

SUMEDHA FISCAL SERVICES LIMITED



ANNUAL REPORT
1998-99

Bringing Fiscal Resources Closer

SUMEDHA FISCAL SERVICES LIMITED

REGISTERED AND CORPORATE OFFICE :

8B, Middleton Street,
6A, GEETANJALI,
Calcutta - 700 071
Telephone Nos. : 033-229 8936/6758/3237
Fax No. 033-2264140

BRANCH OFFICES :

New Delhi :
113-114, Southex, Plaza - II
South Extension Part - II
New Delhi - 110 049

Telephone Nos. : 011-625 2949/625 2920
Fax No. : 011-625 3001

Mumbai :
34, Sai Baba Shopping Centre,
Shyam Sunder Society,
Keshav Rao Kadam Marg,
Mumbai - 400 008.

Telephone Nos. : 022-300 2548/49, 309 3724/9543
Fax No. : 022-300 2547

Bangalore :
G - 10, Naveen Apartments
13th Main Road, Vasanthnagar,
Bangalore - 560 052.

Telephone No. : 080-220 2545
Fax No. : 080-225 1016

**SUMEDHA FISCAL SERVICES LIMITED**

DIRECTORS : R. L. GAGGAR, *Chairman*
DR. A. K. BHATTACHARYA
VIJAY MAHESHWARI
PRAKASH KUMAR BIYANI
CHRISTOPHER LESLIE JOHNSON
BABU RAM MITTAL, *Alternate to Mr. Christopher Leslie Johnson*
RAJEEV TANDON
ANUJ CHOWDHRY
BIJAY MURMURIA
BHAWANI SHANKAR RATHI, *Wholetime Director*
PAWAN KUMAR AGARWAL, *Wholetime Director*
ASHISH MITTAL, *Wholetime Director*

COMPANY SECRETARY : DEB KUMAR SETT

BANKERS : CANARA BANK
UNITED BANK OF INDIA

STATUTORY AUDITORS : KHANDELWAL RAVINDRA & CO.
Chartered Accountants

INTERNAL AUDITORS : D. RAYCHAUDHURY & CO.
Chartered Accountants

LISTING ON STOCK EXCHANGES : CALCUTTA, MUMBAI & DELHI

REGISTRARS : AMI COMPUTERS (I) LTD.
60A & B, Chowringhee Road,
Calcutta - 700 020
Tel. No. 280-0812, 280-0900
Fax No. 033-240-6585

REGISTERED AND CORPORATE OFFICE : 8B, MIDDLETON STREET
6A, GEETANJALI,
CALCUTTA - 700 071

BRANCHES : NEW DELHI, MUMBAI & BANGALORE

Annual Report 1998-99**NOTICE**

Notice is hereby given that the Tenth Annual General Meeting of the Members of **SUMEDHA FISCAL SERVICES LIMITED** will be held at Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Calcutta-700 001 on Saturday, 17th July, 1999 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt Audited Accounts of the Company for the year ended 31st March, 1999 together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajeev Tandon.
3. To appoint a Director in place of Mr. Anuj Chowdhry.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification, the following Resolutions:

5. As Special Resolution

"RESOLVED that subject to consent of the shareholders of the Company and approval of the Central Government pursuant to Section 21 and other applicable provisions of the Companies Act, 1956, the name of the Company be and is hereby changed from "Sumedha Fiscal Services Limited" to "Capital Resources International Limited".

"RESOLVED FURTHER that the name "Sumedha Fiscal Services Limited" wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the new name "Capital Resources International Limited".

6. As Ordinary Resolution

"RESOLVED that subject to provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (Act) the Company hereby appoints Mr. Pawan Kumar Agarwal as a Whole-time Director of the Company with effect from 29th May, 1999 for a period of three years on the terms and conditions as set out hereinbelow with liberty to the Board of Directors to alter and vary the said terms and conditions so as not to exceed the limits specified in Schedule XIII to the Act, or any amendments thereto as may be agreed to between the Board of Directors and Mr. Pawan Kumar Agarwal –

SALARY

Rs. 7,000/- per month with annual increment of Rs. 1,000/-.

In addition to salary, perquisites restricted to an amount equal to annual salary. For this purpose perquisites are classified into following three categories viz. Categories 'A', 'B' and 'C'.

