



**Sumedha
Fiscal
Services
Limited**

Annual Report 2008-2009



BRINGING FISCAL RESOURCES CLOSER

Our Vision

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

Our Mission

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

Our Membership

Authority/Exchange	Segment	Function	Registration Number
SEBI	Merchant Banking	Category I	MB/INM000008753
NSE	Cash	Stock Broker	INB231075830
NSE	Derivatives	Trading Member	INF231075830
NSE	Currency Derivatives	Trading Member	INE231075830
MCX (through subsidiary)	Commodity Trading	Trading Cum Clearing Member	12185 (MCX Membership Code) MCX/TCM/CORP /0465 (FMC Unique Member Code)
MCX-SX	Currency Derivatives	Trading Member	INE261075830
OTC EXCHANGE OF INDIA	Cash	Dealer/Stock Broker	INB200838635
NSDL	Depository	Participant	IN-DP-NSDL-303-2008
AMFI	Mutual Fund Distribution	Advisor	ARN 0205
IRDA (through associate company)	Life Insurance Distribution	Corporate Agent	1769972 (IRDA Licence No.)



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Bringing Fiscal Resources Closer...

Our Profile

Sumedha Fiscal Services Ltd. (Sumedha Fiscal) is a boutique financial services and advisory company providing integrated financial solutions. It has proven expertise in analysing and advising on various business and financial models. The company's client focused business approach provides effective business solutions and has served Sumedha Fiscal well as it continues to grow both in relationship and service network. As business and client service relationship grew, an array of services was added to make Sumedha Fiscal a one shop financial shoppe.

With greater choices comes greater value. Sumedha Fiscal offers more choices by providing a wide array of products and personalised services, so you can take charge of your financial decision with

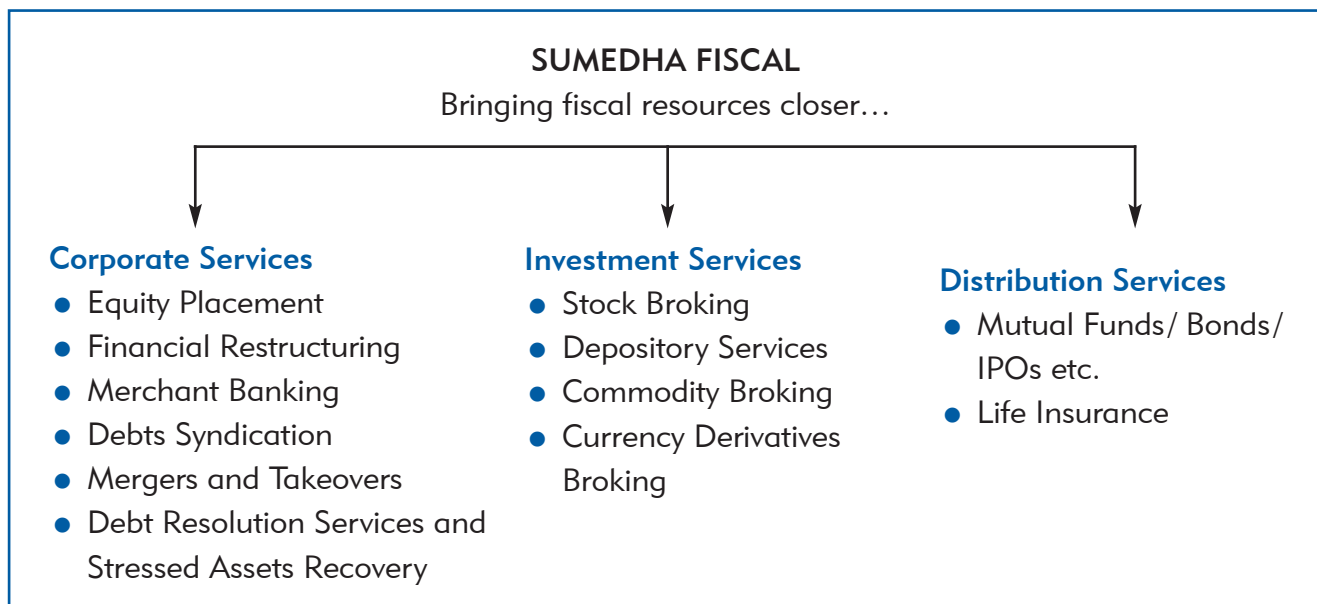
confidence. So whether you are a new investor or a seasoned one, corporate in need of resources and advice, Sumedha Fiscal will facilitate to make smart, well-researched investments and locate funds at best rates to be part of your growth process.

After starting operations in Kolkata which is its registered and corporate office, the company expanded gradually to other cities as well. Today it has a pan India presence with branches at Bangalore, Guwahati, Mumbai, Jaipur, Chennai, Ahmedabad, Delhi and Hyderabad.

The aim has always been to make Sumedha Fiscal recognised as a leading fiscal expert offering focussed services and integrated financial solutions to clients by bringing various fiscal resources closer.



Our Products and Services



Corporate Services

● **Equity Placement**

Sumedha Fiscal helps clients in syndication and arrangement of private equity/venture capital financing. It also arranges equity financing for corporate /entrepreneurs from seed capital /early stage to late financing.

● **Financial Restructuring**

Assist companies in restructuring their capital structure, negotiating with lenders for settlement of loans, rescheduling debt to lower interest costs and flexible payment period. In extreme cases, also arranges mergers and takeovers of stressed companies.

● **Merchant Banking**

The company has been associated with several prestigious public issues, rights issues, buy back offers, open offers on take over as a lead manager, co-manager and syndicate member.



- **Debt Syndication**

Sumedha Fiscal team studies the options available, then sources the most beneficial route for its clients. From capital structuring to feasibility study to project appraisal to sourcing funds, the company takes care of entire transaction.

- **Mergers and Takeovers**

Efforts at revitalising companies go beyond helping clients raise and restructure their financial resources. Along with international affiliates, Sumedha Fiscal arranges global technical and financial collaborations and provides assistance in preparing necessary project documentation and obtaining statutory approvals for such projects.

- **Debt Resolution Services and Stressed Assets Recovery**

Sumedha Fiscal has requisite experience, specialised skill sets and focused approach to facilitate resolution and settlement of loans and is empanelled with major banks /institutions as recovery agent.

Investment Services

- **Stock Broking**

The company's securities dealings as member of NSE are based on high level of transparency, integrity and co-operation. Sumedha Fiscal helps clients create and manage wealth, allocating assets based on their risk return profile.

- **Depository Services**

Sumedha Fiscal started offering depository services as member of NSDL during the year under review.

- **Commodity Broking**

Sumedha Fiscal through its subsidiary company is a member of MCX.

- **Currency Derivatives Broking**

The company commenced offering currency derivatives trading services this year after SEBI allowed exchanges to trade currency derivatives on NSE & MCX-SX.

Distribution Services

- **Mutual Funds/Bonds/IPOs etc.**

Sumedha Fiscal over the years has emerged as one of the pioneers in understanding and marketing of mutual funds and bonds and other such instruments being offered in the market.

- **Life Insurance**

The company markets life insurance products that match the risk profile and financial goals of its varied clientele.

Our Achievements in 2008-09

Performance Highlights

- Sumedha Fiscal started Currency Derivatives Trading by obtaining membership of currency derivatives segment in NSE & MCX-SX.
- Asset Reconstruction Company (India) Ltd. (ARCIL) appointed Sumedha Fiscal as a Recovery Agent.
- Started offering Demat Facility after obtaining depository membership of National Securities Depository Ltd. (NSDL).
- The Accounting and Back Office System of the broking division of all the branches got centralised which would lead to enhanced risk management system.
- Put in place the infrastructure for Online Trading which is set to commence full-fledged commercial operations shortly.
- Received Star Quality Award (Gold Category) in the 12th International Star for Leadership in Quality Convention, part of the annual program of Business Initiative Directions (B.I.D.) Awards for outstanding business achievements, for perseverance and leadership in excellence, and quality in accordance with the QC 100 Criteria at Paris, France pertaining to 2008.

