



**Sumedha
Fiscal
Services
Limited**

Annual Report 2007-2008

Leadership Through People

The Making of leadership

- *Through vision*
- *Through knowledge*
- *Through end-to-end Solutions*
- *Through insight*
- *Through an understanding*
- *Through value-added services*
- *Through team work*

BRINGING **FISCAL** RESOURCES **CLOSER**



Annual Report 2007-2008

**Sumedha
Fiscal
Services
Limited**



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

SUMEDHA FISCAL SERVICES LIMITED

BRANCH OFFICES

MUMBAI

107 / 108 Manik Court
Siddhivinayak Annexe "D" Wing 1st Floor,
Sitaram Jadav Marg,
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
New Delhi - 110 029
Phone: +91 11 4165 4481 / 82
Fax: +91 11 4165 4483
Email: delhi@sumedhafiscal.com

HYDERABAD

3rd Floor, Lumbini Arcade
Begumpet, Hyderabad – 500 016
Phone: +91 40 4020 2826
Fax: +91 40 4020 2826
Email: hyderabad@sumedhafiscal.com

AHMEDABAD

A/82 Parisima Complex, Opp. IFCI Bhavan,
C.G. Road, Ahmedabad - 380 009
Phone: +91 79 3002 3337
Fax: +91 79 2645 0394
Email: ahmedabad@sumedhafiscal.com

BANGALORE

"Park Plaza" 1st Floor, No. 1 Park Road,
Tasker Town, Bangalore – 560001
Phone: +91 80 4124 2545 / 2546
Fax: + 91 80 4124 2547
Email: bangalore@sumedhafiscal.com

CHENNAI

2B, Park Centre, 25 Venkatanarayana Road,
T Nagar, Chennai - 600 017
Phone: +91 44 4212 6808
Fax: + 91 44 4212 4808
Email: chennai@sumedhafiscal.com

JAIPUR

36-A Suraj Nagar (East)
Civil Lines, Jaipur – 302 006
Phone: +91 141 222 2833/ 329 3883
Fax: +91 141 222 0062
Email: jaipur@sumedhafiscal.com

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

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

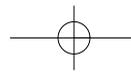
Bankers : Canara Bank
HDFC Bank Ltd.
Indusind Bank Ltd.
State Bank of Indore

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,



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. Rathi, 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 Rathi 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 Rathi."

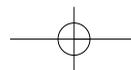
8. Equity Shares to Promoters on Preferential Basis

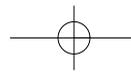
To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"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.




ANNUAL REPORT 2007-2008

- 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.

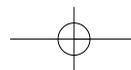
Registered Office :
8B, Middleton Street,
6A, Geetanjali,
Kolkata - 700 071.
Date : June 21, 2008

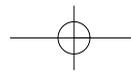
By Order of the Board

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.





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 Rathi.

Mr. Bhawani Shankar Rathi 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

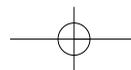
The purpose of the issue of the Equity shares is to fund capital expenditure and working capital requirements as well as to keep the borrowed funds to minimum level.

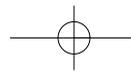
ii) Upfront payment for allotment of Share and other conditions

- 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.




ANNUAL REPORT 2007-2008
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

vii) Lock-in period:

The Equity Shares issued shall be subject to lock-in as per the applicable SEBI Guidelines in this behalf for the time being in force.

viii) Change in the control or composition of the Board:

There will be no change in the control of the Company on account of the proposed preferential allotment. However, there will be corresponding changes in the shareholding pattern as well as voting rights consequent to the allotment of Equity Shares issued on preferential basis.

ix) Price at which allotment is proposed:

The Preferential Issue of 1,25,000 Equity Shares of Rs. 10/- each shall be for cash at a premium of Rs. 15/- per Share in compliance with DIP Guidelines and in the manner as may be decided by the Board in this behalf. A copy of the Statutory Auditor's Certificate to the effect that the issue of the subject shares is being made in accordance with Clause 13.5.1 of the DIP Guidelines will be laid before the Meeting for inspection by shareholders.

Section 81(1A) of the Companies Act, 1956 and SEBI (DIP) Guidelines for Preferential Issues inter-alia provides that further issue of shares to persons other than the equity shareholders require approval of members. Consent of the members is therefore sought to authorize the Board of Directors to issue Equity Shares as set out in the Resolution at item No. 8 of the Notice.

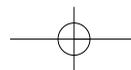
The Board recommends the Resolution as set out at item No. 8 of the Notice for the approval of members.

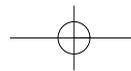
Mr. Vijay Maheshwari, Mr. Bijay Murmuria and Mr. Bhawani Shankar Rathi, Directors, may be considered interested in the Resolution to the extent of Shares proposed to be allotted to them or their relatives. None of the other Directors of the Company is concerned or interested in the said Resolution.

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

By Order of the Board

Deb Kumar Sett
Company Secretary





CERTIFICATION BY CFO OF THE COMPANY

I, Bhawani Shankar Rathi, Wholetime Director and Chief Financial Officer, to the best of my knowledge and belief, certify that:

1. I have reviewed the Balance Sheet as at 31st March, 2008 and Profit & Loss Account, and all its Schedules and Notes on Account, as well as the Cash Flow Statements and Directors' Report for the year ended on that date.
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or does not contain any statement that might be misleading.
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all materials respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this Report and are in compliance with the existing Accounting Standards and/or applicable laws and regulations;
4. To the best of my knowledge and belief, no transactions entered into by the Company during the aforesaid period are fraudulent, illegal or violative of the Company's Code of Conduct.
5. I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and I have -
 - a. Evaluated the effectiveness of the Company's disclosure, controls and procedures over financial reporting, and
 - b. Disclosed in this report any change in Company's internal control over financial reporting that occurred during the Company's most recent accounting period that may have materially affected, or is reasonably likely to affect, the Company's internal control over financial reporting.
6. I have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors:
 - a. All deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors, any material weakness in internal control over financial reporting including any corrective actions with regard to such deficiencies, if any;
 - b. Significant changes in internal controls during the period covered by this report, if any;
 - c. All significant changes in accounting policies during the period, if any, and that the same have been disclosed in the notes to the financial statements.
 - d. No instances of significant fraud of which I am aware, involving management or other employees who have significant role in the Company's internal controls system.
7. I further declare that all board members and senior management personnel have affirmed compliance with the Code of Conduct (since its adoption) during the period under review.

Place : Kolkata

Date : June 21, 2008

Bhawani Shankar Rathi

Wholetime Director & Chief Financial Officer

DIRECTORS' REPORT TO THE SHAREHOLDERS



Your Directors present their 19th Annual Report and the Audited Accounts for the financial year ended 31.03.2008.

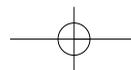
	(Rs. in Lacs)	
	Year ended 31.03.2008	Year ended 31.03.2007
Total Income	775.70	459.08
Cash Profit	298.62	147.23
Less : Depreciation	22.83	18.85
Profit before tax	275.79	128.38
Less : Provision for taxation (net)	86.00	35.00
Less : Provision for Fringe Benefit Tax	4.45	3.21
Add / (Less) : Deferred Tax	(4.88)	(4.29)
Add / (Less) : Tax for Earlier years	(0.17)	(0.44)
Profit after tax	180.29	85.44
Add : Surplus brought forward	152.12	113.72
Balance available for appropriation	332.41	199.16
APPROPRIATION		
Less : Amortisation of Goodwill	8.19	8.19
Provision for Dividend (Including Dividend Tax)	54.40	38.86
Balance carried to Balance Sheet	269.82	152.1

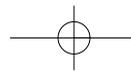
OPERATIONAL REVIEW

During the year under review your Company achieved new height in all areas and achieved highest ever income from both segments i.e. Investment banking and Securities Dealing. Total Income from Operations increased by more than 80% to Rs. 758.76 lacs as against Rs. 419.73 lacs during the previous year. Your Company continued its focus on fee based activities (Loan Syndication and Project Consultancy Services) and income there from was to Rs. 447.41 lacs as against Rs. 261.82 lacs during the previous year (70.88% increase).

Income from Capital Market Operation was Rs. 311.35 lacs as against Rs. 157.91 lacs during the previous year (97.16% increase).

Income from other sources was at Rs. 16.95 lacs as against Rs. 39.36 lacs during the previous year.





ANNUAL REPORT 2007-2008

INVESTMENT BANKING

The Company continues to concentrate on its greatest strength arising out of loan syndication, equity placement and project consultancy services. The Company is consolidating its positions and targeting larger sized projects and assignments for accelerated growth of this Segment. Your Company has added many new clients during the previous year. During the current year it continues to make endeavor to add more new clients.

SECURITY DEALING

The Company is enlarging its business in this segment with operations spread out to Branches with emphasis on institutional sales. A dedicated research desk is also in the making. Your Company is in the process of commencing Online Broking and Depository Services.

DIVIDEND

Taking into consideration the overall profitability position, the Board of Directors is pleased to declare a dividend of 7% during the year under review.

BUSINESS OUTLOOK

The Indian economy has witnessed bountiful years in last 4 years which is demonstrated by 9% GDP growth. There have been some concerns due to apprehension of economy slow down, high inflation rate, global turmoil in financial sector, rising crude prices and falling market. However, your Company believes that long term growth story of Indian economy is intact and there will be lot more opportunities for financial services both in debt side and equity side. SFSL with its multiple-products geographical spread and strong client base is well positioned to seize such opportunities and hopes to have even better performances.

DIRECTORS

In terms of Article 145 of the Articles of Association of the Company, Mr. Ratan Lal Gagar and Mr. Anil Kumar Birla, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting. Brief resume of the Directors proposed to be reappointed, 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 Agreements with the Stock Exchanges, are provided in the Report on Corporate Governance.

The Company has obtained necessary intimations from them in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956), Rules, 2003 to the effect that they have not incurred any disqualification under Section 274(1)(g) of the Companies Act, 1956 and they are eligible to be appointed as Directors of the Company.

Mr. Prakash Kumar Biyani has resigned from the Board of Directors of the Company with effect from 20-May-08 due to personal pre-occupations. Approval of NSE/SEBI for the change is awaited. Your Directors acknowledge his valuable services to the Company.

CEO/CFO REPORT ON ACCOUNTS

As required under revised Clause 49 of the Listing Agreement, the CEO/CFO's Report on the Accounts is attached.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956 your Directors declare:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2008 and profit of the Company for that year;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

Messrs. ARSK & Associates, Chartered Accountants, Kolkata, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

BRANCH AUDITORS

M/s. Prakash Modi & Associates, Chartered Accountants, Mumbai, the retiring Branch Auditors (for Mumbai Branch Office) retire at the conclusion of the forthcoming Annual General Meeting. Being eligible they have offered themselves for re-appointment.

SUBSIDIARY

Pursuant to Section 212 of the Act the audited statement of accounts of SFSL Commodity Trading Pvt. Ltd. (SCT) along with the Report of the Board of Directors and Auditors' Report thereon for the year ended 31st March, 2008, is annexed.

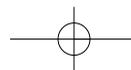
SCT is a Trading-Cum-Clearing Member of Multi Commodity Exchange of India Ltd., Mumbai that offers dealing facility in various commodities and also derivatives thereof.

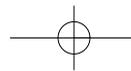
CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates, the audited Consolidated Financial Statements are provided in the Annual Report.

STOCK EXCHANGE LISTINGS

The Equity Shares of the Company are listed on the Stock Exchanges at Kolkata and Mumbai. Annual Listing Fees to both of them were paid in time.





ANNUAL REPORT 2007-2008

EMPLOYEES STOCK OPTION SCHEME

Members' approval was obtained at the Annual General Meeting held on August 11, 2007 for introduction of SFSL Employee Stock Option Scheme, 2007 (ESOP).

ESOP was approved and is being implemented by the Company in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI Guidelines'). The Compensation Committee, constituted in accordance with the SEBI Guidelines, administers and monitors the Scheme.

The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2008 are given below:

1.	Options Granted	1,16,000
2.	Exercise Price – to be decided by the Compensation Committee in compliance with statutory guidelines	Rs. 10.00
3.	Options Vested	Nil
4.	Options Exercised	Nil
5.	The total number of shares arising as a result of exercise of Options	Nil
6.	Options Lapsed	Nil
7.	Variation in terms of Options	Nil
8.	Money realised by exercise of Options	Nil
9.	Total number of Options in force	1,16,000
10.	Employee wise details of Options granted to:	
	i. Senior Management Personnel	Details in Appendix - I
	ii. Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during that year	Nil
	iii. Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
11.	Diluted Earnings Per Share (EPS) before exceptional items pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'	Rs. 2.72
12.	Method of calculation of employee compensation cost	Intrinsic Value Method
13.	Difference between the employee compensation cost so computed in 12 above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options	*
14.	Exercise price of the Options	Rs. 8.62
15.	The impact of this difference on profit and on EPS of the Company	*
16.	Fair value of each Options based on Black Scholes Methodology	

* Since both the Fair Value and Intrinsic Value of the shares to be issued are less than the Exercise Price of the Option, there shall not be any impact on profit and on EPS of the Company.

APPENDIX - I

List of senior management personnel to whom Stock Options were granted during the year:

Name of the person	Designation	Stock Options
Dr. Basudeb Sen	Independent Director	4,000
Mr. Rajeev Tandon	Independent Director	4,000
Mr. Anil Kumar Birla	Independent Director	4,000
Mr. Deb Kumar Sett	Company Secretary & Compliance Officer	2,000
Mr. Soumendra Poddar	Vice President - Broking	2,000
Mr. Ajay Kumar Laddha	Vice President - Investment Banking	2,000
Mr. Rajendra Prasad Sharma	Assistant Vice President	2,000
Mr. Bijoy Kamal Haldar	Assistant Vice President	2,000

The Company has received a certificate from the Auditors of the Company that the Scheme has been/is being implemented in accordance with the SEBI Guidelines and the resolution passed at the Annual General Meeting held on August 11, 2007. The Certificate would be placed at the Annual General Meeting for inspection by members.

CORPORATE GOVERNANCE

Your Company has implemented all the applicable provisions of "Corporate Governance" as provided in the Listing Agreement. A separate Report of the Board of Directors on Corporate Governance is annexed hereto as Annexure - 'A' along with Auditor's Certificate for its due compliance of conditions of Corporate Governance as Annexure - 'B' respectively as part of the Annual Report.

INVESTORS' GRIEVANCE COMMITTEE

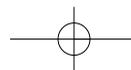
Investors' Grievance Committee consists of two Independent Directors i.e. Mr. Rajeev Tandon and Mr. Anil Kumar Birla and have powers in terms of Clause 49 of the Listing Agreement (as modified from time to time). Besides, the Company Secretary & Compliance Officer is also authorised to take all required steps with regard to routine problems.

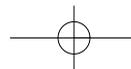
MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis have been appended to this Report in terms of the listing Agreement as Annexure - C.

STATUTORY INFORMATION

- Conservation of Energy/Technology Absorption/Foreign Exchange Earning & Outgo:**
Information pertaining to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.





ANNUAL REPORT 2007-2008

**Sumedha
Fiscal
Services
Limited**



Earning and Outgo in foreign currency during the year:

During the year foreign exchange outgo was Rs. 122,025/- (previous year Rs. 75,050/-) by way of traveling expenses for the purpose of business development. Foreign exchange earning for the said period was Nil.

2) Deposit

The Company is not holding any Public Deposit and has complied with all relevant statutory formalities.

3) Personnel

There was no employee in receipt of remuneration coming under purview of Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, as amended.

None of the employees of the Company is holding two per cent or more of the Equity Shares of the Company in terms of Section 217(2A)(a)(iii) of the Act.

4) Cash Flow Statement for the year ended 31st March, 2008 pursuant to Clause 32 (as amended) of the Listing Agreements with Stock Exchanges is annexed herewith.

APPRECIATION

We acknowledge our appreciation to shareholders, Bankers, National Stock Exchange, OTC Exchange of India and Clients for their continued support. The Board also takes this opportunity to express its whole-hearted appreciation of the efforts put in by the employees at all levels.

On Behalf of the Board

Kolkata
June 21, 2008

R. L. Gaggar
Chairman

Annexure - A

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Your Company has been practicing the principle of good Corporate Governance since inception. In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, the details of Corporate Governance compliance by the Company are as under :

I) COMPLIANCE OF MANDATORY REQUIREMENTS:

The Company is fully compliant with the applicable mandatory requirements of Clause 49 of the listing agreement entered with stock exchange(s). For detailed compliance with each requirement (mandatory) of Clause 49 please refer to 'Annexure-A.1' Clause 49-Compliance Status relevant to the financial year 2007-08.

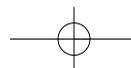
A. Company's philosophy of Corporate Governance

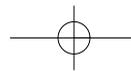
The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself to increasing long-term shareholders' values keeping in view the needs and interest of all its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

B. Board of Directors

i) The Company has a broad-based Board comprising of 9 (nine) Directors, out of which 6 (six) are non-executive Directors.

Directors	Mode of Directorship (Non-Executive /Independent)	No. of outside Directorship held (excluding**)	Outside Committee# (excluding**)		No. of Shares held
			As Chairman	As Member	
Mr. R. L. Gaggar, Chairman	Non-Executive/ Independent	12	-	11	15,000
Dr. Basudeb Sen +	Non-Executive/ Independent	5	4	6	-
Mr. Vijay Maheshwari	Non-Executive/ Promoter	1	-	-	15,37,220
Mr. Rajeev Tandon	Non-Executive/ Independent	2	-	-	1,000
Mr. Anil Kumar Birla ++	Non-Executive/ Independent	-	-	-	2,000
Mr. Bijay Murmuria	Non-Executive/ Promoter	1	-	-	3,44,920
Mr. B. S. Rath, Wholetime Director (Chief Financial Officer)	Executive/Promoter	2	-	-	94,270
Mr. Ashish Mittal, Wholetime Director @	Executive	-	-	-	2,86,600
Mr. Pawan Kumar Agarwal, Wholetime Director @	Executive	-	-	-	2,74,300





ANNUAL REPORT 2007-2008

- + Appointed with effect from 28/12/2005 and awaiting approval of NSE
- ++ Appointed with effect from 30/11/2005 and awaiting approval of NSE
- @ Resignation from the Board submitted and awaiting approval of NSE for compliance of formalities under the Companies Act, 1956 and Listing Agreement.
- ** Foreign Companies, Private Companies and Companies under Section 25 of the Companies Act, 1956.
- # The Audit Committee, Management Committee, the Shareholders' Grievances Committee and Remuneration Committee are considered for this purpose.

'Independent Director' is defined as one, who, apart from receiving fees as a Director and Directors Commission, does not have any other material pecuniary relationship or transactions in his/her personal capacity with the Company, its promoters, its management or its subsidiaries. The Non-Executive Directors have no material pecuniary relationships or transactions with the Company in their personal capacity. The Company's Chairman is a Non-Executive Director and Independent Directors comprise more than one-third of the Board strength.

- ii) Change in composition of the Board of Directors since the last Report : Mr. Prakash Kumar Biyani, Independent Director resigned with effect from 20th May, 2008 subject to approval of NSE.
- iii) Attendance of Directors in Meetings held during the year 2007-08:
The Board met 5 times during the year under consideration on the following dates:
21-04-2007, 16-06-2007, 28-07-2007, 27-10-2007 and 23-01-2008.

Attendance Record of	Board Meeting	AGM on 11-08-2007
Mr. R. L. Gaggar	4	Yes
Dr. Basudeb Sen	3	Yes
Mr. Vijay Maheshwari	5	Yes
Mr. P. K. Biyani	5	Yes
Mr. Rajeev Tandon	5	Yes
Mr. Anil Kumar Birla	1	No
Mr. Bijay Murmuria	5	Yes
Mr. B. S. Rathi	5	Yes
Mr. Ashish Mittal *	0	No
Mr. Pawan Kumar Agarwal *	0	No

* Since resignation submitted

C. Audit Committee

i) Terms of Reference:

The Audit Committee has been mandated with the same terms of reference as specified in

Clause 49 of the Listing Agreement with Stock Exchanges and covers all the aspects stipulated by the SEBI Guidelines. The current terms of reference also fully conform to the requirements of Section 292A of the Companies Act, 1956.

ii) Composition, Name of Members and Chairman:

The Audit Committee consists of three Non-executive Directors. During the financial ended 31.03.2008 five Meetings were held on 12/05/2007, 15/06/2007, 27/07/2007, 27/10/2007 and 23/01/2008. The composition of the Audit Committee and attendance of each Director at these meetings are as follows :-

Sl.No.	Members	Meeting attended
1.	Mr. Rajeev Tandon, Non-Executive/Independent (Chairman)	All
2.	Mr. Bijay Murmuria, Non-Executive	All
3.	Mr. Prakash Kumar Biyani, Non-Executive/ Independent [resigned on 20-May-08]	All

iii) Company Secretary:

Mr. Deb Kumar Sett, Company Secretary, is the Secretary of the Audit Committee.

iv) Invitees:

Statutory Auditors, Internal Auditors, Wholetime Directors and Executives responsible for finance and accounts functions are permanent invitees to the Audit Committee Meetings.

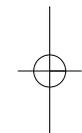
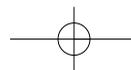
D. Remuneration Committee

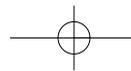
The broad terms of reference of the Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executives and Executive Directors are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity(ies).

Mr. Rajeev Tandon (Independent /Non-Executive Director) is the Chairman of the Remuneration Committee and Mr. Vijay Maheshwari and Mr. Bijay Murmuria (both Non-Executive Director /Promoter) are the other members of the Committee.

During the year the Remuneration Committee met on 15th June, 2007 to consider and approve the "SFSL Employee Stock Option Scheme, 2007" and all the members of the Committee attended the meeting.

The Remuneration Committee also met on June 21, 2008 to consider and approve re-appointment and payment of remuneration of Mr. Bhawani Shankar Rathi as Wholetime Director of the Company for a period of 3 years.





ANNUAL REPORT 2007-2008

Service contract and other particulars:

The appointment of the Wholetime Director is governed by the resolution passed by the Board and the Shareholders of the Company, which covers terms and conditions of such appointment.

