



**Sumedha
Fiscal
Services
Limited**

Annual Report 2007-2008

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Annual Report 2007-2008

SUMEDHA FISCAL SERVICES LIMITED

REGISTERED AND CORPORATE OFFICE

8B, Middleton Street, 6A, GEETANJALI, Kolkata - 700 071

Phone: 33-2229-8936/6758/3237/4473, Fax: 33-2226-4140

E-mail : kolkata@sumedhafiscal.com

BRANCH OFFICES

MUMBAI

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Near Railway Station, Lower Parel,
Mumbai - 400 013
Phone: +91 22 2493 0531 / 2498 5210
Fax: +91 22 2498 2878
Email: mumbai@sumedhafiscal.com

NEW DELHI

B1/12 Safdarjung Enclave, 2nd Floor
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Email: delhi@sumedhafiscal.com

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Begumpet, Hyderabad - 500 016
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Fax: +91 40 4020 2826
Email: hyderabad@sumedhafiscal.com

AHMEDABAD

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BANGALORE

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Tasker Town, Bangalore - 560001
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CHENNAI

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JAIPUR

36-A Suraj Nagar (East)
Civil Lines, Jaipur - 302 006
Phone: +91 141 222 2833/ 329 3883
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GUWAHATI

303 "Royal Plaza", Christian Basti,
Opp. International Hospital,
Guwahati - 781 005
Telephone: +91 361 234 1336
Fax: + 91 361 234 1336
Email: guwahati@sumedhafiscal.com



SUMEDHA FISCAL SERVICES LIMITED

Directors : R. L. Gaggar, Chairman
Dr. Basudeb Sen*
Vijay Maheshwari
Rajeev Tandon
Bijay Murmuria
Anil Kumar Birla*
Bhawani Shankar Rathi, Wholetime Director

Ashish Mittal, Director - Resigned*

Pawan Kumar Agarwal, Director - Resigned*

* awaiting approval of National Stock Exchange.

Company Secretary : Deb Kumar Sett

Bankers : Canara Bank
HDFC Bank Ltd.
Indusind Bank Ltd.
State Bank of Indore

Statutory Auditors : ARSK & Associates
Chartered Accountants

Registrars : Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001.
Phone: 33 - 2243-5029, 2243 - 5809, Fax: 33 - 2248 4787
E-mail : mdpl@cal.vsnl.net.in

Registered & Corporate Office : 8B, Middleton Street, 6A, Geetanjali, Kolkata - 700 071

Branches : New Delhi, Mumbai, Bangalore, Chennai, Hyderabad
Jaipur, Ahmedabad & Guwahati,



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NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of SUMEDHA FISCAL SERVICES LIMITED will be held at Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Saturday, the 20th day of September, 2008 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, 2008 together with Reports of Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2008.
3. To appoint a Director in place of Mr. Ratan Lal Gaggar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Anil Kumar Birla, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. **Re-appointment of Branch Auditors for Mumbai Branch.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :-

"RESOLVED THAT M/s. Prakash Modi & Associates, Chartered Accountants, 303 VINOD VILLA, 3rd Floor, 66, 3rd Cavel Cross Lane, Kalbadevi Road, Mumbai - 400 002 be re-appointed as Auditors, for Auditing Mumbai Branch Accounts of the Company for the financial year 2008-09 at a remuneration to be decided by the Board of Directors."

7. **Re-appointment and payment of remuneration to Mr. B. S. Rath, Wholetime Director.**

To consider and if though fit, to pass, with or without modification(s), the following resolution as an 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), including any statutory modification(s) or enactment(s) thereof, for the time being in force, and subject to approval of shareholders in general meeting Mr. Bhawani Shankar Rath be and is hereby re-appointed as "Wholetime Director" of the Company for a period of 3 years with effect from 1st April, 2008 at such remuneration by way of salary, perquisites etc., as detailed in the Explanatory Statement annexed to this Notice 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. Bhawani Shankar Rath."

8. Equity Shares to Promoters on Preferential Basis

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"Resolved that pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and enabling provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the Stock Exchange(s) where the shares of the Company are listed and in accordance with the applicable provisions of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (hereinafter referred to as the DIP Guidelines) and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 (hereinafter referred to as "the Takeover Code") and subject also to the approval of such authorities, bodies and institutions as may be necessary and further subject to such terms and conditions as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as 'the Board' which expression shall include a Committee thereof) at its absolute discretion, the consent of the shareholders be and is hereby accorded to the Board to create, issue, offer for subscription and allot on private placement basis issue of up to 1,25,000 Equity Shares of Rs. 10/- each to the Promoters and New Investors at a premium of Rs. 15/- per Share aggregating to Rs. 31,25,000/- (Rupees Thirty One Lacs Twenty Five Thousand Only) in compliance with DIP Guidelines and other applicable regulatory requirements, in the manner as may be decided by the Board in this behalf.

RESOLVED FURTHER THAT -

- i) The Equity Shares to be issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu with the existing Equity Shares of the Company in all respects;
- ii) The Board be and is hereby authorised to accept any modification(s) to or to modify the terms of issue of the said new Equity Shares subject to the provisions of the Companies Act, 1956 and SEBI/NSE Guidelines/Regulations, without being required to seek any further consent or approval of the Company in General Meeting or Postal Ballot;
- iii) For the purpose of giving effect to this resolution the Board be and is hereby authorised to do all acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for making the said issue as aforesaid and to settle any question, difficulty or doubt that may arise in this regard including the power to allot over-subscribed/under-subscribed portion, if any, in such manner and to such person(s) as the Board may deem fit and proper in the absolute discretion to be most beneficial to the Company.
- iv) Resolved further that the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or the Chairman or any other Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution.