Financial Highlights (Standalone)

- Total Income from Operations increased by more than 15 percentage to Rs 874.77 lacs in 2008-09 as against Rs 758.76 lacs during 2007-08.
- Income from fee based activities like Loan Syndication and Project Consultancy Services registered a 76.04 percentage increase to Rs 787.63 lacs in 2008-09 as against Rs 447.41 lacs during the previous year.
- Net profit increased by 22.70 percentage to Rs 221.15 lacs in 2008-09 from Rs 180.24 lacs in 2007-08.
- Shareholders Fund increased from Rs 944.42 lacs in 2007-08 to Rs 1129.03 lacs in 2008-09 registering 19.55 percentage increase.
- Earnings Per Share increased from Rs 2.71 per share in 2007-08 to Rs 3.32 per share in 2008-09 witnessing an increase of 22.51 percentage. This was despite the fact that the company issued 1,25,000 equity shares of Rs 10 each at a premium of Rs 15 on preferential allotment basis to the promoters aggregating to Rs 31.25 lacs.
- Recommended a Dividend at the rate of 75 paise per share i.e. 7.5 percentage for 2008-09 against 70 paise per share i.e. 7 percentage in 2007-08.

Our Key Milestones

- Sumedha Fiscal's Public Issue – BSE & CSE listing
- Obtained Category I Merchant Banking Certificate from SEBI
- Operational from Kolkata, Mumbai, Bangalore, New Delhi and Chennai

1995 - 2004

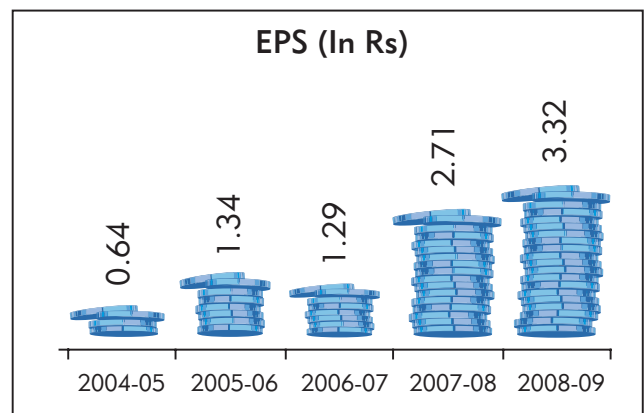
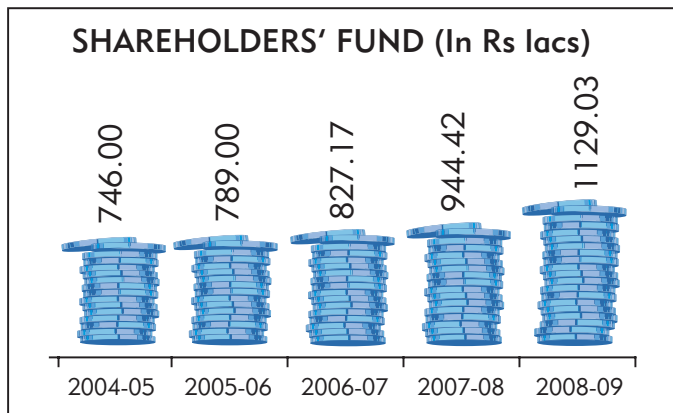
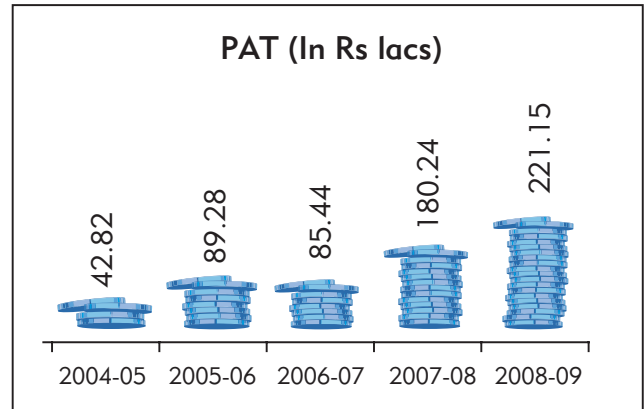
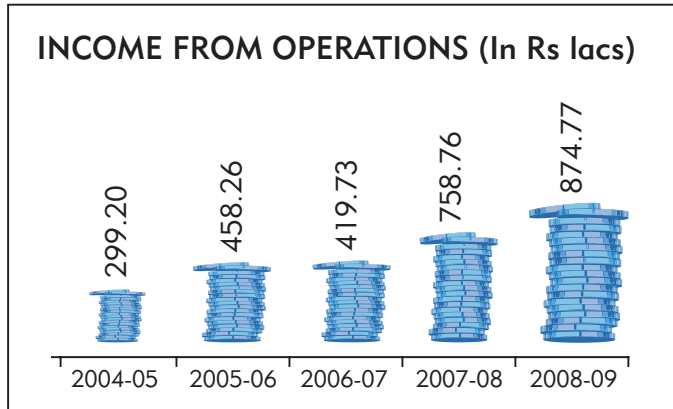
- Dr. Basudeb Sen joins Sumedha Fiscal's Board. Dr. Sen is an M.A. (Eco), Ph.D. from Indian Statistical Institute, besides being an alumnus of the Harvard Business School, USA
- PAT increases by 83 percentage from Rs 23.38 lacs to Rs 42.82 lacs
- Internal reorganisation with key recruitments
- SFSL Commodity, subsidiary of Sumedha Fiscal, becomes trading and clearing member of MCX

2005

- PAT doubles from Rs 42.82 lacs to Rs 89.28 lacs
- Employee Stock Option Scheme launched for employees of Sumedha Fiscal
- Institutional Turnover in Broking Business crosses Rs 20,239 lacs

2006

Our Performance at a Glance



- Expands Branch Network to Tier II cities at Jaipur, Ahemdabad, Guwahati & Hyderabad
- Connected Broking Business through CTCL/RF networking at Jaipur, Ahmedabad, Delhi, Mumbai and Bangalore branches
- PAT stood at Rs 85.44 lacs

- Awarded by Business Initiative Directions as the International Star in Quality at Paris
- Commenced Depository Services by being member of National Security Depository Ltd. (NSDL)
- PAT stood at Rs 180.24 lacs

- Registered with NSE Currency Derivatives Segment and MCX-SX and started Currency Derivatives Trading.
- Obtained permission from NSE to start Internet Trading
- Re-launched portal www.sumedhafiscal.com to make it more vibrant as a part of corporate branding initiative
- PAT stood at Rs 221.15 lacs

2007

2008

2009



Chairman's Message

Ratan Lal Gaggar
Chairman

Dear Shareholders,

It gives me great pleasure to present your company's 20th Annual Report and to share with you its performance for the financial year 2008-09.

During the financial year 2008-09, on a standalone basis, the company's total income went up to Rs 919.66 lacs registering an increase of 18.56 percent compared to the previous year. What is more gratifying is the fact that the net profit (standalone) recorded an impressive increase of 22.70 percent to Rs 221.15 lacs in 2008-09 when compared to 2007-08.

Sumedha Fiscal is pleased to announce a dividend at the rate of 75 paise per share i.e. 7.5 percentage for 2008-09 for its shareholders.

The economic slowdown has triggered a wave of corporate restructuring, as India Inc readjusts to new market realities after heady growth that saw the economy expand at the average growth rate of 8.8 percentage in the previous five years (2003-04 to 2007-08) until the last financial year to end-March. Services sector continues to be the key driver, contributing the major portion to the overall growth. The economy is also likely to witness some moderation in growth rate in the current year. However, the long-term prospects are indeed promising with fundamentals of the economy remaining strong.