There is no separate provision for payment of severance fee under the resolution governing the appointment of the Wholetime Director. The statutory provisions will however apply.

Non-executive Directors are entitled to sitting fees for attending meetings of the Board and Committees thereof, which are presently Rs. 2,000/- for each meeting of the Board and Committees. However Directors have foregone their fees for attending the respective meetings held during the year under consideration.

Employees Stock Option Scheme

Status of Acceptance of Grants for SFSL Employee Stock Option Scheme, 2007:

Category		No. of Applicants
Directors –	:	3
Dr. Basudeb Sen- 4,000 Options		
Mr. Rajeev Tandon - 4,000 Options		
Mr. Anil Kumar Birla - 4,000 Options		
Employees – Sumedha Fiscal Services Ltd.	:	48
Employees – SFSL Commodity Trading Pvt. Ltd. (Subsidiary)	:	3
Total		54
Total No. of Grants offered		152000
Total No. of Grants accepted		116000

The details of Remuneration to Directors are as under:

Sl. No.	Name of Directors	Sitting Fees for Board Meetings*	Commission	Salary & Perks	Total
1.	Mr. R. L. Gaggar	-	-	-	-
2.	Dr. Basudeb Sen	-	-	-	-
3.	Mr. Vijay Maheshwari	-	1,25,000 **	-	1,25,000
4.	Mr. P. K. Biyani	-	-	-	-
5.	Mr. Rajeev Tandon	-	-	-	-
6.	Mr. Anil Kumar Birla	-	-	-	-
7.	Mr. Bijay Murmuria	-	1,25,000 **	-	1,25,000
8.	Mr. B. S. Rathi	-	-	5,61,650	5,61,650
9.	Mr. Ashish Mittal	-	-	-	-
10.	Mr. Pawan Kumar Agarwal	-	-	-	-
	Total	-	2,50,000	5,61,650	8,11,650

* Includes fees for Committee Meetings ** Guarantee Commission not requiring approval from Shareholders/Central Government.

E. Shareholders' Committee (Management Committee)

i) The Shareholders' Committee (Management Committee) consisting of –

Mr. Vijay Maheshwari, Mr. Rajeev Tandon and Mr. Bijay Murmuria, headed by Mr. Bijay Murmuria. It deals with the approval of transfer and transmission of shares, issue of duplicate Certificate(s)/advices and other shareholder related issue, in addition to general financial matters.

The Committee met 32 times during the year under review.

ii) The Company also has an "Investors' Grievances Committee" comprising of two Independent Directors i.e. Mr. Rajeev Tandon and Mr. Prakash Kumar Biyani. Mr. Prakash Kumar Biyani has resigned on May 20, 2008 and Mr. Anil Kumar Birla has been co-opted in his place. The Investors' Grievance Committee met 4 times on 20/04/2007, 26/07/2007, 25/10/2007 and 21/01/2008 to note the Status of the Complaint Lodged with the Company and STA. The Complaints were redressed by the Share Transfer Agent (STA) of the Company and Company Secretary and Compliance Officer of the Company has been authorised in this behalf. There is no investor's complaint pending to be resolved by the Company.

Share Transfers:

- All shares have been transferred and returned within the prescribed time limit provided the documents were complete.
- Total Number of shares transferred (Physical) during the year 2007-08 was 38,035 shares.
- There were no Shares pending for transfer at the end of the year 2007-08.

iii) Mr. Deb Kumar Sett, Company Secretary is the "Compliance Officer" of the Company for Compliance of the requirements under the Listing Agreements with Stock Exchanges.

F. Code of Conduct

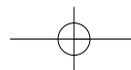
The Company has already adopted a Code of Conduct which was made applicable to all its Directors, whether executive or non-executive and all Senior Management Personnel of the Company. All Board members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct during the year ended 31st March, 2008. A declaration to this effect that all the Board members and Senior Management Personnel have complied with the Company's Code of Conduct during the said period and duly signed by the Whole-time Director and CFO of the Company, forms part of this Report. The aforesaid Code of Conduct has been posted on the website of the Company.

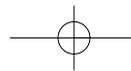
Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2008.

Bhawani Shankar Rathi
Chief Financial Officer &
Wholetime Director

Kolkata, 21st June, 2008





ANNUAL REPORT 2007-2008

G. Subsidiary Companies

The Subsidiary of the Company does not come under the purview of the "material non-listed subsidiary." However, one independent director has been appointed on the Board of the Subsidiary Company and particulars of significant transactions and arrangements entered into by the Unlisted Subsidiary with this Company are placed before the meeting of the Board of Directors of the Company.

H. General Body Meeting

i) Details of Annual General Meetings (AGMs)

AGMs	Date of AGMs	Location	Time
16th	03/09/2005	Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani,	10.00 a.m.
17th	16/09/2006	Kolkata - 700001	10.30 a.m.
18th	11/08/2007		10.30 a.m.

ii) No. of special resolutions passed in previous 3 AGMs :-

AGM	No. of Special Resolutions passed
16th	Nil
17th	Nil
18th	2

iii) All special resolutions moved at the last Annual General Meeting were passed by a show of hands by the shareholders present at the meeting and no resolutions were required to be passed by postal ballot. During the year under review, no resolution was passed by Postal Ballot.

iv) Resume and other information of the Directors retiring by rotation and getting re-appointed as required to be disclosed under Clause 49.IV.(E) of the Listing Agreement is as under :-

a)	Mr. Ratan Lal Gaggar	- as per Annexure – A.2
b)	Mr. Anil Kumar Birla	- do-
c)	Mr. Bhawani Shankar Rathi	-do-

I. Disclosures

i) Disclosure on materially significant related party transactions:

Details of related party transactions during the year have been set out under Note No. 13.B of Schedule No. 14 of the Annual Accounts. However they are not having any potential conflict with the interest of the Company at large.

ii) The financial statements for the year 2007-2008 have been prepared in accordance with the applicable accounting standards prescribed by the Institute of Chartered Accountant of India and there are no deviations.

iii) The Company has laid down procedures to inform the Board of Directors about the Risk Assessment and Minimization Procedures.

iv) Public, Rights and other Issues : During the year 2007-2008, the Company did not make any public, rights or any other issue of securities.

v) Details of Non-Compliance by the Company, penalties, stricture imposed on the Company by the Stock Exchanges, SEBI or by any statutory authorities or any matter related to Capital markets during last 3 years :

The Company complied with all the requirements of the listing agreements with the Stock Exchanges. Listing Fees for the financial year 2007-2008 has been paid to all the Stock Exchanges within prescribed time limit.

vi) Whistle Blower Policy – The Company is having a policy commensurate with its size and nature of activities.

vii) There was no non-compliance by the Company on any matters including compliances pursuant to Corporate Governance as well as Listing Agreement during the year under consideration.

J. CEO/CFO Certification

Mr. Bhawani Shankar Rathi, Wholetime Director and acting as Director-in-Charge of Finance u/s 292A(5) of the Companies Act is designated as the Chief Financial Officer (CFO). The Company does not have a Managing Director/CEO and the responsibilities connected therewith are looked after by and reported to the Board by Mr. Bhawani Shankar Rathi, CFO as referred to in Clause 49(V) of the Listing Agreement.

K. Means of Communication

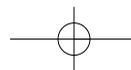
i) Financial Results and Annual Reports etc. :

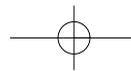
The Quarterly and Half -yearly Unaudited Financial Results and the Annual Audited Financial Result as taken on record or approved by the Board of Directors of the Company are published within the prescribed period in leading national Newspapers, i. e. The Financial Express (English) and Kalantar/Aajkaal (Bengali) and also sent immediately to all the Stock Exchanges with which the Shares of the Company are listed. The financial results are uploaded to SEBI's Electronic Data Information Filing and Retrieval System (EDIFAR) website as well as to the Company's website. The Company is not in practice of sending Half-yearly/Quarterly Report to each household shareholders.

The Company has its own web-site www.sumedhafiscal.com wherein official news release and other related information are available. The Company also makes public the information relating to the Company's working from time to time.

Notice convening Annual General Meetings and Extra-Ordinary General Meetings are sent to the members at their respective addresses registered with the Company.

The Code of conduct with regard to the Directors and Senior Management Personnel as well as the Code of Conduct for prevention of Insider Trading has been uploaded at the Company's website.





ANNUAL REPORT 2007-2008

ii) Management Discussion and Analysis Report:

The Management Discussion and Analysis Report forms part of the Annual Report.

L. General Shareholder Information

i) Next Annual General Meeting :

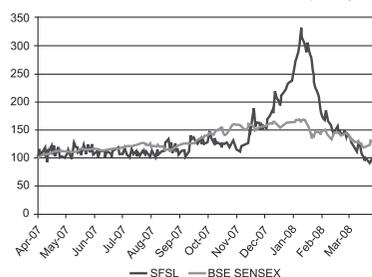
Date	Time	Venue
20th September, 2008	10.30 a.m.	Merchants' Chamber of Commerce, 15B Hemanta Basu Sarani, Kolkata - 700001

ii) Financial Calendar (tentative) for the year 2008-09 :

	Financial Reporting and Limited Review Report	Date of submission to Stock Exchange
•	For Quarter ending 30th June, 2008	4th Week of July, 2008
•	For Quarter/Half year ending 30th September, 2008	4th Week of October, 2008
•	For Quarter ending 31st December, 2008	4th Week of January, 2009
•	Financial Reporting (Audited) for the year ending 31st March, 2009	3rd Week of June, 2009

- iii) **Next date of Book Closure:** 16th September, 2008 to 20th September, 2008 (both days inclusive).
- iv) **Date of Dividend payment:** On or after 20th September, 2008, but within the statutory time limit of 30 days.
- v) **Information pertaining to the Stock Exchanges:**
- Listing on Stock exchanges
 - The Calcutta Stock Exchanges Association Ltd., 7, Lyons Range, Kolkata - 700001.
 - Bombay Stock Exchange Ltd, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
 - Stock code for:

Calcutta Stock Exchange	(S-093)
Bombay Stock Exchange	(30419)
 - ISIN No. for the Company's Ordinary Shares in Demat Form : INE886B01012
 - Depository Connectivity : NSDL and CDSL
- vi) **Performance in comparison to broad based indices:** Company's Share Price versus BSE Sensex



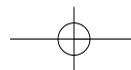
Note : Share prices and BSE Sensex indexed to 100 as on first working day of the financial year 2007-2008

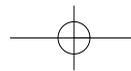
vii) Stock Market Price Data :

Period	Calcutta Stock Exchange		Bombay Stock Exchange	
	High	Low	High	Low
April, 2007	-	-	10.40	7.35
May, 2007	-	-	10.95	7.32
June, 2007	-	-	10.75	6.53
July, 2007	-	-	9.99	7.20
August, 2007	-	-	11.40	7.89
September, 2007	-	-	11.85	8.00
October, 2007	-	-	12.90	8.20
November, 2007	-	-	16.00	8.26
December, 2007	-	-	19.50	12.06
January, 2008	-	-	27.80	14.85
February, 2008	-	-	15.51	10.75
March, 2008	-	-	11.65	7.19

- viii) **Buy-back of Shares:** During the year under consideration the Company did not have any scheme for Buy-back of shares.
- ix) **Share Transfer System (Physical Shares):** Share transfers are registered within the statutory time limit of one month from the date of receipt provided the documents are complete in all respect. All the share transfers (physical) are approved by the "Management Committee / Share Transfer Committee".
- x) **Registrar and Transfer Agent:** M/s Maheshwari Datamatics Pvt. Ltd. (Unit : Sumedha Fiscal Services Ltd.), 6 Mangoe Lane, 2nd Floor, Kolkata - 700 001. Phone: 033-2243-5809/5029. Fax No.: 033-2248-4787, Email : mdpl@cal.vsnl.net.in (MDPL) has been appointed as Registrar and Share Transfer Agent of the Company with effect from May, 2003 for both the physical and demat shares.
- xi) **Distribution of shareholding as on 31st March, 2008:**
- According to category of holding (as on 31/03/2008):

Category	No. of Shares	% of holding	Held in Demat Form	% in Demat Form
Promoters (Individual & Bodies Corporate)	3509260	52.83	2795660	42.08
Mutual Funds	274200	4.13	-	-
Bodies Corporate (Non-promoter)	855762	12.88	712362	10.72
Indian Public	1994867	30.03	1636143	24.63
NRI/OCBs	8851	0.13	4951	0.08
Total	6642940	100.00	5149116	77.51





ANNUAL REPORT 2007-2008

b) According to number of Shares held (as on 31/03/2008):

No. of Shares	No. of Shareholders	% of Shareholders	Shares held	% of Shareholding
1-500	1146	66.86	274284	4.13
501-1000	226	13.19	191575	2.88
1001-2000	134	7.82	219769	3.31
2001-3000	54	3.15	139070	2.09
3001-4000	30	1.75	109879	1.66
4001-5000	22	1.28	107064	1.61
5001-10000	43	2.51	324583	4.89
10001 and above	59	3.44	5276716	79.43
	1714	100.00	6642940	100.00

c) Equity History

Sl. No.	Date of Allotment	No. of Shares
1.	28-08-89	200
2.	26-08-91	30000
3.	01-03-93	237950
4.	25-03-94	86500
5.	03-11-94	690000
6.	12-05-95	395950
7.	27-08-99	1638340*
Total		6642940

* Issued to shareholders of erstwhile Capital Resources International Ltd. pursuant to Order of Hon'ble High Court at Calcutta approving the Scheme of Amalgamation.

xii) Dematerialised of shareholding and liquidity:

As per SEBI's Guidelines, your Company's Equity Shares are compulsorily traded in Dematerialised Form for all the investors. 51,49,116 shares were in dematerialised form representing 77.51% of the total Equity Shares as on 31st March, 2008.

As per agreements of the Company with NSDL and CDSL, the Investors have an option to dematerialize the Equity Shares with either of the Depositories.

xiii) Outstanding GDRs/ADRs/warrant or any convertible instruments, conversion date and likely impact on equity : not applicable

xiv) **Insider Trading:** The code of Internal Procedure & Conduct and Code of Corporate Disclosure Practices under the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended is already in force.

xv) Location of Branches :

Mumbai	New Delhi	Bangalore	Chennai
107/108, Siddivinayak Annexe, Sitaram Jadav Marg. Near Railway Station, Lower Parel, Mumbai - 400 013	B1/12 Safdarjung Enclave, 2nd Floor New Delhi - 110 029	First Floor, Park Plaza, No. 1 Park Road, (Off. Infantry Road), Tasker Town, Bangalore - 560 051	2B Park Centre, 25 Venkatanarayana Road, T. Nagar, Chennai - 600 017
Hyderabad	Jaipur	Ahmedabad	Guwahati
3rd floor, Lumbini Arcade, Begumpet Hyderabad - 500016	36-A Suraj Nagar (East) Civil Lines, Jaipur - 302 006.	A/82, Pariseema Complex, Opp. IFCI Bhavan, C. G. Road, Ahmedabad - 380 009	303 Royal Plaza Christian Basti Opp. International Hospital Guwahati - 781 005

xvi) Whom and where to contact for share and related services:

a) For routine matters

Any assistance regarding Shares Transfers and transmissions, change of address, non-receipt of dividends duplicate/ missing share certificates, demat and other matters, please write to or contact at the address given below :-

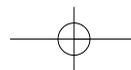
Company Secretary, Sumedha Fiscal Services Ltd.
8B, Middleton Street, 6A, Geetanjali, Kolkata - 700 071

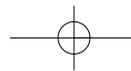
or

Registrar and Share Transfer Agent :-
Maheshwari Datamatics Pvt. Ltd.
(Unit : Sumedha Fiscal Services Ltd.)
6, Mangoe Lane, 2nd Floor,
Kolkata - 700 001
Phone : 033-2243-5809/5029, Fax : 033-2248-4787
Email : mdpl@cal.vsnl.net.in

b) For Redressal of Complaints and Grievances:

Company Secretary
Sumedha Fiscal Services Ltd.
8B, Middleton Street,
6A, Geetanjali, Kolkata - 700 071.
Phone: 033-2229-8936/3237, Fax : 033-2226-4140
Email : kolkata@sumedhafiscal.com




ANNUAL REPORT 2007-2008
xvii) Shareholders' Complaints and Redressal during 1st April, 2007 to 31st March, 2008

Complaints/ Grievance	Dividend	Share Certificate	Annual Report	Total
Redressal under process at the beginning of the year	-	-	-	-
Complaints received during the year	1	2	1	4
Complaints attended to / Redressal	1	2	1	4
Redressal under process at year end	-	-	-	-

M Adoption of non-mandatory requirements under Listing Agreement
i) Remuneration Committee:

The details pertaining to Remuneration Committee have been provided in Para No. D of this Report.

ii) Shareholders Rights:

The Company's quarterly and half – yearly and yearly results are published in newspapers and hosted on Company's website i.e. www.sumedhafiscal.com and no individual communications are sent to Shareholders. The Company is also updating from time to time the information, statements and reports at the SEBI CFDS (previously EDIFAR) site in compliance with Clause 52 (previously Clause 51) of the Listing Agreement.

iii) Audit Qualifications:

There are no audit qualifications in the Auditors' Report on the Accounts for the year 2007-08.

iv) Whistle Blower Policy:

It has already been taken care under Para No. I.(vi) of this Report.

v) Others:

The Company has not adopted Point Nos. 5, and 6 specified in Annexure – I-D to the Clause No. 49 of the Listing Agreement.

On Behalf of the Board

R. L. Gaggar
Chairman

Kolkata
June 21, 2008

Annexure - A.1
**CLAUSE 49-COMPLIANCE STATUS RELEVANT TO
THE FINANCIAL YEAR 2007-08**
BOARD OF DIRECTORS
**Clause 49 (IA) Composition of Board of Directors
Standard**

The Board of the Company should have optimum combination of Executive and Non-Executive Directors. However, not less than 50 per cent of the Board of Directors should comprise Non-Executive Directors.

If the Chairman of the Board is an Executive Director, at least half of the Board should comprise of Independent Directors. Provided that where the Non-Executive Chairman is a promoter of the Company or is related to any promoter or person occupying management positions at the Board level or one level below the Board, at least one half of the Board of the Company shall consist of Independent Directors.

Our practice

- The total strength of the Board of the Company is 7 Directors.
- Composition:
Executive Director/Promoter: 1 (14.29%)
Non-Executive Directors/ Promoter: 2 (28.57%)
Non-Executive Independent Directors: 4 (57.14%)
- The Chairman is a Non-Executive Independent Director.
- Out of 7 directors on the Board, 4 (57.14%) are Independent Directors.
- Directors, prior to their appointment on the Board of Directors as well as annually affirm their independence by way of a certificate to the Board. They are also required to disclose any transaction, which may impact their independent status.

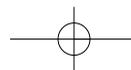
2 (two) Executive Directors have resigned on 16-May-2005 [hence excluded in calculating the total strength of the Board] and awaiting approval of NSE for compliance formalities under the Companies Act, 1956 and Listing Agreement.

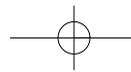
**Clause 49(IB) Non-executive directors' compensation and disclosures
Standard**

All fees/compensation paid to Non-executive Directors shall be fixed by the Board of Directors and shall require previous approval of Shareholders in General Meeting.

Our Practice

- Non-executive Directors are not entitled to any commission and they have foregone fees for attending the meetings of the Board of Directors and Committees during the year ended March 31, 2008.





ANNUAL REPORT 2007-2008

Clause 49(IC) Other provisions as to Board and Committees

Standard

There shall be at least four Board Meetings in a year with maximum time gap of not more than four months between any two meetings. Information given in Annexure-1A of clause 49 should be made available to the Board. The Board shall also review compliance report of all laws applicable to the company.

A Director shall not be a member in more than 10 committees or act as a chairman of more than five committees across all companies in which he is a Director. The Directors should annually inform the Company about the committees positions held by them in other companies.

Our practice

- During the year under review, the Board of the Company met 5 times and there was a maximum time gap of less than 91 days between two consecutive Board Meetings.
- The information regularly placed before the Board of Directors inter-alia includes the information given under Annexure-1A, wherever applicable.
- A Compliance Report, with respect to applicable laws, signed by the Wholetime Director and also Company Secretary & Compliance Officer, is placed before the Board on quarterly basis.
- None of the Directors of the Company is member of more than 10 committees or Chairman of more than five committees. An assurance in this regard is given by the Directors by way of certification to the Board.
- Company receives an annual certification by Director about the committee position he occupies in other companies. The Directors are also expected to notify changes when they take place.

Clause 49(ID) Code of Conduct

Standard

The Board shall lay down a Code of Conduct for all Board of Directors members and senior management of the Company and the same shall be posted on the website of the Company.

All Board members and senior management personnel shall affirm compliance with the code on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the CEO.

Our practice

- The Board has adopted a Code of Conduct for Directors and senior management personnel and this Code is available on the official website of the Company - www.sumedhafiscal.com
- All Directors and senior management personnel affirm compliance with the Code of Conduct of the Company on annual basis.
- A declaration in this regard duly signed by the Wholetime Director & Chief Financial Officer is published elsewhere in this Annual Report.

Audit Committee

Clause 49(II A) Qualified and Independent Audit Committee

Standard

The Company shall have an Audit Committee comprising not less than three members. All members of the Committee shall be financially literate and two third members shall be Independent Directors. The

Chairman of Committee shall be an Independent Director and should be present in AGM of the Company. At least one member of the Committee shall have accounting or related financial management expertise. The Committee may invite such executive, as it considers appropriate (particularly head of finance) to be present in meeting. The Company Secretary should act as Secretary to the Committee.

Our Practice

- Company has qualified and independent Audit Committee, which comprises of 3 members. All members of Audit Committee are Non-Executive and Independent.
- All members of Audit Committee are financial literate and have accounting/ financial management expertise.
 - a) Mr. Rajeev Tandon, Non-Executive/Independent Director (Chairman), Chartered Accountant (in Practice)
 - b) Mr. Bijay Murmuria, Non-Executive Director, Chartered Accountant (in Practice)
 - c) Mr. Prakash Kumar Biyani, Non-Executive/ Independent [resigned on 20-May-08]
 - d) Mr. Anil Kumar Birla, Non-Executive/ Independent, Chartered Accountant (in Practice) [appointed on 20-May-08]
- Senior Management personnel are invited to the meeting/discussion, whenever required by Audit Committee.
- The Company Secretary of the Company acts as a Secretary to the Audit Committee.

