

SIL INVESTMENTS LIMITED

77th Annual Report
2010-2011

BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

Punjab National Bank
State Bank of Bikaner and Jaipur

REGISTERED OFFICE

Pachpahar Road,
Bhawanimandi - 326 502
(Rajasthan)

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FINANCIAL HIGHLIGHTS

(Rs. in lacs)

	2006-07	2007-08	2008-09	2009-10	2010-11
What the Company owned:					
Gross Block	256.09	256.09	256.09	256.09	254.31
Less: Depreciation	45.71	49.89	54.06	58.23	61.19
Net Block	210.38	206.20	202.03	197.86	193.12
Investments	12011.23	12040.57	12360.87	12361.88	12333.98
Current Assets, Loans & Advances	109.91	9464.42	6891.87	6698.05	12113.11
Total A	12331.52	21711.19	19454.77	19257.79	24640.21
Deduct					
Loans	1271.48	9723.91	6850.00	6015.81	10542.56
Current Liabilities & Provisions	161.49	170.63	160.97	155.09	185.62
Deferred Tax Liabilities (Net)	25.75	26.06	26.28	26.42	37.83
Total B	1458.72	9920.60	7037.25	6197.32	10766.01
Net worth of Shareholders' Equity (A-B)	10872.80	11790.59	12417.52	13060.47	13874.20
Represented by:					
Equity Capital	1060.65	1060.65	1060.65	1060.65	1060.65
Reserves & Surplus	9812.15	10729.94	11356.87	11999.82	12813.55
Total	10872.80	11790.59	12417.52	13060.47	13874.20
Net worth per Ordinary Share of Rs.10/- each	102.61	111.28	117.19	123.26	130.94
Dividend per Ordinary Share of Rs.10/- each	1.00	1.00	1.00	1.00	1.00

NOTICE

NOTICE is hereby given that the Seventy Seventh Annual General Meeting of the Shareholders of SIL Investments Limited, will be held at the Registered Office of the Company at Pachpahar Road, Bhawanimandi 326 502 (Rajasthan) at 10.30 a.m. on Saturday, the 6th August, 2011 to transact the following business:-

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with Auditors' Report thereon & Directors' Report.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Padam Kumar Khaitan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sanjay Goenka, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. S.S. Maheshwari, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors M/s. Singhi & Company, offer themselves for re-appointment.

By order of the Board

Place: Kolkata
Dated: 11th May, 2011

Ashish Chauhan
Company Secretary

Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time of holding the meeting. Proxies submitted on behalf of limited Companies, bodies corporate, societies etc. must be supported by appropriate resolution /authority, as applicable. Blank Proxy form is attached.
3. Corporate Members intending to send their authorised representatives to attend the meeting, are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
4. The Register of Members of the Company will remain closed from 04.06.2011 to 10.06.2011 (both days inclusive) for determining eligibility for payment of Dividend, if declared at the Meeting.

5. Dividend, if declared at the meeting, will be paid to those members or their mandates:
 - (a) whose names appear as Beneficial Owner at the end of the business hours on 03.06.2011 in the list of Beneficial Owners to be furnished by Depositories (NSDL & CDSL) in respect of the shares held in electronic form; and
 - (b) whose names appear as members on the Company's Register of Members on 10.06.2011 after giving effect to the valid transfer requests received on or before 03.06.2011.
6. Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, dividends, which remain unclaimed/unencashed for a period of 7 years, are required to be transferred to the Investor Education and Protection Fund (IEP Fund) of the Central Government established under sub-section (1) of Section 205C of the Act. The Company has transferred an amount of Rs.3,25,380/- being the unpaid dividend for the year 2002-03 to IEP Fund on 24th November, 2010.

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

Dividend Year	Date of declaration of dividend	Date of amount becoming due for transfer to IEP Fund
2003-04	30.09.2004	29.10.2011
2004-05	29.09.2005	27.10.2012
2005-06	23.09.2006	22.10.2013
2006-07	28.09.2007	27.10.2014
2007-08	27.09.2008	26.10.2015
2008-09	28.08.2009	27.09.2016
2009-10	06.08.2010	05.09.2017

In view of above, shareholders are advised to send their requests for payment of unclaimed dividend pertaining to the years 2003-2004 through 2009-10 to our Share Transfer Agent at Mumbai or to the registered office of the Company.

7. Shareholders desirous of availing the facility of Electronic Credit of dividend are requested to fill up attached ECS form to this notice and return the same duly filled and signed alongwith a xerox copy of a leaf of their cheque book bearing bank account number, on or before 25.07.2011. The said details in respect of the shares held in electronic form should be sent to their respective **Depository Participant** with a copy to the Company/RTA for appropriate action before close of work on 25.07.2011. The said details in respect of the shares held in physical form should be sent to the Company/RTA for appropriate action before close of work on 25.07.2011.
8. The Company's Shares are listed on the following Stock Exchanges:
 1. Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001

SIL INVESTMENTS LIMITED

2. National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor
Plot No.C/1, G-Block, Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051

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

*The application for voluntary delisting has been pending with The Calcutta Stock Exchange Ltd. since October, 2003. The Company has paid annual listing fee for the year 2011-12 to Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd.

9. Brief particulars of the Directors being appointed/ re-appointed, nature of their expertise in specific functional areas, names of Indian public limited companies in which they hold directorships and memberships/ Chairmanships

of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are as given below:

Name	Mr. Padam Kumar Khaitan	Mr. Sanjay Goenka	Mr. S.S. Maheshwari
Date of birth	24.05.1953	23.07.1965	10.05.1957
Date of appointment	24.07.2006	24.07.2006	24.07.2009
Qualification	Attorney at Law	B.Com	M.B.A. (Financial Management) B.Tech (Textile Tech)
Expertise in specific functional areas	Advocate. Associated with renowned law firm Khaitan & Co, Kolkata	Involved in Stock Market operations as a member of International Stock Exchange of India Ltd	Having wide experience in senior positions with large Industries.
Directorships held in other companies (excluding foreign companies)	1) Ramkrishna Forgings Ltd 2) Rungamattee Tea & Industries Ltd 3) Cheviot Agro Industries Ltd 4) Williamson Magor & Co Ltd 5) Cheviot Company Ltd 6) Manjushree Plantations Ltd 7) Woodside Parks Ltd 8) R.V .Investment & Dealers Ltd 9) SCM Investment & Trading Co Ltd 10) Khaitan Consultants Ltd 11) Asian Hotels (East) Ltd 12) GJS Hotels Ltd 13) McNally Sayaji Engineering Ltd	RTM Investment & Trading Co Ltd	Nil
Memberships/ Chairmanships of Committees of other Indian public companies	Chairman: Shareholders/Investors Grievance Committee 1) Manjushree Plantations Ltd 2) Asian Hotels (East) Ltd Member: Audit Committee: 1) Williamson Magor & Co Ltd Shareholders'/Investors' Grievance Committee: 1) Williamson Magor & Co Ltd 2) McNally Sayaji Engineering Ltd	Nil	Nil
Number of Shares held in the company	Nil	Nil	Nil

None of the Directors being re-appointed are related to any other director of the company. The Board of Directors of the Company commends their respective re-appointments.

10. Members are requested:

- To bring their copies of Annual report at the Meeting.
- To quote their folio number/DP ID and Client Id in all correspondence;
- To Notify immediately for change of their address and bank particulars to the RTA in case the shares are held in physical form; and
- In case the shares are held in dematerialized form,

such information should be passed on directly to their respective Depository Participant without any delay and not to the Company / RTA.

Place: Kolkata
Dated: 11th May 2011

By order of the Board
Ashish Chauhan
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 77th Annual Report together with the audited Statement of Accounts of the Company for the year ended 31st March, 2011:

FINANCIAL RESULTS

Particulars	(Rs. in lacs)	
	Current Year	Previous Year
Gross Profit	1030.70	798.19
Less: Depreciation	4.21	4.17
Taxation:		
-Current	81.60	21.10
-Earlier	(3.39)	6.27
-Deferred	11.41	0.14
	<u>936.87</u>	<u>766.51</u>
Add: Balance brought forward from the previous year	3498.13	3009.18
Balance available for appropriation	<u>4435.00</u>	<u>3775.69</u>
Appropriations:		
Transfer to Reserve Fund	188.00	154.00
Proposed Dividend	105.96	105.96
Corporate Dividend Tax	17.19	17.60
Balance in Profit & Loss A/c carried to Balance Sheet	4123.85	3498.13
Total	<u>4435.00</u>	<u>3775.69</u>

DIVIDEND

Your Directors are pleased to recommend a dividend of Re.1/- per share for the year ended 31st March, 2011, subject to shareholders' approval at the ensuing Annual General Meeting. The total amount of dividend to be paid to the shareholders will be Rs. 123.15 lacs (inclusive of Dividend Tax).

SUBSIDIARIES

The Ministry of Corporate Affairs has notified exemption under Section 212 (8) of the Companies Act, 1956 from attaching the documents that are required to be attached with the Balance Sheet of the Company in respect of Subsidiary Companies upon fulfillment of certain conditions. As the company complies with the same, documents pertaining to subsidiary companies of this company namely, M/s SCM Investment & Trading Co.Ltd., RTM Investment & Trading Co. Ltd., SIL Properties Ltd. and RTM Properties Ltd, are not being attached with the Balance Sheet. However, these documents shall be made available to any member or investors of the Company/Subsidiary Companies, interested in obtaining the same.

CAPITAL ADEQUACY RATIO

Your Company's Capital to Risk Assets Ratio (CRAR) calculated in line with the Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("RBI Directions") stood at 13.21%, well above the regulatory minimum of 12%. Your Company's asset size is

Rs.246.40 crore. The Company has received a certificate from M/s. Singhi & Co., Chartered Accountants, the Auditors of the Company, pursuant to Non Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008, confirming compliance of the conditions with respect to NBFCs-ND-SI.

FUTURE STRATEGY

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

PUBLIC DEPOSITS

The Company has neither invited nor accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 during the year under review.

PARTICULARS OF EMPLOYEES

During the year 2010-11, no employee was in the receipt of remuneration as is required to be disclosed under Section 217 (2A) of the Companies Act, 1956.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The operations of the Company are reviewed in the Management's Discussion and Analysis Report (Annexure-I) and forms part of this Report.

CORPORATE GOVERNANCE

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

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

Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

COMPLIANCE OF ACCOUNTING STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures therefrom;
- (ii) the Directors have selected such accounting policies as mentioned in the Notes to Accounts of the Annual Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended 31st March, 2011;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.

DIRECTORS

In terms of Article 82 of the Articles of Association of the Company, Mr. P.K.Khaitan, Mr. Sanjay Goenka and Mr. S. S. Maheshwari, Directors of the Company, retire by rotation and are eligible for re-appointment at the ensuing Annual General Meeting. The retiring directors have indicated their willingness for getting re-appointed in the ensuing Annual General Meeting. Notices in writing have been received from some members proposing their candidature, for the office of Director.

A brief resume of the Directors retiring by rotation at the ensuing Annual General Meeting and being re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board/Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Notes to the Notice of the Annual General Meeting. The Board of Directors of the Company commends the respective appointment/ re-appointment.

AUDITORS' REPORT

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

AUDITORS

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

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act. Further they also hold a valid certificate issued by the Peer Review Board of the ICAI as required under revised clause 41 of listing agreement.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation for assistance and co-operation received from the various stake holders including NBFIs, financial institutions and banks, Governmental authorities and other business associates who have extended their valuable support and encouragement during the year under review. Your Directors also take the opportunity to place on record their deep appreciation of the committed services rendered by the employees of the Company.

