



SUMEDHA
adding values to value

Adding Values to Value



Annual Report
2017-18

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

Website: 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

AHMEDABAD

A/82, Pariseema Complex, Opp. IFCI Bhawan
C.G. Road, Ahmedabad – 380 009
Tel: +91 79 4890 5388
Fax: +91 79 4890 5388
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

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

NSE CASH: INB231075830, NSE DERIVATIVES: INF231075830, NSE CURRENCY DERIVATIVE SEGMENT:
INE231075830, BSE CASH: INB011075836, BSE DERIVATIVES: INF011075836, MSEI (CURRENCY DERIVATIVES):
INE261075830, DEPOSITORY PARTICIPANT OF NSDL: IN-DP-NSDL-303-2008, AMFI NO: ARN - 0205, *MCX
MEMBERSHIP: INZ000045938 SEBI CATEGORY I MERCHANT BANKER: MB/INM000008753, PMS: PM/INP000004144

(* Through Subsidiary Company)

BOARD OF DIRECTORS



Mr. Ratan Lal Gaggar, Chairman
Independent Director



Dr. Basudeb Sen
Independent Director



Mr. Prashant Sekhar Panda
Independent Director



Mr. Prabhat Agarwala
Independent Director



Mr. Vijay Maheshwari
Non-Executive Director



Mr. Anil Kumar Birla
Non-Executive Director



Mr. Bijay Murmura
Non-Executive Director



Mr. Bhawani Sankar Rathi
Wholetime Director



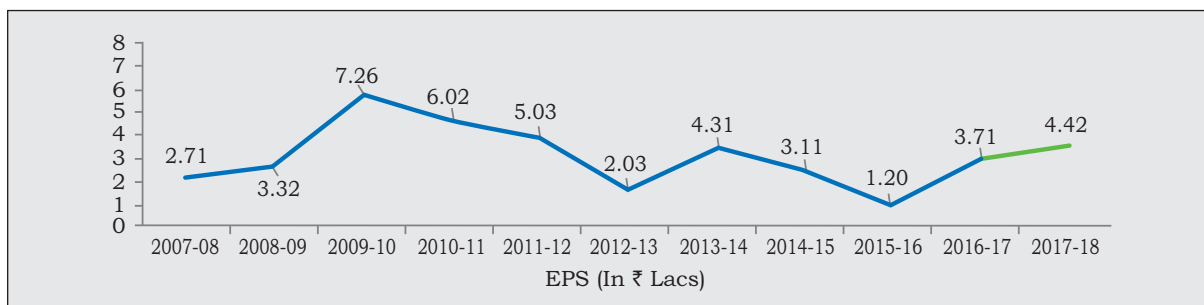
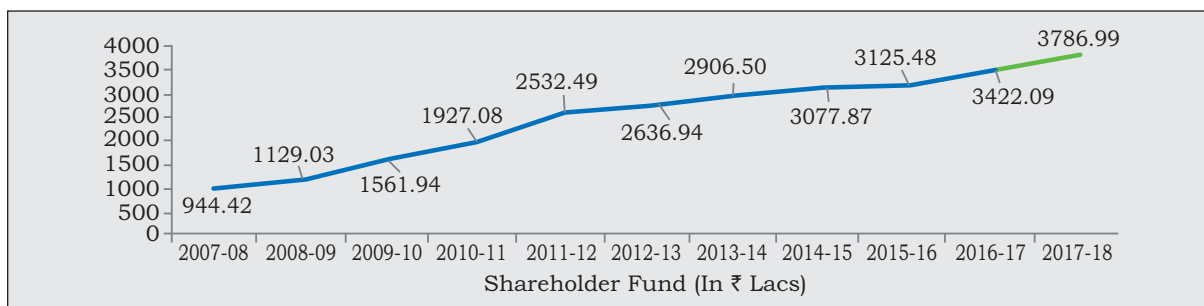
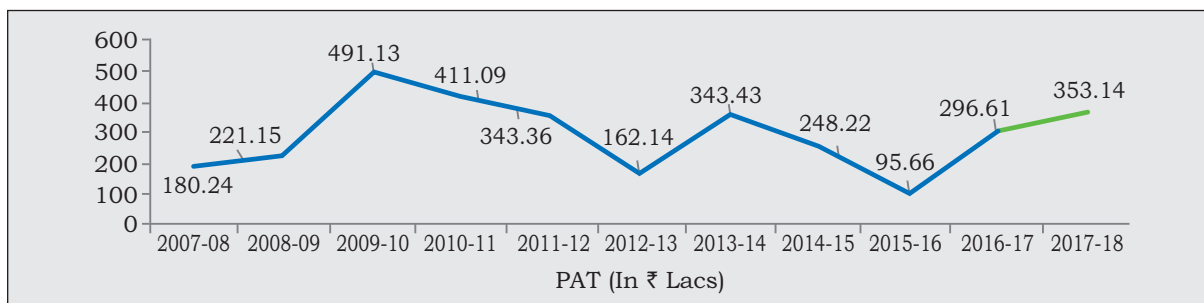
Mrs. Garima Maheshwari
Non-Executive Director