Your company has over the years evolved as a boutique advisory firm with a highly personalised environment and a comprehensive and safer personal finance model. The company does not believe in franchise model and always insists on providing specialised services by having a direct contact with its clients through its own outlets. It places great importance to quality of service rendered and within strict timelines and at reasonable cost. The company has achieved overall growth in terms of increasing the products being offered to clients, expanding branch network in India and augmentation in revenues. The company initially started with merchant banking activities and then commenced capital market operations which was a logical extension of its growing corporate clientele and the increasing links with investors, encouraged the company to enter distribution space as well. The various strategic initiatives taken by the company in adding niche businesses such as debt resolution and restructuring have yielded good results. In addition to de-risking the business portfolio, it has helped us establish ourselves as a full-fledged financial services company.

Income from loan syndication & consultancy services showed an excellent performance – with income growing from Rs 447.41 lacs in 2007 - 08 to Rs 787.63 lacs in 2008-09 and contributing 86 percentage of 2008-09 total revenues. Income from

'The company's journey has been extremely focused which has resulted in earning a name for itself as a reliable partner in the financial services sector by bringing fiscal resources closer for corporate, individuals and various financial and regulatory institutions.'

capital market operations contributed 9 percentage of 2008-09 total revenues. The major initiatives taken during the year under review include commencement of offering demat account services and currency derivatives trading. The company's journey has been extremely focused which has resulted in earning a name for itself as a reliable partner in the financial services sector by bringing fiscal resources closer for corporate, individuals and various financial and regulatory institutions.

Sumedha Fiscal is also extremely well positioned to be able to invest in strategic growth opportunities. For the investment banking division, the company plans to undertake large ticket size transactions and also focus on reputed corporate groups. The strategy in place for expanding capital market activities includes upgrading technology infrastructure. We already have a system in place for initiating online trading services and test run for the same has also begun before starting the full-fledged commercial operations. The company also plans to offer portfolio management services and other such products and services which are complimentary to its line of operations. Going forward, we will continue to lay emphasis on brand building which will help us to increase our visibility and leverage on the trust which has already been

established amongst those who have transacted with us. As Sumedha Fiscal grows in size and scale, dissemination of knowledge about the company and its activities is of benefit to all its stakeholders and the larger community it operates in. We also plan to step up marketing exercise and harness upon opportunities.

I would like to express my gratitude to all the shareholders for their cooperation, involvement and support given to the management. I also take this opportunity to thank our Bankers, Exchanges and Regulatory Authorities for their support rendered to us. With the sustained efforts of the dedicated and qualified staff, contented and supportive customers and assured and loyal shareholders, I am confident that Sumedha Fiscal is and would continue to enjoy a coveted position as a trusted fiscal expert in the financial services sector by bringing fiscal resources closer.

With best wishes,

Sincerely,



Ratan Lal Gaggar
Chairman



Corporate Information

Board of Directors : Ratan Lal Gagar, *Chairman*
Dr. Basudeb Sen
Vijay Maheshwari
Rajeev Tandon
Bijay Murmuria
Anil Kumar Birla
Bhawani Shankar Rathi, *Wholetime Director*
Prashant Sekhar Panda (*Appointed w.e.f. January 24, 2009*)

Company Secretary : Deb Kumar Sett

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

Statutory Auditors : ARSK & Associates
Chartered Accountants

Listing : Bombay Stock Exchange and Calcutta Stock Exchange

Registrar and Share Transfer Agent : Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor,
Kolkata – 700 001.
Tel. No. : 033-2243-5029, 2243-5809
Fax No. : 033-2248 4787
Email : mdpl@vsnl.com

Registered and Corporate Office : 8B, Middleton Street, 6A Geetanjali,
Kolkata – 700 071.
Tel. : 033-2229 8936/6758/3237/4473
Fax : 033-2226 4140, 2265 5830
Email : kolkata@sumedhafiscal.com

Branch Offices : New Delhi, Mumbai, Bangalore, Chennai, Hyderabad,
Jaipur, Ahmedabad and Guwahati

Website : www.sumedhafiscal.com



NOTICE

Notice is hereby given that the 20th 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 12th day of September, 2009 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, 2009 together with Reports of Directors and Auditors thereon.
2. To declare dividend for the year ended 31st March, 2009.
3. To appoint a Director in place of Dr. Basudeb Sen, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Bijay Murmura, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. *Appointment of Mr. Prashant Sekhar Panda as a Director*

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

“RESOLVED that Mr. Prashant Sekhar Panda who was appointed as Additional Director of the company by the Board of Directors with effect from 24th January, 2009 and whose term expires at the 20th Annual General Meeting and in respect of whom the company has received notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the Office of a Director, be and is hereby appointed as Director of the company.”

Registered Office :
8B, Middleton Street,
6A Geetanjali,
Kolkata - 700 071.
Date : June 26, 2009

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, Dr. Basudeb Sen, and Mr. Bijay Mumuria, 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.



ANNUAL REPORT 2008-2009

4. The Register of Members and Share Transfer Books of the company will remain closed from 8th September, 2009 to 12th September, 2009 (both days inclusive).
5. Subject to the provisions of Section 206A of the Companies Act, 1956 (the Act), dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after 12th September, 2009 to those members whose names appear on the Register of Members as on 12th September, 2009. In respect of shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. 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

Mr. Prashant Sekhar Panda was appointed with effect from 24th January, 2009 as an Additional Director(non-executive) of the company in terms of section 260 of the Act.

Mr. Prashant Sekhar Panda vacates his office at the forthcoming Annual General Meeting pursuant to provisions of Section 260 of the Act. The Board of your company recommend for approval of the Members, the appointment of Mr. Panda as Non-Executive Director of the company, liable to retire by rotation.

Mr. Panda is a practicing Chartered Accountant with in-depth knowledge and experience in audit, law and corporate strategy. He is also having wide experience in matters relating to finance, audit and liaisoning with different government agencies.

Due notice under Section 257 of the Companies Act has been received from a member proposing the appointment of Mr. Panda as a Director of the company. Requisite consent has been filed by Mr. Panda, pursuant to provision Section 264(1) of the Act, to act as such Director, if appointed. Mr. Panda has given the declaration as required under Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rule, 2003. The Board considers it desirable to continue to receive his benefit and guidance and therefore commends his appointment.

None of the Directors of the company, other than Mr. Panda, is interested in this Resolution.

Registered Office :

8B, Middleton Street,
6A Geetanjali,
Kolkata - 700 071.
Date : June 26, 2009

By Order of the Board

Deb Kumar Sett
Company Secretary



CERTIFICATION BY CFO

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, 2009 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 26, 2009

Bhawani Shankar Rathi
Wholetime Director & Chief Financial Officer

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present the 20th Annual Report and the Audited Accounts for the financial year ended March 31, 2009.

FINANCIAL HIGHLIGHTS

(Rs in Lacs)

	Year ended 31.03.2009	Year ended 31.03.2008
Total Income	919.67	775.70
Cash Profit	382.36	298.57
Less : Depreciation	26.46	22.83
Profit before tax	355.90	275.74
Less : Provision for taxation (net)	117.50	86.00
Less : Provision for Fringe Benefit Tax	3.83	4.45
Add / (Less) : Deferred Tax	-19.21	-4.88
Add / (Less) : Adjustment for Earlier years	5.79	-0.17
Profit after tax	221.15	180.24
Add : Surplus brought forward	269.58	152.12
Balance available for appropriation	482.53	323.98
<i>Appropriation</i>		
Less : Amortisation of Goodwill	8.19	8.19
Provision for Dividend (Including Dividend Tax)	59.39	54.40
Balance carried to Balance Sheet	423.15	269.58

OPERATIONAL REVIEW

Your company has reached new height in its earnings. Despite substantial melt-down in securities market Total Income from Operations increased by more than 15.29% to Rs 874.77 lacs as against Rs 758.76 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 Rs 787.63 lacs as against Rs 447.41 lacs during the previous year (76.04% increase).