Clause 49 (II B) Meeting of Audit Committee

Standard

There should be at least four meetings of Audit Committee in a year and not more than four months shall elapse between two meetings. Two members or one third of the members of the Committee whichever is greater shall constitute quorum for the Meeting, but there should be minimum of two independent members present.

Our practice

- During the year under review, the Audit Committee met five times and there was a maximum gap of less than 92 days between two consecutive Audit Committee meetings.
- Requirement as to quorum had been complied with at every Audit Committee meeting.

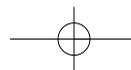
Clause 49 (II C) Powers of Audit Committee

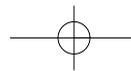
Standard

The Audit Committee shall have powers, which should include investigation of any matter within its terms of reference, to seek information from employees, obtain outside legal/professional advice and to secure the attendance of outsider, if necessary, in audit committee meeting.

Our practice

The powers of Audit Committee are in accordance with Clause 49 and have been duly approved by the Board of Directors of the Company.





ANNUAL REPORT 2007-2008

Clause 49 (II D) Role of Audit Committee

Standard

A comprehensive list of role of Audit Committee is provided under Clause 49 which inter-alia includes oversight and review of Company's financial reporting process, recommendation of appointment/re-appointment of statutory auditor and fees to be paid to them, review of quarterly and annual financial statements, performance of auditor, adequacy of internal control, functioning of whistle blower mechanism (in case the same is existing), etc.

Our practice

The role of the Audit Committee is in accordance with Clause 49 and has been duly approved by the Board of the Company.

Clause 49 (II E) Review of information by Audit Committee

Standard

The Audit Committee shall mandatorily review management discussion and analysis of financial condition and result of operation, significant related parties transactions, management letters/ letters of internal control weakness issued by the statutory auditors, internal audit reports relating to internal control weakness and appointment, removal and terms of remuneration of the Chief Internal Auditor.

Our practice

The Audit Committee reviews all information as stipulated under Clause 49.

Clause 49 (III) Subsidiaries Companies

Standard

This sub-clause requires representation of Company's Director on the Board of its material non-listed Indian subsidiary. It also prescribes for the review of financial statements of unlisted subsidiary by the Audit Committee. The minutes of the Board Meeting and a statement of all significant transaction and arrangements entered into by the unlisted subsidiary company is also required to be placed at the Board meeting of the listed holding company.

Our practice

- The Company has one Indian non-listed subsidiary company, SFSL Commodity Trading Private Ltd. Mr. Rajeev Tandon, an Independent Non-Executive Director on the Board of the Company is also a Director on the Board of SFSL Commodity Trading Private Ltd. non listed Indian subsidiary. Further, even though SFSL Commodity Trading Private Ltd. does not fall under the material non listed Indian subsidiary category, Mr. Rajeev Tandon, an Independent Non-Executive Director on the Board of the Company has been appointed as a Director on the Board of SFSL Commodity Trading Private Ltd.
- Financial Statements of Subsidiaries are reviewed by the Audit Committee
- Minutes of Subsidiaries are placed before the Board of Directors of the Company on regular basis.
- A statement of all significant transactions, if any, of the subsidiaries are also placed before the Board.

Disclosures: Clause 49 (IV A) Basis of related party transactions

Standard

Summary of transaction with related parties in ordinary course of business, material individual transactions with related parties which are not in the normal course of business and material individual transactions with related parties or others, which are not on an arm's length basis shall be placed before the Audit Committee on periodical basis.

Our practice

The related party transactions are placed before the Audit Committee on periodic basis.

Clause 49 (IV B) Disclosure of Accounting Treatment

Standard

If in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with proper management's justification.

Our practice

In preparation of financial statements for the year under review, treatment as prescribed in Accounting Standards have been followed, which has also been disclosed in the Notes to Accounts

Clause 49 (IV C) Board Disclosures-Risk Management

Standard

The Company shall lay down procedures to inform Board of Directors members about the Risk Assessment and Minimization Procedures. These procedures shall be periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Our practice

The Company has framed a Risk Management Procedure, which contains the procedure as to assessment of risks and their minimization. All designated officials submit need-based reports, which is reviewed periodically to ensure effective risk identification and management. The Audit Committee and Board review such risk management and minimization procedures on periodic basis.

Clause 49 (IV D) Proceeds from public issue, rights issue, preferential issue etc.

Standard

When money is raised through an issue, it shall be disclosed to the Audit Committee, the uses/ applications of funds by major category (capital expenditure, sales and marketing, working capital, etc.), on a quarterly basis.

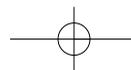
Our practice

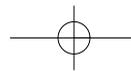
The Company has not made any public issue, right issue, preferential issue etc. during the year under review.

Clause 49 (IV E) Remuneration of Directors

Standard

All pecuniary relationships or transactions of the Non-Executive Directors' vis-à-vis the Company shall be





ANNUAL REPORT 2007-2008

disclosed in the Annual Report. Annual Report should also contain all details of remuneration of Directors including stock option, notice period, severance fees, etc. Criteria for making payment to Non-Executive Directors and number of shares and other convertible instruments held by them should be disclosed in Annual Report. Non-Executive Directors are required to disclose their shareholding in the listed company in which they are proposed to be appointed as directors, prior to their appointment.

Our practice

- All pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company, if any, have been disclosed in this Corporate Governance Report.
- Details of remuneration and other terms of Directors have been disclosed in the Corporate Governance Report.
- The shareholding of Non-Executive Directors being reappointed at the ensuing Annual General Meeting is disclosed in the Notice convening the Annual General Meeting and the shareholding of all the Directors is disclosed in the Corporate Governance Report.

Clause 49 (IV F) Management

Standard

A Management Discussion and Analysis report should form part of Annual Report of the Company. Senior management of the Company shall make disclosure to the Board relating to all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the company at large.

Our practice

- A separate report on 'Management's Discussion and Analysis' forms part of this Annual Report.
- During the year under review, there was no incident involving any conflict of interests between the senior management and the Company.

Clause 49 (IV G) Shareholders

Standard

In case of the appointment of a new director or reappointment of a Director the shareholders must be provided with brief details of the appointee. Quarterly results and presentations made by the Company to analysts shall be put on company's web-site. A Shareholders' / Investors' Grievance Committee should be formed under chairmanship of a Non-Executive Director. To expedite the process, power of share transfer may be delegated and the delegated authority shall attend to share transfer formalities at least once in a fortnight.

Our practice

- A brief profile of directors being appointed/reappointed has been provided in the Notice convening the Annual General Meeting.
- Quarterly results are uploaded on website of the Company within prescribed time - timit, Presentation to analysts, if any, is uploaded on the website of the Company.

- Company has formed a committee named 'Shareholders'/Investors' Grievance Committee' under the chairmanship of Mr. Bijay Murmura, a Non-Executive Director.
- The work of share transfer has been delegated to Registrar & Share Transfer Agent of the Company under the supervision of Management/Share Transfer Committee of the Board.

Clause 49 (V) CEO/CFO Certification

Standard

The CEO i.e. the Managing Director and the CFO i.e. the Whole-time Finance Director or any other person heading the finance function/discharging that function shall inter alia certify to the Board accuracy of financial statement and adequacy of internal controls for financial reporting purpose.

Our practice

Mr. Bhawani Shankar Rathi, Wholetime Director and acting as Director-in-Charge of Finance u/s 292A(5) of the Companies Act is designated as the Chief Financial Officer (CFO). The Company does not have a Managing Director/CEO and the responsibilities connected therewith are looked after by and reported to the Board by Mr. Bhawani Shankar Rathi, CFO.

Clause 49 (VI) Report on Corporate Governance

Standard

There shall be a separate section on Corporate Governance in the Annual Reports of Company. The company shall submit a quarterly compliance report to the stock exchange within 15 days from the close of each quarter.

Our practice

- The Corporate Governance Report published in Annual Report fulfills requirements of this clause.
- Quarterly Compliance Report duly signed by Compliance Officer as to the compliance of Clause 49 requirements is sent to the Bombay Stock Exchange and Calcutta Stock Exchange within prescribed time limit.

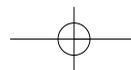
Clause 49 (VII) Compliance

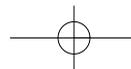
Standard

The Company shall obtain a certificate from either the auditors or practicing company secretaries regarding compliance of conditions of Corporate Governance as stipulated in this clause and annex the certificate with the Directors' Report. The disclosures of the compliance with mandatory requirements and adoption (and compliance) / non-adoption of the non-mandatory requirements shall be made in the section on Corporate Governance of the Annual Report.

Our practice

- A certificate obtained from the Auditors regarding the compliance of the conditions of Corporate Governance is published in this Annual Report.
- Compliance with all mandatory requirements of clause 49 has been highlighted elsewhere in the report on Corporate Governance.





Annexure - A.2
DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE 19TH AGM :

Name of the Directors	Mr. Ratan Lal Gaggar	Mr. Anil Kumar Birla	Mr. Bhawani Shankar Rath
Date of Birth	1st December, 1932	12th October, 1965	14th March, 1966
Date of Appointment	30th March, 1993	30th November, 2005	1st March, 1994
Expertise in specific functional area	He is front ranking and eminent Solicitor and ranks amongst the foremost Legal Practitioner in the Country.	A practising Chartered Accountant in Bangalore. His wide ranging experience in Audit, Law & Strategy formulation is of immense value to the Company.	A Chartered Accountant with vast knowledge and expertise in areas of Banking, Law, Finance and Stock-Broking.
Qualification	B. A., LLB	B. Com, FCA	B. Com (Hons), FCA
Directorship in other Companies	1. Somani Ceramics Ltd. 2. Sarda Plywood Industries Ltd. 3. TIL Ltd. 4. Peria Karmalal Tea & Produce Co. Ltd. 5. Paharpur Cooling Towers Ltd. 6. International Combustion India Ltd. 7. Subhas Projects & Marketing Ltd. 8. Machino Plastics Ltd. 9. Shree Cement Ltd. 10. Financial & Management Services Ltd. 11. Machino Bassel India Ltd. 12. Eastern Silk Industries Ltd.	1. Span Healthcare Pvt. Ltd. 2. Latitudes Tourism Pvt. Ltd. 3. BizPivot.Com Pvt. Ltd.	1. Jay Ushin Ltd. 2. Sarda Papers Ltd. 3. SFSL Risk Management Services Pvt. Ltd. 4. SFSL Insurance Advisory Services Pvt. Ltd. 5. Precision Processors (India) Pvt. Ltd. 6. Tropicana Exports (P) Ltd.
Chairmanship/ Committee Membership of the Company	Chairman of the Board of Directors of the Company	*Audit Committee, Member * Investors' Grievance Committee, Member	-
Chairmanship (+) / Committee Membership (#) of other Companies	TIL Ltd. * Audit Committee (#) * Share Transfer Committee (#) Somani Ceramics Ltd. * Audit Committee (#) * Investors Grievance Committee (#) * Remuneration Committee (#) Shree Cement Ltd. * Audit Committee (#) * Remuneration Committee (#) * Selection Committee (#) * Investors Grievance Committee (#) Paharpur Cooling Towers Ltd. * Audit Committee (#) Sarda Plywood Industries Ltd. * Audit Committee (#) * Investors Grievance Committee (#) * Remuneration Committee (#)	-	-
No. of Equity Shares held in the Company	15,000	2,000	94,270

Annexure - B
AUDITORS' REPORT ON CORPORATE GOVERNANCE

To the Members,
SUMEDHA FISCAL SERVICES LIMITED

We have examined the compliance of conditions of Corporate Governance by Sumedha Fiscal Services Limited for the year ended on 31st March, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ARSK & Associates
Chartered Accountants

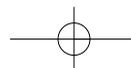
Place: Kolkata
Date : June 21, 2008

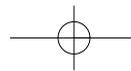
RAVINDRA KHANDELWAL
Partner
Membership No.: 054615

Annexure - C
MANAGEMENT DISCUSSION & ANALYSIS

Industry Scenario

The fiscal 2007-08 continued excellent performance with a GDP growth of 9% during the year. On the whole, the year 2007-08 ended with the challenge of managing inflation and high interest costs. The sustained economic growth will further push core sectors such as power, water, road construction etc. and would make available enough opportunities to the Company in time ahead.





ANNUAL REPORT 2007-2008

Segment wise Performance

Our income has three broad categories as hereunder :-

(Rs. in lacs)

Particulars	As at 31/03/2008	As at 31/03/2007
Income from Loan Syndication & Project Consultancy Services	447.41	261.82
Income from Capital Market Operation	311.35	157.91
Income from Other Sources	16.95	39.36

Investment Banking

The Company continues to concentrate on its greatest strength arising out of Loan Syndication, Equity Placement and Project Consultancy Services. The Company is consolidating its positions and targeting larger sized projects and assignments for accelerated growth of this Segment.

Security Dealing

The Company has initiated process of enlarging its business in this segment with operations from other branches, pushing institutional sales, a dedicated research desk and initiating process for an intranet portal.

Business Outlook

The Indian financial services industry continues to remain buoyant in the backdrop of strong economic performance, large fund inflows and changing demographics. Continued economic growth and low penetration level of Equity and other investment products provide ample business opportunity to the Company. SFSL with multiple-products and geographical spread is well positioned to leverage its current position for better performances.

Risk and Concern

The Company manages its risks through strict compliance, proper internal checks and prudent operating methods. It is further separately discussed as part of Annual Report.

Internal Control and System Adequacy

The Company maintains an ideal internal control system in each area of its operation.

Industrial Relation

The Company always maintain good relation within its work force which is one of the key assets of our organization and started with incentive payment system for motivation.

Cautionary Statement

This Management Discussion and analysis provides the details of the Company objectives. Statements detailed here are not exhaustive but are for information purposes only. The actual performance of the Company in future may vary substantially from those outlined herein. Some of the statements written herein are forward looking and should not be construed as a guarantee of performance. The readers must exercise their own due diligence before forming any opinion based on this statement.

For and on behalf of the Board

R L Gagar
Chairman

RISK MANAGEMENT AND MINIMIZATION PROCEDURE

Risk Management

The Risk Management seeks to ensure that all risks, which threaten the business, are recognised, controlled and reduced to their feasible economic minimum and not just the risks that are capable of being insured. In businesses which witnesses huge volatility on persistent basis, risk mitigation is worked upon on real-time basis.

FUNDAMENTAL CONCEPTS

The fundamental concepts in risk management are the same :

• Policy	• Identification	• Analysis
• Assessment	• Monitoring	• Communication

At SFSL, these concepts represent the foundation of a framework to control risk, its effectiveness enhanced by the active participation of executive and business line management in the risk management process.

KEY PRINCIPLES & RISK FRAMEWORK

At SFSL, certain key principles determine how the fundamental risk management concepts are applied to all business and risk types :

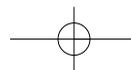
- **Board supervision:** risk strategies, policies and limits are subject to Board approval. The Board, directly or through its committees, regularly reviews the key risks of the Company.
- **Decision-making:** risk-taking must be consistent with the Company's business objectives and risk tolerance.
- **Independent review:** risk-taking activities are subject to review by heads of each activity and accountability outlined.
- **Diversification:** strategies, policies and limits are designed with the objective to ensure that risks are prudently diversified.
- **Audit review:** individual risks and portfolios are subject to a comprehensive internal audit review with independent reporting to the Audit Committee of the Board by the internal audit function.

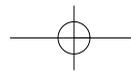
Internal controls and information systems

SFSL employs strict controls commensurate with its existing size and operations. The non-compromising attitude towards quality ensures that even though the solutions are customised to cater to the customers' needs, they adequately match the risk-profile of the Company.

The appraisal processes have been kept simple, eliminating a majority of risks on account of complicated processes. Regular audits and process verifications ensure that the controls are not compromised with; to the extent it proves fatal for the organisation.

SFSL currently operates in areas related to Investment Banking and Stock-Broking/ Distribution activities. Both are service oriented & requires constant interaction and involvement with clients and fund houses. SFSL continuously invests in people, technology and compliance discipline as a measure of growth and protection.





ANNUAL REPORT 2007-2008

How we manage our risks

➤ ECONOMY RISK

The global and Indian economies, outside the Company's control, represent the biggest risk.

Risk Mitigation

India has undergone a steady overall growth of 8-9% for last 4-5 years with inflation rate of less than 5%. Thereby it had become a globally preferred destination for investment. Of late the scenario has changed with inflation rate hovering above 10%, tight-money policy followed by the RBI, escalation in the rate of interest of the borrowed fund and spurt in crude oil price. The Company has to follow a conservative policy for its Investment Banking and Capital Market Operation.

➤ OPERATION RISK

Managing market risk of client position is critical to our Stock broking business. Further client concentration risk i.e. over dependence on few clients could affect revenues in the event of attrition.

Risk Mitigation

The back office system provides a centralised control and risk management key with all information for generating margin cost and having a watch on mark to market client position are effectively monitored and executives doesn't allow clients to take fresh exposure beyond stipulated limits. SFSL continues to invest on technology for facilitating growth and controls. The risk is further diluted by having integrated comprehensive insurance policy pertaining to the cash and derivatives market operations through Oriental Insurance Company Ltd. The Company is spreading its network and client base across its divisions and no single client accounts for more than 20% of its revenue.

➤ ACCOUNTING RISK

The Profit statement can be influenced by the interpretation of accounting applications leading to a relatively low credibility.

Risk Mitigation

SFSL have introduced conservative provisioning and revenue recognition policies. It recognises income on Investment Banking where certainty exists. Any dues for more than 360 days are duly provided for and provisions are made for all contractual dues which are uncertain.

➤ GEOGRAPHICAL RISK

Major income are presently sourced out of Kolkata and Mumbai offices i.e. such excessive dependence could be detrimental to the profitability of the Company.

Risk Mitigation

SFSL is gradually expanding its branch coverage and this would further disperse the geographical risk. A multi-product approach is to reduce it further.

➤ HUMAN RESOURCE RISK

People attrition could lead to a drain in intellectual capital which is fundamental to SFSL business.

Risk Mitigation

The Company counters attrition through the following strategies :

- Compensation linked to performance
- Structuring of remuneration to fixed and variable components
- Continuous training and development
- Recruitment of local and stable talent with sound intellect

- Open door working policy
- Transparent performance appraisals.
- Introduction of ESOP Scheme.

➤ REGULATORY RISK

SFSL a Merchant Banking, Stock Broking and Distribution House is strictly regulated by SEBI, NSE and other Agencies. Regulations are frequently changed and may adversely affect business of the company.

Risk Mitigation

SFSL follows prudent policies and compliance in of all regulations through strict implementation, appointment of Compliance Officer & stringent documentation towards compliance. The Internal Audit function also clearly outlines the same. The compliance processes are well defined and departmental heads submits quarterly Compliance Report to the Audit Committee and Board of Directors for review.

The regulatory risk applied to all players in the industry and will not represent an advantage to any specific player but better compliance will lead overall growth and transparency.

➤ COMPETITION RISK

The Company is in a business where it competes with larger players, banks and international fund houses who enjoys larger pool of resources and contacts enabling them to have distinctive advantages.

Risk Mitigation

SFSL has created its own niche to take on competition by following:

- The Company is a one-stop destination, providing a gamut of financial services and multiple investment products i.e. from advisory services to finance, to investment, to insurance enabling its survival.
- The Company provides its value added solutions both in investment banking and managing personal wealth advisory services.
- The Company has set up a Centralised Research Team for customised research.
- The Company is operating on a pan-India presence giving viable solutions on comparative lower costs and extensive use of technology.
- The Company is leveraging the relationship route to growth.

➤ TECHNOLOGY RISK

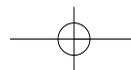
The Company is in a business which requires online application, effective Communication Channels between branches and constant updation processes.

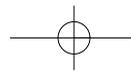
Risk Mitigation

SFSL continuously invests in technology and has integrated back-office functions of all Branches (except Mumbai Branch) with Head Office at Kolkata. This would ensure continuous monitoring and control of exposures.

Cautionary Statement

This report on risk management provides the details of the risk which may be faced by the Company. Risk detailed here are not exhaustive but are for information purposes only. The actual risks faced by the Company in future may vary substantially from those outlined herein. Some of the statements written herein are forward looking and should not be construed as a guarantee of performance. The readers must exercise their own due diligence before forming any opinion based on this report.





AUDITORS' REPORT

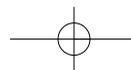
The Members

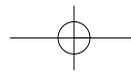
Sumedha Fiscal Services Limited

Kolkata

1. We have audited the attached Balance Sheet of Sumedha Fiscal Services Limited, as at 31st March, 2008 and the related Profit and Loss Account annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003(as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that: -
 - 3.1 a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Fixed Assets.
 - b) The Fixed Assets have been physically verified by the management during the year and the discrepancies between the book records and the physical inventory noticed on such verification, have been properly dealt with in the books of accounts.
 - c) The Company has not disposed off substantial part of the Fixed Assets during the year.
 - 3.2 a) Inventories of the Company comprising of shares and property have been physically verified by the management at reasonable intervals during the year.
 - b) In our opinion, the procedures of physical verification of inventories are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) The Company has maintained proper records of inventories and the discrepancies noticed on the physical verification of inventories carried out during the year are not material.
 - 3.3 a) According to the information and explanation given to us and in our opinion, the Company has not granted any loans, secured or unsecured to companies, firms or parties covered in Register maintained under section 301 of the Act and as such clause (iii) (b), (iii) (c) and (iii) (d) of paragraph 4 of the aforesaid Order are not applicable.