For and on behalf of the Board

Place : Kolkata
Dated: 11th May, 2011

C. S. Nopany
Chairman

ANNEXURE-I TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

MACRO ECONOMIC OVERVIEW

Resilient Indian Economy:

The Indian economy continued to show resilience in financial year 2010-11, thanks to proactive measures taken by the policymakers, with similar action by central banks across the world. This ensured that the impact of the global financial crisis on the Indian economy was kept to the minimum. Consequently, there was a quick turnaround in business confidence and a rapid revival in capital inflows, leading to higher resource mobilization, and buoyant stock markets. This, in turn, helped sustain the growth momentum in the economy.

Buoyant GDP Growth

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

With the economy showing signs of revival, the RBI has signalled an exit from its easy monetary policy and has withdrawn all extraordinary measures (like various refinancing facilities) and raised Statutory Liquidity Ratio from 24 per cent to 25 per cent. Rising inflation and inflationary expectations further added to RBI's concerns. The Central Bank raised the Cash Reserve Ratio by 75 bps in its January policy meeting, followed by a hike in policy rates - repo and reverse repo - by 50 bps each in May, 2011. RBI has also announced non-applicability of the PLR regime to NBFCs, thereby making borrowing costlier.

ABOUT SIL INVESTMENTS LTD. (SIL)

Financial Performance-Overview

Your Company is a registered a NBFC w.e.f. 22nd May, 2009 in the category of Non-deposit Taking Systemically Important NBFC (ND-SI). The mainstay of Company's operations continued to be Investments in various Companies, under which substantial appreciation in capital as well as steady dividend income flows into the Company.

During the year under review Company has earned income in the form of dividends, rent income, interest on ICD lending activity and profit on sale of investments. The Company will extend the business further through identification of promising

investment opportunities, through leveraging its resources. Company is also looking forward to expand its operations in the other fields permitted by the regulator, in conformity with its present status.

RISKS AND CONCERNS

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

- The company has significant quoted investments which are exposed to fluctuations in stock prices. These investments represent a substantial portion of the Company's core capital, and are vulnerable to fluctuations in the stock markets. Any decline in these quoted investments may severely impact its financial position and results of operations.
- Credit risk is a risk arising from default or failure on the part of borrowers in meeting their financial obligations towards repayment of loans and interest. This risk is comprehensively addressed by the company both at the strategic level and at the client level.
- Liquidity Risk: Asset/Liability Management: The company is exposed to liquidity risk principally as a result of lending to its customers for periods which may differ from those of its funding sources. Financial firms are now increasingly focused on asset-liability risk. Asset-liability risk is a leveraged form of risk. The capital of most financial institutions is small relative to the firm's assets or liabilities, so small percentage changes in assets or liabilities can translate into large percentage changes in capital.

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

- The company can be adversely affected by volatility in interest rates in India, which could cause its margins to decline and profitability to shrink. Earnings from interest income is steadily becoming one of the important businesses of the Company. It is therefore exposed to interest rate risk, principally as a result of lending to its customers at interest rates, in amounts,

and for periods which may differ from those of its funding sources. The company is hedged to some extent against this risk through the reset clause in its advances portfolio.

- While the Indian economy has shown sustained growth over the last several years, a slowdown could cause the business of the company to suffer. SIL manages such risks by maintaining a conservative financial profile and following prudent business and risk management practices.
- The risk appetite is enunciated by the Board from time to time. Company has in place specially mandated Committees such as ALCO, Risk Management Committee, besides Nomination-cum-Remuneration and Audit Committees.

INTERNAL CONTROL SYSTEMS

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

FUTURE OUTLOOK

The Company's present business operations are preponderantly that of an investment company, future of which largely depends upon financial and capital markets. Your Company has investments in financially sound companies and has immovable properties in the State of Maharashtra, U.P. etc. and Company will continue to earn good dividend and rent income. However, the income from the advances/lending business is steadily growing, contributing significant volume to the overall business of the Company. The Management is optimistic about the future outlook of the Company. Further, more promising areas of activity have opened up to the Company after registration of the Company as an NBFC and the same are being explored on a sustained basis. The company will expand its activities, consistent with its status as a NBFC-SI.

CAUTIONARY STATEMENT

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

The Company assumes no responsibility in respect of forward-looking statements that may be revised or modified in future on the basis of subsequent developments, information or events.

ANNEXURE - II TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

A. Company's Philosophy on Corporate Governance

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

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

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

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

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

B. Board of Directors

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

(a) Constitution

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

(b) Number of Board Meetings

During the year under review four board meetings were held on 11th May, 2010, 19th July, 2010, 27th October, 2010, and 7th February, 2011. The Meetings were held as per the requirements of business; and at intervals within the legally permitted limits. The Board meets at least once in every quarter, inter alia, to review the quarterly results and other items on the agenda. Additional meetings are held as and when necessary. Senior executives are invited to provide additional inputs at the Board meeting, if necessary.

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

The composition of the Board of Directors, their attendance at the Board meetings during the year and at the last Annual General Meeting and the number of other Directorships/Board level committee positions held by them in other Indian public companies as on 31.3.2011 is as follows:

Name of Director	Attendance at last AGM	No.of Board meetings Attended	Category of Director	Other Directorships	No.of other Companies Board's Committee(s)	
					Chairperson	Member
Mr. C.S. Nopany	No	4	NED	11	1	2
Mrs.Shalini Nopany *	No	3	ED (M.D.)	4	-	1
Mr. Arvind C. Dalal	No	-	I/NED	1	-	1
Mr. S.M. Agarwal	No	-	I/NED	9	-	2
Mr. P.K. Khaitan	No	3	I/NED	13	2	3
Mr. S.K. Khandelía **	No	-	NED	-	-	-
Mr. Subroto Lahiri	No	3	I/NED	1	1	1
Mr. Sanjay Goenka	No***	4	I/NED	1	-	-
Mr. S.S. Maheshwari	Yes	1	NED	-	-	-

NED - Non Executive Director

I -Independent

ED- Executive Director

* Managing Director

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

*** abstained due to indisposition

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

(d) Information to the Board

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

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

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

C. Details of Remuneration paid to Directors

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

(A) Remuneration paid/payable to the Non Executive Directors of the Company for the year ended 31st March, 2011:-

The Non-Executive Directors are paid sitting fees for attending each Meeting of the Board of Directors and Committees thereof. The Company also pays to its non-executive directors commission upto 1% of the net profits for all directors put together with the maximum ceiling of Rs.50,000 to each director. The total commission payable to all non-executive directors for the financial year 2010-11 will be Rs. 4,00,000/- for which provision was made in the books of accounts. The commission shall be paid after the adoption of annual accounts of the company for the year ended 31st March, 2011 by the shareholders at the forthcoming AGM.

The details of Commission payable and sitting fee paid to the Directors (including for committee meetings) during the year 2010-11 are as follows:

S.No.	Name of Director	Commission (Rs.)	Sitting Fees (Rs.)
1.	Mr. C.S. Nopany	50,000/-	30,000/-
2	Mr. Arvind C.Dalal	50,000/-	-
3	Mr. S.M. Agarwal	50,000/-	12,500/-
4	Mr. P. K. Khaitan	50,000/-	17,500/-
5	Mr. Sanjay Goenka	50,000/-	37,500/-
6	Mr. Subroto Lahiri	50,000/-	22,500/-
7	Mr. S.K. Khandelia	50,000/-	7,500/-
8	Mr. S. S. Maheshwari	50,000/-	7,500/-

(B) Remuneration paid/payable to the Managing Director of the Company for the year ended 31st March, 2011, is as under:-

(Amount Rs.)

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

* Excluding provision for accrued leave.

D. Committees of the Board

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

These committees are:-

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

The details of these committees are as follows:

(I) Audit Committee**Composition**

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

Terms of Reference

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

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, reliable and sufficient.
- Reviewing with the management and statutory auditors the quarterly/annual financial statements before submission to the Board, and focusing primarily on :
 - Any changes in the accounting policies and procedures
 - Compliance with accounting standards
 - Adequacy of the internal control system, including management information system.
 - Compliance with listing agreements with the stock exchanges and conformity with their requirements concerning financial statements.
 - Major accounting entries based on the exercise of prudential judgment by management
 - Any related party transactions of the company of a material nature that may cause potential conflict with the interests of the company
- Reviewing the company's financial and risk management policies
- Reviewing the functioning of various Committees formed by the Company to implement RBI compliances and also filing of the Statutory Returns and other information with the RBI
- Recommending the appointment and removal of statutory and internal auditors and determination of the audit fees and also grant approval for payment for any other services.
- Reviewing the scope and adequacy of the internal audit functions and deciding the scope of work of the Internal Auditors, discussing with internal auditors significant audit findings and follow up actions initiated thereon.
- Any other matter that may be referred to the Committee from time to time.
- The Audit Committee also reviews every quarter the Report on Corporate Governance under clause 49 of the Listing Agreement and Secretarial Audit Report of the Practising Company Secretaries.

Meetings and Attendance

During the year under review four meetings of the committee were held on 11th May, 2010, 19th July, 2010, 27th October, 2010 and 7th February, 2011. The composition of the committee and the attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No.of Meetings Attended
Mr. Sanjay Goenka	Chairman	Non-executive	4
Mr.Subroto Lahiri	Member	Non-executive	3
Mr. S. S. Maheshwari	Member	Non-executive	1

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

(II) Shareholders/Investors Grievance Committee

Composition

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

Terms of Reference

The Committee oversees the redressal of shareholder and investor complaints/ requests for transfer/transmission of shares, subdivision and consolidation of share certificates, the issue of duplicate share certificates, requests for demat & remat of shares, non-receipt of the declared dividend and non-receipt of the Annual Report. It also recommends measures for improvement in investor services. The Committee also keeps a close watch on the performance of M/s. Sharepro Services (India) Pvt. Ltd., the Registrar & Share Transfer Agents of the company. The Company Secretary

designated as the Compliance Officer of the company, acts as the Secretary of the Committee. The Committee meets as often as is necessary for resolution of important matters within its mandate. There were no investor complaints pending at the end of the financial year.

Meetings and Attendance

During the year under review, two meetings of the committee were held on 28th October, 2010 and 14th February, 2011. The composition of the committee and the attendance of the members at the meeting was as follows:

Name of the Member	Status	Category	No.of Meetings Attended
Mr. C. S. Nopany	Chairman	Non-executive	1
Mr. S. M. Agarwal	Member	Non-executive	2
Mr. S. K. Khandelua	Member	Non-executive	1
Mr. S. S. Maheshwari	Member	Non-executive	-

Minutes of the meeting of the Shareholders'/Investors' Grievance Committee are approved by the Chairman of the Committee and are noted by the Board at its next meeting.

Investors' Complaints Received and Resolved During the Year

During the year under review the company received 13 complaints/letters from the shareholders which were duly attended. The average period of redressal of grievances is 7 days from the date of receipt of letters/complaints. There was no unresolved complaint as on 31st March, 2011.

(III) Nomination-cum-Remuneration Committee:

Composition

The Nomination-cum-Remuneration Committee comprises of three Non-executive Directors and is headed by Mr. P. K. Khaitan. The other members of the Committee are Mr.S.M.Agarwal and Mr. Sanjay Goenka.