KEY BUSINESS HIGHLIGHTS IN 2017 – 2018

- PAT stood at ₹ 353.14 Lacs.
- The Investment Banking Segment continues to remain the major earning vertical accounting to 45.64% of Total Income and 68.91% of operating profits of the Company.

PERFORMANCE HIGHLIGHTS



CHAIRMAN'S ADDRESS



Dear Stakeholders,

Welcome to the 29th Annual General Meeting of your Company. I thank you for your sustained trust, encouragement and support.

Since we last met, Indian economy has come across layers of bottlenecks that

stifled the growth for decades. The perspective may be summarized in the following manner.

India's growth in recent years has been supported by prudent macroeconomic policy: a new inflation targeting framework, energy subsidy reforms, fiscal consolidation, higher quality of public expenditure and a stable balance of payment situation. In addition, recent policy reforms have helped India improve the business environment, ease inflows of foreign direct investment (FDI) and improved credit behavior.

The update points to the positive impulse expected from India's novel GST system which, while remaining more complex than comparable systems in other countries, is likely to improve the domestic flow of goods and services, contribute to the formalization of the economy and sustainably enhance growth.

India's long-term growth has become more steady, stable, diversified and resilient. In the long-run, for higher growth to be sustainable and inclusive, India needs to use land and water, which are increasingly becoming scarce resources, more productively, make growth more inclusive, and strengthen its public sector to meet the challenges of a fast growing, globalizing and increasingly middle-class economy.

Resolution of NPA & Growth

Lacs of crores of Rupees have been remaining blocked in the Indian banking system as Non-

Performing Assets withholding fresh investments and consequential growth of the economy. Existing legislations have been unable to remedy the situation over decades. Insolvency and Bankruptcy Code 2016 is envisaged to be one set of legislation addressing all the outcomes associated with loan defaults, within prescribed time-limit under supervision of the National Company Law Tribunal (NCLT). There has been several amendments thereto in quick succession, in order to address various unforeseen fallouts and also to align it with other priorities and prevent unwanted vulnerabilities. Once the implementation stabilizes through amendments and judicial pronouncements, the law would usher in a predictable course for managing loan defaults within given time-limit. Success of the process will also be dependent upon creation of adequate number of NCLT Courts as well as capacity building of the Insolvency Professionals (IPs) since the IPs are entrusted with the authority and responsibility of running the defaulting borrower-Company and lead the process to logical conclusion.

Your Company has diversified into the area through an Insolvency Profession Entity (Sumedha Management Solutions Private Limited) registered with the Insolvency and Bankruptcy Board of India).

