

Adding Values to



ANNUAL REPORT 2013-14
SUMEDHA FISCAL SERVICES LIMITED





SUMEDHA FISCAL SERVICES LIMITED

CIN: L70101WB1989PLC047465

REGISTERED and CORPORATE OFFICE

6A Geetanjali, 8B Middleton Street, Kolkata – 700 071

Tel: +91 33 2229 8936/6758/3237/4473 Fax: +91 33 2226 4140/2265 5830

Web: www.sumedhafiscal.com Email: kolkata@sumedhafiscal.com

BRANCH OFFICES

MUMBAI

C-703 "Marathon Innova",
Off Ganapatrao Kadam Marg,
Opp. Peninsula Corporate Park,
Lower Parel (W) , Mumbai - 400 013
Tel: +91 22 4033 2400
Fax: +91 22 2498 2878
Email: mumbai@sumedhafiscal.com

NEW DELHI

B1/12, Safdarjung Enclave, 2nd Floor,
New Delhi – 110 029
Tel: +91 11 4165 4481/4482
Fax: +91 11 4165 4483
Email: delhi@sumedhafiscal.com

HYDERABAD

309/1, 3rd Floor, Krishna Plaza,
Khairatabad, Hyderabad – 500 004
Tel: +91 40 4020 2826/4026 7272
Fax: +91 40 4020 2826
Email: hyderabad@sumedhafiscal.com

AHMEDABAD

A/82, Pariseema Complex, Opp. IFCI Bhawan,
C.G. Road , Ahmedabad – 380 009
Tel: +91 79 3002 3337 / 6605 2957
Fax: +91 79 2646 0394
Email: ahmedabad@sumedhafiscal.com

BANGALORE

"Park Plaza", 1st Floor, No. 1 Park Road,
(Off. Infantry Road), Tasker Town, Bangalore – 560 051
Tel: +91 80 4124 2545 / 2546
Fax: +91 80 4124 2547
Email: bangalore@sumedhafiscal.com

CHENNAI

Door No: 7, IIIrd Floor, Vairam Complex,
112, Thyagaraya Road, T. Nagar,
Chennai – 600 017
Tel: +91 44 4212 5901
Fax: +91 44 4212 5901
Email: chennai@sumedhafiscal.com

NSE CASH: INB231075830, NSE DERIVATIVES: INF231075830, NSE CURRENCY DERIVATIVE SEGMENT: INE231075830,
BSE CASH: INB011075836, BSE DERIVATIVES: INF011075836, MCX-SX (CURRENCY DERIVATIVES): INE261075830,
DEPOSITORY PARTICIPANT OF NSDL: IN-DP-NSDL-303-2008, AMFI NO: ARN - 0205, *MCX MEMBERSHIP CODE: 12185
OTCEI: INB200838635, SEBI CATEGORY I MERCHANT BANKER: MB/INM000008753, PMS: PM/INP000004144
*IRDA LICENSED INSURANCE AGENT - SBI LIFE: 1769972, *IRDA LICENSED INSURANCE AGENT - LIC: 6039604

(* Through Group Company)

BOARD OF DIRECTORS



Mr. Ratan Lal Gaggar
Chairman (Independent Director)



Dr. Basudeb Sen
Independent Director



Mr. Atul Chandra Varma
Independent Director



Mr. Prashant Sekhar Panda
Independent Director



Mr. Anil Kumar Birla
Non-Executive Director



Mr. Vijay Maheshwari
Non-Executive Director



Mr. Bijay Murmuria
Non-Executive Director



Mr. Bhawani Sankar Rathi
Wholetime Director & CFO




Mr. Rajesh Kumar Gupta
Wholetime Director



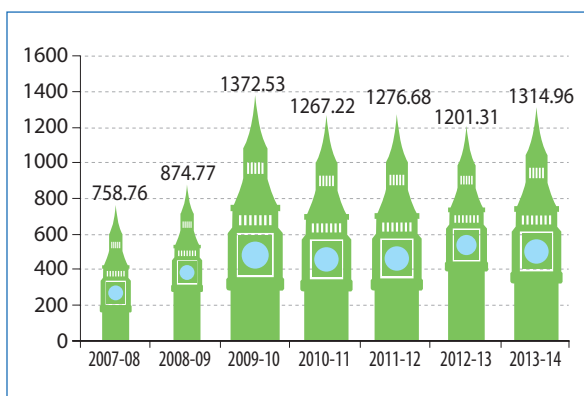
KEY BUSINESS HIGHLIGHTS IN 2013 – 2014

 PAT stood at ₹ 343.43 Lakhs.