Terms of Reference

The Company has constituted a Nomination-cum-Remuneration Committee under the corporate governance code as a non-mandatory requirement. The committee is empowered to determine the compensation package of the senior personnel.

Meetings and Attendance

During the year under review, one meeting of the committee was held on 11th May, 2010. The composition of the committee is as follows:

S.No.	Name	Status	Category	No.of Meeting Attended
1.	Mr. P. K. Khaitan	Chairman	Non-executive	1
2.	Mr. S. M. Agarwal	Member	Non-executive	-
3.	Mr. Sanjay Goenka	Member	Non-executive	1

(IV) Finance & Corporate Affairs Committee

Composition

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

Terms of Reference

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

Meetings and Attendance

During the year under review, five meetings of the committee were held on 11th August, 2010; 23rd August, 2010;

28th October, 2010, 14th February, 2011 and 11th March, 2011. The composition of the committee and the attendance of the members at the meeting was as follows:

Name of the Member	Status	Category	No.of Meetings Attended
Mr. C. S. Nopany	Chairman	Non-executive	3
Mrs. Shalini Nopany	Member	Executive	2
Mr. S.M. Agarwal	Member	Non-executive	3
Mr. Sanjay Goenka	Member	Non-executive	2
Mr. S.K. Khandelia	Member	Non-Executive	2

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

E. Remuneration Policy

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

F. Management

Management Discussion and Analysis

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

Disclosures

(i) Materially Significant Related Party Transactions

Details of materially significant related party transactions that is the transactions of a material nature between the Company and the Promoters, Management, Directors or their relatives etc. are disclosed in the Note No. 20 of the Annual Accounts in compliance with the Accounting Standard relating to "Related Party Disclosures". Details of all such transactions are provided to the Board at the Board Meetings, and the interested Directors neither participate in the discussion, nor vote on such matters.

There is no materially significant Related Party Transaction that may potentially conflict with the interests of the company at large.

(ii) Accounting Treatment in Preparation of Financial Statements

The Company has followed the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 in preparation of its financial statements.

(iii) Risk Management

As required under clause 49 of the Listing Agreement, the Company has established a well documented and robust risk management framework. Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are classified as strategic risks, business risks or reporting risks. Strategic risks are those which are associated with the longer term interests of the Company. Reporting risks are associated with incorrect or un-timely financial and non-financial reporting.

The Audit Committee and the Board of Directors review the Risk Management Strategy of the Company to ensure effectiveness of the Risk management policy and procedures. Board of Directors of the Company is regularly apprised on the key risk assessment areas and a mitigation mechanism is recommended.

During the year, the Board has reviewed the risk assessment and a risk minimization procedure commensurate to the risks has been adopted; and is in place.

(iv) Corporate Ethics

As a responsible corporate citizen, the company consciously follows corporate ethics in business and corporate interactions. Company has framed codes and policies providing guidance for carrying business in ethical manner. Some of these policies are:

- Code for prevention of Insider Trading;
- Code for Corporate disclosure;

Code of Conduct;
Whistle Blower policy;
Safety, health and environment policy

The company has established and implemented a Whistle Blower policy under which none of the Company's personnel has been denied access to the Audit Committee.

(v) Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

As per the requirement of Clause 41(ii) and 49(V) of the Listing Agreement, a certificate duly signed by CEO and CFO of the company, regarding the Financial Statements for the year ended 31st March, 2011, was placed at the Board Meeting of the company held on 11th May 2011.

G. Shareholder Information

1) Means of communication

In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functional website at www.silinvestments.in containing the basic information about the company viz. the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

The quarterly and annual audited financial results of the company are sent to the Stock Exchanges immediately after they had been approved by the Board. The results are normally published in Business Standard in English and Rajasthan Patrika / Dainik Bhaskar in Hindi.

The results are hosted on the website of the company www.silinvestments.in. A Management Discussion and Analysis Report forms part of this Annual Report.

Further, the company disseminates to the stock exchanges that is BSE and NSE wherein the equity shares of the Company are listed, all mandatory information and price sensitive /such other information which in its opinion are material and/or have a bearing on its performance /operations and issue press releases wherever necessary for the information the public at large. For the benefit of the shareholders a separate email id has been created for shareholder correspondence viz. investor_grievance@sutlej-rtm.co.in.

Note: The Company has applied for delisting of its shares from The Calcutta Stock Exchange Ltd, Kolkata. Confirmation of the same is, however, awaited.

2) Annual General Body Meetings of the Company

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

AGM	Financial year	Date	Time	Venue	Special resolution/s if any, passed
76th	2009-2010	6.8.2010	10.00 A.M.	Registered Office: Pachpahar Road Bhawanimandi (Raj)	Payment of commission of upto 1% of the net profits of the Company to all the Directors together, over and above the usual sitting fees during each of the three financial years commencing from 1 st April, 2010
75th	2008-2009	28.8.2009	10.00 A.M.	Registered Office: Pachpahar Road Bhawanimandi (Raj)	None
74th	2007-2008	27.9.2008	3.00 P.M.	Registered Office: Pachpahar Road Bhawanimandi (Raj)	Appointment of Mr. N.M. Gupta as Managing Director of the Company for a period of 3 years w.e.f. 1 st September, 2008

The 77th Annual General Meeting of the company is proposed to be held on 6th August, 2011 at 10.30 A.M. at the Registered Office of the company.

Postal Ballot: No resolution was passed by way of Postal ballot during the year 2010-11.

3) Disclosures regarding Directors seeking re-appointment

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

4) General Shareholders' information

(i) 77th Annual General Meeting:

Date	06/08/2011
Day	Saturday
Time	10.30 A.M.
Venue	At Registered Office: Pachpahar Road, Bhawanimandi 326 502 (Raj.)

(ii) Last date for receipt of Proxies

Thursday, 4th August, 2011 (before 10.30 a.m. at the Registered Office of the Company)

(iii) Book closure

The register of members and share transfer books of the company shall remain closed from 4th June, 2011 to 10th June, 2011 (both days inclusive).

(iv) Tentative financial calendar:

Audited Annual Results (2010-2011)	11th May, 2011
Publication of Audited Results (2010-2011)	12th May, 2011
Mailing of Annual Report	End June, 2011
First Quarter Results & Limited Review	End July, 2011
Second Quarter Results & Limited Review	End Oct., 2011
Third Quarter Results & Limited Review	End Jan., 2012
Audited Annual Results (2011-2012)	Mid May, 2012

(v) Dividend

Payment date (tentative): 9th August, 2011 to 11th August, 2011.

The Board of Directors at their meeting held on 11th May, 2011, have recommended a Dividend of Rs.1/- per share for the year ended 31st March, 2011, subject to shareholders' approval at the forthcoming Annual General Meeting. If approved, the dividend will be paid to the shareholders after 6th August, 2011 but within 7 working days from the date of Annual General Meeting. The company will continue to use NECS/ECS or any other electronic mode for payment of dividend to the shareholders located in places where in such facilities/system is in existence.

(vi) Listing on Stock Exchanges and stock codes:

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

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

Listing fees for the year 2011-12 have been paid to BSE and NSE within the stipulated time.

(vii) Corporate Identification Number

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

(viii) Market Price Data

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

Month	Bombay Stock Exchange Ltd., Mumbai		National Stock Exchange of India Ltd., Mumbai	
	High	Low	High	Low
April, 2010	116.00	95.05	114.50	97.00
May, 2010	115.00	99.00	116.20	94.00
June, 2010	114.70	101.50	119.95	98.70
July, 2010	117.05	101.30	119.70	101.65
August, 2010	117.85	101.50	117.80	100.00
September, 2010	130.00	104.00	136.90	107.05
October, 2010	135.00	113.05	134.70	112.75
November, 2010	158.90	108.40	157.95	108.00
December, 2010	125.90	101.20	126.00	101.00
January, 2011	124.80	102.00	119.80	100.30
February, 2011	112.10	95.00	110.50	93.00
March, 2011	112.00	85.90	109.00	84.50

(ix) Distribution of Shareholding:

The distribution of shareholding as on 31st March, 2011 is as follows:

S.No.	No. of Equity Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of Total Shares
1.	1 to 100	2307	54.86	116019	1.10
2.	101 to 500	1309	31.13	348483	3.29
3.	501 to 1000	263	6.26	203737	1.92
4.	1001 to 5000	257	6.11	579236	5.47
5.	5001 to 10000	30	0.71	192552	1.82
6.	10001 to 100000	25	0.60	652657	6.16
7.	100001 to 500000	8	0.19	1794444	16.93
8.	500001 to above	6	0.14	6708732	63.31
	TOTAL	4205	100.00	10595860	100.00

(x) Details of Shareholding as on 31st March, 2011 is as under:

S. No.	Category	No. of Folios	% of Folios	No. of Shares Held	% of Share-Holding
1.	Promoters	10	0.24	6648160	62.74
2.	Financial Institutions, Banks and Mutual funds	11	0.26	6059	0.06
3.	Private Corporate Bodies/ Associates	194	4.61	1952301	18.42
4.	Indian Public	3913	93.06	1971755	18.61
5.	NRI, Foreign Nationals and OCBs	77	1.83	17585	0.17
	TOTAL	4205	100.00	10595860	100.00

(xi) Dematerialisation of Shares and Liquidity:

The equity shares of the company are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has applied for delisting of its shares listed at Calcutta Stock Exchange Ltd, Kolkata and the confirmation of the same is awaited. The Company entered into an agreement

with National Securities Depository Ltd. and Central Depository Services (India) Ltd. As a result, 96.76% of the total equity share capital of the company was held in a dematerialised form with NSDL and CDSL as on 31.03.2011.

The company has paid the requisite fees to all these authorities for the year 2011-12

(xii) Share transfer system

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

(xiii) Address for Shareholders' Correspondence

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

(xiv) Registrar and Transfer Agent

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

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

(xv) Compliance Officer's Details:

Mr. Ashish Chauhan
Company Secretary & Compliance Officer
Seated at Corporate Office at:
SIL Investments Limited
Solaris-1, D Wing, 4th Floor,
Opp L&T Gate No-6, Saki Vihar Road,
Powai, Andheri-East, Mumbai-400 068
Tel : 022-4219 8800 / 4219 8824
Fax : 022-4219 8830/31
E-mail ID: ashish@rtmyarn.com

(xvi) Investor Relations:

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

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

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

(ii) Listing Agreement Compliance

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

(iii) Insider trading

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

(iv) Code of conduct and ethics

The company laid down a Code of Conduct for the entire Board of Directors and senior management personnel to avoid a conflict of interest. The Directors and senior management personnel have affirmed compliance with Code of Conduct for the year 2010-2011. A declaration to this effect is attached to this report. The Code of Conduct is available on the company's website www.silinvestments.in

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

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

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

(vi) Adoption of Non-Mandatory requirements

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

(vii) Auditors' Certificate on Corporate Governance

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

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

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

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

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

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

NECS/ECS facility ensures timely remittance of dividend without possible loss/delay in postal transit. Shareholders/

Members holding shares in electronic form may register their NECS/ECS details with the respective DPs and Shareholders/Members holding shares in physical form may register their NECS/ECS details with Registrar and Share Transfer Agents to receive dividends, if declared, via the NECS/ECS mode.