CATEGORY 'A'

i) Housing : N.A.

ii) Medical Reimbursement :

Expenses incurred for himself and his family subject to a ceiling of one month's salary per annum or three months' salary over a period of three years.

iii) Leave Travel Concession :

For himself and family once in a year incurred in accordance with the Rules of the Company. For the purpose of (ii) and (iii) above, "family" means the spouse, dependent children and dependent parents of Mr. Pawan Kumar Agarwal.



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iv) Club Fees :

Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

v) Bonus : Equivalent to 1 and 1/2 month's Basic Salary.

vi) Books and Periodicals : Upto Rs. 1000/- per month.

CATEGORY 'B'

i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable should not exceed half a month's salary for each completed year of service.

ii) Encashment of Leave at the end of these tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY 'C'

The Company shall provide a car with a driver and a telephone at his residence. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance telephone calls and use of car for private purpose shall be billed to Mr. Pawan Kumar Agarwal.

Mr. Pawan Kumar Agarwal will not be entitled to any sitting fee for attending Meeting(s) of the Board or any Committee thereof."

7. As Ordinary Resolution

"RESOLVED that subject to provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (Act) the Company hereby appoints Mr. Ashish Mittal as a Whole-time Director of the Company with effect from 29th May, 1999 for a period of three years on the terms and conditions as set out hereinbelow with liberty to the Board of Directors to alter and vary the said terms and conditions so as not to exceed the limits specified in Schedule XIII to the Act, as may be amended from time to time and as may be agreed to between the Board of Directors and Mr. Ashish Mittal -

SALARY

Rs. 7,000/- per month with annual increment of Rs. 1,000/-.

In addition to salary, perquisites restricted to an amount equal to annual salary. For this purpose perquisites are classified into following three categories viz. Categories 'A', 'B' and 'C'.

CATEGORY 'A'

i) Housing : N.A.

ii) Medical Reimbursement :

Expenses incurred for himself and his family subject to a ceiling of one month's salary per annum or three months' salary over a period of three years.

iii) Leave Travel Concession :

For himself and family once in a year incurred in accordance with the Rules of the Company. For the purpose of (ii) and (iii) above, "family" means the spouse, dependent children and dependent parents of Mr. Ashish Mittal.

iv) Club Fees :

Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

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v) Bonus : Equivalent to 1 and 1/2 month's Basic Salary.

vi) Books and Periodicals : Upto Rs. 1000/- per month.

CATEGORY 'B'

i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable should not exceed half a month's salary for each completed year of service.

ii) Encashment of Leave at the end of these tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY 'C'

The Company shall provide a car with a driver and a telephone at his residence. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance telephone calls and use of car for private purpose shall be billed to Mr. Ashish Mittal.

Mr. Ashish Mittal will not be entitled to any sitting fee for attending Meeting(s) of the Board or any Committee thereof."

8. As Ordinary Resolution

"RESOLVED that subject to provisions of Section 198,269, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (Act) the Company hereby re-appoints Mr. Bhawani Shankar Rathie as a Whole-time Director of the Company with effect from 1st April, 1999 for a period of three years on the terms and conditions as set out hereinbelow with liberty to the Board of Directors to alter and vary the said terms and conditions so as not to exceed the limits specified in Schedule XIII to the Act or any amendment thereto as may be agreed to between the Board of Directors and Mr. Bhawani Shankar Rathie -

SALARY

Rs. 20,000/- per month.

In addition to salary, perquisites restricted to an amount equal to annual salary. For this purpose perquisites are classified into following three categories viz. Categories 'A', 'B' and 'C'.

CATEGORY 'A'

i) Housing : N.A.

ii) Medical Reimbursement :

Expenses incurred for himself and his family subject to a ceiling of one month's salary per annum or three months' salary over a period of three years.

iii) Leave Travel Concession :

For himself and family once in a year incurred in accordance with the Rules of the Company. For the purpose of (ii) and (iii) above, "family" means the spouse, dependent children and dependent parents of Mr. Bhawani Shankar Rathie.

iv) Club Fees :

Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

v) Bonus : Equivalent to 1 and 1/2 month's Basic Salary.

vi) Books and Periodicals : Upto Rs. 1,000/- per month.