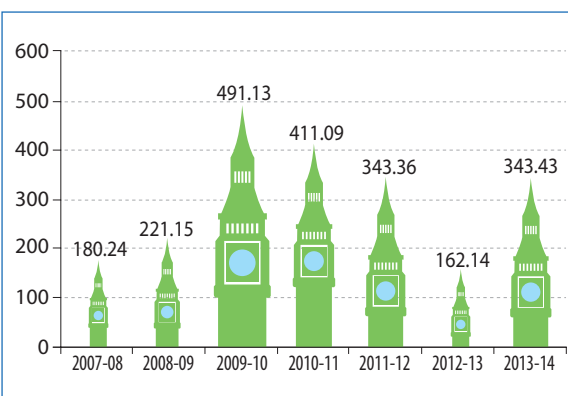
 The Investment Banking Segment remains the major revenue earning arm accounting for 85 percent of Total Income from Operations.

PERFORMANCE HIGHLIGHTS

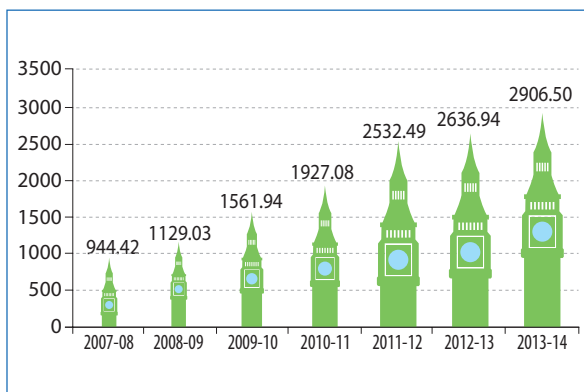
INCOME FROM OPERATIONS (In ₹ Lakhs)



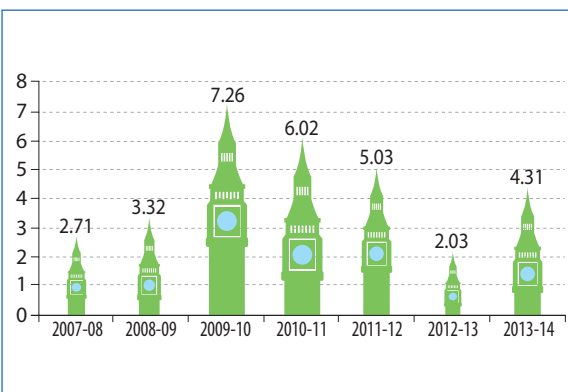
PAT (In ₹ Lakhs)



SHAREHOLDERS' FUND (In ₹ Lakhs)



EPS (In ₹)



CHAIRMAN'S ADDRESS



Dear Stakeholders,

Welcome to the 25th Annual General Meeting of your Company. I thank for your sustained trust, encouragement and support.

Since we had met last scenario in the country has changed. India, the largest democracy on earth has just undergone a massive popular test. Such a clear mandate was long awaited and it augurs well for decisive steps to take the economy forward.

Rapid urbanisation & demographic dividend

India is now having the largest young population in the world and expected to provide 4 workmen out of every 10, by 2025, as per Dr. Abdul Kalam, former President of India. This has created an unprecedented opportunity to educate, train and put them to creating income and wealth ushering in progress and prosperity to the individual and economy as a whole. But unless right things are done, they would

be drawn to misery, unrest and be prone to frustration. Another emerging trend is massive movement of rural population towards cities and also from one urban cluster to another. This has resulted in large scale urbanisation and consequent fallout in various aspects in urban ecosystem (viz. residential accommodation, public utilities and amenities, urban infrastructure etc.). Such large transition of population is likely to change the demand pattern of goods and services and their impact on the economy would be significant. With growth and development the trend is grow further.

Key areas of focus

Investment Banking continues to be the major revenue earning division of your Company, contributing around 85% to total revenue. Leveraging our strong relationship with small and mid-sized companies, we have grown to become a one stop shop for the corporates who need boutique investment bankers for value added services. Sumedha Fiscal provides merchant banking, loan syndication, financial restructuring, portfolio resolution of stressed assets, M&A and equity placements under its investment banking division.

Financial Performance

Despite several adverse factors during the year, Sumedha Fiscal Services Ltd. has posted revenues of Rs. 1315 lacs during FY14, an increase of 9.5% over Rs. 1201 lacs recorded last year. Profit before Tax has grown by 109% to Rs. 484 lacs against Rs. 231 lacs in the previous year. PAT stood at Rs. 344 lacs compared with Rs. 152 lacs for FY13, an increase of 126%. Our EPS stood at Rs. 4.31 in FY14, compared to Rs. 1.90 in FY13.

