

**V SAHAI TRIPATHI & CO**  
**CHARTERED ACCOUNTANTS**

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**LIMITED REVIEW REPORT**

To,  
Board of Directors,  
*Siel Financial Services Limited*  
Indore

- (i) We have reviewed the accompanying statement of un-audited financial results of *Siel Financial Services Limited*, having its registered office at Sori Mansion, 12-B, Ratlam Kothi, Indore-452001 (M.P) for the quarter ended 30<sup>th</sup> September, 2012 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the company's management and has been taken on record by the Board of Directors at their meeting held on 9<sup>th</sup> November, 2012. Our responsibility is to issue a report on these financial statements based on our review.
- (ii) A review of interim financial information consists principally of applying analytical procedures for financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope and assurance than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. We have not performed an audit and accordingly, we do not express an audit opinion.
- (iii) We conducted our review in accordance with the Standard on Review Engagement (ISRE) 2400 to Engagement to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.
- (iv) A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



- (v) Based on our review conducted as above subject to the notes given below nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of **Clause 41 of the Listing Agreement** including the manner in which it is to be disclosed, or that it contains any material misstatement.

## NOTES TO LIMITED REVIEW REPORT

### 1. NON PROVISION OF INTEREST ON CORPORATE DEPOSITS

The Company has not provided the interest on the following liabilities during year quarter ended 30<sup>th</sup> September, 2012.

#### (a) Interest on Inter Corporate Deposits

The quarterly interest which has not been provided for the period from 01<sup>st</sup> July, 2012 to 30<sup>th</sup> September, 2012 is Rs 4.71 lacs. Had such provision been made, profit for the period from from 01<sup>st</sup> July, 2012 to 30<sup>th</sup> September, 2012, would have been lower by Rs. 4.71 lacs, respectively.

### 2. OTHER MAJOR AUDIT OBSERVATIONS AS ON 31<sup>st</sup> MARCH, 2012 WHICH NEED TO BE READ WITH THIS REPORT

#### (a) 5% Cumulative Redeemable Preference Shares

The 5% Cumulative Redeemable Preference Shares of Rs. 100 each, allotted on January 13, 1998 are redeemable at par at the option of the Company at any time not later than the ninth year from the date of the issue. So, these shares are overdue for repayment on 12-January, 2007. However, due to losses & paucity of funds, capital redemption reserve on 5% Cumulative Redeemable Preference Shares of Rs 7,30,00,000, could not be created & appropriate number of equity funds could not be brought in & accordingly the said shares could not be redeemed. The management of the Company intends to redeem it & efforts are being made to redeem the same

- (b) Non creation of Capital Redemption Reserve due to insufficient profits, required for the redemption of 5% Cumulative Redeemable Preference Shares of Rs 7,30,00,000 on 12<sup>th</sup> January, 2007 and Contingent Liability for non payment of Cumulative Preference Dividend of Rs 5,18,70,000.

- (c) No provision has been made for interest amounting to Rs. 229.09 lacs (including Rs. 210.25 lacs upto March 31, 2011) payable on an inter corporate deposit for the reasons stated in that note. Had such provision been made, the loss for the year would have been higher by Rs. 18.84 lacs (loss for the year ended March 31, 2011 would have been higher by Rs. 18.84 lacs) and the debit balance carried forward in the profit and loss account would have been higher by Rs. 229.09 lacs (including Rs. 210.25 lacs up to March 31, 2011).



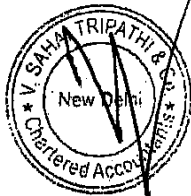
- (d) The Company has severely curtailed its operations due to paucity of funds and adverse market conditions. The operations of the Company are restricted to realization of debtors or advances. Besides, the Company has also invested in deposits with banks which is yielding interest income. The management is negotiating with certain parties for realizing some of the assets and is hopeful of generating funds for this business. The accounts of the company have been prepared on a "going concern" basis on an assumption & premises made by the management that adequate finances and opportunities would be available in the foreseeable future to enable the company to start operating on a profitable basis. In view of the above, the accounts of the Company have been prepared on a going concern basis..