- b) According to the information and explanation given to us and in our opinion, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Act, and as such clause (iii) (e) to (iii) (g) of paragraph 4 of the aforesaid Order are not applicable.
- 3.4 In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory of shares and property and fixed assets and for the sale of shares and services. Further, during the course of our audit we have neither come across nor have we been informed of any continuing failure to correct major weakness in the internal controls.
- 3.5 a) According to the information and explanations provided by the management we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act, that need to be entered into the Register maintained under section 301 have been so entered.
 - b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of any party, have been made at prices which are reasonable having regard to the market prices prevailing at the relevant time.
- 3.6 a) The Company has not accepted any deposits during the year from the public under section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
 - b) During the course of our audit, we have neither come across nor have been informed of any order passed under the aforesaid sections by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 3.7 In our opinion, the Company's present internal audit system is commensurate with its size and nature of its business.
- 3.8 According to the books and records as produced and examined by us and also management representations: -
 - a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
 - b) There are no undisputed amount payable in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess outstanding for a period of more than six months as at 31st March, 2008 from the date they became payable.
- 3.9 As per the books of account, the Company has neither accumulated loss as at 31st March, 2008 nor it has incurred any cash loss either during the financial year ended on that date and in the immediately preceding financial year.




ANNUAL REPORT 2007-2008

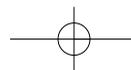
- 3.10 The Company has not defaulted during the year in repayment of its dues to any financial institution or bank. The Company does not have any debentures outstanding as on 31st March, 2008.
- 3.11 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 3.12 In our opinion, the Company is a dealer or trader in shares, securities, debentures and other investments. The Company has maintained proper records of transaction and contracts in respect of trading in securities, debenture and other investment and timely entries have been made there in. The Company in its own name holds the stock of securities, debenture and other investments. The shares, securities, debentures and other investments, which are held by the Company and also pledged to banks, are in the Company's name except *in few cases*.
- 3.13 The Company has not given any guarantee for the loans taken by others from banks or financial institutions.
- 3.14 On the basis of review of utilisation of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the Company have been applied for the purposes for which they are obtained.
- 3.15 On the basis of review of utilisation of funds on overall basis, related information as made available to us and as represented to us by the management, the funds raised on short term basis have not been applied during the year for long term basis.
- 3.16 The Company has not made during the year any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- 3.17 The Company has not issued any debentures and accordingly the question of creation of securities or charge in this regard does not arise.
- 3.18 During the course of examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.
- 3.19 In view of the nature of activities carried out by the Company during the year, in our opinion, the requirements of clauses (viii), (xiii) and (xx) of paragraph 4 of the Order are not applicable to the Company.
4. **Further to our comments in the paragraph 3 above, we report that:**
- 4.1 We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

- 4.2 In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us. The Branch Auditors' Report in respect of the branches audited by Branch Auditors, has been forwarded to us and has been appropriately dealt with;
- 4.3 The Balance Sheet and the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- 4.4 In our opinion, the Balance Sheet and the Profit and Loss Account and the Cash Flow Statement dealt with by this report have been in compliance with the applicable accounting standards referred to in Section 211(3C) of the Act.
- 4.5 On the basis of written representation received from the Directors, we report that none of the Directors are prima-facie disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Companies Act, 1956, and also give a true and fair view in conformity with the accounting principles generally accepted in India;
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
- ii) in case of the Profit and Loss Account, of the profit for the year ended on that date; and
- iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For ARSK & ASSOCIATES
Chartered Accountants

Ravindra Khandelwal
Partner
Membership No. 054615

Place: Kolkata
Date : June 21, 2008



ANNUAL REPORT 2007-2008**BALANCE SHEET AS AT 31ST MARCH, 2008**

	Schedule	As on 31.03.2008		As on 31.03.2007	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
SOURCES OF FUNDS					
1. Shareholder's Funds					
a) Share Capital	1	66,429,400		66,429,400	
b) Reserve & Surplus	2	28,012,558	94,441,958	16,287,690	82,717,090
2. Loan Funds					
Secured Loan	3		3,686,485		2,556,740
3 Deferred Tax Liability (Net)			3,176,986		2,688,974
			101,305,429		87,962,804
APPLICATION OF FUNDS					
1. Fixed Assets	4				
Gross Block		58,797,703		57,576,757	
Less: Depreciation		12,880,149		11,865,371	
Net Block			45,917,554		45,711,386
2. Investments	5		15,724,173		15,234,049
3. Current Assets, Loans & Advances					
a) Inventories	6	5,382,429		7,246,615	
b) Sundry Debtors	7	36,217,705		17,204,446	
c) Cash & Bank Balance	8	32,878,181		15,263,708	
d) Loans & Advances	9	28,303,750		20,958,279	
(i)		102,782,065		60,673,048	
Less: Current Liabilities & Provisions:	10				
a. Current Liabilities		44,336,950		21,811,185	
b. Provisions		18,781,413		11,844,494	
(ii)		63,118,363		33,655,679	
Net Current Assets (i)- (ii)			39,663,702		27,017,369
			101,305,429		87,962,804
ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	14				
BALANCE SHEET ABSTRACT & COMPANY PROFILE	15				

In terms of our report of even date attached
For ARSK & ASSOCIATES
Chartered Accountants
RAVINDRA KHANDELWAL
Partner
Membership No. 054615
Place : Kolkata
Date : 21st June, 2008

D. K. Sett
Company Secretary

On behalf of the Board
Vijay Maheshwari
Bijay Murmuria
B. S. Rathi
Directors

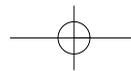
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	For the year ended 31.03.08		For the year ended 31.03.07	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
INCOME					
Income from Operations	11		75,875,750		41,972,973
Income from Other Sources	12		1,694,553		3,935,654
(i)			77,570,303		45,908,627
EXPENDITURE					
Administrative & Operational Charges	13		47,309,878		30,965,394
Interest & Finance Charges			403,548		219,651
Depreciation		2,304,271		1,906,497	
Less: Transfer from Revaluation Reserve		21,373	2,282,898	21,373	1,885,124
(ii)			49,996,324		33,070,169
Profit before Taxation (i)- (ii)			27,573,979		12,838,458
Less: Provision For Taxation:					
Current Tax		8,600,000		3,500,000	
Deferred Tax		488,012		429,242	
Fringe Benefit Tax		445,000		321,500	
Adjustment For earlier Year		17,319	9,550,331	43,717	4,294,459
Profit After Taxation			18,023,648		8,543,999
Less: Amortisation of Goodwill			819,170		819,170
Add: Net Profit brought forward			15,211,535		11,372,660
Less: Charge on account of Transitional Provision under AS-15 (Note No. 5)			17,903		-
Profit Available For Appropriation			32,398,110		19,097,489
Appropriations					
Proposed Dividend on Equity Shares			4,650,058		3,321,470
Provision for Tax on Dividend			790,277		564,484
Balance Carried to Balance Sheet			26,957,775		15,211,535
			32,398,110		19,097,489
Number of Equity Shares outstanding during the year			6,642,940		6,642,940
Profit for calculation of EPS			18,023,648		8,543,999
Nominal Value of Equity Share (Rs.)			10		10
Basic and Diluted EPS (Rs.)			2.71		1.29
ACCOUNTING POLICIES AND NOTES TO ACCOUNTS	14				
BALANCE SHEET ABSTRACT & COMPANY PROFILE	15				

In terms of our report of even date attached
For ARSK & ASSOCIATES
Chartered Accountants
RAVINDRA KHANDELWAL
Partner
Membership No. 054615
Place : Kolkata
Date : 21st June, 2008

D. K. Sett
Company Secretary

On behalf of the Board
Vijay Maheshwari
Bijay Murmuria
B. S. Rathi
Directors


ANNUAL REPORT 2007-2008
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

	Amount in Rs.	
	Year ended 31.03.2008	Year ended 31.03.2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	27,573,979	12,838,458
Adjustment for :		
Depreciation	2,282,898	1,885,124
(Profit)/Loss on sale of Fixed Assets	18,309	(2,012,137)
Obsolete Fixed Assets Discarded	541,760	-
(Profit)/Loss on sale of Investments	(468,534)	(1,215,351)
Interest paid	403,548	219,651
	30,351,960	11,715,745
Adjustment for:		
Interest received	(1,099,521)	(542,009)
Dividend received	(80,644)	(124,474)
Operating Profit before Working Capital changes	29,171,795	11,049,262
Adjustment for:		
Current Assets	(27,464,544)	14,520,682
Current Liabilities	29,462,684	(4,543,730)
(Increase)/ Decrease in Net Current Assets	1,998,140	9,976,952
Cash generated from Operations	31,169,935	21,026,214
Interest paid	(403,548)	(219,651)
Taxation(Including Fringe Benefit Tax)	(9,045,000)	(3,821,500)
Cash Flow before extraordinary items	21,721,387	16,985,063
Extraordinary items	-	-
Adjustments for earlier year	(35,222)	(43,717)
Net Cash from operating activities	21,686,165	16,941,346
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets/Adjustment	(4,055,277)	(17,395,691)
Sale of Fixed Assets/Adjustment	165,600	4,020,000
(Purchase)/Sale of Investments	(21,590)	(228,371)
Investment-Application Money	2,970,000	2,380,000
Interest received	1,099,521	542,009
Dividend received	80,644	124,474
Net Cash used in investing activities	238,898	(10,557,579)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term Borrowings	1,129,745	(1,591,355)
Dividend paid(Including Dividend tax Paid)	(5,440,335)	(3,885,954)
Net Cash from Financing activities	(4,310,590)	(5,477,309)
Net increase in Cash and Cash equivalents	17,614,473	906,458
Cash and Cash equivalents at the beginning of the year	15,263,708	14,357,250
Cash and Cash equivalents at the close of the year	32,878,181	15,263,708

This is the Cash Flow Statement referred to in our report of even date.

For ARSK & ASSOCIATES

Chartered Accountants

RAVINDRA KHANDELWAL

Partner

Membership No. 054615

Place : Kolkata

Date : 21st June, 2008

D. K. Sett

Company Secretary

On behalf of the Board

Vijay Maheshwari

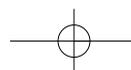
Bijay Murmura

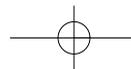
B. S. Rathi

Directors

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As on 31.03.2008 (Rupees)	As on 31.03.2007 (Rupees)
SCHEDULE - 1		
SHARE CAPITAL		
A. Authorised		
10,000,000 Equity Shares of Rs. 10/- each	100,000,000	100,000,000
	100,000,000	100,000,000
B. Issued Subscribed & Paid Up		
6,642,940 Equity Shares of Rs.10/- each fully paid up. (Out of the above, 1,638,340 Equity Shares were allotted pursuant to Scheme of Amalgamation without payment being received in cash).	66,429,400	66,429,40
	66,429,400	66,429,400
SCHEDULE - 2		
RESERVE & SURPLUS		
Profit & Loss A/c		
As per Annexed Account	26,957,775	15,211,535
(i)	26,957,775	15,211,535
Revaluation Reserve:		
As per Last Account	1,076,156	1,097,528
Less: Transfer to Profit & Loss A/c.	21,373	21,373
(ii)	1,054,783	1,076,155
(i) + (ii)	28,012,558	16,287,690
SCHEDULE - 3		
SECURED LOAN		
From Banks:		
a) Cash Credit Facility (Secured against equitable mortgage of an Immovable property and personal guarantee of a Director of the Company)	1,466,424	1,174,863
Auto Loan: (Secured by hypothecation of vehicles taken on hire purchase)	2,220,061	1,381,877
	3,686,485	2,556,740

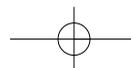



SCHEDULES FORMING PART OF THE BALANCE SHEET (CONTD.)
**SCHEDULE - 4
FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 31.03.07 (Rupees)	Addition (Rupees)	Sold/ Discarded (Rupees)	As on 31.03.08 (Rupees)	Adjustment/ Deduction (Rupees)	For the year (Rupees)	As on 31.03.08 (Rupees)	As at 31.03.07 (Rupees)
Goodwill	1,638,340	-	819,170	819,170	-	-	819,170	1,638,340
Buildings	24,247,980	542,400	-	24,790,380	-	402,218	23,108,419	22,968,237
Electrical Installations	806,377	-	-	806,377	-	51,044	619,213	670,257
Computers	10,971,619	910,416	533,620	11,348,415	496,835	891,830	4,248,159	4,266,358
Office Equipments	3,346,373	156,603	358,826	3,144,150	96,515	146,883	2,322,303	2,574,894
Furnitures & Fixtures	5,162,306	192,094	301,140	5,053,260	42,876	318,571	3,459,065	3,843,806
Motor Vehicles	4,678,762	2,253,765	821,576	6,110,951	653,267	493,725	4,616,225	3,024,494
Stock Exchange Cards	6,725,000	-	-	6,725,000	-	-	6,725,000	6,725,000
Total	57,576,757	4,055,278	2,834,332	58,797,703	1,289,493	2,304,271	12,880,149	45,711,386
Previous Year	43,343,334	17,395,691	3,162,268	57,576,757	335,235	1,906,497	11,865,371	45,711,386

SCHEDULES FORMING PART OF THE BALANCE SHEET (CONTD.)
**SCHEDULE - 5
INVESTMENTS
(Long Term, At Cost)**

SI No.	Name of the Company	Face Value (Rs.)	As on 31.03.2008		As on 31.03.2007	
			Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)
(I)	QUOTED SHARES					
A	EQUITY SHARES					
1	Aravali Securities & Finance Ltd.	10	200	4,000	200	4,000
2	Assam Brook Ltd.	10	3,625	229,012	3,625	229,012
3	Associated Precision Ltd.	10	600	43,950	600	43,950
4	Bagla Engineering Co. Ltd.	10	400	4,000	400	4,000
5	Balasore Alloys Ltd.	5	-	-	7,290	151,043
6	Business Forms Ltd.	10	6,000	72,000	6,000	72,000
7	Capital Trust Ltd.	10	8,400	161,933	8,400	161,933
8	Carbon Composites (I) Ltd.	10	500	5,500	500	5,500
9	CDR Health Care Ltd.	10	2,200	53,350	2,200	53,350
10	Futura Polyesters Ltd.	10	-	-	2,750	39,884
11	Gold Star Steel & Alloys Ltd.	10	1,220	6,100	1,220	6,100
12	Gujarat Inject (Kerela) Ltd.	10	900	14,850	900	14,850
13	Gujarat NRE Coke Ltd.	10	-	-	2,000	33,970
14	Hindustan Zinc Ltd.	10	50	27,569	50	27,569
15	IFB Industries Ltd.	10	7,100	987,476	7,100	987,476
16	Ludlow Jute & Specialities Ltd.	10	40	8,500	40	8,500
17	Leafin India Ltd.	10	500	64,000	500	64,000
18	Maruti Cottex Ltd.	10	17,000	172,000	17,000	172,000
19	Madhya Bharat Papers Ltd.	10	500	3,125	500	3,125
20	MCC Investment & Leasing Co. Ltd.	10	400	4,000	400	4,000
21	Modern Denim Ltd.	10	700	43,870	700	43,870
22	Neha Export Ltd.	10	1,900	28,500	1,900	28,500
23	Orkay Industries Ltd.	10	1,100	73,215	1,100	73,215



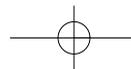
ANNUAL REPORT 2007-2008**SCHEDULES FORMING PART OF THE BALANCE SHEET (CONTD.)**
SCHEDULE - 5
INVESTMENTS (Contd.)
 (Long Term, At Cost)

Sl No.	Name of the Company	Face Value (Rs.)	As on 31.03.2008		As on 31.03.2007	
			Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)
24	Paam Pharmaceuticals (Delhi) Ltd.	10	252	6,120	252	6,120
25	ParaKaram Technofeb Ltd.	10	1,200	12,830	1,200	12,830
26	Platinum Finance Ltd.	10	100	3,000	100	3,000
27	Pioneer Financial Management Services Ltd.	10	1,000	10,000	1,000	10,000
28	Power Grid Corporation of India Ltd.	10	125	6,500	-	-
29	Primax Fiscal Services Ltd.	10	800	8,000	800	8,000
30	Richimen Silks Ltd.	10	500	5,000	500	5,000
31	Sanderson Industries Ltd.	10	265,850	265,850	265,850	265,850
32	Sanghi Industries Ltd.	10	-	-	1,000	89,220
33	Sen Pet India Ltd.	10	29,300	293,000	29,300	293,000
34	Shree Digvijay Cement Ltd.	10	4,000	143,515	1,000	36,890
35	Sijberia Industries Ltd.	10	20	-	20	-
36	State Bank of India	10	187	297,330	-	-
37	Steelco Gujarat Ltd.	10	50	8,000	50	8,000
38	Subhash Projects & Marketing Ltd.	2	-	-	1,000	233,550
39	Sujana Universal Ltd.	10	-	-	1,500	29,325
40	T & I Global Ltd.	10	100	2,000	100	2,000
41	Technology Plastics Ltd.	10	1,000	24,085	1,000	24,085
42	Tourism Finance Corporation of India Ltd.	10	400	12,000	400	12,000
43	UTI Equity Fund	10	1,700	15,272	1,700	15,272
44	Uniworth Ltd.	10	2,627	242,075	2,627	242,075
45	Uniworth Textiles Ltd.	10	500	11,946	500	11,946
46	Union Bank of India	10	-	-	310	34,100
47	VCK Capital Market Services Ltd.	10	-	-	890	3,899
48	Ventura Textiles Corpn Ltd.	1	-	-	20,000	55,340
	(i)			3,373,473		3,633,349

SCHEDULES FORMING PART OF THE BALANCE SHEET (CONTD.)
SCHEDULE - 5
INVESTMENTS (Contd.)
 (Long Term, At Cost)

Sl No.	Name of the Company	Face Value (Rs.)	As on 31.03.2008		As on 31.03.2007	
			Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)
B	UNITS OF MUTUAL FUND					
1	UTI Balanced Fund - (Income-Payout)	10	671.804	16,700	671.804	16,700
	(ii)			16,700		16,700
C	DEBENTURES					
1	Essar Oil Ltd.		50	4,000	50	4,000
	(iii)			4,000		4,000
	Total of Quoted Investments (i)+(ii)+(iii)			3,394,173		3,654,049
II	UNQUOTED					
A	EQUITY SHARES					
	TRADE					
1	Capita Finance Services Ltd.	10	40,000	400,000	40,000	400,000
2	Seasoft Solutions Pvt. Ltd.	10	209,500	2,095,000	209,500	2,095,000
3	SFSL Risk Management Service Pvt. Ltd.	100	9,250	925,000	9,250	925,000
4	SFSL Insurance Advisory Services (P) Ltd.	100	8,500	850,000	8,500	850,000
5	US Infotech Pvt. Ltd.	10	250,000	2,500,000	250,000	2,500,000
				6,770,000		6,770,000
	NON TRADE					
1	Vijaya Home Loan Ltd.	10	5,000	50,000	5,000	50,000
	(iv)			6,820,000		6,820,000
B	SUBSIDIARY COMPANY					
	EQUITY SHARES -TRADE					
1	SFSL Commodity Trading Pvt. Ltd.	10	551,000	5,510,000	476,000	4,760,000
	(v)			5,510,000		4,760,000
	Total of Unquoted Investments (iv)+(v)			12,330,000		11,580,000
	Grand Total of Investments			15,724,173		15,234,049

Note: The Market Value of the Quoted Investment is Rs. 1,483,912/- (Previous Year Rs. 1,688,718/-)


ANNUAL REPORT 2007-2008
SCHEDULES FORMING PART OF THE BALANCE SHEET (CONTD.)
SCHEDULE - 6
INVENTORIES

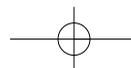
(As taken, Valued and certified by a Director)

SI No.	Name of the Company	Face Value (Rs.)	As on 31.03.2008		As on 31.03.2007	
			Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)
(I)	Equity Shares & Securities (Valued At Lower of Cost or Market Price)					
1	Akar Laminators Ltd.	10	500	425	500	425
2	Alkyl Amines Ltd.	10	-	-	7400	643,430
3	Allahabad Bank	10	-	-	4900	356,230
4	Alok Industries Ltd.	10	1000	56,950	1000	57,050
5	Apple Finance Ltd.	10	200	1,168	200	568
6	Atash Industries Ltd.	10	600	600	600	600
7	Balrampur Chini Mills Ltd.	1	-	-	2000	117,064
8	Bata India Ltd.	10	500	71,225	500	69,025
9	Bells Control Ltd.	10	50	115	50	115
10	Beta Napthol Ltd.	10	1200	1,200	1200	2,400
11	Bharat Electronics Ltd.	10	-	-	275	136,579
12	Bharat Forge Ltd.	2	22	5,877	-	-
13	Castrol India Ltd.	10	300	56,903	300	56,903
14	Chemcrown India Ltd.	10	28000	28,000	28000	53,200
15	Daewoo Motors Ltd.	10	100	950	100	1,310
16	Dr Reddy Laboratories Ltd.	5	811	479,504	300	194,700
17	Edelweiss Capital Ltd.	5	235	194,451	-	-
18	GTL Infrastructure Ltd.	10	2000	92,578	1000	34,650
19	Gujarat Lease Finance Ltd.	10	25	-	25	-
20	Gujarat Nre Coke Ltd.	10	500	22,241	28274	1,119,650
21	Himachal Futuristics Ltd.	10	1000	18,950	-	-
22	Himadri Chemicals & Industries Ltd.	10	100	1,150	100	1,150
23	Hindustan Motors Ltd.	10	-	-	1000	33,900
24	IFB Finance Ltd.	10	100	100	100	-
25	IFB Industries Ltd.	10	7400	128,485	7400	126,910
26	Information Technology Ltd.	5	100	105	100	105
27	Maruti Cottex Ltd.	10	2000	2,000	2000	2,000
28	Modi Alkalies & Chemicals Ltd.	10	100	100	100	135

SCHEDULES FORMING PART OF THE BALANCE SHEET (CONTD.)
SCHEDULE - 6
INVENTORIES (Contd.)