Income from Capital Market Operation was reduced 72.01% to Rs 87.14 lacs as against Rs 311.35 lacs during the previous year. Income from Other Sources was at Rs 44.89 lacs as against Rs 16.95 lacs during the previous year.

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 large clients during the previous year. During the current year it continues to make endeavor to add more new clients and execute large assignments.

SECURITY DEALING

In its further efforts for better risk management the company has fully centralised its Broking operation to its Corporate Office at Kolkata. A dedicated team has been entrusted with the Equity Research for value added feed back to clients on one-to-one basis as well by way of periodical News Letters. Your company is now poised to commence Online Trading of Securities.

DP OPERATION

Your company has commenced Depository Services (being members to NSDL) as extension of Broking Services to its Clients.



CURRENCY DERIVATIVES ON NSE

Your company has also commenced Currency Derivative Trading on NSE and obtained membership of MCX-SX as further extension of services to its Clients.

MUTUAL FUND/BONDS DISTRIBUTION

The company is carrying the distribution activity from last several years and volume of yearly fund mobilisation is growing steadily. Effect of equity market meltdown was more than offset by increase in clients towards debt segment. The company is continuously focusing towards business development and adding branches for geographical penetration so as to have incremental revenue.

DIVIDEND

Taking into consideration the overall profitability position, the Board of Directors is pleased to declare a dividend of 75 paise per share (7.5%) during the year under review.

BUSINESS OUTLOOK

Unprecedented meltdown of banking and financial sector starting with USA and spreading to Europe and beyond has impacted economies globally. Viability and sustainability of age-old minimum interference and self regulatory frame-work has been put to question. Credibility of US Dollars as currency of reserve/investment has become a matter of open discussion globally. Overall scenario has brought in a common consequence – substantial fall in aggregate demand in almost all the economies. Large-scale government rescue packages over a prolonged period of time are yet to have tangible positive impact.

Direct impact of the global financial tsunami over India has been limited. Regulatory frame-work and conservative approach followed by RBI and SEBI finally received its due accolade. Rural economy has become engine for growth even for white goods market. Micro finance is gradually emerging as the most profitable portfolio for banks and funding institutions as well as most effective catalyst for rural growth and development. Protection of environment, corporate social responsibility, transparency and accountability are drawing more attention than ever.

Fall in aggregate demand and employment due to external and internal factors are being addressed by the Government of India on war footing. Bringing down the cost of funds has become a priority for the Government and the RBI. Proposal to issue of biometric identity card for the entire population by 2011, introduction of mobile banking Guidelines by RBI and free access to ATMs will deepen inclusive growth of the Indian economy. Political stability has witnessed steady improvement in the market sentiment and growth rate is gaining momentum. Sumedha Fiscal 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

Pursuant to Section 260 of the Companies Act, 1956 and Article 138 of the Articles of Association of the company Mr. Prashant Sekhar Panda was appointed with effect from 24th January, 2009 as an Additional Director (non-executive) of the company. Mr. Panda holds his office up to the date of the ensuing Annual General Meeting. The company has received notice in writing from a member of the company proposing candidature of Mr. Panda for the office of Director, liable to retire by rotation.

In terms of Article 145 of the Articles of Association of the company, Dr. Basudeb Sen and Mr. Bijay Murmuria, retire by rotation and being eligible, offered themselves for re-appointment at the ensuing Annual General Meeting.

Brief resume of the Directors proposed to appointed/re-appointed, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreements with the Stock Exchanges, are provided in the Report on Corporate Governance forming part of the Annual Report (Annexure-A.2). 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. Pawan Kumar Agarwal and Mr. Ashish Mittal, Directors of the company tendered their respective resignations on 16-May-2005. As a Trading Member of the National Stock Exchange of India Ltd. (NSE), the company requires their approval for effecting the said resignations. NSE by its letter dated 5-Jun-09 intimated their approval and thereupon the formalities under the Companies Act, 1956 and the Listing Agreement have been complied with. Your Directors acknowledge valuable services to the company by Mr. Agarwal and Mr. Mittal.

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, 2009 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.

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, 2009, 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.

EMPLOYEE STOCK OPTION SCHEME

Market price of the Equity Shares of the company has been below par for most part of the year under consideration. Therefore Employee Stock Option Scheme, 2007 introduced by the company remained non-starter. However statutory requirement are being duly complied with.

PREFERENTIAL ISSUE

The company has issued 125,000 Equity Shares of Rs 10/- each at a Premium of Rs 15/- per share aggregating to Rs 3,125,000/- to Promoters of the company and others.



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 Auditors' Certificate confirming 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 they 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 AND ANALYSIS

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

STATUTORY INFORMATION

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

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

Earnings and Outgo in foreign currency during the year:

During the year foreign exchange outgo was Rs 462,925/- (previous year Rs 122,025/-) by way of traveling expenses for the purpose of business development. Foreign exchange earnings 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 percent 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, 2009 pursuant to Clause 32 (as amended) of the Listing Agreements with Stock Exchanges is annexed herewith.

APPRECIATION

We acknowledge our appreciation to shareholders, Bankers, Regulators, National Stock Exchange, Multi – Commodity 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.

Kolkata
June 26, 2009

On Behalf of the Board

Ratan Lal Gagar
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 :

1) 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 2008-09.

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 8 (eight) Directors, out of which 7 (seven) are non-executive Directors.

Directors	Nature of Directorship	No. of other Directorship	No. of Committee Membership of other companies		No. of Shares held
			As Chairman	As Member	
Mr. Ratan Lal Gaggar, Chairman	Non-Executive/ Independent	13	-	8	15000
Dr. Basudeb Sen	Non-Executive/ Independent	6	1	4	-
Mr. Vijay Maheshwari	Non-Executive/ Promoter	1	-	-	1562220
Mr. Prashant Sekhar Panda	Non-Executive/ Independent	-	-	-	-
Mr. Rajeev Tandon	Non-Executive/ Independent	2	-	-	1000
Mr. Anil Kumar Birla	Non-Executive/ Independent	-	-	-	2000
Mr. Bijay Murmuria	Non-Executive/ Promoter	1	-	-	369920
Mr. Bhawani Shankar Rathi, Wholetime Director (Chief Financial Officer)	Executive/Promoter	2	-	-	119270

Notes:

- Other Directorships and Committee Memberships are as on 31-Mar-09.
- Other Directorships exclude Directorship in private limited companies, foreign companies, and companies under section 25 of the Companies Act, 1956.
- Committee Memberships are in respect of Audit Committee and Investor Grievance Committee.
- Independent Directors is defined in clause 49.I.(A)(iii) of the Listing Agreement.



ii) Change in composition of the Board of Directors since the last Report: Mr. Prashant Sekhar Panda, appointed as an Additional Director of the company on 24-Jan-09. Resignations of Mr. Pawan Kumar Agarwal and Mr. Ashish Mittal (both dated 16-May-05) have been approved by NSE by their letter dated 05-Jun-09 and the company has complied with formalities under the Companies Act, 1956 and the Listing Agreement with regard to their resignations.

iii) Attendance of Directors in Meetings held during the year 2008-09:

The Board met 5 times during the year under consideration on the following dates :

20-May-2008, 21-Jun-2008, 26-Jul-2008, 27-Oct-2008, and 24-Jan-2009.