Governance

Promoting transparency and governance has been the Government's priority and several pro-active steps have been taken in policy and execution level. Digitization is an important enabler to this direction. Despite all the achievements, India is faced with unprecedented spurt in loan defaults and frauds in public sector banks that also involves persons at the helm. This has shaken general confidence about stability of the banking system and efficacy of the internal and regulatory monitoring process. Lateral entry of competent

professionals at middle and senior levels and introduction of competence-based appointment and promotion, instead of seniority-based approach, would improve the situation.

Key area of focus

Investment Banking continues to be the focus area for the Company, as a one-stop solution for major value added corporate services. The services covered include merchant banking, loan syndication, financial restructuring, resolution of stressed assets, merger amalgamation, placements of securities. Income therefrom was Rs. 1033 lacs in FY 18 compared to Rs. 964 lacs during FY 17.

Financial performance

The Company has posted revenues of Rs. 2068 lacs during FY18 (Rs. 1569 Lacs for FY 17 - 39%

increase). Profit before Tax was Rs. 445 lacs against Rs. 511 lacs in the previous year, whereas PAT was Rs. 352 lacs compared with Rs. 356 lacs for FY17. EPS stood at Rs. 4.41 in FY18, compared to Rs. 4.46 in FY17.

Looking ahead

With positive developments all around, your Company is sure of availing the opportunities to consolidate and move forward.

Regards,




R. L. Gaggar


Chairman

www.sumedhaFiscal.com

■ INVESTMENT BANKING ■ WEALTH MANAGEMENT ■ BROKING SERVICES



That little addition
which changes the dynamics
of everything ...



Values
we stand
by at
Sumedha

...be it in the way you conduct your business, nurture relationships or in your day to day interactions.

At Sumedha, we understand why this little addition is so critical for growth and maintaining long lasting relationships.

Since our inception more than a decade ago, we have nurtured these values. We today take so much pride in maintaining transparency in our dealings, of going that extra mile to ensure greater success for you and standing by you through thick and thin.

Bring that little 'S' in your business with Sumedha and experience the change yourself.

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Corporate Information

Board of Directors

Mr. Ratan Lal Gaggar, *Chairman*
Dr. Basudeb Sen
Mr. Prashant Sekhar Panda
Mr. Prabhat Agarwala
Mr. Vijay Maheshwari
Mr. Anil Kumar Birla
Mr. Bijay Murmuria
Mr. Bhawani Sankar Rathi, *Wholetime Director*
Mrs. Garima Maheshwari

Company Secretary

Mr. Deb Kumar Sett

Registered & Corporate Office

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

Corporate Identity No.: 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

V. Singhi & Associates,
Chartered Accountants, Kolkata

Registrar & Share Transfer Agents

Maheshwari Datamatics Private Limited
23 R. N. Mukherjee Road, 5th Floor,
Kolkata - 700 001
Tel. No.: 033-2243-5029, 2248-2248
Fax No.: 033-2248 4787
Email: mdpldc@yahoo.com

Annual General Meeting

Day: Saturday
Date: 15th September, 2018
Time: 10.30 A.M.
Venue: Merchants' Chamber of Commerce & Industry
15-B, Hemanta Basu Sarani,
Kolkata - 700 001

Sumedha Fiscal Services Ltd.

Corporate Identification Number: L70101WB1989PLC047465

Registered Office: 6A, Geetanjali, 8B, Middleton Street, Kolkata – 700071

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

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

NOTICE OF 29TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth Annual General Meeting of Sumedha Fiscal Services Ltd. will be held at Merchants' Chamber of Commerce & Industry, 15B Hemanta Basu Sarani, Kolkata – 700 001, on Saturday, the 15th day of September, 2018 at 10:30 AM for transaction of the following business:-

ORDINARY BUSINESS

1. To consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon and in this regard, pass the following resolutions as **Ordinary Resolutions**:
 - a. **"RESOLVED THAT** the Audited Financial Statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."
 - b. **"RESOLVED THAT** the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."
2. To declare a dividend on equity shares for the financial year ended March 31, 2018 and in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT a dividend at the rate of ₹1/- (One rupee only) per equity share of ₹10/- (Ten rupees) each fully paid-up of the Company be and is hereby declared for the financial year ended March 31, 2018 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2018."
3. To appoint Mr. Anil Kumar Birla, who retires by rotation as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Anil Kumar Birla (DIN: 00015948), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