(As taken, Valued and certified by a Director)

SI No.	Name of the Company	Face Value (Rs.)	As on 31.03.2008		As on 31.03.2007	
			Quantity Nos.	Value (Rs.)	Quantity Nos.	Value (Rs.)
29	Mahanagar Telephone Nigam Ltd.	10	3200	308,960	3200	469,440
30	Marksans Pharma Ltd.	1	2000	27,876	-	-
31	Nicco Corporation Ltd.	2	2000	40,800	-	-
32	Orchid Chemicals Ltd.	10	-	-	1000	217,000
33	Oriental Bank of Commerce	10	3000	529,950	3000	562,950
34	Padmini Technologies Ltd.	10	4300	26,660	4300	26,660
35	Parakaraman Techno Ltd.	10	84400	84,400	84400	59,080
36	Pritish Nandy Communication Ltd.	10	-	-	100	2,365
37	Rama Newsprints and Paper Ltd.	10	125	3,700	125	3,975
38	Ranbaxy Laboratories Ltd.	5	600	248,420	600	211,490
39	Reliance Industries Ltd.	10	500	1,132,900	-	-
40	Sanderson Industires Ltd.	10	183400	183,400	183400	183,400
41	State Bank of Travancore	100	10	205	10	205
42	Subhash Projects & Marketing Ltd.	2	-	-	1000	185,600
43	Suryoday Allo - Metal Powders Ltd.	10	6500	20,150	6500	20,150
44	Tata Metaliks Ltd.	10	-	-	1000	84,700
45	Telephone Cables Ltd.	10	100	170	100	170
46	TV 18 (I) Ltd - PCD 13FB09	150	8	-	8	-
47	Unitex Designs Ltd.	10	195	556	195	556
48	UTI Master Shares - Unit Scheme	10	100	1,250	100	1,250
49	Vatsa Corporation Ltd.	10	100	135	100	135
50	Venkateshwara Hatcheries Ltd. - PF	10	20	20	20	20
51	Vimta Laboratories Ltd.	2	-	-	4500	600,471
52	Viniyoga Clothex Ltd.	10	1800	1,800	1800	900
				3,774,429		5,638,615
II	Properties (Valued at Lower of cost or Net Realisable Value)			1,608,000		1,608,000
				5,382,429		7,246,615



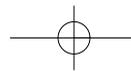
ANNUAL REPORT 2007-2008

SCHEDULES FORMING PART OF THE BALANCE SHEET (CONTD.)

	As on 31.03.2008 (Rupees)	As on 31.03.2007 (Rupees)
SCHEDULE - 7		
SUNDRY DEBTORS (Unsecured, Considered Good)		
Debts due for a period more than six months	1,465,725	1,890,239
Other debts	34,751,980	15,314,207
	36,217,705	17,204,446
SCHEDULE - 8		
CASH & BANK BALANCES		
A. Cash in hand (as certified by the management)	410,327	202,509
B. Balances with Scheduled Banks		
in Current Accounts	14,263,465	6,307,201
in Fixed Deposit (Pledged with Bank)	18,204,389	8,753,998
	32,878,181	15,263,708
SCHEDULE - 9		
LOANS & ADVANCES (Unsecured, Considered Good)		
Deposits	9,867,637	8,609,638
Other advances (Recoverable in cash or in kind or for value to be received)	3,611,708	1,519,214
Share Application Money(Pending Allotment)	1,350,000	4,320,000
Advance Tax & Tax Deducted at Source	13,474,405	6,509,427
	28,303,750	20,958,279
SCHEDULE - 10		
CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors	43,838,053	21,361,749
Unclaimed Dividend	498,897	449,436
(i)	44,336,950	21,811,185
B. Provisions		
For Proposed Dividend	4,650,058	3,321,470
For Tax on Proposed Dividend	790,277	564,484
For Taxation	12,100,000	6,850,000
For Leave Encashment	474,578	412,040
For Fringe Benefit Tax	766,500	696,500
(ii)	18,781,413	11,844,494
(i) + (ii)	63,118,363	33,655,679

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	For the year ended 31.03.2008	For the year ended 31.03.2007
SCHEDULE - 11		
INCOME FROM OPERATIONS		
Income from Loan Syndication & Consultancy Services	44,740,796	26,182,395
Income From Capital Market Operation	31,134,954	15,790,578
	75,875,750	41,972,973
SCHEDULE - 12		
INCOME FROM OTHER SOURCES		
Profit on Sale of Investments	468,534	1,215,351
Interest (TDS Rs.224,324 /- P.Y. Rs. 118,352/-)	1,099,521	542,009
Dividend	80,644	124,474
Profit on Sale of Fixed Assets	-	2,035,770
Miscellaneous Income	45,854	18,050
	1,694,553	3,935,654
SCHEDULE - 13		
ADMINISTRATIVE & OPERATIONAL CHARGES		
Salary	11,640,539	8,599,757
Employer's Contribution to Provident Fund & Other Funds	1,135,175	630,707
Staff Welfare	637,765	545,822
Demat and Depository Charges	461,558	291,098
Communication Expenses	1,760,378	1,345,949
Insurance Charges	237,374	120,499
Rent	1,392,500	1,007,937
Electricity	1,082,329	1,077,556
Office Maintenance	964,114	598,975
Travelling & Conveyance	2,452,703	1,857,223
Rates & Taxes	71,512	42,970
SEBI Turnover and Membership Registration Fee	767,155	3,118,386
Commission	3,040,175	342,773
Professional Service Charges	7,625,142	3,807,353
Auditors' Remuneration	114,501	91,916
Repairs & Maintenance	867,344	896,129
Advertisement & Business Promotion	2,681,086	1,308,756
Car Expenses	1,473,477	1,174,113
Printing stationery	1,054,913	724,453
Charity and Donation	100,000	-
Computer Expenses	571,138	1,361,148
Loss on Sale of Fixed Assets	18,309	23,633
Obsolete Fixed Assets Discarded	541,760	-
Bad-Debts	3,743,616	29,933
NSE Charges	568,383	373,187
VSAT Charges	250,505	367,710
Miscellaneous Expenses	2,056,427	1,227,411
	47,309,878	30,965,394



ANNUAL REPORT 2007-2008

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE - 14

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICY AND NOTES TO ACCOUNTS

- All income and expenses are accounted for on accrual basis except income from Dividends which is accounted for as and when actually received.
- Fixed Assets are accounted for at cost/revalued amount inclusive of all incidental expenses incurred in acquisition of asset.
- Depreciation has been provided on straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- In case, the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for impairment loss.
- Investments are long term and stated at cost. Provision for diminutions in the value is not considered unless such short fall is permanent in nature.
- Inventories of shares and securities are valued at lower of cost or market value and Inventory of Property is valued at lower of cost or net realisable value.
- The Company has schemes of retirement benefit of Provident Fund, Superannuation Fund and Gratuity Fund in respect of which the Company's Contribution to the fund are charged to Profit & Loss Account. The Company contributes to Provident Fund administered by Government and Gratuity Fund and Superannuation Fund benefit of the Company are administered by a Trust for this purpose through the Group Scheme of Life Insurance Corporation of India. Contribution to such fund on the basis of actuarial valuation is charged to Profit & Loss Account. The liability for encashment of earned leave have been provided on the basis of actuarial valuation as at the year end.
- Taxes on Income**

Current tax is determined on the amount of tax payable in respect of taxable income for the year. The deferred tax charge or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.

i) Good-will is being written off over a period of ten years at one-tenth per annum.

- Revaluation of Office Premises was carried out as on 31.03.1996 by an approved Valuer. The revaluation resulted in an increase of Rs. 1,311,255/- in the value of the assets over its net book value as on 31.03.1996 which has been credited to Revaluation Reserve. Depreciation for the year ended 31.03.2008 Rs. 21,373/- on revalued portion has been adjusted with Revaluation Reserve account.

- Since the Company is predominantly engaged in broking business, the deposits made with NSE and OTCEI towards acquiring membership of these exchanges, are considered as Fixed Assets and no depreciation has been provided on the same.
- Estimated amount of contracts remaining to be executed on capital account(net of Advances) Rs. 5,625,000/- (Previous Year – Rs. 6,750,000).
- Disclosure in accordance with Revised AS – 15 on "Employees Benefits"
The Accounting Standard – 15 (Revised 2005) on "Employees Benefits" issued by the Institute of Chartered Accountants of India has been adopted by the Company effective from April 1, 2007. In accordance with the above Standard, the additional obligations of the Company, on account of employee benefits, based on independent actuarial valuation amounting to Rs. 17,903/- have been accounted by debiting the opening balance of the Profit & Loss Account as on April 1, 2007 as per the transitional provisions of AS 15 (Revised 2005).

A) Defined Contribution Plans:

The Company has recognized the following amounts in the Profit and Loss Account for the year:

	31-03-2008
(i) Contribution to Employees' Provident Fund	371,426
(ii) Contribution to Employees' Family Pension Fund	352,080
Total	723,506

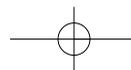
B) Defined Contribution Plans:

(i) Change in Defined Benefit Obligations

	Gratuity 31-03-2008	Leave Encashment 31-03-2008	Total 31-03-2008
a) Present Value of DBO at beginning or period	974,555	429,943	1,404,498
b) Current Service Cost	271,970	60,367	332,337
c) Interest Cost	88,092	36,181	124,273
d) Curtailment cost/(Credit)	-	-	-
e) Settlement Cost / (Credit)	-	-	-
f) Employee Contribution	-	-	-
g) Plan Amendments	-	-	-
h) Acquisitions	-	-	-
i) Actuarial (Gain)/Losses	(106,878)	(51,913)	(158,791)
j) Benefits Paid	-	-	-
j) Present Value of DBO at the end of period	1,227,739	474,578	1,702,317

(ii) Changes in the Fair value of Plant Assets

a) Plan assets at beginning of Period	986,114	-	986,114
b) Actual return on Plan Assets	90,035	-	90,035
c) Actual Company Contributions	168,482	-	168,482
d) Employee Contributions	-	-	-
e) Benefits Paid	-	-	-
f) Plan assets at the end of period	1,244,631	-	1,244,631



ANNUAL REPORT 2007-2008

(iii) Amount recognized in the Balance Sheet including an reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets

Assets / Liabilities	For the Year Ended December 31, 2008					
	Gratuity		Leave Encashment		Total	
	31-03-08	01-04-07	31-03-08	01-04-07	31-03-08	01-04-07
a) Present Value of Obligation	1,227,739	974,555	474,578	429,943	1,702,317	1,404,498
b) Fair Value of Plan Assets	1,244,631	986,114	-	-	1,244,631	986,114
c) Net Asset/(Liability) recognized in the Balance Sheet	16,892	11,559	(474,578)	(429,943)	(457,686)	(418,384)
Employer Expense						
a) Current Service Cost	271,970	-	60,367	-	-	-
b) Total Employer Expense	163,149	-	44,635	-	-	-

(iv) Total Expense recognized in the statement of Profit & loss Account.

	For the Year Ended 31-03-2008		
	Gratuity	Leave Encashment	Total
(A) Components of Employer Expense			
a) Current Service Cost	271,970	60,367	332,337
b) Interest Cost	88,092	36,181	124,273
c) Expected Return on Plan Assets	(90,035)	-	(90,035)
d) Curtailment Cost/(Credit)	-	-	-
e) Settlement Cost/(Credit)	-	-	-
f) Amortization of Past Service Cost	-	-	-
g) Actuarial (Gain)/Loss	(106,878)	(51,913)	(158,791)
h) Total Expenses recognized in the statement of Profit and Loss	163,149	44,635	207,784
(B) Actual Contribution and Benefits Payments for period ending 31 March, 2008			
a) Actual Benefit Payments	-	-	-
b) Actual Contributions	168,482	-	168,482

(v) Net Asset / (Liability) recognized in the Balance Sheet

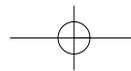
(A) Funded Status			
a) Present value of Defined Benefit Obligation	1,227,739	474,578	1,702,317
b) Fair Value of Plan Assets	1,244,631	-	1,244,631
c) Funded Status [Surplus / (Deficit)]	168,92	(474,578)	(457,686)
d) Effect of Balance Sheet asset Limit	-	-	-
e) Unrecognized Past Service Costs	-	-	-
Net Asset / (Liability) recognized in Balance Sheet	16,892	(474,578)	(457,686)
a) Net Asset/(Liability) recognized in balance Sheet at beginning of period	11,559	(429,943)	(418,384)
b) Employer Expense	163,149	44,635	207,784
c) Employer Contributions	(168,482)	-	(168,482)
d) Benefits Paid	-	-	-
e) Net asset / (liability) recognized in Balance Sheet at end of the period	16,892	(474,578)	(457,686)

	CURRENT YEAR (Rupees)	PREVIOUS YEAR (Rupees)
6 Whole-time Director's Remuneration:		
Basic Salary	330,000	330,000
House Rent Allowance	120,000	120,000
Bonus	41,250	41,250
Employer's Contribution to P.F.	42,900	39,600
Leave Encashment	27,500	-
	561,650	530,850
7 Auditors' Remuneration includes:		
Statutory Audit Fee	55,000	45,000
Tax Audit Fee	20,000	15,000
For other services	14,501	11,916
Branch Audit Fee	25,000	20,000
	114,501	91,916
8 Expenses incurred in Foreign Currency during the Year:		
a) Travelling	122,025	75,050
9 DEFERRED TAX		
Deferred Tax Assets		
Leave Encashment (Provision)	15,171	73,978
	15,171	73,978
Deferred Tax Liability		
Deferred tax between depreciation as per Books & I.T. Act	3,192,157	2,762,952
Net Deferred Tax Assets/ (Liabilities)	(3,176,986)	(2,688,974)

10. The matter relating to payment for SEBI Fees based on turnover is under final determination but the entire demand as payable has been duly provided by the Company on estimation. Any further adjustment in the matter shall be recognized accordingly after such determination.

11. **Contingent liability not provided for:**

Bank Guarantee given by Canara Bank on our behalf to National Securities Clearing Corporation Ltd Rs. 80.00 Lacs (Previous Year -Rs.25.00 Lacs) and Stock Holding Corporation of India Ltd. Rs. 50.00 Lacs (Previous Year - Rs.50.00 Lacs).


ANNUAL REPORT 2007-2008

12. Information given in accordance with the requirements of Accounting Standards 17(AS-17) on Segment Report issued by the Institute of Chartered Accountants of India.

A) Primary Segment Reporting:-

	Year ended 31st March, 2008				Year ended 31st March, 2007			
	Capitals Market Operation (Rs.)	Consul- tancy (Rs.)	Others (Rs.)	Total (Rs.)	Capital Market Operation (Rs.)	Consul- tancy (Rs.)	Others (Rs.)	Total (Rs.)
A) Revenue	32,783,653	44,740,796	45,854	77,570,303	17,690,462	26,182,395	2,035,770	45,908,627
Less: Inter Segment Revenue	-	-	-	-	-	-	-	-
	32,783,653	44,740,796	45,854	77,570,303	17,690,462	26,182,395	2,035,770	45,908,627
B) Segment Results								
Profit/(Loss) before Tax and Interest	13,787,393	14,789,584	(599,450)	27,977,527	4,549,934	7,025,520	1,482,657	13,058,111
Less: Interest	286,966	116,582	-	403,548	118,408	101,243	-	219,651
	13,500,427	14,673,002	(599,450)	27,573,979	4,431,526	6,924,277	1,482,657	12,838,460
C) Other Information								
Segment Assets	102,231,434	32,997,303	29,195,057	164,423,794	65,003,682	43,370,029	13,244,622	121,618,333
Segment Liabilities	32,716,337	14,464,736	22,786,823	69,967,896	17,223,033	7,104,436	11,884,950	36,212,419
Capital Employed	69,515,097	18,532,567	6,408,234	94,455,898	47,780,805	36,265,595	1,359,672	85,406,072
Depreciation	384,301	1,710,537	188,060	2,282,898	180,897	1,704,227	-	1,885,124

NOTE:

- The Company is operating in three main service segments namely,
 - Capital Market Operations comprising of Stock Broking, Investment, Mutual Funds & Other products distribution.
 - Consultancy comprising of Loan Syndication, Merchant Banking, Restructuring & Other related advisory services.
 - Others comprising of other services area.

Segments have been identified and reported taking into account the nature of services, different risk & return and internal reporting system
- Segment Revenue, Results, Assets and Liabilities include the respective amounts identified to each of the segment and amounts allocated on a reasonable basis. Whereas un-allocable Revenue, results Assets and Liabilities have been included in "others".

B) There are no reportable geographical segments.

13. Related Party Disclosures:

As per AS – 18 issued by the Institute of Chartered Accountants of India, the Company's related party disclosure is as under:

A) List of related parties:

- Subsidiary of Sumedha Fiscal Services Ltd.
M/s. SFSL Commodity Trading (P) Ltd.
- Associates of Sumedha Fiscal Services Ltd.
SFSL Insurance Advisory Services (P) Ltd.
SFSL Risk Management Services (P) Ltd.
Capita Finance Services Ltd.
U.S. Infotech (P) Ltd.
Seasoft Solutions Pvt. Ltd.

iii) Relatives

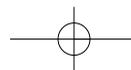
Kartick Maheshwari

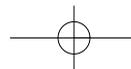
Key Management Personnel

- Mr. Bhawani Shankar Rathi – Whole-time Director
Mr. Vijay Maheshwari – Director
Mr. Bijay Murmura – Director

B) Transactions with related parties

	Relatives		Associates		Subsidiary		Key Management Personnel	
	31-03-08 Rs.	31-03-07 Rs.	31-03-08 Rs.	31-03-07 Rs.	31-03-08 Rs.	31-03-07 Rs.	31-03-08 Rs.	31-03-07 Rs.
• Rent Paid	-	-	-	-	330,000	300,000	255,000	120,000
• Rendering of Services	-	150,000	-	448,960	-	-	811,650	780,850
• Amount Receivable/ (payable) at year end	-	-	(3,993,773)	6,227	(51,600)	-	-	-
• Investment	-	-	-	2,095,000	750,000	-	-	-
• Share Application Money	-	-	(2,970,000)	1,620,000	-	-	-	-





ANNUAL REPORT 2007-2008

14. There is no outstanding due to Small Scale Industrial Undertakings as has been identified on the basis of information available with the Company.
15. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2008. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
16. **Additional information (To the extent applicable to the Company):**
Shares/Securities are not considered as Goods and hence, quantitative information thereof are not given.
17. Previous year's figures have been re-grouped/ re-arranged wherever found to be necessary.
18. Schedule 1 to 14 form integral part of the Balance Sheet and Profit and Loss Account.

In terms of our report of even date attached

For **ARSK & ASSOCIATES**

Chartered Accountants

RAVINDRA KHANDELWAL

Partner

Membership No: 054615

Place : Kolkata

Date : 21st June, 2008

D.K. Sett

Company Secretary

On behalf of the Board

Vijay Maheshwari

Bijay Murmuria

B S Rathi

Directors

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE - 15

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. : 47465 State Code : 21
Balance Sheet Date : 31032008

II Capital Raised during the year (Amount in Rs. '000)

Public Issue : NIL Rights Issue : NIL
Bonus Issue : NIL Private Placement : NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities : 101305 Total Assets : 101305

Source of Funds

Paid-up Capital : 66429 Reserve & Surplus : 28013
Secured Loans : 3686 Unsecured Loans : NIL
Deferred Tax Liabilities : 3177

Application of Funds

Net Fixed Assets : 45917 Investments : 15724
Net Current Assets : 39664 Misc. Expenditure : NIL
Accumulated Losses : NIL

IV Performance of the Company (Amount in Rs. '000)

Turnover : 77570 Total Expenditure : 49996
Profit/Loss before Tax : + - 27574 Profit/Loss after tax : + - 18024
Earning Per Share in Rs. : 2.71 Dividend rate% : 7%

V Generic Name of Three Principal Products/Services of Company (as per monetary terms)

Product Description	Item Code No.
i) Broking Services	Not Applicable
ii) Consultancy Services	Not Applicable
iii) Merchant Banking and Underwriting	Not Applicable

In terms of our report of even date attached

For **ARSK & ASSOCIATES**

Chartered Accountants

RAVINDRA KHANDELWAL

Partner

Membership No: 054615

Place : Kolkata

Date : 21st June, 2008

D.K. Sett
Company Secretary

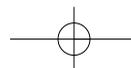
On behalf of the Board

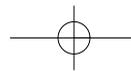
Vijay Maheshwari

Bijay Murmuria

B S Rathi

Directors





STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANY

Name of Subsidiary Company: SFSL Commodity Trading Pvt. Ltd.

- | | | | |
|-------|---|---|--|
| 1. | The financial year of the Subsidiary Company ended on | : | 31st March, 2008 |
| 2. | Date from which it become Subsidiary Company | : | 27th March, 2000 |
| 3. a. | Number of shares held by Sumedha Fiscal Services Ltd. with its nominees in the subsidiary at the end of the financial year of the Subsidiary Company. | : | 551,000 Equity Shares of Rs. 10/- each |
| b. | Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company. | : | 99.96 per cent |
| 4. | The net aggregate amount of the Subsidiary Company's Profit/(Loss) so far as it concerns the members of the Holding Company. | : | (Rs. 373,404/-) |
| a. | Not dealt with the Holding Company's accounts: | | |
| i) | For the financial year ended 31 March, 2008 | : | Rs. (9,820/-) |
| ii) | For the previous financial years of the Subsidiary Company since it become the Holding Company's subsidiary. | : | (Rs. 3,22,142/-) |
| b. | Dealt with in Holding Company's accounts : | | |
| i) | For the financial year ended 31 March, 2008 | : | Nil |
| ii) | For the previous financial years of the Subsidiary Company since it become the Holding Company's subsidiary. | : | N.A. |

On behalf of the Board

Vijay Maheshwari
Bijay Murmuria
B. S. Rathi
Directors

Place: Kolkata
Dated: June 21, 2008

D. K. Sett
Company Secretary

DIRECTORS' REPORT

To
The members

SFSL COMMODITY TRADING PRIVATE LIMITED

Your Directors have pleasure in presenting before you their Annual Report together with audited statements of Account of the Company for the year ended 31.03.2008.

Operating Results

Your Company incurred a Loss of Rs. 9,820/- during the year (Previous year – Profit of Rs. 2,758/-). Income from Commodity Market Operation increased to Rs. 147,449/- as against Rs. 100,547/- during the previous year.

Income from Rent was Rs. 3.30 Lacs during the year against 3.00 Lacs in the previous year.

Dividend

In view of absence of profit, your Directors do not propose any dividend for the year under review.