Attendance Record of	Board Meeting	AGM on 20-09-2008
Mr. Ratan Lal Gaggar	3	Yes
Dr. Basudeb Sen	5	No
Mr. Vijay Maheshwari	5	Yes
Mr. Prashant Sekhar Panda (appointed on 24-Jan-09)	1 (as invitee)	N.A.
Mr. Rajeev Tandon	5	Yes
Mr. Anil Kumar Birla	4	Yes
Mr. Prakash Kumar Biyani *	-	N.A.
Mr. Bijay Murmuria	5	Yes
Mr. Bhawani Shankar Rathi	3	Yes

* Resigned with effect from 20-May-08.

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 Section 292A of the Companies Act, 1956 and by the SEBI Guidelines. The current terms of reference also fully conform to the requirements of aforesaid statutory requirements.

ii) Composition, Name of Members and Chairman:

The Audit Committee is having the following composition and during the financial year ended March 31, 2009 five Meetings were held on 20-May-2008, 21-Jun-2008, 26-Jul-2008, 27-Oct-2008, and 24-Jan-2009. 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)	5
2.	Mr. Bijay Murmuria, Non-Executive	5
3.	Mr. Prakash Kumar Biyani, Non-Executive/ Independent [resigned on 20-May-08]	1
4.	Mr. Anil Kumar Birla, Non-Executive/ Independent [appointed on 20-May-08]	4

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 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 and all the members of the Committee attended the meeting.

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 Audit Committee thereof. The Fee has been increased from Rs 2,000/- to Rs 5,000/- (with effect from 26-Jun-09). However Directors have foregone their fees for attending the respective meetings held during the year under consideration.

Employee Stock Option Scheme

Market price of the Equity Shares of the company has been below par for most part of the year under consideration. Therefore Employee Stock Option Scheme, 2007 introduced by the company remained non-starter. However statutory requirement are being duly complied with.

The details of Remuneration to Directors are as under:

Sl.No.	Name of Directors	Sitting Fees for Board Meetings* (Rs)	Commission (Rs)	Salary & Perks (Rs)	Total (Rs)
1.	Mr. Ratan Lal Gagar	-	-	-	-
2.	Dr. Basudeb Sen	-	-	-	-
3.	Mr. Vijay Maheshwari	-	125,000*	-	125,000
4.	Mr. Prashant Sekhar Panda	-	-	-	-
5.	Mr. Rajeev Tandon	-	-	-	-
6.	Mr. Anil Kumar Birla	-	-	-	-
7.	Mr. Bijay Murmuria	-	125,000*	-	125,000
8.	Mr. Bhawani Shankar Rathi	-	-	870,884	870,884
	Total	-	250,000	870,884	1,120,884

* Guarantee Commission not requiring approval from Shareholders/Central Government.



E. Shareholders' Committee (Management Committee) / Investors' Grievance 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 34 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 (Chairman) and Mr. Anil Kumar Birla. The Investors' Grievance Committee met 4 times on 21-Apr-2008, 23-Jul-2008, 24-Oct-2008 and 20-Jan-2009 to note the status of the complaints lodged with the company and Share Transfer Agent (STA). The Complaints were redressed by the 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 2008-09 was 1210 shares.
 - There were no shares pending for transfer at the end of the year 2008-09.
- 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 (executive / 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, 2009. 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, 2009.

Kolkata, June 26, 2009

Bhawani Shankar Rathi
Chief Financial Officer & Wholetime Director

G. Subsidiary Companies

The Subsidiary of the company does not come under the purview of the "material non-listed subsidiary". However, one Independent Director of the company is also on the Board of Directors of the Subsidiary Company and particulars of significant transactions and arrangements entered into by the Unlisted Subsidiary Company are placed before the meeting of the Board of Directors of the company periodically.

H. General Body Meeting

i) Details of Annual General Meetings (AGMs)

AGMs	Date of AGMs	Location	Time
17th	16/09/2006	Merchants' Chamber of Commerce, 15B Hemanta Basu Sarani Kolkata - 700001.	10.00 a.m.
18th	11/08/2007		10.30 a.m.
19th	20/09/2008		10.30 a.m.

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

AGM	No. of Special Resolutions passed
17th	Nil
18th	2
19th	1

iii) All special resolutions moved at the aforesaid Annual General Meetings 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 proposed for appoint at the Notice convening the Annual General Meeting pursuant to Clause 49.IV.(G) of the Listing Agreement is as under :-

a)	Dr. Basudeb Sen	- as per Annexure – A.2
b)	Mr. Bijay Murmuria	- do-
c)	Mr. Prashant Sekhar Panda	-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. 10 of Schedule No. 18 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 2008-2009 have been prepared in accordance with the applicable Accounting Standards prescribed by the Institute of Chartered Accountants 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 minimisation procedures.

iv) Public, Rights and other Issues:

The company has allotted 125,000 Equity Shares of Rs 10/- each at a Premium of Rs 15/- each (aggregating to Rs 31,25,000/-) on 24-Jan-09 on Preferential Basis. Object of the Issue was to fund capital expenditure and working capital requirements of the company.

Actual utilisation of funds

The issue proceeds have been utilised for the objects towards which it was raised.



- 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 2008-2009 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, 1956 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 by the Audit Committee are approved by the Board of Directors of the company and published within the prescribed time-limit in leading national Newspapers, i. e. The Financial Express (English) and Kalantar (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 website 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 to the company's website.

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
12 th September, 2009	10.30 a.m.	Merchants' Chamber of Commerce 15B Hemanta Basu Sarani, Kolkata – 700001.

ii) Financial Calendar (tentative) for the year 2009-10 :

A	Financial Reporting and Limited Review Report	Date of submission to Stock Exchange
●	For Quarter ending 30 th June, 2009	4 th Week of July, 2009
●	For Quarter/Half year ending 30 th September, 2009	4 th Week of October, 2009
●	For Quarter ending 31 st December, 2009	4 th Week of January, 2010
●	Financial Reporting (Audited) for the year ending 31 st March, 2010	3 rd Week of June, 2010

iii) Next date of Book Closure:

8th September, 2009 to 12th September, 2009 (both days inclusive).

iv) Date of Dividend payment :

On or after 12th September, 2009, but within the statutory time limit of 30 days.

v) Information pertaining to the Stock Exchanges:

a. 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.

b. Stock code for:

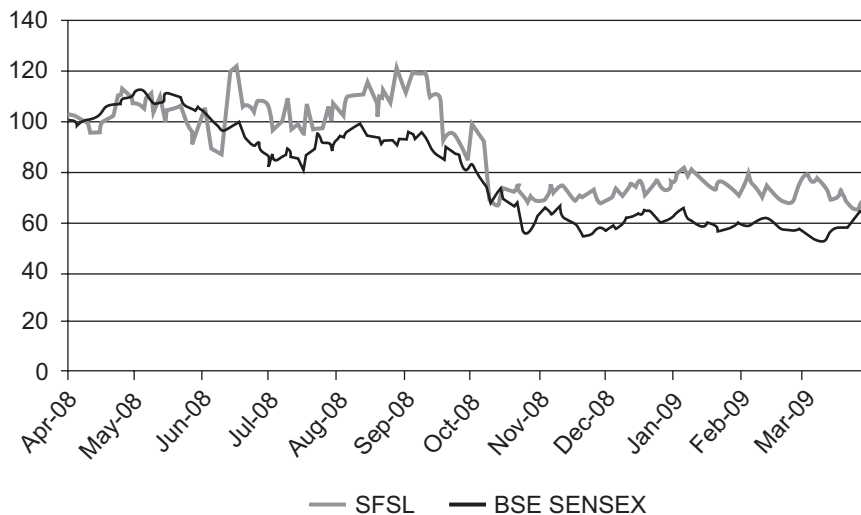
Calcutta Stock Exchange (029093)
 Bombay Stock Exchange (530419)

c. ISIN No. for the company's Ordinary Shares in Demat Form : INE886B01012

d. 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 2008-2009



vii) Stock Market Price Data:

(Amount in Rs)

Period	Calcutta Stock Exchange*		Bombay Stock Exchange	
	High	Low	High	Low
April, 2008	-	-	10.50	8.50
May, 2008	-	-	10.65	8.00
June, 2008	-	-	11.33	7.83
July, 2008	-	-	9.99	8.00
August, 2008	-	-	10.98	8.91
September, 2008	-	-	11.95	7.01
October, 2008	-	-	9.08	5.90
November, 2008	-	-	7.04	5.91
December, 2008	-	-	7.18	6.01
January, 2009	-	-	7.39	6.30
February, 2009	-	-	7.15	6.05
March, 2009	-	-	7.15	5.55

* Since no trading activity has taken place, information is not available.