(iii) Timely Encashment of Dividends

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

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

Under the Companies Act, 1956, dividends which remain unclaimed for a period of seven years are required to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Dates of declaration of dividends since 2003-2004 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government, are given in the table below:

Financial Year ended	Date of Declaration of Dividend (Rs.)	Amount remaining unclaimed /unpaid as on 31/03/2011	Last date for claiming unpaid Dividend amount (on or before)	Last date for transfer to IEPF
31.03.2004	30.09.2004	529428.75	29.09.2011	29.10.2011
31.03.2005	29.09.2005	624109.25	27.09.2012	27.10.2012
31.03.2006	23.09.2006	127463.00	22.09.2013	22.10.2013
31.03.2007	28.09.2007	145726.00	27.09.2014	27.10.2014
31.03.2008	27.09.2008	166785.00	26.09.2015	26.10.2015
31.03.2009	28.08.2009	164291.00	27.08.2016	27.09.2016
31.03.2010	06.08.2010	191381.00	05.08.2017	05.09.2017

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

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

(v) Update Address/Bank Details

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

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

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

(vii) Register email address

As you all may be aware, Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, whereby Companies are permitted to send Notice/ documents including Annual Report comprising Balance Sheet, Profit and Loss Account,

Directors Report, Auditors Report etc in electronic mode (hereinafter 'documents'), provided the Company has obtained email address of its members for sending these documents through email by giving an advance opportunity to every shareholder to register their email addresses and changes therein from time to time with the Company.

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

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

(viii) Addresses for Correspondence:

SIL Investments Limited

Pachpahar Road

Bhawanimandi 326 502 (Rajasthan)

Telephones: 07433-222052/222082/222090/222115

Fax: 07433-222354

E-mail IDs: cs@silinvestments.in;

investor_grievance@sutlej-rtm.co.in;

hoffice@sutlej-rtm.co.in

Sharepro Services (India) Pvt. Ltd.

Samhita Complex, Gala No-52 to 56,

Building No. 13 A-B, Near Sakinaka Telephone Exchange,

Andheri - Kurla Road, Sakinaka

Mumbai - 400 072

Telephones - 022-67720300 / 400

Fax No. - 022-28591568/28508927

E-mail - sharepro@shareproservice.com

DECLARATION BY THE DIRECTOR-IN-CHARGE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,

The Members of SIL Investments Limited

"I hereby confirm that all the Members of the Board and Senior Management Personnel of the company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March, 2011."

Place: Mumbai
Dated: 30th April, 2011

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

AUDITORS' CERTIFICATE

TO

THE MEMBERS OF SIL INVESTMENTS LIMITED

We have examined the compliance of conditions of corporate governance by SIL Investments Ltd. for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

Place: Kolkata
Dated: 11th May, 2011

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

AUDITORS' REPORT

To
THE SHAREHOLDERS

We have audited the attached Balance Sheet of SIL INVESTMENTS LTD. as at 31st March, 2011 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - iii. The Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011, from being appointed as directors in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011
 - b) In the case of the Profit and Loss account, of the profit of the company for the year ended on that date and
 - c) In the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

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

B.K Sipani
Partner
Membership No. 88926

Place: Kolkata
Dated: 11th May, 2011

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

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed Assets of the Company have been physically verified by the Management. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c. There was no substantial disposal of any assets during the year.
- (ii) The Company does not have any inventory at the year end hence clause 4(ii) of the Order regarding inventory is not applicable.
- (iii) a. According to the information and explanations given to us, during the year the Company has granted unsecured loan aggregating Rs.53,00,00,000 to three Companies entered in the register maintained under section 301 of the Companies Act, 1956 (Closing Balance as on 31.03.2011 Rs.1,13,49,75,000 and maximum balance during the year Rs.1,13,74,75,000).
- b. The rate of interest and other terms & condition of such loan are , prima facie, not prejudicial to the interest of the Company.
- c. The receipt of the principal amount & interest thereon are generally regular.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in internal controls system.
- (v) According to the information and explanations given to us, the Company has not entered into any transactions other than granting loans to the Companies, which have been entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vi) As informed, the Company has not accepted any deposit from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) Since the Company is not engaged in any manufacturing activities, the clause for maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 is not applicable.
- (ix) a. According to the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, services tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it with the appropriate authorities. There is no undisputed outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.
- b. According to the records of the Company, there are no dues outstanding of sales tax, income tax, service tax, custom duty, wealth tax, excise duty and cess on account of any dispute.
- (x) The Company has no accumulated loss at the end of the financial year .
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. We have been informed that the Company has not issued any debenture during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society, therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order,2003 (as amended), are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein in respect of investment in shares, debentures and bonds. As informed to us, all the shares, debentures etc. are held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given corporate guarantee.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the period for the purpose for which loans were obtained.

- (xvii) According to the information and explanation given to us, no funds raised on short term basis have been used during the period for long term investment of the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the period. Hence, question of creation of security or charge does not arise.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the Company, noticed or reported during the year.

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

B.K.Sipani
Partner
Membership No. 88926

Place: Kolkata
Date: 11th May, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011**(Amount in Rs.)**

	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds:			
Capital	1	106064770	106064770
Reserves and Surplus	2	1281354749	1199982707
		<u>1387419519</u>	<u>1306047477</u>
Loan Funds:			
Secured Loans	3	1054256362	601580548
		<u>1054256362</u>	<u>601580548</u>
Deferred Tax Liabilities (Net)		3783262	2642222
(Refer Note No.10(b) - Schedule 16)			
TOTAL		<u>2445459143</u>	<u>1910270247</u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	4	25430592	25609441
Less: Depreciation		6118750	5823258
Net Block		<u>19311842</u>	<u>19786183</u>
Investments	5	<u>1233398407</u>	<u>1236188489</u>
Current Assets, Loans and Advances:			
Cash and Bank Balances	6	21430995	13040365
Loans and Advances	7	1189880294	656764645
		<u>1211311289</u>	<u>669805010</u>
Less: Current Liabilities & Provisions:			
Current Liabilities	8	3132955	3072054
Provisions	9	15429440	12437381
		<u>18562395</u>	<u>15509435</u>
Net Current Assets		<u>1192748894</u>	<u>654295575</u>
TOTAL		<u>2445459143</u>	<u>1910270247</u>
Notes on Accounts	16		

The schedules referred to above including notes to accounts form an integral part of the Balance Sheet.

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 11th May, 2011

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

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

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**(Amount in Rs.)**

	Schedule	For the year ended 31st March, 2011	For the year ended 31st March, 2010
INCOME			
Income from Investment and Operating Activities	10	205534566	191960334
Other Income	11	2681089	3425792
		208215655	195386126
EXPENDITURE			
Personnel expenses	12	2615673	944020
Operating and other expenses	13	16039289	7910087
Interest	14	85956292	106178431
Directors' Fees and Commission	15	535000	534350
		105146254	115566888
Profit before Depreciation and Tax		103069401	79819238
Depreciation		420808	417436
Profit before Tax		102648593	79401802
Provision for Taxation			
Current (net of MAT credit Rs. 309447)		8160000	2110000
Relating to earlier year		(339262)	627040
Deferred		1141040	13772
Profit after Tax		93686815	76650990
Add: Balance Brought Forward From Previous Year		349813271	300917981
Profit available for Appropriation		443500086	377568971
Transfer to Reserve Fund		18800000	15400000
Proposed Dividend		10595860	10595860
Corporate Dividend Tax		1718913	1759840
Balance carried to Balance Sheet		412385313	349813271
Basic and Diluted Earnings Per Share (Rs. 10 each) (Rs.)		8.84	7.23
(Refer Note No.9 - Schedule 16)			
Notes on Accounts	16		

The schedules referred to above including notes to accounts form an integral part of the Profit & Loss Account.

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 11th May, 2011

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

(Amount in Rs.)

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
(A) CASH FLOW FROM OPERATING ACTIVITIES		
a. Net Profit before Tax	102648593	79401802
Adjustment for :		
Depreciation	420808	417436
Contingent Provision against Standard Assets	2877334	-
Dividend on long term / current Investments	(79283324)	(70109845)
(Profit) on Sale of long term / current Investments	(5731614)	(2503330)
Excess provision / Liabilities written back	-	(103)
(Profit) on Sale of Fixed Assets	(607417)	-
b. Operating Profit before working capital changes	20324380	7205960
Adjustment for :		
Trade and other Receivables	(13707538)	(2287154)
Trade Payables	3033803	1185499
Loans to Subsidiary Companies (Net)	(38000000)	35075000
Loans to Bodies Corporate (Net)	(135000000)	5000000
Borrowing from Bodies Corporate (Net)	450000000	(85000000)
c. Cash Generated from Operations	(55349355)	(38820695)
Direct Taxes (paid) / Refund (Net)	(12228849)	(14774788)
Net Cash (used in)/from Operating Activities (A)	(67578204)	(53595483)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of long term / current Investments	38654005	5815777
Dividend on long term / current Investments	79283324	70109845
Purchase of Investments	(30132309)	(3413810)
Sale of Fixed Assets	665000	-
Purchase of Fixed Assets	(4050)	-
Net Cash used in Investing Activities (B)	88465970	72511812
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid and Tax on Distributed Profits	(14446320)	(14639235)
Net cash from Financing Activities (C)	(14446320)	(14639235)
Net increase/(decrease) in cash and cash Equivalents [(A)+(B)+(C)]	6441446	4277094
Cash and Cash Equivalents (Opening Balance)	13040365	6672651
Cash and Cash Equivalents (Closing Balance)	19481811	10949745
(for components of cash & cash equivalents - refer schedule - 6)		
Add: Unclaimed dividend not available for use	1949184	2090620
Cash & Bank Balance as per schedule - 6	21430995	13040365

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

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 11th May, 2011

Ashish Chauhan
Secretary

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Managing Director

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Arvind C. Dalal
S.M. Agarwal
P.K. Khaitan
Sanjay Goenka
Subroto Lahiri
S.K. Khandeliala
S.S. Maheshwari
Directors

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2011

	(Amount in Rs.)	
Particulars	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 1 : SHARE CAPITAL		
Authorised :		
1,20,00,000 Ordinary Shares of Rs. 10 each	120000000	120000000
	120000000	120000000
Issued, Subscribed and Paid-up		
1,05,95,860 Ordinary Shares of Rs.10 each fully paid up (Including 33,93,750 Shares allotted as fully paid up Bonus Shares by way of Capitalisation of General Reserve)	105958600	105958600
Add: Forfeited Shares (No. of Shares 35390) (Amount originally paid up)	106170	106170
	106064770	106064770

	(Amount in Rs.)			
Particulars	Balance as at 31st March, 2010	Additions during the year	Deductions/ Adjustments during the year	Balance as at 31st March, 2011
SCHEDULE - 2 : RESERVES & SURPLUS				
Securities Premium Account	281730500	-	-	281730500
Reserve Fund	71500000	18800000	-	90300000
		(a)		
General Reserve	496938936	-	-	496938936
Profit & Loss Account Balance	349813271	412385313	349813271	412385313
		(a)	(b)	
Total	1199982707	431185313	349813271	1281354749
Previous Year	1135687417	365213271	300917981	1199982707
(a) Transferred from Profit & Loss account.				
(b) Transferred to Profit & Loss account.				

	(Amount in Rs.)	
Particulars	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 3 : SECURED LOANS		
Short Term Loans :		
From Bodies Corporate		
Secured by Pledge of 2,49,00,000 Equity Shares (Previous year 1,24,50,000 Equity Shares) of Chambal Fertilizers & Chemicals Ltd. and 9,75,000 Equity Shares (Previous year 10,15,000 Equity Shares) of Zuari Industries Ltd. (Amount Payable within one year)	1050000000	600000000
Interest accrued and due on above.	4256362	1580548
	1054256362	601580548

SIL INVESTMENTS LIMITED

SCHEDULE - 4 : FIXED ASSETS

(Amount in Rs.)