For V. Sahai Tripathi & Co.  
Chartered Accountants  
Firm's Registration Number : 000262N

*(Maanish Mohan)*

Partner  
Membership No.91607

Place : New Delhi  
Dated: 09 November,2012



## Siel Financial Services Limited

Regd. Office : Soni Mansion, 12-B, Ratlam Kothi, Indore - 452001(M.P.)

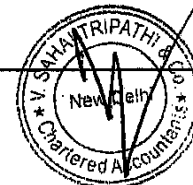
## Statement of Unaudited Results for the Quarter Ended on 30.09.2012

(Rs. In Lacs)

S.No.	Particulars	Unaudited					(Audited)
		Quarter Ended			Half Yearly		Year Ended
		Sep 30, 2012	June 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011	March 31, 2012
<b>PART I</b>							
1	Income from operations						
	(a) Net Sales/Income from Operations (net of excise duty)	-	-	-	-	-	-
	(b) Other Operating Income	-	-	-	-	-	-
	<b>Total Income from Operations (net) (a+b)</b>	-	-	-	-	-	-
2	Expenses						
	a) Cost of Materials consumed	-	-	-	-	-	-
	b) Changes in Inventories of Finished goods, Work-in-progress and stock-in-trade	-	-	-	-	-	-
	c) Employee benefits expense	-	-	-	-	-	-
	d) Depreciation and amortisation expenses	0.01	-	0.01	0.01	0.01	0.02
	e) Stores spares and components	-	-	-	-	-	-
	f) Other expenditure	1.51	2.08	1.13	3.59	2.35	9.02
	<b>Total Expenses</b>	<b>1.52</b>	<b>2.08</b>	<b>1.14</b>	<b>3.60</b>	<b>2.36</b>	<b>9.04</b>
3	<b>Profit/(Loss) from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>	<b>(1.52)</b>	<b>(2.08)</b>	<b>(1.14)</b>	<b>(3.60)</b>	<b>(2.36)</b>	<b>(9.04)</b>
4	Other Income	0.47	0.46	0.44	0.93	0.84	1.80
5	<b>Profit/(Loss) before Interest &amp; Exceptional Items (3+4)</b>	<b>(1.05)</b>	<b>(1.62)</b>	<b>(0.70)</b>	<b>(2.67)</b>	<b>(1.52)</b>	<b>(7.24)</b>
6	Finance Cost	-	-	-	-	-	-
7	<b>Profit/(Loss) after Finance Cost but before Exceptional Items (5-6)</b>	<b>(1.05)</b>	<b>(1.62)</b>	<b>(0.70)</b>	<b>(2.67)</b>	<b>(1.52)</b>	<b>(7.24)</b>
8	Exceptional Items	-	-	-	-	-	-
9	<b>Profit/(Loss) from Ordinary Activities before tax (7+8)</b>	<b>(1.05)</b>	<b>(1.62)</b>	<b>(0.70)</b>	<b>(2.67)</b>	<b>(1.52)</b>	<b>(7.24)</b>
10	Tax expenses						
	Current Tax	-	-	-	-	-	-
	Relating to earlier years	-	-	-	-	79.57	79.57
11	<b>Profit/(Loss) from Ordinary Activities after tax (9-10)</b>	<b>(1.05)</b>	<b>(1.62)</b>	<b>(0.70)</b>	<b>(2.67)</b>	<b>(81.09)</b>	<b>(86.81)</b>
12	Extra-Ordinary Item (Net of tax)	-	-	-	-	-	-
13	<b>Net Profit/(Loss) for the period (11-12)</b>	<b>(1.05)</b>	<b>(1.62)</b>	<b>(0.70)</b>	<b>(2.67)</b>	<b>(81.09)</b>	<b>(86.81)</b>
14	Paid-up Equity Share Capital (Face value of Rs. 10/- per share)	1,132.30	1,132.30	1,132.30	1,132.30	1,132.30	1,132.30
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	(2,050.91)
16	<b>Earning per share (Basic &amp; Diluted)</b>	<b>(0.10)</b>	<b>(0.11)</b>	<b>(0.10)</b>	<b>(0.11)</b>	<b>(0.90)</b>	<b>(1.14)</b>