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- v) Resolved further that for the purpose of pricing of the shares the 'relevant date' within the meaning of Clause 13.1.1.1 of the DIP Guidelines shall be August 21, 2008.

Registered Office :
8B, Middleton Street,
6A, Geetanjali,
Kolkata - 700 071.
Date : June 21, 2008

By Order of the Board

Deb Kumar Sett
Company Secretary

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.** The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
2. In terms of Article 145 of the Articles of Association of the Company, Mr. Ratan Lal Gaggar, and Mr. Anil Kumar Birla, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of these Directors, 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, are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company commends their respective re-appointments.
3. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2008 to 20th September, 2008 (both days inclusive).
5. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after 20th September, 2008 to those members whose names appear on the Register of Members as on 20th September, 2008. In respect of shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.



6. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updations of account details to their respective Depository Participants.
7. Members are requested to address all their correspondences, including dividend matters, to the Registrar and Share Transfer Agents – Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, Kolkata – 700 001.
8. *Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956, be transferred to the Investors Education and Protection Fund.*
9. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturdays, between 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting.
10. 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.
11. 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. 6

The Auditors for Mumbai Branch of the Company (M/s. Prakash Modi & Associates) who retire at the forthcoming Annual General Meeting, being eligible offered themselves for re-appointment.

The Board recommends for approval of Members the re-appointment of the said Branch Auditors.

The Directors recommend your approval to the aforesaid resolutions.

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

Item No. 7

Salary, perquisites etc. payable to Mr. Bhawani Shankar Rathi, Wholetime Director -

a) SALARY

Rs. 40,000/- (Rupees forty thousand) 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 :

- 1) the Company will provide hired unfurnished accommodation; or
- 2) the Company will provide unfurnished Company owned accommodation; or
- 3) where no accommodation is provided by the Company or Mr. B. S. Rathi does not opt for the accommodation provided by the Company, he shall be entitled to House Rent Allowance at the rate of Rs. 15,000/- (Rupees fifteen thousand) per month;.

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 Rathi.

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/- (Rupees one thousand) 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 services.
- 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 Rath. Mr. Bhawani Shankar Rath will not be entitled to any sitting fee for attending Meeting(s) of the Board or any Committee thereof.

The Board commends the resolution for your approval.

None of the other Directors is interested or concerned in this resolution.

Item No. 8

The Company plans to issue further shares on preferential allotment basis to augment finance for the purpose of ongoing Capital expenditure and Working Capital requirements subject to limits prescribed by SEBI (SAST) Regulations. Therefore the Company proposes to issue Equity Shares to the promoters and other private parties on preferential/private placement basis as per SEBI (Disclosure and Investors Protection) Guidelines, 2000 (hereinafter referred to as the 'DIP Guidelines') at a predetermined price on the "Relevant Date".

The company submits the following disclosures as per requirement the SEBI Guidelines.

i) **Objects of the issue on preferential basis**

The purpose of the issue of the Equity shares is to fund capital expenditure and working capital requirements as well as to keep the borrowed funds to minimum level.

ii) **Upfront payment for allotment of Share and other conditions**

- The entire Share application Money shall be payable upfront in cash.
- In the event, any of the Equity Shares remaining unsubscribed by any of the aforesaid persons for any reason whatsoever, the same will be offered and allotted by the Board at its absolute discretion to any other person and entity owned and controlled by the promoter group.

iii) **Intention of promoters/Directors/Associates persons to subscribe to the offer**

Out of the proposed allottees for preferential issuance of 1,25,000 Equity Shares of Rs. 10/- each (at a Premium of Rs. 15/-) 1,00,000 Equity Shares are proposed to be issued to the Promoter Group and the balance of 25,000 Equity Shares are proposed to be issued to an associate Company.

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iv) Shareholding pattern before and after the Offer

The shareholding pattern before and after the completion of the proposed preferential issue would be as under:

Shareholding Pattern as on 31-Mar-08					
NO.	Category of shareholders	Pre-Issue		Post-Issue	
		No. of shares	% in total capital	No. of shares	% in total capital
1)	Promoter and Promoter Group				
a)	Individuals/ Hindu Undivided Family	2959310	44.55	3059310	45.20
b)	Bodies Corporate	549950	8.28	574950	8.50
	Sub Total (A)	3509260	52.83	3634260	53.70
2)	Public shareholding				
a)	Mutual Funds/ UTI	274200	4.13	274200	4.05
b)	Bodies Corporate	855762	12.88	855762	12.64
c)	Individuals	1994867	30.03	1994867	29.48
d)	Non-Resident Individual	8851	0.13	8851	0.13
	Sub Total (B)	3133680	47.17	3133680	46.30
	TOTAL (A)+(B)	6642940	100.00	6767940	100.00

v) Proposed time within which allotment shall be complete

The allotment of Equity Shares will be completed within 15 days from the date of this General Meeting or within 15 days of the receipt of the last of the applicable regulatory approval, if any, whichever is later.

vi) Identity of the proposed allottees and the percentage of pre and post-preferential issue capital that may be held by them

NO.	Identity of the Proposed allottees	Pre-Issue		No. of shares to be issued	Post-Issue	
		No. of shares	% in total capital		No. of shares	% in total capital
A)	Promoters					
1	Mr. Vijay Maheshwari	1537220	23.14	25000	1562220	23.08
2	Mr. Bijay Murmuria	344920	5.19	25000	369920	5.47
3	Mr. Bhawani Shankar Rathi	94270	1.42	25000	119270	1.76
4	Mrs. Garima Maheshwari	-	-	25000	25000	0.37
B)	Non Promoters					
1	Capita Finance Services Ltd.	-	-	25000	25000	0.37