Description	Gross Block Cost/Book Value				Depreciation				Net Block	
	As At 31st March, 2010	Addition	Deduction	As At 31st March, 2011	Upto 31st March, 2010	For the year ended 31st March, 2011	Deduction	Total as on 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
Buildings	25609441	-	182899	25426542	5823258	416758	125316	6114700	19311842	19786183
Office Equipments	-	4050	-	4050	-	4050	-	4050	-	-
Total	25609441	4050	182899	25430592	5823258	420808	125316	6118750	19311842	19786183
Previous Year	25609441	-	-	25609441	5405822	417436	-	5823258	19786183	20203619

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

(Amount in Rs.)

Particulars	Shares/ Units (Nos.)	Face Value Share/ Unit (Rs.)	As at 31st March, 2011	As at 31st March, 2010
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SCHEDULE - 5 : INVESTMENTS

Long Term Investment -Other than trade

A) QUOTED (Fully paid-up)

Zuari Industries Ltd.	3208000	10	79736000	79736000
Chambal Fertilizers & Chemicals Ltd.	32153455	10	525744193	525744193
Universal Cables Ltd.	-@	10	-	2125235
	(88540)			
Digjam Ltd.	45	10	5977	5977
Tata Steel Ltd.	936	10	122597	122597
Upper Ganges Sugar & Ind. Ltd.	1183572 **	10	161917649	153302400
	(1022016)			
The Oudh Sugar Mills Ltd.	524160	10	47178733	47178733
Sutlej Textiles and Industries Ltd.	50000	10	501251	501251
Xpro India Ltd.	2138 #	10	-	-
Saurashtra Chemicals Ltd.	112 #	1	-	-
CIMMCO Ltd.	658 +	10	58517	-
			815264917	808716386

@ 88540 Equity shares sold during the year

** 161556 Equity Shares purchased during the year.

Received in earlier year as per Scheme of Arrangement

+ Transferred from unquoted investment

B) UNQUOTED (Fully paid up)

i) In Equity Shares of Subsidiary Companies:

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

* Wholly owned.

(Amount in Rs.)

Particulars	Shares/ Units (Nos.)	Face Value Share/ Unit (Rs.)	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 5 (Contd.)				
ii) In Equity Shares of other Companies:				
Birla Buildings Ltd.	15000	10	150000	150000
Eastern Economic Ltd.	400 *	100	20000	20000
Mackenzies Ltd.	1 *	100	47	47
Mafatlal Engineering & Industries Ltd.	700 *	100	61250	61250
GMB Investments Pvt.Ltd.	140000	10	1400000	1400000
CIMMCO Ltd. (Formerly-Cimmco Birla Ltd.)	658 ** (3291)	10	-	58517
			<u>1631297</u>	<u>1689814</u>
* Less:Provision for diminution in value			<u>- 81294</u>	<u>-81294</u>
			<u>1550003</u>	<u>1608520</u>
** Capital reduced by 80% as such every 5 equity shares has been consolidated into 1 equity share of Rs.10/- each				
iii) In Fully Paid-up Equity Shares of Co-operative Societies				
- In Investment Properties:				
Kashmira Ameeta Co-operative Society Ltd., Mumbai	1	250	250	250
Mittal Court Premises Co-operative Society Ltd., Mumbai	10	50	500	500
Tukaram Co-operative Housing Society Ltd., Solapur	20	50	1000	1000
Punchsheel-3 Co-operative Housing Society Ltd., Mumbai	10	50	500	500
Gokul Galaxy 1,2,3,4 Co-operative Housing Society Ltd., Mumbai	10	50	500	500
Maker Bhawan No.III Commercial Premises Co-operative Society Ltd., Mumbai	5	50	250	250
			<u>3000</u>	<u>3000</u>
(iv) Fully paid-up Preference Shares				
8% Non-convertible Cumulative redeemable Preference Shares of New India Retailing and Investment Ltd.	-* (300000)	100	-	30000000
			<u>396615983</u>	<u>426674500</u>
* Redeemed during the year				
Current Investments (Unquoted)				
In Fully paid -up Units of Mutual Funds :				
HDFC Cash Management Fund - Treasury	-*	10.0315	-	797156
Advantage Plan-Wholesale-Daily Dividend Reinvest	(79465.256)			
* All the units redeemed during the year.				
UTI Mutual Fund - Treasury Advantage Fund	21512.425**	1000.2141	21517031	-
Institutional Plan (Daily Dividend) Reinvest option				
** Also purchased 41008.2509 units and redeemed 19495.8259 units				
HDFC Liquid Fund Premium Plan Growth	24.191	19.6536@	476	447
			<u>21517507</u>	<u>797603</u>
@ Including accrued income.			<u>418133490</u>	<u>427472103</u>
AGGREGATE VALUE OF INVESTMENTS			<u>1233398407</u>	<u>1236188489</u>
Aggregate of:				
Quoted Investments			<u>815264917</u>	<u>808716386</u>
Unquoted Investments			<u>418133490</u>	<u>427472103</u>
			<u>1233398407</u>	<u>1236188489</u>
Aggregate Market Value of Quoted Investments			<u>4598442272</u>	<u>4034130720</u>

(Amount in Rs.)

Particulars	As at 31st March, 2011	As at 31st March, 2010
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SCHEDULE - 6 : CASH AND BANK BALANCES

Cash Balance in Hand	1283	685
With Scheduled Banks in:		
Current Accounts	4468898	10938156
Fixed Deposit with Banks	1500000	-
Unpaid Dividend Accounts	1949184	2090620
Employees Security Deposit Account	11630	10904
	<u>21430995</u>	<u>13040365</u>

SCHEDULE - 7 : LOANS AND ADVANCES

(Unsecured, Considered Good unless otherwise stated)

Loans to Subsidiary Companies	995933658	603441040
[Including Interest accrued thereon Rs.15958658/- (Previous year Rs.3466040/-)]		
Loan to Bodies Corporate	155000000	20000000
Advances Recoverable in Cash or in Kind or for Value to be received or pending Adjustments	1392569	179649
Income Tax deducted at Source (Net of provision for taxation)	34234409	29850254
Income Tax Refund Receivable	3317658	3293702
Security Deposit	2000	-
	<u>1189880294</u>	<u>656764645</u>

SCHEDULE - 8 : CURRENT LIABILITIES

Sundry Creditors *		
For Goods and services	616763	595230
For Other Finances	542008	237204
Investor Education and Protection Fund shall be credited on following account #		
-Unpaid Dividends	1949184	2090620
Security Deposits	25000	149000
	<u>3132955</u>	<u>3072054</u>

* No amount payable to Micro, Small and Medium Enterprises as on Balance Sheet date.

Not due as on Balance Sheet date.

SCHEDULE - 9 : PROVISIONS

Proposed Dividend	10595860	10595860
Corporate Dividend Tax	1718913	1759840
Retirement Benefit	237333	81681
Contingent Provisions against Standard Assets	2877334	-
	<u>15429440</u>	<u>12437381</u>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2011**

(Amount in Rs.)

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
SCHEDULE - 10 : INCOME FROM INVESTMENT AND OPERATING ACTIVITIES		
Dividend on Long Term Investments - other than trade	78698726	69617019
Dividend on Current Investments	584598	492826
Profit on sale of Long Term Investments - other than trade	5731614	2503310
Profit on sale of Current Investments	29	20
Interest on Loans and Deposits, etc.(Gross)	120519599	119347159
(TDS Rs.12041446/- Previous year Rs.14514832/-)		
[Including from subsidiary Rs.106459788/- (TDS Rs.10645978/-)		
- Previous year Rs.113260969/- (TDS Rs.13789567/-)]		
	<u>205534566</u>	<u>191960334</u>
SCHEDULE - 11 : OTHER INCOME		
Rent (TDS Rs.187404/- Previous year Rs.188731/-)	2073672	2218200
Interest from Income Tax Deptt.	-	149058
Miscellaneous Income	-	1058431
Excess Provision/Liabilities and Sundry Balances written back	-	103
Profit on sale of Fixed Assets	607417	-
	<u>2681089</u>	<u>3425792</u>
SCHEDULE - 12 : PERSONNEL EXPENSES		
Salaries, etc.	2493058	892557
Staff welfare expenses	122615	51463
	<u>2615673</u>	<u>944020</u>
SCHEDULE - 13 : OPERATING AND OTHER EXPENSES		
Repairs and Maintenance to Buildings	359712	401497
Miscellaneous Expenses	4961040	3505066
Travelling Expenses	4707292	505424
Rates & Taxes	13440	-
Financial Expenses	579075	935616
Brokerage	2423000	1168747
Insurance	45206	39897
Adjustment relating to previous year(Net)	32379	717521
Sundry Balance Written off	-	9250
Provision for diminution in long term investments - other than trade	-	81294
Contingent Provisions against Standard Assets	2877334	-
Charity and Donation	-	500000
Auditors Remuneration:		
Statutory Auditors:		
As Auditors	27575	27575
In other Capacity:		
For Certifications	13236	18200
	<u>16039289</u>	<u>7910087</u>

(Amount in Rs.)

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
SCHEDULE - 14 : INTEREST		
To Banks and Others	<u>85956292</u>	106178431
	<u>85956292</u>	<u>106178431</u>

SCHEDULE - 15 : DIRECTORS' FEES AND COMMISSION

Computation of Net Profits Under Section 309(5) of the Companies Act, 1956:

Net Profit as per Profit & Loss Account	102648593	79401802
Add:		
Directors' Fees	135000	137500
Directors' Commission	400000	396850
Managing Director's Remuneration	<u>1800000</u>	<u>333871</u>
	2335000	868221
Less:		
Profit on sale of Fixed Assets	<u>607417</u>	-
Net Profit under Section 309(5) for the year	104376176	80270023
Directors' Commission @ 1% of above subject to Maximum ceiling Rs. 50,000/- per annum per Non- Wholetime Director	<u>400000</u>	<u>396850</u>
Directors' Fees	135000	137500
Directors' Commission	<u>400000</u>	396850
	535000	<u>534350</u>

SCHEDULE - 16**NOTES ON ACCOUNTS****1) Nature of Operations**

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

2) Accounting Policies**(A) Basis of Accounting**

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

(B) Revenue Recognition

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

(C) Fixed Assets

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

SCHEDULE - 16 (Contd.)

(D) Depreciation

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

(E) Investments

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

(F) Retirement Benefits

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

(G) Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

(H) Accounting Policy on Deferred Tax

In accordance with Accounting Standard -22 "Accounting for Taxes on Income" issued under the Accounting Standard Rule 2006 notified by the Central Government and the relevant provision of Companies Act, 1956. The deferred tax for timing differences between the book and taxable income for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred Tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future and the same is reviewed at each Balance Sheet Date.

(I) Provisions

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

(Amount in Rs.)

Particulars	As at	As at
	31st March, 2011	31st March, 2010
3) Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances Rs.1125000/-) and not provided for.	739096	-
4) Details of Remuneration to Managing Director included under relevant heads of salary are as follows:		
	2010-11	2009-10
- Salary	1800000*	333871*

Notes:

* Excluding provision for accrued leave.