Directors

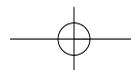
Mr. Vijay Maheshwari, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment. The Company has obtained necessary intimation from him in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956), Rules, 2003 to the effect that he has not incurred any disqualification under Section 274(1)(g) of the Companies Act, 1956 and he is eligible to be appointed as Director of the Company.

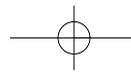
Membership of MCX

Your Company is dealing with business as a Trading-Cum-Clearing Member of Multi Commodity Exchange of India Ltd., Mumbai (MCX) that offers dealing facility in various commodities and also derivatives thereof. Income from this sector is also increased against that of earlier year. There is bright scope to penetrate into the potential market of various commodities. Your Company continues to make efforts in widening its geographical reach and improves its profitability.

Auditors

Messrs. P. K. Mundra & Co., Chartered Accountants, Kolkata, retire at the conclusion of the forthcoming Annual General Meeting and being eligible have expressed their willingness to be re-appointed. Certificate has been received from them that their appointment if made at the forthcoming Annual General Meeting, will be within the limits of section 224(1B) of the Companies Act, 1956.





ANNUAL REPORT 2007-2008

Directors' Responsibility statement pursuant to section 217(2AA) of the Companies Act, 1956:

Your Directors confirm :

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end financial year ended 31st March, 2008 and profit of the Company for that year;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

Statutory information

1) Conservation of Energy/Technology Absorption/Foreign Exchange Earning and Outgo:

Information pertaining to Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

Earning and Outgo in foreign currency during the year was nil.

2) Deposit

The Company is not holding any Public Deposit.

3) Personnel

There was no employee in receipt of remuneration coming under purview of Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, as amended.

None of the employees of the Company is holding two per cent or more of the Equity Shares of the Company in terms of Section 217(2A)(a)(iii) of the Act.

Appreciation

Your Directors wish to place on record with appreciation the services rendered by the Bankers, the MCX and employees of the Company for their co-operation and services rendered by them.

Place: Kolkata,

Date: June 18, 2008

On Behalf of the Board

VIJAY MAHESHWARI

Chairman

Registration No. 21-077314

Nominal Capital : Rs. 60,00,000/-

COMPLIANCE CERTIFICATE

To

The Members

SFSL Commodity Trading Pvt. Ltd.

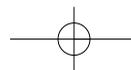
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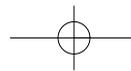
7E, Geetanjali Apartment,

Kolkata - 700 071.

I have examined the registers, records, books and papers of SFSL Commodity Trading Pvt. Ltd. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2008. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. the Company has kept and maintained all registers as stated in Annexure - 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. the Company has duly filed the forms and returns as stated in Annexure - 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. the Company being a subsidiary of Sumedha Fiscal Services Ltd. is a Public Limited Company, hence comments are not required.
4. the Board of Directors duly met 7 times on 09/04/2007, 14/06/2007, 20/08/2007, 23/10/2007, 22/11/2007, 31/12/2007 and 12/02/2008 in respect of which meetings proper notices were given and the proceedings were properly recorded in the Minutes Book and duly signed. No circular resolution was passed.
5. the Company was not required to close its Register of Members during the financial year.
6. the Annual General Meeting for the financial year ended on 31/03/2007 was held on 11/08/2007 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. two Extra Ordinary General Meetings were held during the financial year on 26/11/2007 and 22/12/2007.
8. the Company has not advanced loans to its directors and/or persons or firms or companies referred in the section 295 of the Act.




ANNUAL REPORT 2007-2008

9. the Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. the Company has made necessary entries in the register maintained under section 301 of the Act.
11. as there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or the Central Government.
12. the Company has not issued any duplicate share certificate during the financial year.
13. **the Company :**
 - i) has not made any transfer / transmission of shares, debentures or any other securities during the financial year.
 - ii) was not required to deposit any amount in a separate bank account as no dividend was declared during the Financial Year.
 - iii) was not required to post any warrant to any member of the Company during the Financial Year.
 - iv) was not required to transfer any amount to Investor Education and Protection Fund during the Financial Year.
 - v) has duly complied with the applicable requirements of Section 217 of the Act.
14. the Board of Directors of the Company is duly constituted and there was no appointment of additional directors/alternate Directors and Directors to fill casual vacancies during the financial year.
15. the Company has not appointed any Managing Director/ Whole-time Director/Manager during the financial year.
16. the Company has not appointed any sole-selling agents during the financial year.
17. the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities prescribed under the various provisions of the Act during the financial year.
18. the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. during the financial year the Company has issued 75,000 Equity Shares of Rs. 10/- each to its Holding Company Sumedha Fiscal Services Ltd
20. the Company has not bought back any shares during the financial year.
21. there was no redemption of preference shares/debentures during the financial year.
22. there was no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. the Company has not invited/accepted any deposit including any unsecured loan falling within the purview of section 58A of the Act during the financial year.
24. the Company has not made any borrowing during the financial year.
25. the Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.

26. the Company has not altered the provisions of the Memorandum of Association of the Company with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. the Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny and complied with provisions of the Act.
28. the Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. the Company has altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny and complied with the provisions of the Act.
30. the Company has not altered its Articles of Association during the financial year.
31. there was no prosecution initiated against or show cause notices received by the Company and also no fines or penalties or any other punishment was imposed on the Company during the financial year.
32. the Company has not received any money as security from its employees during the financial year.
33. the Company has not deducted any contribution towards Provident Fund during the financial year as it is not applicable.

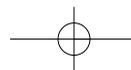
For **ANJALI LAKHOTIA & CO.**
 Company Secretaries

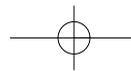
ANJALI LAKHOTIA
 Proprietor
 C. P. No.: 3633

Place : Kolkata
 Date : 18th June, 2008

Annexure – A
Registers as maintained by the Company :

1. Register of Members u/s 150 of the Act.
2. Share Transfer Register
3. Register of Directors u/s 303
4. Register of Directors' Shareholding u/s 307
5. Register of Contracts u/s 301
6. Minutes of Board Meetings u/s 193
7. Minutes of General Meetings u/s 193
8. Register of Fixed Assets
9. Books of Accounts




Annexure – B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2008 :

1. Form No. 23AC and 23ACA regarding Balance Sheet as on 31.03.2007 and Profit & Loss A/c for the year ended 31.03.2007 were filed on 4/09/2007 pursuant to Section 220 of the Act.
2. Form No. 66 for Compliance Certificate dated 14/06/2007 was filed on 06/09/2007 pursuant to Section 383A of the Act.
3. Form No. 20B for Annual Return (Date of AGM – 11/08/2007) was filed on 04/10/2007 pursuant to Section 159 of the Act.
4. Form 5 for increase in Authorised Capital to Rs. 60,00,000/- by an Ordinary Resolution passed on 26/11/2007 pursuant to Section 97 of the Act was filed on 11/12/2007.
5. Form 23 for Special Resolution passed on 22/12/2007 for issue of shares to promoters / Nominee(s) pursuant to Section 81(1A) has been filed on 15/01/2008.
6. Form 2 for allotment of 75,000 Equity Shares for cash at per, allotted on 27/12/2007 pursuant to Section 75(1) of the Act has been filed on 16/01/2008.

For **ANJALI LAKHOTIA & CO.**
 Company Secretaries

ANJALI LAKHOTIA
 Proprietor
 C. P. No.: 3633

Place : Kolkata
 Date : 18th June, 2008

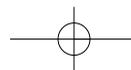
AUDITORS' REPORT

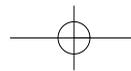
TO
THE MEMBERS OF
SFSL COMMODITY TRADING PVT LTD.

1. We have audited the annexed Balance Sheet of **SFSL COMMODITY TRADING PVT. LTD.** as at 31st March, 2008, Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed hereto both of which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we annex hereto a Statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. **Further to our comments in the Annexure referred to in paragraph (1) above:**
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - c) The said Balance Sheet and the Profit & Loss account are in agreement with the Books of Accounts;
 - d) In our opinion, the Balance Sheet and the Profit & Loss account comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representation received by the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - f) In our opinion, and to the best our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in the case of the Balance Sheet of the state of affairs as at 31st March, 2008.
 - ii) in the case of Profit & Loss Account, of Loss for the year ended 31st March, 2008.
 - iii) In the case of Cash Flow Statement, of the cash flow for the year ended 31st March, 2008.

Place : Kolkata
 Date : 18th June, 2008

For **P K MUNDRA & CO.**
 Chartered Accountants
P K MUNDRA
 Proprietor
 Membership No. 52302





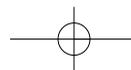
ANNEXURE TO THE AUDITORS' REPORT

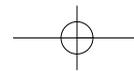
(Referred to in paragraph 3 of our report of even date)

- 1) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) Fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;
 - c) Substantial parts of fixed assets have not been disposed off during the year.
- 2) a) The Company has not taken or given any unsecured loans from/ to any companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - b) Other clauses are not applicable
- 3) In our opinion, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services . Further, during the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- 4) a) In our opinion and according to the information and explanation given to us, the transactions that need to be entered into a register in pursuance of section 301 of the Act , have been so entered.
 - b) According to the information and explanation given to us , transaction made in pursuance of the such contract / arrangement have been, made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 5) The Company has not accepted any deposits from the public under the provisions of sections 58A and 58AA or any other relevant provisions of the Act.
- 6) The maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- 7) a) According to information and explanation given to us and as per the books and records produced before us, The Company is regular in depositing undisputed statutory dues including Employees State Insurance, Income-tax, Wealth Tax, service tax Sales-tax, cess and any other statutory dues with the appropriate authorities and no amount of statutory dues is due as at 31st March, 2008 for a period of more than six months from the date they became payable.
 - b) According to the records available to us and the information and explanation given by the management, there are no disputed statutory dues that need to be deposited with the appropriate authorities.
- 8) The Company has accumulated losses as at 31st March, 2008, however it has not incurred cash loss during the financial year ended on that date and in the immediately preceding financial year.
- 9) The Company has not defaulted in repayment of dues to any financial institution or bank.
- 10) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 11) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the provisions of clause (xiii) of Paragraph 4 of the aforesaid order are not applicable.
- 13) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 14) No Term loans have been taken from bank during the year.
- 15) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been used for long term investments and vice versa.
- 16) The Company has not raised money during the year by way of public issue.
- 17) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- 18) No incidence of any fraud on or by the Company has been noticed or reported during the year.
- 19) Other provisions of the aforesaid order are not applicable to the Company.

Place : Kolkata
 Date : 18th June, 2008

For **P K MUNDRA & CO.**
 Chartered Accountants
P K MUNDRA
 Proprietor
 Membership No. 52302




ANNUAL REPORT 2007-2008
BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	As on 31.03.2008 (Rupees)	As on 31.03.2007 (Rupees)
SOURCES OF FUNDS			
1 Shareholders' Funds			
Share Capital	1	5,512,000	4,762,000
		5,512,000	4,762,000
APPLICATION OF FUNDS			
1 Fixed Assets	2		
Gross Block (office flat)		1,575,474	1,575,474
Less: Depreciation		265,234	215,951
	(i)	1,310,240	1,359,523
2 Investments	3	56,000	56,000
	(ii)	56,000	56,000
3 Current Assets, Loans & Advances			
a) Sundry Debtors	4	322,786	268,865
b) Cash & Bank Balance	5	685,450	627,142
c) Loans & Advances	6	2,228,220	1,413,540
d) Deposits	7	862,874	1,083,503
	(iii)	4,099,330	3,393,050
Less: Current Liabilities & Provisions:	8		
a) Current Liabilities & Provisions		326,974	368,715
	(iv)	326,974	368,715
Net Current Assets	(v)=(iii)-(iv)	3,772,356	3,024,335
4 Miscellaneous Expenditure			
a) Debit Balance in Profit & Loss Account	(vi)	373,404	322,142
	(i)+(ii)+(v)+(vi)	5,512,000	4,762,000
NOTES TO THE ACCOUNTS	9		
BALANCE SHEET ABSTRACT & COMPANY PROFILE	10		

As per our report of even date.
For **P. K. MUNDRA & CO.**
Chartered Accountants

P. K. MUNDRA
Proprietor
Membership No. 52302
Place : Kolkata
Date : 18th June , 2008

On behalf of the Board
Vijay Maheshwari
Bijay Murmuria
Directors

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

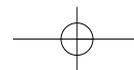
(Amount in Rupees)

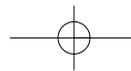
	Schedule	For the year ended 31.03.2008	For the year ended 31.03.2007
INCOME			
Income from Commodity Market Operations		147,449	100,547
Rent		330,000	300,000
Profit on Sale of Investments		-	30,000
Interest Receipts		6,060	4,795
Misc. Income		3,420	-
	(i)	486,929	435,342
EXPENDITURE			
Payment To and Provisions For employees		166,780	237,731
Staff Welfare		-	6,385
Staff Training Expenses		500	3,000
Insurance Premium		10,338	5,612
Annual Fees		50,000	25,000
Conveyance Expenses		5,525	11,604
Demat Charges		8,000	6,245
Filing Fee		12,500	1,530
Lease Line Charges		63,372	-
Professional charges		2,000	1,800
Depreciation		49,283	42,605
Audit Fee		8,427	6,734
Printing & Stationery		1,850	4,550
Rates & Taxes		590	13,512
Transaction Charges		76,836	27,507
Repairs & Maintenance		1,140	-
Miscellaneous Expenses		2,054	4,342
Interest Paid		133	-
Subscription		-	4,300
Telephone Expenses		10,046	4,752
Travelling Expenses		-	2,548
Seminar & Conference Expenses		-	6,330
Loan Processing Charges		-	1,500
User ID Charges		27,000	15,000
	(ii)	496,374	432,586
Net Profit/(Loss) before Tax	(i)-(ii)	(9,445)	2,756
Provision for Fringe Benefits Tax		375	1,144
Net Profit/(Loss) after Tax		(9,820)	1,612
Balance brought forward		(322,142)	(323,754)
Less: Charges on account of Transitional Provision under AS-15 (See Note No.2)		(41,442)	-
		(373,404)	(322,142)
NOTES TO THE ACCOUNTS	9		
BALANCE SHEET ABSTRACT & COMPANY PROFILE	10		

As per our report of even date.
For **P. K. MUNDRA & CO.**
Chartered Accountants

P. K. MUNDRA
Proprietor
Membership No. 52302
Place : Kolkata
Date : 18th June , 2008

On behalf of the Board
Vijay Maheshwari
Bijay Murmuria
Directors





ANNUAL REPORT 2007-2008

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

Amount in Rs.

	Year ended 31.03.2008	Year ended 31.03.2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Extraordinary items	(9,445)	2,756
Adjustment for:		
Depreciation	49,283	42,605
(Profit)/Loss on sale of Fixed Assets	-	-
Obsolete Fixed Assets Discarded	-	-
(Profit)/Loss on sale of Investments	-	(30,000)
Interest paid	133	-
	39,971	15,361
Adjustment for:		
Interest received	(6,060)	(4,795)
Dividend received	-	-
Operating Profit before Working Capital changes	33,911	10,566
Adjustment for:		
Current Assets	102,028	(552,854)
Current Liabilities	(41,741)	364,674
(Increase)/ Decrease in Net Current Assets	60,287	(188,180)
Cash generated from Operations	94,198	(177,614)
Interest paid	(133)	-
Taxation(Including Fringe Benefit Tax)	(375)	(1,144)
Adjustment for earlier year	(41,442)	-
Net Cash from operating activities	52,248	(178,758)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets/Adjustment	-	(51,500)
Sale of Fixed Assets/Adjustment	-	-
(Purchase)/Sale of Investments	-	230,000
Investment-Application Money	(750,000)	(100,000)
Interest received	6,060	4,795
Dividend received	-	-
Net Cash used in investing activities	(743,940)	83,295
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from ISSUE OF SHARE CAPITAL	750,000	-
Dividend paid(Including Dividend tax Paid)	-	-
Net Cash from Financing activities	750,000	-
Net increase in Cash and Cash equivalents	58,308	(95,463)
Cash and Cash equivalents at the beginning of the year	627,142	722,605
Cash and Cash equivalents at the close of the year	685,450	627,142

This is the Cash Flow Statement referred to in our report of even date On behalf of the Board
For **P. K. MUNDRA & CO.**
Chartered Accountants
P. K. MUNDRA
Proprietor
Membership No. 52302
Place : Kolkata
Date : 18th June , 2008

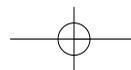
Vijay Maheshwari
Bijay Murnuria
Directors

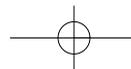
SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31.03.07 (Rupees)	As at 31.03.08 (Rupees)
SCHEDULE - 1		
SHARE CAPITAL		
A. Authorised		
600,000 (P. Y. 5,00,000) Equity Shares of Rs. 10/- each	5,000,000	5,000,000
B. Issued,Subscribed & Paid Up		
551,200 (P. Y. 476200) Equity shares of Rs. 10/- each fully paid up (Out of the above 551,000 (P. Y. 476,000) Equity Shares are held by Holding Company - Sumedha Fiscal Services Ltd.)	4,762,000	4,762,000
	5,512,000	4,762,000

SCHEDULE - 2
FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 31.03.07 (Rupees)	Addition (Rupees)	Deduction (Rupees)	As at 31.03.08 (Rupees)	As at 31.03.07 (Rupees)	As at 31.03.08 (Rupees)
FIXED ASSETS						
Buildings (Flat)	1,410,154	-	-	196,705	1,235,934	1,235,934
Computers	165,320	-	-	68,529	96,791	123,589
Total	1,575,474	-	-	265,234	1,310,240	1,359,523
Previous Year	1,523,974	51,500	-	215,951	1,359,523	1,350,628



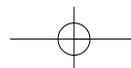


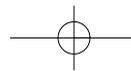
SCHEDULES FORMING PART OF BALANCE SHEET (CONTD.)

	No. of Shares	As on 31.03.08 (Rupees)	No. of Shares	As on 31.03.07 (Rupees)
SCHEDULE - 3				
INVESTMENT (AT COST)				
UNQUOTED SHARES				
1) Capita Finance Services Ltd.	5000	50,000	5000	50,000
2) Seasoft Solutions Pvt Ltd.	400	4,000	400	4,000
		54,000		54,000
Investment in Mutual Fund (In Units)	units		units	
1) Grindlays Dynamic Bond Fund	116.058	2,000	116.058	2,000
(Market Value Rs.1751.31(PY. Rs. 2108.21))		56,000		56,000
SCHEDULE - 4				
SUNDRY DEBTORS				
(Considered good by the Management)				
- Other Debts		322,786		268,865
		322,786		268,865
SCHEDULE - 5				
CASH & BANK BALANCES				
A. Cash in Hand (as certified by the Directors)		323,177		284,314
B. Balance with Scheduled Banks in Current Account		362,272		342,827
		685,450		627,142
SCHEDULE - 6				
LOANS & ADVANCES				
Advance against Salary		29,400		17,900
Tax Deducted at Source		136,220		134,640
Share Application		2,011,000		1,261,000
Other Advances		51,600		-
		2,228,220		1,413,540

SCHEDULES FORMING PART OF BALANCE SHEET (CONTD.)

	No. of Shares	As on 31.03.08 (Rupees)	No. of Shares	As on 31.03.07 (Rupees)
SCHEDULE - 7				
DEPOSITS				
Multi Commodity Exchange of India Ltd.		726,000		731,400
Lease Line Deposit		52,103		52,103
Margin Trading Margin Account		84,771		300,000
		862,874		1,083,503
SCHEDULE - 8				
CURRENT LIABILITIES & PROVISIONS				
A. Current Liabilities				
Client Margin Account		260,000		325,000
Sundry Creditors		8,427		42,571
		268,427		367,571
B. Provisions				
Provision for Fringe Benefits Tax		375		1,144
Provision For Gratuity		42,725		-
Provision For Leave Encashment		15,447		-
		58,547		1,144
		326,974		368,715





SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE - 9

NOTES TO THE ACCOUNTS

Annexed to and forming part of the Balance Sheet as at 31st March, 2008 and of Profit & Loss Account for the year ended on that date.

1. SIGNIFICANT ACCOUNTING POLICIES

GENERAL

- i) These accounts have been prepared on the historical cost basis and on the accounting principal of a going concern.
 - ii) All expenses and income to the extent considered payable and receivable respectively are accounted for on accrual basis except income from Dividend which is accounted for as and when received and Brokerage Income which is being taken on settlement date basis.
 - iii) Fixed Assets are accounted for at cost inclusive of all incidental expenses incurred in acquisition of Assets.
 - iv) Depreciation has been provided on straight line method at the rate prescribed in Schedule XIV of the Companies Act, 1956.
 - v) Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.
 - vi) Investments are stated at Cost.
 - vii) Provision for tax is made by applying applicable tax rates and tax laws. Net Deferred Tax Assets amounting Rs.2,89,889/- has not been accounted for in view of uncertainty of income.
 - viii) The Liability for gratuity & encashment for earned leave have been provided for on the basis of actuarial valuation at the year end.
2. Disclosure in accordance with Revised AS – 15 on “Employees Benefits”
- The Accounting Standard – 15 (Revised 2005) on “Employees Benefits” issued by the Institute of Chartered Accountants of India has been adopted by the Company effective from April 1, 2007. In accordance with the above Standard, the additional obligations of the Company, on account of employee benefits, based on independent actuarial valuation amounting to Rs. 41,442/- have been accounted by debiting the opening balance of the Profit & Loss Account as on April 1, 2007 as per the transitional provisions of AS 15 (Revised 2005).