<b>PART II</b>							
1	Public shareholding						
	- Number of shares	730,370	730,370	730,370	730,370	730,370	730,370
	- Percentage of shareholding	6.44%	6.44%	6.44%	6.44%	6.44%	6.44%
2	Promoters and promoter group shareholding						
(a)	Pledged/ Encumbered						
	- Number of shares	NII	NII	NII	NII	NII	NII
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NII	NII	NII	NII	NII	NII
	- Percentage of shares (as a % of the total share capital of the company)	NII	NII	NII	NII	NII	NII
(b)	Non-encumbered						
	- Number of shares	10,613,382	10,613,382	10,613,382	10,613,382	10,613,382	10,613,382
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	93.56	93.56	93.56	93.56	93.56	93.56

Particulars	3 months ended (30.09.2012)	
<b>Investor Complaints</b>		
Pending at the beginning of the quarter		0
Received during the quarter		3
Disposal of during the quarter		3
Remaining unresolved at the end of the quarter		0



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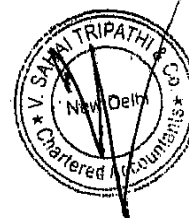
**Siel Financial Services Limited**

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**Statement of Assets and Liabilities**

(Rs. in Lacs)

	Particulars	Unaudited	Audited
		As at September 30,	As at March 31,
		2012	2012
		1	2
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
(a)	Share capital	1,862.30	1,862.30
(b)	Reserves and surplus	(2,053.57)	(2,050.91)
	<b>Sub-total - Shareholders' funds</b>	<b>(191.27)</b>	<b>(188.61)</b>
<b>2</b>	<b>Non-current liabilities</b>		
(a)	Long-term borrowings	365.88	365.88
	<b>Sub-toal - Non-current liabilities</b>	<b>365.88</b>	<b>365.88</b>
<b>3</b>	<b>Current liabilities</b>		
(a)	Short-term borrowings	157.00	157.00
(b)	Other current liabilities	11.45	10.58
	<b>Sub-total - Current liabilities</b>	<b>168.45</b>	<b>167.58</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>343.06</b>	<b>344.85</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
(a)	Fixed assets	0.10	0.11
(b)	Non-current investments	-	0.24
(c)	Long-term loans and advances	318.94	318.94
	<b>Sub-total - Non-current assets</b>	<b>319.04</b>	<b>319.29</b>
<b>2</b>	<b>Current assets</b>		
(a)	Inventories	0.21	0.21
(b)	Trade receivables	-	-
(c)	Cash and bank balance	21.39	24.48
(d)	Short-term loans and advances	0.62	-
(e)	Other current assets	1.80	0.87
	<b>Sub-total Current assets</b>	<b>24.02</b>	<b>25.56</b>
	<b>TOTAL - ASSETS</b>	<b>343.06</b>	<b>344.85</b>



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**Notes:**

- 1 The above results were taken on record by the Board at its meeting held on 09.11.2012.
- 2 The Company's business activity falls within a single, primary business segment "Financing Operations viz, Inter corporate deposits and investments", hence the disclosure requirements of Accounting Standard (AS 17) "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable.
- 3 The above results should be read together with the observations of the Auditors in their Report to the accounts for the Year ended 31st March, 2012.
- 4 Deferred tax asset has not been recognised under Accounting Standard (AS 22) "Accounting for Taxes on Income" due to non-existence of reasonable certainty that sufficient taxable income would be available in future against which deferred tax asset can be realised.
- 5 Figures for the previous corresponding period have been regrouped wherever necessary.

For Sial Financial Services Limited

  
Director

Place : New Delhi

Date: 09.11.2012