- 5) As there is only one segment in the Company, hence Segment Reporting(AS-17) is not applicable.
- 6) There is shortfall in the market value of certain long term investments in shares. However, the Company has not made provision in respect of such shortfall aggregating to Rs.13,25,44,007/- (Previous year Rs.11,90,68,564/-) as the same in the opinion of the management, is not permanent in nature. However, there is no diminution in the overall market value of the quoted/unquoted investments and break-up value of unquoted investments.

SCHEDULE - 16 (Contd.)

7) RELATED PARTY DISCLOSURE

- (A) **Subsidiaries** SCM Investment & Trading Co.Ltd.
RTM Investment & Trading Co.Ltd.
SIL Properties Ltd.
RTM Properties Ltd.
- (B) **Key Management Personnel and their relatives** Mrs.Shalini Nopany (from 25.1.2010)

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

Particulars	Subsidiaries	Key Management personnel and their relatives
(a) 1. Intercorporate Loan placed		
- SCM Investment & Trading Co.Ltd.	50000000 (54625000)	
- RTM Investment & Trading Co.Ltd.	330000000 (56650000)	
2. Intercorporate Loan received back		
- SCM Investment & Trading Co.Ltd.	-	
	(115850000)	
- RTM Investment & Trading Co.Ltd.	-	
	(30500000)	
3. Remuneration to Mrs. Shalini Nopany		1800000 (333871)
4. Interest income on Intercorporate Loan		
- SCM Investment & Trading Co.Ltd.	33371230 (46520567)	
- RTM Investment & Trading Co.Ltd.	73088558 (66740402)	
(b) Balance outstanding as on 31.03.2011		
Intercorporate Loan receivable		
- SCM Investment & Trading Co.Ltd.	260000000 (210000000)	
- RTM Investment & Trading Co.Ltd.	719975000 (389975000)	
(c) Interest receivable on Intercorporate Loan as on 31.03.2011		
- SCM Investment & Trading Co.Ltd.	2744137 (-)	
- RTM Investment & Trading Co.Ltd.	13214521 (3466040)	

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

SCHEDULE - 16 (Contd.)

8) DISCLOSURES AS PER CLAUSE 32 OF THE LISTING AGREEMENT

(Amount in Rs.)

Particulars	Balance as on 31.3.2011 (31.3.2010)	Maximum outstanding amount of loan during the year (Previous year)
Loan to Subsidiaries		
- SCM Investment & Trading Co.Ltd.	260000000 (210000000)	260000000 (297350000)
- RTM Investment & Trading Co.Ltd.	719975000 (389975000)	719975000 (404975000)

9) Earnings per Share (EPS)

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

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Profit attributable to the Equity Shareholders (A)	93686815	76650990
Number of Equity Shares (B)	10595860	10595860
Nominal Value of Equity Share (Rs.)	10	10
Basic and Diluted Earnings Per Share(Rs.) A/B	8.84	7.23

10) TAXATION

a) The Current Tax provided during the year ended 31.03.2011 on the basis of normal provisions of the Income Tax Act,1961 after claiming MAT credit set off Rs.3,09,447/-.

b) DEFERRED TAXATION

- i) In accordance with Accounting Standard-22, Deferred Tax Liabilities amounting to Rs.1141040 has been accounted for.
- ii) Major Component of Deferred Tax Liability is as follows:

(Amount in Rs.)

Particulars	Accumulated as at 31.03.2010	Net Charge/ (Credit) during the period	As at 31.03.2011
Deferred Tax Liability on account of:			
Depreciation	2642222	1141040	3783262
Net Deferred Tax Liability	2642222	1141040	3783262

2010-11
(Rs.)2009-10
(Rs.)

11) EXPENDITURE IN FOREIGN CURRENCY (On Payment Basis)

Director Travelling	2423445	86383
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SCHEDULE - 16 (Contd.)

12) REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS

Particulars	Year ended 31st March, 2011	Year ended 31st March, 2010
Amount of Dividend related to 2009-10 remitted in Foreign Exchange (Rs.)#	-	-
Number of Non-Resident Shareholders	77	29
Number of Shares held by such Non-Resident Shareholders	17585	14021

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

13) Figures for previous year have been regrouped/rearranged and/or recast wherever considered necessary.

Signature to Schedules 1 to 16

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 11th May, 2011

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

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

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I. Registration Details

Registration No.	02761	State Code	17
Balance Sheet Date	31.03.2011		

II. Capital raised during the year (Amount Rs. in Thousands)

Public Issue	Right Issue	Bonus Issue	Private Placement
NIL	NIL	NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousands)

Total Liabilities	2445459	Total Assets	2445459
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Sources of Funds :

Paid-up Capital	106065	Secured Loans	1054256
Reserves & Surplus	1281355	Deferred Tax Liabilities (Net)	3783

Application of Funds :

Net Fixed Assets	19312	Investments	1233398
Net Current Assets	1192749		

IV. Performance of the Company (Amount Rs. in Thousands)

Turn Over (Including Other Income)	208216	Total Expenditure	105567
Profit before Tax	102649	Profit after Tax	93687
Earning per Share (Rs.)	8.84	Dividend Rate (%)	10%

V. Generic Names of Principal Products/ Services of the Company (as per monetary terms)

Item Code No.	Product Description
Not applicable	Not applicable

Place : Kolkata
Dated: 11th May, 2011

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

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

SCHEDULE TO THE BALANCE SHEET OF NON-BANKING FINANCIAL COMPANY

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

(Rs.in lacs)

PARTICULARS	Amount Outstanding		Amount Overdue	
	As on 31.3.2011	As on 31.3.2010	As on 31.3.2011	As on 31.3.2010
Liabilities Side				
1) Loans and Advances availed by the NBFC'S inclusive of interest accrued thereon but not paid				
(a) Debentures: Secured	Nil	Nil	Nil	Nil
Unsecured (Other than falling within the meaning of Public Deposits)	Nil	Nil	Nil	Nil
(b) Deferred Credits	Nil	Nil	Nil	Nil
(c) Term Loans	Nil	Nil	Nil	Nil
(d) Inter-Corporate Loans and Borrowings	10542.56	6015.81	Nil	Nil
(e) Commercial Paper	Nil	Nil	Nil	Nil
(f) Other Loans (specify nature)	Nil	Nil	Nil	Nil
Assets Side				
2) Break-up of Loans and Advances including Bills receivables (other than those included in (3) below)				
(a) Secured	Nil	Nil		
(b) Unsecured	11509.33	6234.41		
3) Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities				
(i) Lease Assets including lease rentals under sundry debtors:				
(a) Financial Lease	Nil	Nil		
(b) Operating Lease	Nil	Nil		
(ii) Stock on hire including hire charges under sundry debtors				
(a) Assets on Hire	Nil	Nil		
(b) Repossessed Assets	Nil	Nil		
(iii) Other Loans counting towards AFC activities				
(a) Loans where assets have been repossessed	Nil	Nil		
(b) Loans other than (a) above	Nil	Nil		
4) Break-up of Investments:				
Current Investments:				
1. Quoted:				
(i) Shares (a) Equity	Nil	Nil		
(b) Preference	Nil	Nil		
(ii) Debentures and Bonds	Nil	Nil		
(iii) Units of Mutual Funds	Nil	Nil		
(iv) Government Securities	Nil	Nil		
(v) Others (please specify)	Nil	Nil		
2. Unquoted				
(i) Shares (a) Equity	Nil	Nil		
(b) Preference	Nil	Nil		
(ii) Debentures and Bonds	Nil	Nil		
(iii) Units of Mutual Funds (UTI) Previous year HDFC	215.18	7.98		
(iv) Government Securities	Nil	Nil		
(v) Others (please specify)	Nil	Nil		

Long Term Investments

1. Quoted:			
(i) Shares	(a) Equity	8152.65	8087.16
	(b) Preference	Nil	Nil
(ii) Debentures and Bonds		Nil	Nil
(iii) Units of Mutual Funds		Nil	Nil
(iv) Government Securities		Nil	Nil
(v) Others (please specify)		Nil	Nil
2. Unquoted			
(i) Shares	(a) Equity	3966.15	3966.75
	(b) Preference	Nil	300.00
(ii) Debentures and Bonds		Nil	Nil
(iii) Units of Mutual Funds		Nil	Nil
(iv) Government Securities		Nil	Nil
(v) Others (please specify)		Nil	Nil

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

Category	Amount net of provisions					
	Secured		Unsecured		Total	
	As on 31.3.2011	As on 31.3.2010	As on 31.3.2011	As on 31.3.2010	As on 31.3.2011	As on 31.3.2010
1. Related Parties						
(a) Subsidiaries	Nil	Nil	9959.33	6034.41	9959.33	6034.41
(b) Companies in the same group	Nil	Nil	Nil	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil	Nil	Nil	Nil
2. Other than related parties	Nil	Nil	1550.00	200.00	1550.00	200.00
Total	Nil	Nil	11509.33	6234.41	11509.33	6234.41

6) Investor group-wise classification of all investments

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

Category	Market Value/Break up or Fair Value of NAV		Book Value (net of provisions)	
	As on 31.3.2011	As on 31.3.2010	As on 31.3.2011	As on 31.3.2010
	1. Related Parties			
(a) Subsidiaries	6119.93	6130.90	3950.63	3950.63
(b) Companies in the same group	Nil	Nil	Nil	Nil
(c) Other related parties	Nil	Nil	Nil	Nil
2. Other than related parties	*46332.46	*40665.41	8383.35	8411.26
Total	52452.39	46796.31	12333.98	12361.89

* Certain unquoted investments value Rs.15.53 lacs (breakup value Rs. 132.87 lacs) (Previous year Rs.316.12 lacs) being long term in nature have been valued at cost.

7) Other Information

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

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 11th May, 2011

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

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

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

The entire subscribed capital of RTM Investment & Trading Company Ltd. and 80.53% subscribed capital of SCM Investment & Trading Company Ltd. as on 31st March, 2011 was held by the Company. The entire subscribed capital of SIL Properties Ltd. and RTM Properties Ltd. as on 31st March, 2011 was held by SCM Investment & Trading Company Ltd. and RTM Investment & Trading Company Ltd. respectively, subsidiaries of the Company:

(Amount in Rs.)

Name of the Subsidiary Company	Net Aggregate of subsidiaries profits/(losses) not dealt with in holding Company's accounts		Net Aggregate of subsidiaries profits/(losses) dealt with in holding Company's accounts	
	Current Year	Previous years since became subsidiaries	Current Year	Previous years since became subsidiaries
SCM Investment & Trading Company Ltd.	4348394	101796475 (2766055)	-	5318484
RTM Investment & Trading Company Ltd.	(5168962)	103701726 (4570676)	-	4762445
SIL Properties Ltd.	(537404)	1895488 (3826877)	-	-
RTM Properties Ltd.	(598919)	2727673 (4367802)	-	-

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

Place : Kolkata
Dated: 11th May, 2011

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

FINANCIAL PERFORMANCE OF SUBSIDIARIES DURING THE PERIOD 1ST APRIL, 2010 TO 31ST MARCH, 2011

(Amount in Rs.)