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CATEGORY '3'

- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable should not exceed half a month's salary for each completed year of service.
- ii) Encashment of Leave at the end of these tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY 'C'

The Company shall provide a car with a driver and a telephone at his residence. Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance telephone calls and use of car for private purpose shall be billed to Mr. Bhawani Shankar Rathi.

Mr. Bhawani Shankar Rathi will not be entitled to any sitting fee for attending Meeting(s) of the Board or any Committee thereof."

Registered Office :
6A, Geetanjali,
8B, Middleton Street,
Calcutta - 700 071.
29th May, 1999.

By Order of the Board

Deb Kumar Sett
Company Secretary

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NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his behalf and the proxy need not be a member of the Company.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 14th July, 1999 to 17th July, 1999 (both days inclusive).
3. Shareholders seeking any information with regard to Accounts are requested to write to the Company early so as to enable the management to keep the information ready.
4. Members are requested to bring their copy of the Annual Report to the Meeting and produce the enclosed Attendance Slip at the entrance to the hall.

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EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5

Capital Resources International Ltd. (CRIL) has amalgamated with the Company vide Order dated 23.02.99 of the Hon'ble High Court at Calcutta. CRIL is a corporate member of National Stock Exchange as well as OTC Exchange of India. The Company intends to focus as an intermediary in primary and secondary market in the back drop of improved market condition and CRIL has already established its name in this area. The Company is expected to benefit from the goodwill created by CRIL in the securities market.

None of the Directors of the Company is in any way interested in the resolution.

Item Nos. 6 and 7

Guidelines of National Stock Exchange inter alia require the promoters of a corporate member to be on its Board of Directors. Accordingly Mr. Pawan Kumar Agarwal and Mr. Ashish Mittal are on the Board of CRIL. Consequent on amalgamation of CRIL the said requirement has become applicable to the Company and therefore both of them have been inducted on the Board of the Company, subject to approval of the Members at the forthcoming Annual General Meeting.

None of the Directors other than Mr. Pawan Kumar Agarwal and Mr. Ashish Mittal is interested in the said resolutions.

Item No. 8

The Board of Directors of the Company re-appointed, subject to approval of the Members at the forthcoming Annual General Meeting, Mr. Bhawani Shankar Rath as a Wholetime Director of the Company for a period of three years with effect from 1st April, 1999.

None of the Directors other than Mr. Bhawani Shankar Rath is interested in the aforesaid resolution.

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Calcutta - 700 071.
29th May, 1999.

By Order of the Board

Deb Kumar Sett
Company Secretary



SUMEDHA FISCAL SERVICES LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their 10th Annual Report and the Audited Accounts for the financial year ended 31.03.1999.

	(Rs. in Lacs)	
	Year ended 31.03.99	Year ended 31.03.98
Total Income	213.10	207.55
Cash Profit	66.46	110.55
Less : Depreciation	54.20	124.11
Prov. For Non-Performing Assets	8.13	6.75
Profit/(Loss) before tax	4.13	(20.31)
Less : Provision for taxation	2.00	-
Profit/(Loss) after tax	2.13	(20.31)
Add/Less : Adjustment for earlier year	0.36	(0.21)
Add : Surplus brought forward	24.16	42.06
Balance available for appropriation	26.65	21.54
APPROPRIATION		
Balance carried to Balance Sheet	2.67	21.54
Lease Equalisation Credit	23.98	-
	26.65	21.54

DIVIDEND

Your Directors regret their inability to recommend any dividend due to inadequacy of profit for the year.

OPERATIONAL REVIEW

Your Company chose to concentrate on fee based activities and withdraw from fund based activities pursuant to the notification of the Securities and Exchange Board of India (SEBI). Income from various fee based activities has improved as will be evident from the statement of Accounts. Your Company has earned a gross profit of Rs. 4.13 lacs as against loss of Rs. 20.31 lacs during the previous year.

However, the Company's strategy is to focus itself to fee-based activities like trading in securities in addition to existing ones viz. project consultancy, loan syndication, merchant banking etc. in which it is having an edge over its competitors and phase out all fund based activities as per directions of SEBI.

FUTURE PROSPECTS

On the back drop of slow but steady improvement of Capital Market, earning from trading in securities is set to increase. Gradual return of common man in the Capital Market will impart stability and growth. General economic recession appears to have bottomed out and signs of revival has become apparent in several infrastructural and other industries. This will ultimately have impact on both primary and secondary market in a positive manner.