I would call these figures satisfactory considering the volatile economic and political environment of FY14.

Looking Ahead

The markets and industry have responded to the new government's early pronouncements with hope and positivity. However initiative at individual and organization levels shall determine the milestones we achieve. Quality of leadership at different levels is critical for growth and success. We are at the stage where our businesses have begun to scale, rigorous investment in people, product and processes have been made to enhance operating efficiencies.

Our approach would be speed coupled with caution, aggression tempered with humility, looking to the future with an eye on the lessons of the past. These are our core strengths-staying focused and balanced in our approach.

Your Company acknowledges your unfaltering faith in our commitment.

I thank you all for standing by us and supporting us.

Regards,

Ratan Lal Gaggar
Chairman



OUR PHILOSOPHY

OUR VISION

To be the best financial service provider and be a one stop shop for all market segments.

OUR MISSION

To strive for total client satisfaction by providing integrated financial solutions through excellence, integrity and teamwork fostering, continuous growth for our stakeholders.

OUR BRAND THOUGHT - Quotation Marks

Quotation marks symbolize dialogue indicating relationships. When those quote marks are transparent, they also suggest transparency and honesty leading to stronger relationships.

CONTENTS

Notice	06
CFO Certification	16
Directors' Report	17
Report on Corporate Governance	22
Auditors' Certificate on Corporate Governance	32
Management Discussion and Analysis	33
Independent Auditors' Report	37
Annual Accounts	40
Statement u/s. 212 of the Companies Act, 1956	67
Subsidiary Company's Particulars	68
Consolidated Accounts	69
Financial Highlights	93

Corporate Information

Board of Directors

Mr. Ratan Lal Gaggar, *Chairman*

Dr. Basudeb Sen

Mr. Atul Chandra Varma

Mr. Vijay Maheshwari

Mr. Prashant Sekhar Panda

Mr. Anil Kumar Birla

Mr. Bijay Murmuria

Mr. Bhawani Sankar Rathi, *Wholetime Director & CFO*

Mr. Rajesh Kumar Gupta, *Wholetime Director*

Company Secretary

Mr. Deb Kumar Sett

Registered & Corporate Office

6A, Geetanjali, 8B, Middleton Street,
Kolkata – 700071.

Corporate Identity No. (CIN):

L70101WB1989PLC047465

Tel: + 91 33 2229 8936/6758/3237/4473

Fax: + 91 33 2226 4140/2265 5830

Web: www.sumedhafiscal.com

Email: kolkata@sumedhafiscal.com

Bankers

Canara Bank

HDFC Bank

Auditors

ARSK & Associates, Chartered Accountants, Kolkata

Registrar & Share Transfer Agents

Maheshwari Datamatics Private Limited

6, Mangoe Lane, 2nd Floor,

Kolkata - 700 001

Tel. No. : 033-2243-5029, 2243-5809

Fax No. : 033-2248 4787

Email : mdpl@cal.vsnl.net.in

Annual General Meeting

Day : Saturday

Date : 13th September, 2014

Time : 10.30 A.M.

Venue : MCC Chamber of Commerce & Industry

15-B, Hemanta Basu Sarani,

Kolkata - 700 001.

Sumedha Fiscal Services Ltd.

6A, Geetanjali, 8B, Middleton Street, Kolkata – 700071

CIN - L70101WB1989PLC047465

Tel : 033-2229 8936/6758 Fax : 033-2226 4140/ 033 2265 5830.

Email : investors@sumedhafiscal.com Website : www.sumedhafiscal.com

NOTICE OF 25TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fifth Annual General Meeting of Sumedha Fiscal Services Ltd. will be held at MCC Chamber of Commerce & Industry, 15B Hemanta Basu Sarani, Kolkata – 700 001, on Saturday, the 13th day of September, 2014 at 10:30 AM for the transaction of the following business :-

ORDINARY BUSINESS

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon;
2. To declare dividend for the financial year ended 31st March, 2014;
3. To appoint a Director in place of Mr. Vijay Maheshwari who retires by rotation and being eligible offers himself for re-election;
4. To appoint a Director in place of Mr. Bijay Murmuria who retires by rotation and being eligible offers himself for re-election;
5. To appoint Auditors and to pass, with or without modification(s), the following resolution as an Ordinary Resolution :-
“Resolved that M/s. ARSK & Associates, Chartered Accountants (Firm’s Registration No. 315082E), be and are hereby appointed as the Auditors of the Company from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