S. No.	Particulars	SCM Investment & Trading Co. Ltd.	RTM Investment & Trading Co. Ltd.	SIL Properties Ltd.	RTM Properties Ltd.
(a)	Share Capital	192591990	144568810	84090450	84090450
(b)	Reserves	196033815	115936051	-	-
(c)	Total Assets	651369942	993694382	84090450	84090450
(d)	Total Liabilities	262744137	733189521	-	-
(e)	Details of Investment (Except in case of investment in Subsidiary Companies)	276452045	246558714	3481597	4366950
(f)	Turnover	8311292	4380545	2058064	2073289
(g)	Profit/(loss) before taxation	7430433	(4402343)	(254421)	(223509)
(h)	Provision for taxation (Cr.)	2030714	766619	377000	375410
(i)	Profit/(Loss) after taxation	5399719	(5168962)	(631421)	(598919)

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

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

We have audited the attached Consolidated Balance Sheet of **SIL Investments Limited and its Subsidiary Companies** as at 31st March, 2011 and also the related Profit and Loss Account and the Cash Flow statement for the year then ended.

These financial statements are the responsibility of the SIL Investments Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with and identified reporting frame work and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the Subsidiary Companies viz. SCM Investment & Trading Company Limited, RTM Investment & Trading Company Limited, SIL Properties Ltd and RTM Properties Ltd. whose financial statements reflects total assets of Rs.1,81,32,45,224/- as at 31st March, 2011 and total revenues of Rs.1,68,23,190/- for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary companies, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements

of Accounting Standard (AS) 21 'Consolidated Financial Statements' notified under Accounting Standard Rules, 2006 issued by the Central Government and on the basis of the separate financial statements of SIL Investments Limited and its subsidiary companies included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of SIL Investments Limited and its aforesaid subsidiaries., we are of the opinion that:

- (a) the Consolidation Balance Sheet gives a true and fair view of the consolidated state of affairs of SIL Investments Limited and its subsidiaries as at 31st March, 2011 and
- (b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of SIL Investments Limited and its subsidiaries for the year then ended.
- (c) the Consolidated Cash Flow Statement give a true and fair view of the consolidated cash flow of SIL Investments Limited and its subsidiaries for the year ended on that date.

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

B.K. Sipani
Partner
Membership No. 88926

Place: Kolkata
Dated: 11th May, 2011

SIL INVESTMENTS LIMITED (CONSOLIDATED)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rs.)

	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds:			
Capital	1	106064770	106064770
Reserves and Surplus	2	1494972353	1415557268
		<u>1601037123</u>	<u>1521622038</u>
Loan Funds:			
Secured Loans	3	1054256362	601580548
		<u>1054256362</u>	<u>601580548</u>
Minority Interest		75238229	74280855
Deferred Tax Liabilities (Net)		3783262	2642222
(Refer Note No. 9(b) -Schedule 17)			
TOTAL		<u>2734314976</u>	<u>2200125663</u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	4	193268947	182123772
Less:Depreciation		21383708	18305490
Net Block		<u>171885239</u>	<u>163818282</u>
Investments	5	<u>1369194733</u>	<u>1371981035</u>
Current Assets,Loans and Advances:			
Current Assets	6	328332	607768
Cash and Bank Balances	7	34136697	26554778
Loans and Advances	8	1182915664	655030393
		<u>1217380693</u>	<u>682192939</u>
Less:Current Liabilities & Provisions:			
Current Liabilities	9	6272249	5429212
Provisions	10	17873440	12437381
		<u>24145689</u>	<u>17866593</u>
Net Current Assets		<u>1193235004</u>	<u>664326346</u>
TOTAL		<u>2734314976</u>	<u>2200125663</u>
Notes on Accounts	17		

The schedules referred to above including notes to accounts form an integral part of the Balance Sheet.

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Regd. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 11th May, 2011

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
Chairman

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

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rs.)

	Schedule	For the Year ended 31st March, 2011	For the Year ended 31st March, 2010
INCOME			
Income from Investment and Operating Activities	11	211113881	197505361
Other Income	12	6928465	7093632
		218042346	204598993
EXPENDITURE			
Personnel expenses	13	2615673	944020
Operating and other expenses	14	20524494	12010972
Interest	15	85956292	106186412
Directors' Fees and Commission	16	543600	545950
		109640059	119687354
Profit before Depreciation and Tax		108402287	84911639
Depreciation		3203534	3177118
Profit before Tax		105198753	81734521
Provision for Taxation			
Current Tax (net of MAT credit Rs. 309447)		11711000	3829987
Earlier Years (Net)		(340519)	627040
Deferred		1141040	13772
Profit after Tax		92687232	77263722
Share of Minority Interest		(957374)	(635061)
Profit after Tax (after adjustment of Minority Interest)		91729858	76628661
Add: Balance Brought Forward From Previous Year		484566400	436573439
Profit available for Appropriation		576296258	513202100
Transfer to Reserve Fund		20034000	16280000
Proposed Dividend		10595860	10595860
Corporate Dividend Tax		1718913	1759840
Balance carried to Balance Sheet		543947485	484566400
Basic and Diluted Earnings Per Share (Rs. 10 each) (Rs.) (Refer Note No.8 Schedule 17)		8.66	7.23
Notes on Accounts	17		

The schedules referred to above including notes to accounts form an integral part of the Profit & Loss Account.
In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Regd. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 11th May, 2011

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S.S. Maheshwari
Directors

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

PARTICULARS	(Amount in Rs.)	
	For the year ended 31st March, 2011	For the year ended 31st March, 2010
(A) CASH FLOW FROM OPERATING ACTIVITIES		
a. Net Profit before Tax	105198753	81734521
Adjustment for :		
Depreciation	3203534	3177118
Contingent Provision against Standard Assets	5321334	-
Dividend on long term / current Investments	(83336971)	(80867364)
Profit on Sale of long term / current Investments	(5731643)	(5403330)
(Profit) on Sale of Fixed Assets	(607417)	-
Excess provision / Liabilities written back	-	(103)
b. Operating Profit before working capital changes	<u>24047590</u>	<u>(1359158)</u>
Adjustment for :		
Trade and other Receivables	(8918733)	813814
Trade Payables	3815939	2111028
Loans to Bodies Corporate (Net)	(51900000)	(5000000)
Borrowing from Bodies Corporate (Net)	<u>45000000</u>	<u>(85000000)</u>
c. Cash Generated from Operations	(50055204)	(88434316)
Direct Taxes (paid) / Refund (Net)	<u>(11057583)</u>	<u>(22721887)</u>
Net Cash (used in)/from Operating Activities (A)	<u>(61112787)</u>	<u>(111156203)</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of long term / current Investments	37586380	13815777
Dividend on long term / current Investments	83336971	80867364
Purchase of Fixed Assets	(11328074)	(401370)
Sale of Fixed Assets	665000	-
Purchase of Investments	<u>(29068435)</u>	<u>(37050719)</u>
Net Cash used in Investing Activities (B)	<u>81191842</u>	<u>57231052</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital	-	37500000
Proceed from Share Premium	-	37500000
Dividend paid and Tax on Distributed Profits	(14446320)	(14639235)
Net cash from Financing Activities (C)	<u>(14446320)</u>	<u>60360765</u>
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	5632735	6435614
Cash and Cash Equivalents (Opening Balance)	26554778	18028544
Cash and Cash Equivalents (Closing Balance)	<u>32187513</u>	<u>24464158</u>
(for components of cash & cash equivalents - refer schedule - 7)		
Add: Unclaimed dividend not available for use	1949184	2090620
Cash & Bank Balance as per schedule - 7	<u>34136697</u>	<u>26554778</u>

Notes:

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

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Regd. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 11th May, 2011

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Directors

SIL INVESTMENTS LIMITED (CONSOLIDATED)

SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	As at 31st March, 2011	As at 31st March, 2010
(Amount in Rs.)		
SCHEDULE - 1 : SHARE CAPITAL		
Authorised :		
1,20,00,000 Ordinary Shares of Rs. 10 each	120000000	120000000
	<u>120000000</u>	<u>120000000</u>
Issued, Subscribed and Paid Up :		
1,05,95,860 Ordinary Shares of Rs.10 each fully paid up (Including 33,93,750 Shares allotted as fully paid up Bonus Shares by way of Capitalisation of General Reserve)	105958600	105958600
Add: Forfeited Shares (No. of Shares 35390) (Amount originally paid up)	106170	106170
	<u>106064770</u>	<u>106064770</u>

	Balance as at 31st March, 2010	Additions during the year	Deductions/ Adjustments during the year	Transferred in minority interest	Balance as at 31st March, 2011
(Amount in Rs.)					
SCHEDULE - 2 : RESERVES & SURPLUS					
Reserve Fund	113089602	20034000 (a)	-	-	133123602
General Reserve	512186528	-	-	-	512186528
Profit & Loss Account	484566400	543947485 (a)	484566400 (b)	-	543947485
Securities Premium Account	305714738	-	-	-	305714738
Total	<u>1415557268</u>	<u>563981485</u>	<u>484566400</u>	<u>-</u>	<u>1494972353</u>
Previous year	<u>1349930101</u>	<u>554466626</u>	<u>452693665</u>	<u>36145794</u>	<u>1415557268</u>

(a) Transferred from Profit & Loss account

(b) Transferred to Profit & Loss account

	As at 31st March, 2011	As at 31st March, 2010
(Amount in Rs.)		
SCHEDULE - 3 : SECURED LOANS		
Short Term Loans:		
From Bodies Corporate		
Secured by Pledge of 2,49,00,000 Equity Shares (Previous Year 1,24,50,000 Equity Shares) of Chambal Fertilizers & Chemicals Ltd. and 9,75,000 Equity Shares of (Previous Year 10,15,000 Equity Shares) of Zuari Industries Ltd. (Amount Payable within one year)	1050000000	600000000
Interest accrued and due on above	4256362	1580548
	<u>1054256362</u>	<u>601580548</u>

SIL INVESTMENTS LIMITED (CONSOLIDATED)

SCHEDULE - 4 : FIXED ASSETS

(Amount in Rs.)

Sr. No.	Description	Gross Block Cost/Book Value			Depreciation				Net Block		
		As At 31st March, 2010	Addition	Deduction	As At 31st March, 2011	Upto 31st March, 2010	For the year ended 31st March, 2011	Deduction	Total as on 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
1	Goodwill	2220	-	-	2220	-	-	-	-	2220	2220
2	Land	70078350	10128600	-	80206950	-	-	-	-	80206950	70078350
3	Buildings	79138122	961934	182899	79917157	9882100	1297759	125316	11054543	68862614	69256022
4	Plant & Machinery	11925310	97600	-	12022910	2656066	569243	-	3225309	8797601	9269244
5	Furniture & Office Equipments	20979770	139940	-	21119710	5767324	1336532	-	7103856	14015854	15212446
	Total	182123772	11328074	182899	193268947	18305490	3203534	125316	21383708	171885239	163818282
	Previous year	181722402	401370	-	182123772	15128372	3177118	-	18305490	163818282	166594030

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

(Amount in Rs.)