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@vsnl.com (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, 2009 :

a. According to category of holding (as on 31-Mar-09):

Category	No. of Shares	% of holding	Held in Demat Form	% in Demat Form
Promoters (Individual & Bodies Corporate)	3606060	53.28	2792460	41.26
Mutual Funds	274200	4.05	-	-
Bodies Corporate (Non-promoter)	863435	12.76	733435	10.84
Indian Public (individual)	2001778	29.58	1667153	24.63
NRI/OCBs	22467	0.33	18567	0.27
Total	6767940	100.00	5211615	77.00

b. According to number of Shares held (as on 31-Mar-09):

No. of Shares	No. of Shareholders	% of Shareholders	Shares held	% of Shareholding
1-500	1150	67.37	267268	3.95
501-1000	218	12.77	184112	2.72
1001-2000	125	7.32	209697	3.10
2001-3000	48	2.81	123445	1.83
3001-4000	30	1.76	109077	1.61
4001-5000	29	1.70	138675	2.05
5001-10000	44	2.58	323773	4.78
10001 and above	63	3.69	5411893	79.96
Total	1707	100.00	6767940	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	3959950
7.	27-08-99	1638340 *
8.	24-01-09	125000
Total		6767940

* 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) Dematerialisation of shareholding and liquidity:

As per SEBI's Guidelines, your company's Equity Shares are compulsorily traded in Dematerialised Form for all the investors. 5,211,615 shares were in dematerialised form representing 77 % of the total Equity Shares as on 31st March, 2009.

As per agreements of the company with NSDL and CDSL, the Investors have an option to dematerialise 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 and 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
3 rd 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@vsnl.com

b. For Redressal of Complaints and Grievances :

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

xvii) Shareholders' Complaints and Redressal during 1st April, 2008 to 31st March, 2009

Complaints/Grievance	Dividend	Share Certificate	Annual Report	Total
Redressal under process at the beginning of the year	-	-	-	-
Complaints received during the year	1	1	-	2
Complaints attended to / Redressal	1	1	-	2
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 / EDIFAR site in compliance with Clause 52 / 51 of the Listing Agreement.

iii) Audit Qualifications:

There are no audit qualifications in the Auditors' Report on the Accounts for the year 2008-09.

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 49 of the Listing Agreement.

For and on behalf of the Board



Ratan Lal Gagar

Chairman

Place : Kolkata

Date : June 26, 2009



Annexure - A.1

CLAUSE 49-COMPLIANCE STATUS RELEVANT TO THE FINANCIAL YEAR 2008-09

BOARD OF DIRECTORS

Clause 49 (IA) Composition of Board of Directors

Standard

The Board of Directors of the company should have optimum combination of executive and non-executive directors. However, not less than 50 percent 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 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 8 Directors.
- Composition:
 - Executive Director/Promoter: 1 (12.5%)
 - Non executive Directors/ Promoter: 2 (25%)
 - Non executive Independent Directors: 5 (62.5%)
- The Chairman is a Non executive Independent Director.
- Out of 8 directors on the Board, 5 (62.5%) 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.

Mr. Pawan Kumar Agarwal and Mr. Ashish Mittal have resigned from the Board of Directors of the company on 16-May-05 and on receiving approval dated 05-Jun-09 from the National Stock Exchange of India (NSE), a mandatory requirement for a Trading Member of NSE, compliance formalities undertaken.

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, 2009.

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 ten 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 Directors of the company met five times and there was a maximum time gap of less than 94 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 ten 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 the members of the Board of Directors and senior management personnel 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 4 members. All members of audit committee are Non-executive and 3 of them including Chairman are Independent.
- All members of Audit Committee are financial literate and have accounting/ financial management expertise.
- The composition of the Audit Committee (as on 26-Jun-09) is as follows -
 - i) Mr. Rajeev Tandon, Non-Executive/Independent Director (Chairman), Chartered Accountant (in Practice)
 - ii) Mr. Bijay Murmuria, Non-Executive Director, Chartered Accountant (in Practice)
 - iii) Mr. Prakash Kumar Biyani, Non-Executive/ Independent [resigned on 20-May-08]
 - iv) Mr. Anil Kumar Birla, Non-Executive/ Independent, Chartered Accountant (in Practice) [appointed on 20-May-08]
 - v) Mr. Prashant Sekhar Panda Non-executive/Independent, Chartered Accountant (in Practice) [appointed as on 21-May-09]
- 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 the 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 94 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 Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement and have been duly approved by the Board of Directors of the company.

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 Section 292 and Clause 49, as aforesaid 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) Subsidiary 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 Pvt. 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 Pvt. Ltd., a non-listed Indian subsidiary. Further, even though SFSL Commodity Trading Pvt. 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 Pvt. Ltd.
- Financial Statements of Subsidiary are reviewed by the Audit Committee.
- Minutes of Subsidiary are placed before the Board of Directors of the company on regular basis.
- A statement of all significant transactions, if any, of the subsidiary 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 about the Risk Assessment and Minimisation 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 minimisation. All designated officials submit need-based reports, which are reviewed periodically to ensure effective risk identification and management. The Audit Committee and Board review such Risk Management and Minimisation 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, till the money raised has been fully spent. In addition the company shall prepare a statement of funds utilised for purposes other than those stated in the offer document / prospectus/notice etc.

Our practice

The company has allotted 125,000 Equity Shares of Rs 10/- each at a Premium of Rs 15/- each (aggregating to Rs 3,125,000/-) on 24-Jan-09 on Preferential Basis. Object of the issue was to fund capital expenditure and working capital requirements of the company. The relevant particulars have been placed before the Audit Committee from time to time.

Actual utilisation of funds

The issue proceeds have been utilised for the objects towards which it was raised.

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 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 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. Periodical declarations are collected from the concerned persons to that effect.

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 website. 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-limit. 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. Rajeev Tandon, an Independent/ Non-Executive Director.
- The work of share transfer has been delegated to Registrar and Share Transfer Agent of the company under the supervision of management/Share Transfer Committee of the Board. The Company Secretary has also been delegated required authority to address shareholders'/investors' Grievances and take remedial steps.