Defined Benefit Plans:

(i) Change in Defined Benefit Obligations

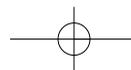
		Gratuity 31-03-2008	Leave Encashment 31-03-2008	Total 31-03-2008
a)	Present Value of DBO at beginning of period	32,554	8,888	41,442
b)	Current Service Cost	6,836	1,988	8,824
c)	Interest Cost	3,011	973	3,984
d)	Curtailment cost/(Credit)	-	-	-
e)	Settlement Cost / (Credit)	-	-	-
f)	Employee Contribution	-	-	-
g)	Plan Amendments	-	-	-
h)	Acquisitions	-	-	-
i)	Actuarial (Gain)/Losses	324	3,598	3,922
j)	Benefits Paid	-	-	-
j)	Present Value of DBO at the end of period	42,725	15,447	58,172

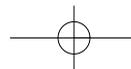
(ii) Changes in the Fair value of Assets

a)	Plan assets at beginning of Period	-	-	-
b)	Actual return on Plan Assets	-	-	-
c)	Actual Company Contributions	-	-	-
d)	Employee Contributions	-	-	-
e)	Benefits Paid	-	-	-
f)	Plan assets at the end of period	-	-	-

(iii) Amount recognized in the Balance Sheet including an reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets

Assets / Liabilities	For the Year Ended March 31, 2008						
	Gratuity		Leave Encashment		Total		
	31-03-08	01-04-07	31-03-08	01-04-07	31-03-08	01-04-07	
a)	Present Value of Obligation	42,725	32,554	15,447	8,888	58,172	41,442
b)	Fair Value of Plan Assets	-	-	-	-	-	-
c)	Net Asset/(Liability) recognized in the Balance Sheet	(42,725)	(32,554)	(15,447)	(8,888)	(58,172)	(41,442)
Employer Expense							
a)	Current Service Cost	6,836	-	1,988	-	8,824	-
b)	Total Employer Expense	10,171	-	6,559	-	16,730	-




ANNUAL REPORT 2007-2008

(iv) Total Expense recognized in the statement of Profit & loss Account.

		For the Year Ended 31-03-2008		
		Gratuity	Leave Encashment	Total
(A)	Components of Employer Expense			
a)	Current Service Cost	6,836	1,988	8,824
b)	Interest Cost	3,011	973	3,984
c)	Expected Return on Plan Assets	-	-	-
d)	Curtailment Cost/(Credit)	-	-	-
e)	Settlement Cost/(Credit)	-	-	-
f)	Amortization of Past Service Cost	-	-	-
g)	Actuarial (Losses)/(Gains)	324	3,598	3,922
h)	Total Expenses recognized in the statement of Profit and Loss.	10,171	6,559	16,730
(B)	Actual Contribution and Benefits Payments for period ending 31 March, 2008			
a)	Actual Benefit Payments	-	-	-
b)	Actual Contributions	-	-	-

(v) Net Asset /(Liability) recognized in the Balance Sheet

(A)	Funded Status			
a)	Present value of Defined Benefit Obligation	32,554	8,888	41,442
b)	Fair Value of Plan Assets	-	-	-
c)	Funded Status [Surplus /(Deficit)]	(32,554)	(8,888)	(41,442)
d)	Effect of Balance Sheet asset Limit	-	-	-
e)	Unrecognized Past Service Costs	-	-	-
	Net Asset /(Liability) recognized in Balance Sheet	(32,554)	(8,888)	(41,442)
a)	Net Asset/(Liability) recognized in Balance Sheet at beginning of period	(32,554)	(8,888)	(41,442)
b)	Employer Expense	10,171	6,559	16,730
c)	Employer Contributions	-	-	-
d)	Benefits Paid	-	-	-
d)	Net asset / (liability) recognized in Balance Sheet at end of the period	(42,725)	(15,447)	(58,172)

3. Related Party Disclosures:

As per AS – 18 issued by the Institute of Chartered Accountants of India, the Company's related party disclosure is as under:

A) List of related parties :-

- i) Holding Company of SFSL Commodity Trading Pvt Ltd.
M/s. Sumedha Fiscal Services Ltd.

Key Management Personnel

Mr. Vijay Maheshwari	-	Director
Mr. Bijay Murmuria	-	Director

B) Transactions with related parties

	Holding Company	
	31-03-08 Rs.	31-03-07 Rs.
• Rent Received	3,30,000	3,00,000
• Amount Receivable at year end	51,600	-

4. Previous Year's figures have been regrouped / rearranged wherever found to be necessary

As per our report or even date attached.

For **P. K. MUNDRA & CO.**

Chartered Accountants

P. K. MUNDRA

Proprietor

Membership No. 52302

Place : Kolkata

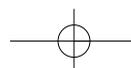
Date : 18th June , 2008

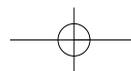
On behalf of the Board

Vijay Maheshwari

Bijay Murmuria

Directors





SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE - 10

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : 773114 State Code : 21
Balance Sheet Date : 31032008

II Capital Raised during the year (Amount in Rs. '000)

Public Issue : NIL Rights Issue : NIL
Bonus Issue : NIL Private Placement : 750

III Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities : 5512 Total Assets : 5512

Source of Funds

Paid-up Capital : 5512 Reserve & Surplus : NIL
Secured Loans : NIL Unsecured Loans : NIL

Application of Funds

Net Fixed Assets : 1310 Investments : 56
Net Current Assets : 3772 Misc. Expenditure : NIL
Accumulated Losses : 374

IV Performance of the Company (Amount in Rs. '000)

Turnover : 487 Total Expenditure : 496
Profit/Loss before Tax : + - 009 Profit/Loss after tax : + - 010
Earning Per Share in Rs. : NIL Dividend rate% : NIL

V Generic Name of Three Principal Products/Services of Company (as per monetary terms)

Product Description	Item Code No.
i) Commodity Broking Services	Not Applicable
ii) -	Not Applicable
iii) -	Not Applicable

In terms of our report of even date attached
For **P. K. MUNDRA & CO.**
Chartered Accountants

P. K. MUNDRA
Proprietor
Membership No: 52302
Place : Kolkata
Date : 18th June, 2008

On behalf of the Board
Vijay Maheshwari
Bijay Murmuria

Directors

AUDITORS' REPORT

To

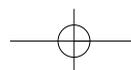
The Board of Directors

Sumedha Fiscal Services Limited, Kolkata

- We have audited the attached consolidated Balance Sheet of Sumedha Fiscal Services Limited and its subsidiary and associates as at 31st March, 2008, and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date. These consolidated financial statements are the responsibility of the Sumedha Fiscal Services Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- We did not audit the financial statements of the subsidiary – SFSL Commodity Trading Pvt. Ltd. whose financial statements reflect total assets of Rs. 5,465 thousand as at 31st March, 2008 and total revenues of Rs. 487 thousand for the year ended on that date. These financial statements have been audited by other auditor whose report has been furnished to us, and our opinion, is so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.
- a) We have audited the financial statement of the associates SFSL Insurance Advisory Services Pvt. Ltd. and whose audited statements reflects total assets of Rs 2,771 thousand as at 31st March, 2008 and total revenue of Rs 95 thousand for the year then ended.
b) We did not audit the financial statements of the Company's associates SFSL Risk Management Services Pvt. Ltd. whose statements reflects total assets of Rs. 2,561 thousand as at 31st March, 2008 and total revenue of Rs. 81 thousands for the year ended and the Company's associate – Capita Finance Services Limited, whose financial statements reflects total assets of Rs. 8,298 thousands as at 31st March, 2008 and total revenue of Rs 83 thousand for the year ended and the Company's associate US Infotech Pvt. Ltd whose financial statements reflects total assets Rs 15,004 thousand as at 31st March, 2008 and revenue of Rs 1,199 thousand for the year then ended the Company's associate Seasoft Solutions Pvt. Ltd. whose financial statements reflects total assets Rs 23,085 thousand as at 31st March, 2008 and revenue of Rs. 13,636 thousand for the year then ended. These financial statements have been audited by other auditor whose report has been furnished to us, and our opinion, is so far as it relates to the amounts included in respect of the associates, is based solely on the report of the other auditor.
- We report that the Consolidated Financial Statements have been prepared by the Sumedha Fiscal Services Limited's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23 --- Accounting for Investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Sumedha Fiscal Services Ltd and its subsidiary and audited results of the associates included in the Consolidated Financial Statements.
- On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Sumedha Fiscal Services Ltd. and its aforesaid subsidiary and associates we are of the opinion that:
 - the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Sumedha Fiscal Services Ltd. and its subsidiary and associates as at 31st March, 2008 and;
 - the Consolidated Profit & Loss Account gives a true and fair view of the consolidated results of operations of Sumedha Fiscal Services Ltd and its subsidiary and associates for the year ended on that date;
 - In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiary and associates for the year ended on that date.

Place: Kolkata
Date : 21st June, 2008

For **ARSK & Associates**
Chartered Accountants
Ravindra Khandelwal
Partner
Membership No. 054615



ANNUAL REPORT 2007-2008**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2008**

	Schedule	As on 31.03.2008		As on 31.03.2007	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
SOURCES OF FUNDS					
1. Shareholder's Funds					
a) Share Capital	1	66,429,400		66,429,400	
b) Reserve & Surplus	2	27,335,908		15,401,832	
			93,765,308		81,831,232
2 Minority Interest			1,618		1,616
3 Loan Funds					
Secured Loan	3		3,686,485		2,556,740
4 Deferred Tax Liability (Net)			3,176,986		2,688,974
			100,630,397		87,078,562
APPLICATION OF FUNDS					
1. Fixed Assets					
Gross Block	4	60,373,177		59,152,231	
Less : Depreciation		13,145,383		12,081,322	
Net Block			47,227,794		47,070,909
2. Investments					
	5		9,966,546		9,965,950
3. Current Assets, Loans & Advances					
a. Inventories	6	5,382,429		7,246,615	
b. Sundry Debtors	7	36,540,491		17,473,311	
c. Cash & Bank Balance	8	33,563,630		15,890,849	
d. Loans & Advances	9	31,394,844		23,455,322	
	(i)	106,881,394		64,066,097	
Less: Current Liabilities & Provisions:					
a. Current Liabilities	10	44,605,377		22,178,756	
b. Provisions		18,839,960		11,845,638	
	(ii)	63,445,337		34,024,394	
Net Current Assets	(i) - (ii)		43,436,057		30,041,703
			100,630,397		87,078,562
ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS					
	14		-		-

In terms of our report of even date attached
For ARSK & ASSOCIATES
Chartered Accountants
RAVINDRA KHANDELWAL
Partner
Membership No. 054615
Place : Kolkata
Date : 21st June, 2008

D. K. Sett
Company Secretary

On behalf of the Board
Vijay Maheshwari
Bijay Murmuria
B. S. Rathi
Directors

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	For the year ended 31.03.08		For the year ended 31.03.07	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
INCOME					
Income from Operations	11		76,023,199		42,073,520
Income from Other Sources	12		1,704,033		3,970,449
	(i)		77,727,232		46,043,969
EXPENDITURE					
Administrative & Operational Charges	13		47,426,836		31,055,376
Interest & Finance Charges			403,681		219,651
Depreciation		2,353,554		1,949,102	
Less: Transfer from Revaluation Reserve		21,373		21,373	
	(ii)		50,162,698		33,202,756
Profit before Taxation	(i) - (ii)		27,564,534		12,841,213
Less: Provision for Taxation:					
Current Tax		8,600,000		3,500,000	
Deferred Tax		488,012		429,242	
Fringe Benefit Tax		445,375		322,644	
Tax for Earlier Years		17,319		43,717	
			9,550,706		4,295,603
Profit After Taxation			18,013,828		8,545,610
Add: Share of Profit of Associates			260,470		(38,878)
Less: Minority Interest			-		1
Less: Amortisation of GoodWill			819,170		819,170
Add: Net profit brought forward			14,325,677		10,523,685
Less: Charge on account of Transitional provision under AS-15 (Note No. 7)			59,345		-
Add: Consolidation Adjustment			-		385
Profit Available For Appropriation			31,721,460		18,211,631
Appropriations					
Proposed Dividend on Equity Shares			4,650,058		3,321,470
Provision for Tax on Dividend			790,277		564,484
Balance Carried to Balance Sheet			26,281,125		14,325,677
			31,721,460		18,211,631
Number of Equity Shares outstanding during the year					
Profit for calculation of EPS			6,642,940		6,642,940
Nominal Value of Equity Shares (Rs.)			18,013,828		8,545,610
Basic and Diluted EPS (Rs.)			10		10
			2.71		1.29
ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS					
	14		-		-

In terms of our report of even date attached
For ARSK & ASSOCIATES
Chartered Accountants
RAVINDRA KHANDELWAL
Partner
Membership No. 054615
Place : Kolkata
Date : 21st June, 2008

D. K. Sett
Company Secretary

On behalf of the Board
Vijay Maheshwari
Bijay Murmuria
B. S. Rathi
Directors

ANNUAL REPORT 2007-2008**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008**

Amount in Rs.

	Year ended 31.03.2008	Year ended 31.03.2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Extraordinary items	27,564,534	12,841,213
Adjustment for:		
Depreciation	2,332,181	1,927,729
(Profit)/Loss on sale of Fixed Assets	18,309	(2,012,137)
Obsolete Fixed Assets Discarded	541,760	-
(Profit)/Loss on sale Investments.	(468,534)	(1,245,351)
Interest paid	403,681	219,651
	30,391,931	11,731,105
Adjustment for:		
Interest received	(1,105,581)	(546,804)
Dividend received	(80,644)	(124,474)
Operating Profit before Working Capital changes	29,205,706	11,059,827
Adjustment for:		
Current Assets	(27,362,516)	13,967,828
Current Liabilities	29,420,943	(4,179,056)
(Increase)/ Decrease in Net Current Assets	2,058,427	9,788,772
Cash generated from Operations	31,264,133	20,848,599
Interest paid	(403,681)	(219,651)
Taxation	(9,045,375)	(3,822,644)
Cash Flow before extraordinary items	21,815,077	16,806,304
Extraordinary items (Adjustment on Consolidation)	(76,664)	(43,717)
Additional tax adjustments for earlier year		
Net Cash from operating activities	21,738,413	16,762,587
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(4,055,277)	(17,447,191)
Sale of Fixed Assets/Adjustment	165,600	4,020,000
(Purchase)/Sale of Investments/Adjustment	(21,590)	1,629
Investment-Application Money	2,220,000	2,280,000
Interest received	1,105,581	546,804
Dividend received	80,644	124,474
Net Cash used in investing activities	(505,042)	(10,474,284)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) of Borrowing	1,129,745	(1,591,355)
Proceeds From issue Of Share Capital	750,000	-
Dividend Paid (Including Dividend tax)	(5,440,335)	(3,885,954)
Net Cash from Financing activities	(3,560,590)	(5,477,309)
Net increase in Cash and Cash equivalents	17,672,781	810,994
Cash and Cash equivalents at the beginning of the year	15,890,849	15,079,855
Cash and Cash equivalents at the close of the year	33,563,630	15,890,849

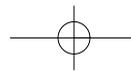
This is the Cash Flow Statement referred to in our report of even date.
For ARSK & ASSOCIATES
Chartered Accountants
RAVINDRA KHANDELWAL
Partner
Membership No. 054615
Place : Kolkata
Date : 21st June, 2008

D. K. Sett
Company Secretary

On behalf of the Board
Vijay Maheshwari
Bijay Murmuria
B. S. Rathi
Directors

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

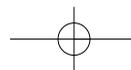
	As on 31.03.2008 (Rupees)	As on 31.03.2007 (Rupees)
SCHEDULE - 1		
SHARE CAPITAL		
A. Authorised		
10,000,000 Equity Shares of Rs. 10/- each	100,000,000	100,000,000
	100,000,000	100,000,000
B. Issued Subscribed & Paid Up		
6,642,940 Equity Shares of Rs.10/- each fully paid up. (Out of the above, 1,638,340 Equity Shares were allotted pursuant to Scheme of Amalgamation without payment being received in cash).	66,429,400	66,429,400
	66,429,400	66,429,400
SCHEDULE - 2		
RESERVE & SURPLUS		
Profit & Loss A/c		
As per Annexed Account	26,281,125	14,325,677
(i)	26,281,125	14,325,677
Revaluation Reserve:		
As per Last Account	1,076,156	1,097,528
Less: Transfer to Profit & Loss A/c.	21,373	21,373
(ii)	1,054,783	1,076,155
(i) + (ii)	27,335,908	15,401,832
SCHEDULE - 3		
SECURED LOAN		
From Banks:		
a) Cash Credit Facility (Secured against equitable mortgage of an Immovable property and personal guarantee of a Director of the company)	1,466,424	1,174,863
Auto Loan: (Secured by hypothecation of vehicles taken on hire purchase)	2,220,061	1,381,877
	3,686,485	2,556,740


SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET (CONTD.)
**SCHEDULE - 4
FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.03.07 (Rupees)	Addition (Rupees)	Deduction (Rupees)	As at 31.03.07 (Rupees)	For the year (Rupees)	Adjustment/ Deduction (Rupees)	As at 31.03.08 (Rupees)	As at 31.03.07 (Rupees)
Good-Will	1,638,340	-	819,170	-	-	-	819,170	1,638,340
Buildings	25,658,134	542,400	-	1,453,963	424,703	-	24,321,868	24,204,171
Electrical Installation	806,377	-	-	136,120	51,044	-	619,213	670,257
Computers	11,136,939	910,416	533,620	6,746,992	918,628	496,835	4,344,950	4,389,947
Office Equipments	3,346,373	156,603	358,826	771,479	146,883	96,515	2,322,303	2,574,894
Furnitures & Fixtures	5,162,306	192,094	301,140	1,318,500	318,571	42,876	3,459,065	3,843,806
Motor Vehicles	4,678,762	2,253,765	821,576	1,654,268	493,725	653,267	4,616,225	3,024,494
Stock Exchange Cards	6,725,000	-	-	-	-	-	6,725,000	6,725,000
Total	59,152,231	4,055,278	2,834,332	12,081,322	2,353,554	1,289,493	47,227,794	47,070,909
Previous Year	44,867,308	17,447,191	3,162,268	10,467,455	1,949,102	335,235	47,070,909	34,399,853

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET (CONTD.)

	As on 31.03.2008 (Rupees)	As on 31.03.2007 (Rupees)
SCHEDULE - 5		
INVESTMENT- LONG TERM AND AT COST		
Quoted - Non Trade		
Equity Shares, Debentures & Mutual Funds	3,396,173	3,656,047
Unquoted		
In Associates -Trade		
Cost of Investment (Including Rs.3,060,367/- of Good will net of capital reserve on Consolidation)	6,770,000	6,770,000
Add:- Share of Post acquisition profit/loss (net)	(303,627)	(564,097)
Other	104,000	104,000
	9,966,546	9,965,950
(Market value of quoted Investments Rs.14,85,663/-; PY.16,90,826/-)		
SCHEDULE - 6		
INVENTORIES		
(As taken Valued & Certified by a Director)		
A) Equity Shares & Securities (Valued at Cost or Market Price whichever is lower)	3,774,429	5,638,615
B) Properties (Valued lower of cost or net realisable value)	1,608,000	1,608,000
	5,382,429	7,246,615
SCHEDULE - 7		
SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts due for a period more than six months	1,465,725	1,890,239
Other Debts	35,074,766	15,583,072
	36,540,491	17,473,311
SCHEDULE - 8		
CASH & BANK BALANCES		
A. Cash in hand (as certified by the management)	733,504	486,823
B. Balance with Scheduled Banks		
in Current Accounts	14,625,737	6,650,028
In Fixed Deposit (Pledged with Banks)	18,204,389	8,753,998
	33,563,630	15,890,849



ANNUAL REPORT 2007-2008
SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET (CONTD.)

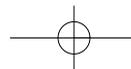
	As on 31.03.2008 (Rupees)	As on 31.03.2007 (Rupees)
SCHEDULE - 9		
LOANS & ADVANCES		
(Unsecured, Considered Good)		
Deposits	10,730,511	9,693,141
Other advances (Recoverable in cash or in kind or for value to be received or pending adjustment)	3,692,708	1,537,114
Share Application Money(Pending Allotment)	3,361,000	5,581,000
Advance Tax & Tax Deducted at Source	13,610,625	6,644,067
	31,394,844	23,455,322
SCHEDULE - 10		
CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry Creditors	44,106,480	21,729,320
Unclaimed Dividend	498,897	449,436
(i)	44,605,377	22,178,756
B. Provisions		
For Proposed Dividend	4,650,058	3,321,470
For Tax on Proposed Dividend	790,277	564,484
For Taxation	12,100,000	6,850,000
For Leave Encashment	490,025	412,040
For Gratuity	42,725	-
For Fringe Benefit Tax	766,875	697,644
(ii)	18,839,960	11,845,638
(i)+(ii)	63,445,337	34,024,394

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	For the year ended 31.03.2008 (Rupees)	For the year ended 31.03.2007 (Rupees)
SCHEDULE - 11		
INCOME FROM OPERATIONS		
Income from Loan Syndication & Project Consultancy Services	44,740,796	26,182,395
Commodity Trading	147,449	100,547
Income From Capital Market Operation	31,134,954	15,790,578
	76,023,199	42,073,520

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT (CONTD.)