Particulars	As at 31st March, 2011	As at 31st March, 2010
-------------	------------------------------	------------------------------

SCHEDULE - 5 : INVESTMENTS

Long Term- Other than Trade

A) QUOTED (Fully paid-up)	1343120443	1334771912
	1343120443	1334771912
B) UNQUOTED:		
i) Long term Investment	1635077	3489814
Less: Provision for diminution in value	-81294	-81294
	1553783	3408520
ii) Partly paid- up Equity Shares	3000000	3000000
iii) Non-Convertible Cumulative Redeemable Preference Shares	-	3000000
iv) In Fully Paid-up Equity Shares of Co-operative Societies (In Investment Properties)	3000	3000
	4556783	36411520
Current Investments (unquoted)	21517507	797603
	26074290	37209123
AGGREGATE VALUE OF INVESTMENTS	1369194733	1371981035
Aggregate of:		
Quoted Investments	1343120443	1334771912
Unquoted Investments	26074290	37209123
	1369194733	1371981035
Aggregate Market Value of Quoted Investments	5058219058	4493591947

Notes:

- SCM Investment & Trading Co. Ltd has given undertaking to Darbhanga Mansion Co-operative Housing Society Limited not to transfer, create any charge, pledge, or encumbrance or otherwise dispose of 67500 Equity Shares held by it in Manavta Holdings Ltd. without their written consent .
- SCM Investment & Trading Co. Ltd. has given undertaking to a Bank not to transfer, assign, pledge, hypothecate or otherwise dispose of its shareholding in The Oudh Sugar Mills Ltd. and Upper Ganges Sugar & Industries Ltd. without their prior approval in writing till the respective loan of the Bank to the said companies remain outstanding.
- RTM Investment & Trading Co. Ltd. has given undertaking to a Bank not to transfer, assign, pledge, hypothecate or otherwise dispose of its shareholding in The Oudh Sugar Mills Ltd. and Upper Ganges Sugar & Industries Ltd. without their prior approval in writing till the respective loan of the Bank to the said companies remain outstanding.

SIL INVESTMENTS LIMITED (CONSOLIDATED)

(Amount in Rs.)

Particulars	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE - 6 : CURRENT ASSETS		
(Unsecured, Considered Good)		
(a) Interest Receivable	29082	37822
(b) Sundry Debtors for a period not exceeding six months	299250	569946
	<u>328332</u>	<u>607768</u>
SCHEDULE - 7 : CASH AND BANK BALANCES		
Cash Balance in Hand	82355	30729
Cheques in Hand	688433	-
With Scheduled Banks in Current Accounts	16405095	15418121
Unpaid Dividend Accounts	1949184	2090620
Fixed Deposit Accounts	15000000	9004404
Employees Security Deposit Account	11630	10904
	<u>34136697</u>	<u>26554778</u>
SCHEDULE - 8 : LOANS AND ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Loan to Bodies Corporate (Including Interest accrued thereon Rs.8258665 -Previous Year NIL)	1132258665	605000000
Advances Recoverable in Cash or in Kind or for Value to be received or pending Adjustments	2205865	1163876
Advance payment of Income tax and Income-Tax Deduction at Source (Net of provision for taxation)	44724661	45061515
Income Tax Refund receivable	3317658	3293702
Security Deposits	408815	511300
	<u>1182915664</u>	<u>655030393</u>
SCHEDULE - 9 : CURRENT LIABILITIES		
Sundry Creditors and Other Liabilities*		
For Goods and services	1010029	1037322
For Other Finances	3288036	2152270
Security Deposits	25000	149000
Investor Education and Protection Fund shall be credited on following account#		
- Unpaid Dividends	1949184	2090620
	<u>6272249</u>	<u>5429212</u>
* No amount payable to Micro, Small and Medium enterprises as on Balance Sheet date.		
# Not due as on Balance Sheet date.		
SCHEDULE - 10 : PROVISIONS		
Proposed Dividend	10595860	10595860
Corporate Dividend Tax	1718913	1759840
Retirement Benefits	237333	81681
Contingent Provisions against Standard Assets	5321334	-
	<u>17873440</u>	<u>12437381</u>

SIL INVESTMENTS LIMITED (CONSOLIDATED)

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rs.)

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
SCHEDULE - 11 : INCOME FROM INVESTMENT AND OPERATING ACTIVITIES		
Dividend on long term Investments - other than trade	82752373	80374538
Dividend on Current Investments	584598	492826
Profit on sale of Long Term Investments - other than trade	5731614	5403310
Profit on sale of Current Investments	29	20
Interest on Loans and Deposits , etc. (Gross)	122045267	111234667
(TDS Rs.7601643/- Previous year Rs.8810301/-)	<u>211113881</u>	<u>197505361</u>
SCHEDULE - 12 : OTHER INCOME		
Rent (TDS Rs. 547404/- Previous year Rs. 752671/-)	5673672	5818200
Miscellaneous Income	-	1058431
Excess Provisions and Unspent Liabilities & Sundry balances W/Back	-	103
Interest from Income Tax Deptt.	647376	216898
Profit on Sales of Fixed Assets	607417	-
	<u>6928465</u>	<u>7093632</u>
SCHEDULE - 13 : PERSONNEL EXPENSES		
Salaries, etc.	2493058	892557
Staff welfare expenses	122615	51463
	<u>2615673</u>	<u>944020</u>
SCHEDULE - 14 : OPERATING AND OTHER EXPENSES		
Insurance	81380	79191
Rates and Taxes	278566	265626
Repairs and Maintenance to Building	1259339	2733379
Brokerage	2423000	1168747
Financial Expenses	579075	935616
Miscellaneous Expenses	5756582	4721948
Adjustment Relating to Previous years (Net)	32379	716472
Sundry balances written off	1736	9250
Provision for Diminution in long term investments - other than trade	-	81294
Contingent Provisions against standard Assets	5321334	-
Charity & Donation	-	500000
Filing Fee for increase of Share Capital	-	200000
Travelling Expenses	4707292	505424
Auditors Remuneration:		
Statutory Auditors:		
As Auditors	27575	27575
In other Capacity	-	-
For Certifications	13236	18200
Subsidiaries Auditors:		
As Auditors	35500	35500
Certification and Advices	7500	12750
	<u>20524494</u>	<u>12010972</u>
SCHEDULE - 15 : INTEREST		
To Banks and Others	85956292	106186412
	<u>85956292</u>	<u>106186412</u>
SCHEDULE - 16 : DIRECTORS' FEES AND COMMISSION		
(A) Directors' Commission	400000	396850
Director's Fees	135000	137500
	<u>535000</u>	<u>534350</u>
(B) Director's Fees-Subsidiary companies	8600	11600
Total (A & B)	<u>543600</u>	<u>545950</u>

**SCHEDULE - 17
NOTES ON ACCOUNTS**

1) Accounting Policies

(A) Basis of Accounting

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

(B) Principles of consolidation

(a) The consolidated financial statements related to the Company, M/s SIL Investments Limited and its Subsidiary Companies and two other subsidiary companies (which became subsidiary of the company by virtue of their having become subsidiary of subsidiary companies). The consolidated financial statements have been prepared on the following basis.

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

(b) The Subsidiary Companies (incorporated in India) considered in the consolidated financial statements are:

Name of Company	% voting power held as at 31st March 2011
SCM Investment & Trading Company Ltd. (SCMIT)	80.53
RTM Investment & Trading Company Ltd. (RTMIT)	100
SIL Properties Ltd.	100 \$
RTM Properties Ltd.	100 #

\$ Held by SCMIT and parent Company.

Held by RTMIT and parent Company.

(C) Other Significant Accounting Policies:

(a) Revenue Recognition

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

SIL INVESTMENTS LIMITED (CONSOLIDATED)

SCHEDULE - 17 (Contd.)

(b) Fixed Assets

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

(c) Depreciation

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

(d) Investments

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

(e) Retirement Benefits

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

(f) Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

(g) Accounting Policy on Deferred Tax

In accordance with Accounting Standard -22 "Accounting for Taxes on Income" issued under the Accounting Standard Rules, 2006 notified by the Central Government and the relevant provision of Companies Act, 1956. The deferred tax for timing differences between the book and taxable income for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred Tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future and the same is reviewed at each Balance Sheet Date.

(h) Provisions

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

Particulars	(Amount in Rs.)	
	As at 31st March, 2011	As at 31st March, 2010
2) Estimated amount of contracts remaining to be executed on Capital account (Net of Advance Rs. 11,25,000/-) and not provided for.	739096	-
3) Contingent Liabilities (Not provided for) in respect of:		
Uncalled capital on partly paid shares held as Investment	1200000	1200000

SCHEDULE - 17 (Contd.)

- 4) Details of Remuneration to Managing Director included under relevant heads of salary are as follows:

Particulars	2010-11	2009-10
- Salary	1800000*	333871*

Notes:

* Excluding provision for accrued leave.

- 5) As there is only one segment in the Company, hence Segment Reporting(AS-17) is not applicable.
- 6) There is shortfall in the market value of certain long term investments in shares. However, the Company has not made provision in respect of such shortfall aggregating to Rs.38,12,32,007/- as the same in the opinion of the management, is not permanent in nature. However, there is no diminution in the overall market value of the quoted investments and break-up value of unquoted investments.

7) RELATED PARTY DISCLOSURE

- (a) **Key Management Personnel and their relatives** Mrs. Shalini Nopany (From 25.01.2010)

Particulars	(Amount in Rs.)
Particulars	Key Management personnel and their relatives
Remuneration to Mrs. Shalini Nopany	1800000
	(331871)

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

8) Earnings per Share (EPS)

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

Particulars	For the year ended 31st March, 2011	For the year ended 31st March, 2010
Profit attributable to the Equity Shareholders (A) (Rs.)	91729858	76628661
Number of Equity Shares (B)	10595860	10595860
Nominal Value of Equity Share (Rs.)	10.00	10.00
Basic and Diluted Earnings Per Share(Rs.) A/B	8.66	7.23

9) TAXATION

- a) The Current Tax provided during the year ended 31.03.2011 on the basis of normal provisions of the Income Tax Act,1961 after claiming MAT credit set off Rs. 309447 /-

SIL INVESTMENTS LIMITED (CONSOLIDATED)

SCHEDULE - 17 (Contd.)

b) Deferred Taxation

- i) In accordance with Accounting Standard-22, Deferred Tax liabilities amounting to Rs 1141040/- has been accounted for.
- ii) Major Component of Deferred Tax Liability is as follows:

(Amount in Rs.)			
Particulars	Accumulated as at 31.3.2010	Net Charge/ (Credit) during the year	As at 31.03.2011
Deferred Tax Liability on account of:			
Depreciation	2642222	1141040	3783262
Net Deferred Tax Liability	<u>2642222</u>	<u>1141040</u>	<u>3783262</u>
		2010-11	2009-10
		(Rs.)	(Rs.)

10) Expenditure in foreign currency (on payment basis)

Director Travelling	2423445	86383
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11) Figures for Previous year have been regrouped/rearranged and/or recast wherever considered necessary.

Signatures to Schedules 1 to 17

In terms of our Report of even date attached.

For SINGHI & CO.

Chartered Accountants
Firm Reg. No. 302049E

B. K. Sipani

Partner
Membership No. 88926
Camp : Kolkata
Dated: 11th May, 2011

Ashish Chauhan
Secretary

Shalini Nopany
Managing Director

C.S. Nopany
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Arvind C. Dalal
S.M. Agarwal
P.K. Khaitan
Sanjay Goenka
Subroto Lahiri
S.K. Khandelvia
S.S. Maheshwari
Directors

SIL INVESTMENTS LIMITED

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

May 11, 2011

Dear Shareholder,

Subject: Green Initiative in Corporate Governance.

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

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

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

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

Sharepro Services (India) Pvt.Ltd.

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

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

We strongly urge you to support this 'Green Initiative' and opt for electronic mode of communication by advising your email ID to your DP/Sharepro Services (India) Pvt Ltd. Your pro-active step in this direction will go a long way in saving trees and also result in substantial cost savings.

Thanking you,

Yours truly,
For SIL Investments Limited

Sd/-
Ashish Chauhan
Company Secretary