4. To re-appoint **Mr. Ratan Lal Gaggar** as an Independent Director and in this regard, pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], Mr. Ratan Lal Gaggar (DIN: 00066068) who was appointed as an Independent Director and who holds office as an Independent Director up to March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not

liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to March 31, 2024.”

5. To re-appoint **Dr. Basudeb Sen** as an Independent Director and in this regard, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], Dr. Basudeb Sen (DIN: 00056861), who was appointed as an Independent Director and who holds office as an Independent Director up to March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to March 31, 2024.”

6. To re-appoint **Mr. Prashant Sekhar Panda** as an Independent Director and in this regard, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], Mr. Prashant Sekhar Panda (DIN: 00596554), who was appointed as an Independent Director and who holds office as an Independent Director up to March 31, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, i.e. up to March 31, 2024.”

7. **Approval of Amendments in ‘SFSL Employee Stock Option Scheme 2011’**

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

“RESOLVED THAT in partial modification of earlier special resolution passed by the members of the Company on March 24, 2011 approving the SFSL Employee Stock Option Scheme 2011 contemplating grant of options to the eligible employees including Directors of the Company, pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and in accordance with the Memorandum and Articles of Association of the Company, Regulation 7 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the **amended SFSL Employee Stock Option Scheme, 2011 (“Scheme”)** being amended in terms of alignment with the provisions of SEBI SBEB Regulations and variance in the provisions of the Scheme by way of amendment in the vesting period, exercise price formula, exercise period in case of separation of employees and other routine clauses with a view to enhance attractiveness of the Scheme and ensure administrative convenience thereof.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (*hereinafter referred to as the “Board” which term shall be deemed to include Compensation Committee or any authorized committee which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution and as per Regulation 5 of the SEBI SBEB Regulations*) be and is hereby authorised on behalf of the Company to make any / further modifications, changes, variations, alterations or revisions in the Scheme from time to time as permitted under and in due compliance with provisions of the Companies Act, 2013 and the SEBI SBEB Regulations and

to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to the aforesaid amendments in the Scheme and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

8. Approval of amendments in ‘SFSL Employee Stock Option Scheme 2011’ envisaging grant thereunder to the eligible employees of the Subsidiary Company(ies) of the Company

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

“**RESOLVED THAT** in partial modification of earlier special resolution passed by the members of the Company on March 24, 2011 approving the SFSL Employee Stock Option Scheme 2011 contemplating grant of options to the eligible employees including Directors of the Subsidiary Company(ies) of the Company, pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and in accordance with the Memorandum and Articles of Association of the Company, Regulation 7 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the **amended SFSL Employee Stock Option Scheme, 2011 (“Scheme”)** being amended in terms of alignment with the provisions of SEBI SBEB Regulations and variance in the provisions of the Scheme by way of amendment in the vesting period, exercise price formula, exercise period in case of separation of employees and other routine clauses with a view to enhance attractiveness of the Scheme and ensure administrative convenience thereof.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (*hereinafter referred to as the “Board” which term shall be deemed to include Compensation Committee or any authorized committee which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution and as per Regulation 5 of the SEBI SBEB Regulations*) be and is hereby authorised on behalf of the Company to make any further modifications, changes, variations, alterations or revisions in the Scheme from time to time as permitted under and in due compliance with provisions of the Companies Act, 2013 and the SEBI SBEB Regulations and to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to the aforesaid amendments in the Scheme and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

Registered Office:
6A, Geetanjali,
8B, Middleton Street,
Kolkata – 700 071.
Date: 11th August, 2018

By Order of the Board
Deb Kumar Sett
Company Secretary