	Related Parties	Nil		
	Other than related parties	Nil		
iii	Assets acquired in satisfaction of debt	Nil		
	Notes:			
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 2021

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

Note 44: Disclosures based on RBI notification dated April 17, 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning

Particulars	31-Mar-2021
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	-
(ii) Respective amount where asset classification benefits is extended.	-
(iii) Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5	-
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	-

Note 45: 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.

Note 46: Earnings in Foreign Exchange	31-Mar-21	31-Mar-20
Export of Goods calculated on FOB Basis	Nil	Nil

Note 47: Expenditure in foreign currency	31-Mar-21	31-Mar-20
Expenditure incurred by the Company in foreign currency	Nil	Nil

Note 48: Events after reporting date

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

Note 49: Previous year figures

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

For Ayyar & Cherian
Chartered Accountants

For and on behalf of the Board of Directors

Dijo Philip Mathew
Partner
M NO. 224930
UDIN: 21224930AAAAALK5571

Sreeram Gopinathan Nair
Managing Director
DIN: 05143385

T. B. Ramakrishn
Chairman
DIN: 01601072

Aneetta C. Vilson
Company Secretary

Place: Ernakulam
Date: May 28, 2021

Place: Thrissur
Date: May 28, 2021