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, 1956 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 containing required details forms part of the Annual Report.
- Quarterly Compliance Certificate duly signed by Compliance Officer as to the compliance of Clause 49 requirements is submitted to the Bombay Stock Exchange and the 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 and forming Annexure to the Directors' Report is duly included to the Annual Report and sent to shareholders and the stock exchanges, as required.
- 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 20TH AGM

Name of the Directors	Dr. Basudeb Sen	Mr. Bijay Murnuria	Mr. Prashant Sekhar Panda
Date of Birth	16 th June, 1948	14 th October, 1967	25 th January, 1956
Date of Appointment	28 th December, 2005	4 th July, 1992	24 th January, 2009
Expertise in specific functional area	He has over three decades of association with the banking and mutual fund industry. He is also associated with infrastructure and manufacturing sectors for considerable period of time. He has held top positions in a number of commercial banks and institutions. His overall expertise provides the organisation with tremendous supportive value in related areas of Commercial Banking, Investment Management and Strategic Planning.	He has solid background of financial services. As a practicing Chartered Accountant, he ably guides all issues pertaining to securities, shares, bonds and the money markets.	He is an Practicing Chartered Accountant with vast exposure in Finance and Audit. He is having expertise and knowledge in wide area (Company Laws, Income Tax Laws, Service Tax Laws, Computer-based Accounting Practices).
Qualification	M.A. (Econ.), Ph.D., (ISMP-AMP) of Harvard Business School	B.Com. (Hons.), FCA, AICWA	B. Com (Hons), FCA
Directorship in other companies	<ol style="list-style-type: none"> ITC Ltd. Gujarat NRE Coke Ltd. South Asian Petrochem Ltd. Srei Venture Capital Ltd. Mahanagar Gas Ltd. Ispat Industries Ltd. 	<ol style="list-style-type: none"> SFSL Commodity Trading Pvt. Ltd. Fortune Credit & Real Estates Pvt. Ltd. Rahul Fiscal Services Pvt. Ltd. SFSL Risk Management Services Pvt. Ltd. US Infotech Pvt. Ltd. Lifelong Vyapar Pvt. Ltd. Association of National Exchange Members of India (since resigned) 	<ol style="list-style-type: none"> Somnath Commercials (P) Ltd. Devika Properties (P) Ltd.
Chairmanship/ Membership of Committee of the company	-	<ul style="list-style-type: none"> Audit Committee, Member Management Committee, Chairman Remuneration Committee, Member 	<ul style="list-style-type: none"> Audit Committee, Member
Chairmanship/ Membership of Committee of other companies	ITC Ltd. <ul style="list-style-type: none"> * Compensation Committee, Member * Investor Services Committee, Member Gujarat NRE Coke Ltd. <ul style="list-style-type: none"> * Audit Committee, Member <ul style="list-style-type: none"> * Remuneration Committee, Member Mahanagar Gas Ltd. <ul style="list-style-type: none"> * Audit Committee, Chairman * Remuneration Committee, Chairman Srei Venture Capital Ltd. <ul style="list-style-type: none"> * Remuneration Committee, Member South Asian Petrochem Ltd. <ul style="list-style-type: none"> * Audit Committee, Member * Shareholders' Grievance Committee, Member * Remuneration Committee, Member 	-	-
No. of Equity Shares held in the company	-	3,69,920	-



Annexure - B

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,

SUMEDHA FISCAL SERVICES LTD.

We have examined the compliance of conditions of Corporate Governance by Sumedha Fiscal Services Ltd. for the year ended on 31st March, 2009 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

Ravindra Khandelwal
Partner

Membership No. : 054615

Place: Kolkata

Date : June 26, 2009

Annexure - C

MANAGEMENT DISCUSSION AND ANALYSIS

Economy and Industry Scenario

Braving the global recessionary trends, India managed 6.7 percentage economic growth in 2008-09 despite the manufacturing sector recording a dismal performance. A 5.8 percentage growth rate during the last quarter of the fiscal, at a time when most developed economies have shrunk, puts India among the top-most growing nations. The global financial environment entered a crisis phase in mid-September 2008, following the growing distress among large international financial institutions. The knock-on effect of these unprecedented adverse global developments became evident in the macroeconomic performance of the Indian economy, as it experienced some loss of growth momentum with major drivers witnessing moderation. The global crisis brought to the fore the strong interactions between funding liquidity and market liquidity. As the global liquidity crisis started to affect the domestic money and foreign exchange markets in the last quarter of 2008, the Reserve Bank of India (RBI) ensured adequate provision of both domestic and foreign exchange liquidity to the market thereby facilitating adequate flow of credit to the productive sectors of the economy. The government has taken a number of steps in recent months to revive the economy, including slashing interest rates, lowering factory levies and more than doubling the limit on foreign investment in corporate bonds. The induction of a stable government at the centre and steps declared for raising aggregate demand specially for rural sector together with lower cost of funds have started to respond. Signs of recovery have become visible which will lead to an advantageous position for the financial services space.

Stock Markets

During 2008-09, equity markets weakened in tandem with global stock markets, reflecting general deterioration in sentiment, FII outflows, slowdown in industrial growth and lower corporate profits. The BSE Sensex and the S&P CNX Nifty closed at 9709 and 3021 at end-March 2009 registering losses of 37.9 percentage and 36.2 percentage, respectively, over end-March 2008. The Indian stock market has recently responded positively to the optimism of reforms by the new stable government and its continuity in policies.

Primary Market

The primary market segment of the domestic capital market witnessed a marginal increase during the fourth quarter of 2008-09. Cumulatively, resources raised through public issues declined sharply to Rs 14,67,100 lacs during 2008-09 from Rs 83,70,700 lacs during 2007-08. The number of issues also declined considerably from 119 to 45. Out of the 45 issues during 2008-09, 21 were initial public offerings (IPOs) issued by private sector companies, constituting 13.90 percentage of total resource mobilisation. The average size of public issues declined from Rs 70,340 lacs during 2007-08 to Rs 32,600 lacs during 2008-09. (Source: RBI)

Debt Market

Since October 2008, interest rates have declined across the term structure in the money and government securities markets. The call/notice rates have remained near or below the lower bound of the Liquidity Adjustment Facility (LAF) corridor from November 2008. While the secondary market yield on the 10-year government security touched an intra-year low of 5.11 percentage on December 30, 2008, it then generally increased in the wake of the large market borrowing programme of the government, reaching 7.08 percentage on March 30, 2009. The yield had subsequently declined on account of substantial easing of liquidity and reduction in inflation.



Commodity Market

India, which allowed futures trading in commodities in 2003, had one of the fastest growing commodity futures markets with a combined trade turnover of Rs 52,49,00,000 lacs in the year ending March 2009. Multi Commodity Exchange of India (MCX) registered a turnover of Rs 45,88,09,397 lacs in 2008-09 compared to Rs 31,25,95,912 lacs in 2007-08. The country has 22 commodity bourses, three of which operate at the national level and a fourth expected to be launched soon.

Mutual funds

During 2008-09, net resource mobilisation by mutual funds turned negative; there was a net outflow of Rs 28,29,700 lacs during the year as compared to a net inflow of Rs 1,53,80,100 lacs during 2007-08. Scheme-wise, during 2008-09, income/debt oriented schemes witnessed a net outflow of Rs 32,16,100 lacs, while growth/equity oriented schemes registered a net inflow of Rs 4,02,400 lacs. There were substantial outflows during the months of June 2008 (Rs 39,23,300 lacs), September 2008 (Rs 45,65,100 lacs) and October 2008 (Rs 45,79,600 lacs) due to the uncertain conditions in the stock market and redemption pressures from banks and corporate on account of tight liquidity conditions prevailing at that time. (Source: RBI)

Insurance

India is the fifth largest life insurance market in the emerging insurance economies globally and the segment is growing at a healthy 32–34 percentage annually. New premium collection in the life insurance industry stood at Rs 87,10,762 lacs in 2008-09 compared to Rs 92,98,871 lacs in 2007-08. (Source: Ibef and Economic Times)

Currency Futures

Since the launch of the first currency futures exchange in September 2008, currency futures contracts are being traded in three recognised exchanges. The average daily volume of currency futures contracts traded on all these exchanges increased from Rs 26,000 lacs in September 2008 to Rs 2,18,100 lacs in December 2008 and further to Rs 5,23,500 lacs in March 2009. (Source : RBI)

Demat Accounts

The number of demat accounts on National Securities Depository Ltd. (NSDL) went up from 79.78 lacs as of March 31, 2008 to 91.42 lacs as of March 31, 2009. Similar has been the story on the Central Depository Securities Ltd. (CDSL), where the number of demat accounts went up from 44.63 lacs as of March 31, 2008 to 54.28 lacs as of March 31, 2009.