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

6. **Modification in terms of Appointment of Mr. Bhawani Sankar Rathi, Wholetime Director as an Ordinary Resolution:**
“Resolved that the resolution passed by the members at the Twenty Fourth Annual General Meeting held on 10th August, 2013 re-appointing Mr. Bhawani Sankar Rathi (DIN - 00028499), Wholetime Director, be and is hereby partially amended making his said appointment subject to retirement by rotation in pursuance of the provisions of Sections 149 and 152 of Companies Act, 2013 (“the Act”) and other applicable provisions, if any, of the Act read with Rules made there under. All the other terms and conditions of his aforesaid original re-appointment stand unchanged.”
7. **To appoint Mr. Ratan Lal Gaggar as an Independent Director and to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**
“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ratan Lal Gaggar (DIN: 00322904), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019.”

8. **To appoint Dr. Basudeb Sen as an Independent Director and to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Basudeb Sen (DIN: 00056861), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019."

9. **To appoint Mr. Atul Chandra Varma as an Independent Director and to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Atul Chandra Varma (DIN: 03281839), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019."

10. **To appoint Mr. Prashant Sekhar Panda as an Independent Director and to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Prashant Sekhar Panda (DIN: 00596554), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019."

11. **Leasing out of office-space and to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT approval of the Company pursuant to Section 188(1)(c) of the Companies Act, 2013 and Rules made thereunder and other laws applicable thereto be and is hereby given to the letting out of the office space (565 sq. ft. approx.) along with furniture and fittings at the 1st floor of Geetanjali Apartment, Flat No. 1/1C, 8B Middleton Street, Kolkata – 700071 to M/s. Maheshwari & Associates, Chartered Accountants at a monthly rent of ₹ 35,000/- plus Service Tax and Maintenance Charges, be and is hereby approved.

Registered Office :
6A, Geetanjali,
8B, Middleton Street,

Kolkata – 700 071.
Date : 17th May, 2014

By Order of the Board
Deb Kumar Sett
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE PAID UP CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE PAID UP CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. The Register of Members of the Company will remain closed from September 6, 2014 to September 13, 2014, both days inclusive.
3. Instructions for e-voting are appended hereto.
4. The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company.
5. E-voting period will commence from September 07, 2014 at 10.00 a.m. (IST) and will end on September 09, 2014 at 6.00 p.m. IST).
6. Mr. B. L. Patni, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner, whose e-mail address is patnibl@yahoo.com.
7. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
8. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.sumedhafiscal.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.
9. The Dividend if approved at the Meeting shall be credited/dispatched on or before October 12, 2014 to those members holding shares in physical form whose names are on the register of members on September 13, 2014 or their mandatees. In respect of shares held in electronic form, the dividend will be paid to the beneficial owners of the shares appearing on closure of the business hours on September 05, 2014 as per details provided by the Depositories for the purpose.
10. Members holding shares in dematerialized form should intimate to their Depository Participant, the necessary bank account details, 9 digit MICR code and 11 digit IFS code. Members holding shares, in physical form may intimate the Registrar and Share Transfer Agents, the necessary bank details, 9 digit MICR code and 11 digit IFS code along with photocopy of cheque and PAN Card for NECS credit directly to their bank accounts wherever NECS facility is available or for printing of their bank account details on the dividend warrants. In case of any change in the bank particulars, the change should be intimated to the Depository Participant (in case of dematerialized shares) and the Registrar and Share Transfer Agents (in case of physical share, immediately so that the changed particulars may be used for dividend payment).
11. Duly executed and stamped transfer deeds, along with the relative Share Certificates, should be submitted to the Company's Registrar & Share Transfer Agents before the closure of the Register of Members for registration of transfers.
12. Members are requested to encash their Dividend Warrants as Dividend remaining unclaimed for seven years are required to be transferred to the Investor Education & Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956. Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 10, 2013 (date of last AGM) on the website of the Company www.sumedhafiscal.com and also on the website of the Ministry of Corporate Affairs.
13. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market transaction and off-market/private transaction including, transfer of shares held in physical form, deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders, transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares and transposition of shares - when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
14. Members are requested to register their e-mail id's with the Company or Registrar and Share Transfer Agents of the Company by sending their e-mail id's to investors@sumedhafiscal.com or mdpl@cal.vsnl.net.in in case of shares held in physical form. Members who register their email ID would receive the notice(s)/documents through e-mail instead of physical copy. However, the Company would provide the physical copy of the documents to any shareholders against requisition received from him/her.
15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
16. The information as required to be provided in terms of Clause 49 of the Listing Agreements with the Stock Exchanges regarding the Directors who are proposed to be appointed/re-appointed is also annexed.