	For the year ended 31.03.2008 (Rupees)	For the year ended 31.03.2007 (Rupees)
SCHEDULE - 12		
INCOME FROM OTHER SOURCES		
Profit on Sale of Investments	468,534	1,245,351
Interest (TDS Rs. 2,24,324/-; P.Y. Rs. 1,18,352/-)	1,105,581	546,804
Dividend	80,644	124,474
Profit on Sale of Fixed Assets	-	2,035,770
Miscellaneous Income	49,274	18,050
	1,704,033	3,970,449
SCHEDULE - 13		
ADMINISTRATIVE & OPERATIONAL CHARGES		
Salary	11,807,319	8,837,488
Employer's Contribution to Provident Fund & Other Funds	1,135,175	630,707
Staff Welfare	637,765	555,207
Demat and Depository Charges	469,558	297,343
Communication Expenses	1,770,424	1,350,701
Insurance Charges	247,712	126,111
Rent	1,062,500	707,937
Electricity	1,082,329	1,077,556
Office Maintenance	964,114	598,975
Travelling & Conveyance	2,458,228	1,871,375
Rates & Taxes	72,102	56,482
SEBI Turnover and Membership Registration Fee	817,155	3,143,386
Commission	3,040,175	342,773
Professional Service Charges	7,627,142	3,809,153
Auditors' Remuneration	122,928	98,650
Repairs & Maintenance	868,484	896,129
Advertisement & Business Promotion	2,681,086	1,308,756
Car Expenses	1,473,477	1,174,113
Printing & Stationery	1,056,763	729,003
Charity and Donation	100,000	-
Computer Expenses	571,138	1,361,148
Loss on Sale of Fixed Assets	18,309	23,633
Obsolete Fixed Assets Discarded	541,760	-
Bad-Debts	3,743,616	29,933
NSE Charges	645,219	400,694
VSAT Charges	340,877	382,710
Miscellaneous Expenses	2,071,481	1,245,413
	47,426,836	31,055,376


ANNUAL REPORT 2007-2008
SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
SCHEDULE - 14
NOTES ON CONSOLIDATED ACCOUNTS
1. CONSOLIDATION OF ACCOUNTS:
a) Basis of preparation:

The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements and (AS) 23 on Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements comprise the financial statement of SFSL Commodity Trading (P) Ltd., the Subsidiary Company and Associates SFSL Insurance Advisory Services (P) Ltd, SFSL Risk Management Services (P) Ltd, Capita Finance Services Ltd, US Infotech Pvt. Ltd. And Seasoft Solutions (P) Ltd.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICY

- All income and expenses are accounted for on accrual basis except income from Dividends which is accounted for as and when actually received.
- Fixed Assets are accounted for at cost/revalued amount inclusive of all incidental expenses incurred in acquisition of asset.
- Depreciation has been provided on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- In case, the recoverable amount of Fixed Assets is lower than its carrying amount, a provision is made for impairment loss.
- Investments are stated at cost. Provision for diminutions in the value is not considered unless such short fall is permanent in nature.
- Inventories of shares and securities are valued at lower of cost or market value and Inventory of property is valued at lower of cost or net realizable value.
- The Company has schemes of retirement benefit of Provident Fund, Superannuation Fund and Gratuity Fund in respect of which the Company's Contribution to the fund are charged to Profit & Loss Account. The Company contributes to Provident Fund administered by Government and Gratuity Fund and Superannuation Fund benefit of the Company are administered by a Trust for this purpose through the Group Scheme of Life Insurance Corporation of India. Contribution to such fund on the basis of actuarial valuation is charged to Profit & Loss Account. The liability for encashment of earned leave have been provided on the basis of actuarial valuation as at the year end.
- Taxes on Income**

Current Tax is determined on the amount of tax payable in respect of taxable income for the year. The deferred tax charge or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.

- Good-will is being written off over a period ten years at one-tenth per annum.

- a) The subsidiary Company of Sumedha Fiscal Services Limited considered in the consolidated financial Statement is:

Name of the Company	Country of Incorporation	% voting power held as at 31st March, 2008
SFSL Commodity Trading (P) Ltd.	India	99.96%

b) Associates of Sumedha Fiscal Services Ltd.:

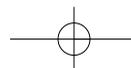
Name of the Company	% Share Held	Original Cost of Investment (Rupees)	Goodwill/ (Capital Reserve) (Rupees)	Accumulated Profit/ (Loss) As on 31.03.08 (Rupees)	Carrying amount of Investments as on 31.03.08 (Rupees)
SFSL Insurance Advisory Services (P) Ltd.	28.60%	850,000	495,355	(444,198)	405,802
SFSL Risk Management Services (P) Ltd.	38.43%	925,000	66,936	19,905	944,905
Capita Finance Services Ltd.	28.43%	400,000	149,755	(14,758)	385,242
US Infotech Pvt. Ltd.	34.96%	2,500,000	(1,220,874)	243,204	2,743,204
Seasoft Solutions (P) Ltd.	24.65%	2,095,000	3,549,196	(107,780)	1,987,220
Total		6,770,000	3,060,367	(303,627)	6,466,373

- Revaluation of Office premises was carried out as on 31.03.96 by an approved Valuer. The revaluation resulted in an increase of Rs. 1,311,255/- in the value of the assets over its net book value as on 31.03.96 which has been credited to Revaluation Reserve. Depreciation for the year ended 31.03.2008 of Rs. 21,373/- on revalued portion has been adjusted with Revaluation Reserve Account.
- Since the Company is predominantly engaged in broking business, the deposits made with NSE and OTCEI towards acquiring membership of these exchanges, are considered as Fixed Assets and no depreciation has been provided on the same.
- Expenses incurred in Foreign Currency during the year:**

	31.03.2008 (Rs.)	31.03.2007 (Rs.)
a) Traveling	122,025	75,050

7. Disclosure in accordance with Revised AS – 15 on "Employees Benefits"

The Accounting Standard – 15 (Revised 2005) on "Employees Benefits" issued by the Institute of Chartered Accountants of India has been adopted by the Company effective from April 1, 2007. In accordance with the above Standard, the additional obligations of the Company, on account of employee benefits, based on independent actuarial valuation amounting to Rs. 59,345/- have been accounted by debiting the opening balance of the Profit & Loss Account as on April 1, 2007 as per the transitional provisions of AS 15 (Revised 2005).



ANNUAL REPORT 2007-2008**A) Defined Contribution Plans:**

The Company has recognized the following amounts in the Profit and Loss Account for the year: Amount in Rs.

	31-03-2008
(i) Contribution to Employees' Provident Fund	371,426
(ii) Contribution to Employees' Family Pension Fund	352,080
Total	723,506

B) Defined Benefit Plans:**(i) Change in Defined Benefit Obligations**

	Gratuity 31-03-2008	Leave Encashment 31-03-2008	Total 31-03-2008
a) Present Value of DBO at beginning or period	1,007,109	438,831	1,445,940
b) Current Service Cost	278,806	62,355	341,161
c) Interest Cost	91,103	37,154	128,257
d) Curtailment cost/(Credit)	-	-	-
e) Settlement Cost / (Credit)	-	-	-
f) Employee Contribution	-	-	-
g) Plan Amendments	-	-	-
h) Acquisitions	-	-	-
i) Actuarial (Gain)/Losses	(1,06,554)	(48,315)	(154,869)
j) Benefits Paid	-	-	-
k) Present Value of DBO at the end of period	1,270,464	474,578	1,745,042

(ii) Changes in the Fair value of Plant Assets

a) Plan assets at beginning of Period	986,114	-	986,114
b) Actual return on Plan Assets	90,035	-	90,035
c) Actual Company Contributions	168,482	-	168,482
d) Employee Contributions	-	-	-
e) Benefits Paid	-	-	-
f) Plan assets at the end of period	1,244,631	-	1,244,631

(iii) Amount recognized in the Balance Sheet including an reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets

Assets / Liabilities	For the Year Ended March 31, 2008					
	Gratuity		Leave Encashment		Total	
	31-03-08	01-04-07	31-03-08	01-04-07	31-03-08	01-04-07
a) Present Value of Obligation	1,270,454	1,007,109	490,025	438,831	1,760,489	1,445,940
b) Fair Value of Plan Assets	1,244,631	986,114	-	-	1,244,631	986,114
c) Net Asset/(Liability) recognized in the Balance Sheet	(25,833)	(20,995)	(490,025)	(438,831)	(515,858)	(459,826)
Employer Expense						
a) Current Service Cost	278,806	-	602,355	-	-	-
b) Total Employer Expense	173,320	-	51,194	-	-	-

(iv) Total Expense recognized in the statement of Profit & loss Account.

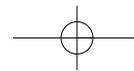
		For the Year Ended 31-03-2008		
		Gratuity	Leave Encashment	Total
(A) Components of Employer Expense				
a) Current Service Cost	278,806	62,355	341,161	
b) Interest Cost	91,103	37,154	128,257	
c) Expected Return on Plan Assets	(90,035)	-	(90,035)	
d) Curtailment Cost/(Credit)	-	-	-	
e) Settlement Cost/(Credit)	-	-	-	
f) Amortization of Past Service Cost	-	-	-	
g) Actuarial (Gain)/Loss	(106,554)	(48,315)	(154,869)	
h) Total Expenses recognized in the statement of Profit and Loss.	173,320	51,194	224,514	
(B) Actual Contribution and Benefits Payments for period ending 31 March 2008				
a) Actual Benefit Payments	-	-	-	
b) Actual Contributions	168,482	-	168,482	

(v) Net Asset /(Liability) recognized in the Balance Sheet

(A) Funded Status			
a) Present value of Defined Benefit Obligation	1,260,293	483,466	1,743,759
b) Fair Value of Plan Assets	1,244,631	-	1,244,631
c) Funded Status [Surplus /(Deficit)]	(15,562)	(483,466)	(499,028)
d) Effect of Balance Sheet asset Limit	-	-	-
e) Unrecognized Past Service Costs	-	-	-
Net Asset /(Liability) recognized in Balance Sheet	(15,562)	(483,466)	(499,028)
a) Net Asset/(Liability) recognized in Balance Sheet at beginning of period	(20,995)	(438,831)	(459,826)
b) Employer Expense	173,320	51,194	224,514
c) Employer Contributions	(168,482)	-	(168,482)
d) Benefits Paid	-	-	-
e) Net asset / (liability) recognized in Balance Sheet at end of the period	(25,833)	(490,025)	(515,858)

8. Whole - time Director's Remuneration:

	31.03.2008 (Rs.)	31.03.2007 (Rs.)
Basic Salary	330,000	330,000
House Rent Allowance	120,000	120,000
Bonus	41,250	41,250
Employer's Contribution to P.F.	42,900	39,600
Leave Encashment	27,500	-
	561,650	530,850



ANNUAL REPORT 2007-2008

9. Auditors' Remuneration includes:

	31.03.2008 (Rs.)	31.03.2007 (Rs.)
i) Statutory Audit Fee	62,500	51,000
ii) Tax Audit Fee	20,000	15,000
iii) For other services (includes Service Tax)	15,428	12,650
iv) Branch Audit Fee	25,000	20,000
	122,928	98,650

10. Estimated amount of Contracts remaining to be executed on capital account. (net of Advances)
Rs. 5,625,000/- – Previous Year - Rs. 6,750,000/-

11. Contingent liability not provided for:

- a) Bank Guarantee given by Canara Bank on our behalf to National Securities Clearing Corporation Ltd. Rs. 80.00 Lacs(Previous Year Rs. 25.00 Lacs), and Stock Holding Corporation Ltd. Rs.50.00 Lacs (Previous Year –Rs. 50.00 Lacs)
- b) The matter relating to payment for SEBI Fees based on turnover is sub-judice but the entire demand as payable has been duly provided by the Company. Any further adjustment in the matter is contingent to final judgement and shall be recognised accordingly.

12. Additional information (To the extent applicable to the Company) :-Shares/Securities are not considered as goods and hence, quantitative information thereof are not given.

13. DEFERRED TAX

	Current Year	Previous Year
Deferred Tax Assets		
Leave Encashment	15,171	73,978
	15,171	73,978
Deferred Tax Liability		
Deferred tax between depreciation As per Book & I.T. Act.	3,192,157	2,762,952
Net Deferred Tax Assets /(Liabilities)	(3,176,986)	(2,688,974)

14. Information given in accordance with the requirements of Accounting Standards 17(AS-17) on Segment Report issued by the Institute of Chartered Accountants of India.

A) Primary Segment Reporting:

	Year ended 31st March, 2008				Year ended 31st March, 2007			
	Capitals Market Operation (Rs.)	Consul- tancy (Rs.)	Others (Rs.)	Total (Rs.)	Capital Market Operation (Rs.)	Consul- tancy (Rs.)	Others (Rs.)	Total (Rs.)
A) Revenue	32,937,162	44,740,796	45,854	77,723,812	17,825,804	26,182,395	2,035,770	46,043,969
Less: Inter Segment Revenue	-	-	-	-	-	-	-	-
	32,937,162	44,740,796	45,854	77,723,812	17,825,804	26,182,395	2,035,770	46,043,969

A) Primary Segment Reporting: (Contd.)

	Year ended 31st March, 2008				Year ended 31st March, 2007			
	Capitals Market Operation (Rs.)	Consul- tancy (Rs.)	Others (Rs.)	Total (Rs.)	Capital Market Operation (Rs.)	Consul- tancy (Rs.)	Others (Rs.)	Total (Rs.)
B) Segment Results								
Profit/(Loss) before Tax and Interest	13,774,661	14,789,584	(596,030)	27,968,215	4,556,019	7,025,520	1,479,325	13,060,864
Less: Interest	287,099	116,582	-	403,681	118,408	101,243	-	219,651
	13,487,562	14,673,002	(596,030)	27,564,534	4,437,611	6,924,277	1,479,325	12,841,213
C) Other Information								
Segment Assets	101,883,377	32,997,303	29,195,057	164,075,737	63,092,667	43,370,029	14,640,260	121,102,956
Segment Liabilities	33,043,311	14,478,676	22,786,823	70,308,810	17,592,220	7,104,436	11,886,094	36,582,750
Capital Employed	68,840,066	18,518,627	6,408,234	93,766,927	45,500,447	36,265,593	2,754,166	84,520,206
Depreciation	433,584	1,710,538	188,060	2,332,182	223,502	1,704,227	-	1,927,729

NOTE:

- The Company is operating in three main service segments namely,
 - Capital Market Operations comprising of Stock Broking, Investment, Mutual Funds & Other products distribution.
 - Consultancy comprising of Loan Syndication, Merchant Banking, Restructuring & Other related advisory services.
 - Others comprising of other services area.
 Segments have been identified and reported taking into account the nature of services, different risk & return and internal reporting system
- Segment Revenue, Results, Assets and Liabilities include the respective amounts identified to each of the segment and amounts allocated on a reasonable basis. Whereas un-allocable Revenue, results Assets and Liabilities have been included in "others".

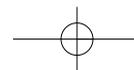
B) There are no reportable geographical segments.

15. Related Party Disclosures :

As per AS - 18 issued by the Institute of Chartered Accountants of India, the Company's related party disclosure is as under :

A) List of related parties :

- Associates of Sumedha Fiscal Services Ltd.**
SFSL Insurance Advisory Services (P) Ltd.
SFSL Risk Management Services (P) Ltd.
Capita Finance Services Ltd.
US Infotech Pvt Ltd.
Seasoft Solutions (P) Ltd.





ANNUAL REPORT 2007-2008

ii) Relatives

Kartick Maheshwari

Key Management Personnel

Mr. Bhawani Shankar Rathi – Whole-time Director

Mr. Vijay Maheshwari – Director

Mr. Bijay Murmuria – Director

B) Transactions with related parties

	Relatives		Associates		Key Management Personnel	
	31-03-08 Rs.	31-03-07 Rs.	31-03-08 Rs.	31-03-07 Rs.	31-03-08 Rs.	31-03-07 Rs.
• Rent Paid	-	-	-	-	255,000	120,000
• Rendering of Services	-	150,000	-	-	811,650	780,850
• Amount Receivable/ (payable) at year end	-	-	(3,993,773)	6,227	-	-
• Investment	-	-	-	2,095,000	-	-
• Share Application Money	-	-	(2,970,000)	1,620,000	-	-

16. There are no outstanding dues to Small Scale Industrial Undertakings as has been identified on the basis of information available with the Company.

17. Previous year's figure have been re-grouped/ re-arranged wherever found to be necessary.

18. Schedule 1 to 14 form integral part of the Balance Sheet and Profit and Loss Account.

In terms of our report of even date attached

For **ARSK & ASSOCIATES**

Chartered Accountants

RAVINDRA KHANDELWAL

Partner

Membership No: 054615

Place : Kolkata

Date : 21st June, 2008

On behalf of the Board

Vijay Maheshwari

Bijay Murmuria

B S Rathi

Directors



SUMEDHA FISCAL SERVICES LIMITED

Regd. Office : 8B, Middleton Street, 6A Geetanjali
Kolkata - 700 071

PROXY

Folio / Demat A/c. No. No. of Shares

I/We
of.....

being a member/members of the above-named Company hereby appoint Mr./Mrs./Miss.....

as my/our proxy to vote for me/us on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held at "Somany Conference Hall", Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Saturday, the 20th September, 2008 at 10.30 a.m. and at any adjournment thereof.

Signed this.....day of2008



Signature of Member(s).....

Signature of Proxy(ies).....

Note: Proxy must reach the Company's Registered Office not less than 48 hours before commencement of the meeting.



SUMEDHA FISCAL SERVICES LIMITED

Regd. Office: 8B, Middleton Street, 6A, Geetanjali
Kolkata - 700 071

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall.

Folio No./Demat A/c.No. : No. of Shares

Name :

Address :

Name of Proxy :

(in Block letters)

(To be filled in if the Proxy attends instead of the Member)

I hereby record my presence at the **NINETEENTH ANNUAL GENERAL MEETING** at "Somany Conference Hall", Merchants' Chamber of Commerce, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Saturday, the 20th September, 2008 at 10.30 a.m.

.....
Member's Signature

.....
Proxy's Signature

Members are requested to bring their copy of the Annual Report for the year ended 31st March, 2008 with them to the Annual General Meeting.

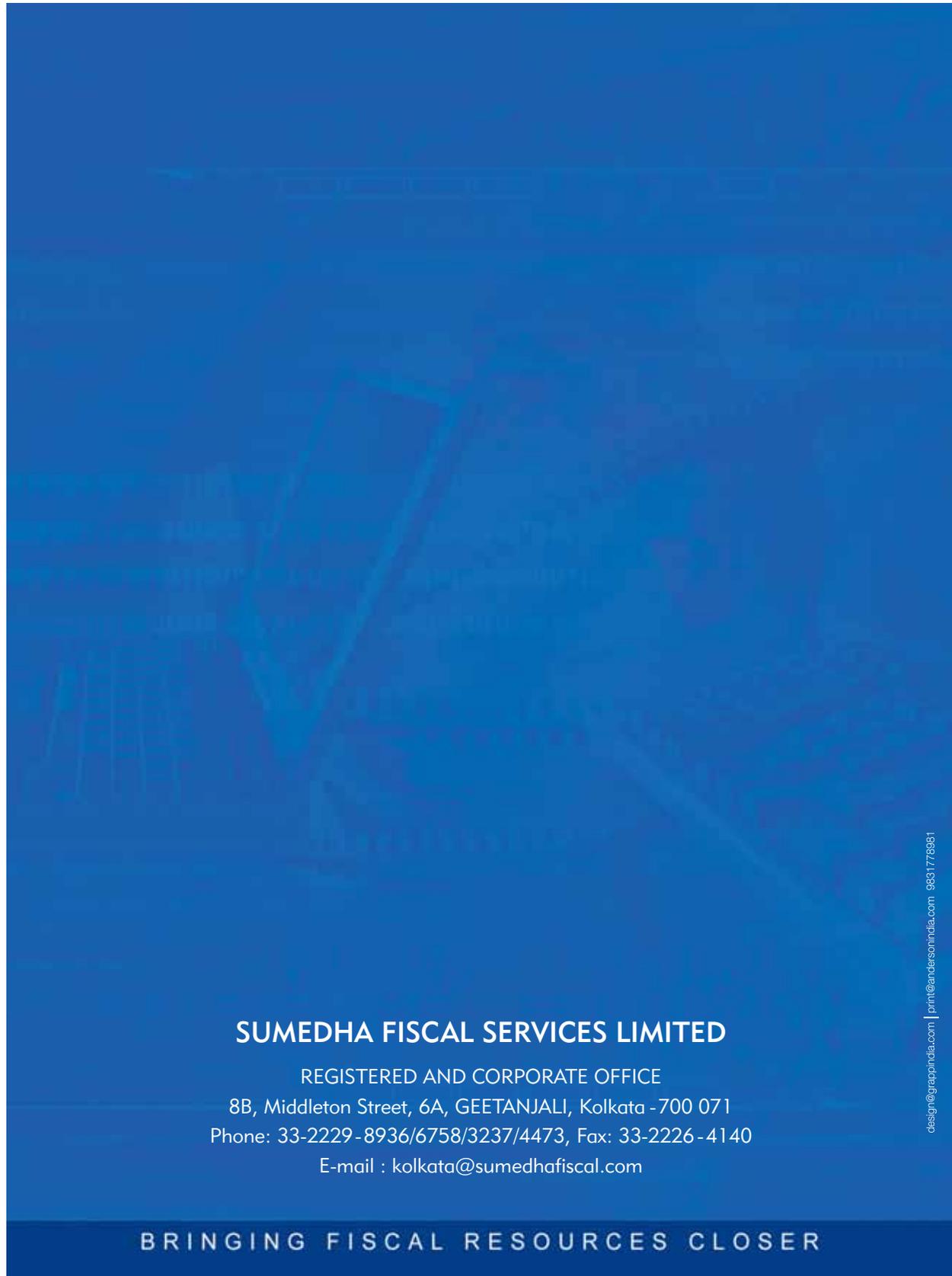


SUMMARISED ACCOUNTS

(Rs. in Lacs)

	2007-08	2006-07	2005-06	2004-05	2003-04
BALANCE SHEET					
Net Worth*	933.86	816.41	778.02	734.81	738.05
Borrowings	36.87	25.56	41.48	23.31	20.25
Deferred Tax Liability	31.77	26.89	22.60	18.86	-
	1002.50	868.86	842.10	776.98	758.30
UTILISATION OF FUNDS					
Net Fixed Asset including Capital Work-in-Progress*	448.62	446.35	319.52	316.05	294.59
Investments	157.24	152.34	137.90	141.66	188.08
Net Current Assets	396.64	270.17	384.68	319.27	272.13
Deferred Tax Assets	-	-	-	-	0.02
Misc. Expenditure (to the extent not written off)	-	-	-	-	3.48
	1002.50	868.86	842.10	776.98	758.30
PROFIT AND LOSS ACCOUNT					
Income					
Income from Operations	758.76	419.73	458.26	299.20	261.74
Other Income	16.94	39.35	20.37	9.93	12.15
	775.70	459.08	478.63	309.13	273.89
EXPENDITURE					
Establishment	473.10	309.65	331.30	201.33	205.97
Interest & Finance Charges	4.03	2.20	1.38	1.81	0.78
Depreciation	22.83	18.85	15.48	14.07	12.05
Misc. Expenditure written off	-	-	-	3.48	3.38
Provision for NPA	-	-	-	-	-
Provision for Diminution in Investment	-	-	-	35.96	-
	499.96	330.70	348.16	220.69	258.14
Profit before Taxation	275.74	128.38	130.47	88.44	15.75

* Excluding Revaluation Reserve



SUMEDHA FISCAL SERVICES LIMITED

REGISTERED AND CORPORATE OFFICE

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