Segment-wise Performance

Sumedha Fiscal's income has three broad categories as hereunder:

(Rs in Lacs)

Particulars	As at 31.03.2009	As at 31.03.2008
Income from Loan Syndication & Project Consultancy Services	787.63	447.41
Income from Capital Market Operation	87.14	311.35
Income from Other Sources	44.89	16.95

Investment Banking, Debt Syndication and Other Related Consultancy Services

Sumedha Fiscal has been actively involved in syndication of debt, organising working capital, trade finance, capital structuring, rehabilitation & reschedulement proposal, due diligence related to merger/amalgamation and takeover. The company has a proven track record in lead management, private placement and issue advisory services. The company also undertakes debt resolution and debt restructuring activities. In spite of such a market condition, this division has maintained its position as the major earning source for the company and has been contributing on an average 67 percentage to the total income since last 5 years (including 2008-09).

Strengths

- A category I merchant banker with an all India presence.
- Locating the time and cost effective sources of finance for projects. Be it, equipment finance, short or long term funds, trade finance, structured finance or any other product, the team at Sumedha Fiscal studies the options available and then sources the most beneficial route for clients.
- Long working relationship with various banks enables the company to deliver cost competitive structural solutions.
- Experience in handling projects of various renowned corporate groups.

Highlights of 2008-09

- Revenue received from loan syndication & consultancy services registered a 76 percentage increase from Rs 447.41 lacs in 2007-08 to Rs 787.63 lacs in 2008-09.
- Lead managed rights issue of Gangotri Iron & Steel having an issue of Rs 1,230.74 lacs.
- Started association with Asset Reconstruction Company (India) Ltd. (ARCIL) as their recovery agent.
- Hired professionals having required qualification & experience across all offices to undertake huge volume of business and also with a view to expand the segment further.

Sector Performance and Opportunities

- McKinsey's study reveals that even if the global economic conditions continue to be sluggish, emerging markets will register absolute revenue growth over the next three years. Moreover, the share of global revenues from emerging markets will increase quite sharply. Two major factors will drive such expansion of investment banking opportunities in coming years. Firstly, the macro-economic environments of emerging markets have not been much impacted by the current slowdown in the US and Western Europe. Secondly, greater forays made by these countries into international markets have spawned many multinational companies, especially in China, India and the UAE. As a consequence, there is now demand for advanced investment banking services, previously made available to large Western multinationals.
- After nearly five years of growth run, corporate India had begun to take topline growth for granted, taking on debt to fuel growth. A Businessworld analysis of nearly 7,000 companies showed that in financial year 2007-08, for instance, total debt of companies went up by 31.4 percentage while revenues grew just 27.6 percentage. As a result, in the first nine months of fiscal 2008-09, interest expenses of 500 largest companies went up 82 percentage, according to research firm Dun & Bradstreet. (Source: Businessworld). As companies with high debt succumb to repayment pressure, the investment banking industry is looking for opportunities where corporate houses would be selling a part of their non-core assets to restructure their loans.

Company Outlook

- It is expected that in the coming year, the market situation will improve. Companies will start to invest in new projects and in expansion work which will require funds from banks and financial institutions. Sumedha Fiscal has stepped up marketing efforts to tap these companies with a special focus on reputed corporate houses executing large assignments.



- RBI in its credit policy (April 2009) has proposed a minimum lock-in period and retention criteria for securitising loans originated by banks. Since the originate-to-securitise model has been widely prevalent in this product, implementation of this proposal could result in bringing down the extent of single corporate loan securitisations. However, given the easing up of credit market and the strong performance of retail asset securitised pools in India, securitisation transactions are expected to increase.
- The credit freeze has forced many of the companies to restructure their borrowings and on being sought by the banks to seek more time, to recast stressed loans, RBI has been postponing the deadline to restructure these loans. However, once the deadlines are over, it is likely that many companies would still be reeling under the effects of the slowdown and may require restructuring. The recent change in sentiment has also meant that projects which were put on the backburner are likely to be revived, as the economy heads towards a softer interest rate regime. Lower borrowing costs will increase the viability and feasibility of project execution, resulting in greater opportunities for the company.

Distribution Services

Sumedha Fiscal initially started the division by distributing RBI and capital gains bonds and later on commenced advising on various schemes of mutual funds, primary market activity and debt products. The company also markets life insurance products (through an associate company). The investor at Sumedha Fiscal gets the benefit of personalised attention, direct professional services which helps in establishing good relationship and also getting all financial solutions under one roof. The company has always been augmenting its size in terms of fund mobilisation which has shown an increasing trend since its inception in 1999. Strong domain knowledge in investment consultancy and the delivery of sustainable value to clients with support from research, technology, back office etc. are the key drivers of growth in this division.

Strengths

- Caters to the need of all the segments of clients which includes corporate/institutions, HNIs (high networth individual) and retail.
- Certified by AMFI (Association of Mutual Funds in India) as mutual fund advisor.
- Personalised advice is given to clients to assist them in asset allocation based on their risk - return profile.
- Doorstep service to customers through product advice, information dissemination, document and cheque collection.
- Possesses fund analyser software which allow researchers to obtain up to date market data, based on which they analyse investment opportunities. This information is conveyed to clients based on their investment requirements.

Highlights of 2008-09

- Increase in total investment mobilisation (gross sales) to Rs 68,900 lacs during 2008-09 compared to Rs 17,800 lacs during 2007-08 (up 287 percentage y-o-y). However, the revenue generated declined from Rs 73.84 lacs in 2007-08 to Rs 36.91 lacs in 2008-09. Investment mobilisation in equity schemes was low as there were only a few IPO (Initial Public Issue)/NFO (New Fund Offers) for equity shares and mutual fund schemes during the year on account of market downturn.
- Added 55 institutional clients and 137 retail clients during 2008-09. The company believes that customer loyalty

and satisfaction play a very important role in the success of business. The loyalty and trust which Sumedha Fiscal has established over the years, can be gauged from the fact that there was no major loss of clientele even during the uncertain market period.

Sector Performance and Opportunities

- According to a report issued by Goldman Sachs, with insurance, mutual funds and pension sector experiencing rapid growth, India's debt market is estimated to grow four-fold, from about 45 percentage of GDP in 2006 to about 55 percentage of GDP by 2016
- Assets under the management (AUM) of Indian mutual fund industry is expected to grow by 15-25 percentage over the next five years even as there may be challenges of declining profitability, according to a CII-KPMG study. Increased retail and institutional participation and innovation in distribution would be among the factors that would spur growth.

Company Outlook

- The present situation shows an overall favourable climate for investment in all the areas. Sumedha Fiscal is focusing to increase mobilisation figure keeping in mind the investor's safety and returns at the fore. The company plans to widen its financial product and services portfolio by offering corporate fixed deposits, portfolio management advisory services and other such financial products and services from time to time which are complementary to existing operations.
- Recently, SEBI (Securities and Exchange Board of India) has directed to stop charging entry loads from investors for mutual funds which is going to be effective from August 1, 2009. Generally, these entry loads are passed on by the AMC's (Asset Management Companies) to the respective distributors. Rather, the distributors may now take advisory fees from the clients. The company believes that since it has a sound client base including HNIs and gives proper advisory services, it will stand to benefit in the long term.
- Most of the business in this area has been generating from Kolkata and Bangalore centre and focus will now be to increase productivity of other branches as well.

Securities, Commodity and Currency Futures Dealing

The company is the member of NSE (cash, future & options and currency derivatives) and provides commodity trading (through a subsidiary company - SFSL Commodity Trading Pvt. Ltd.). The services are offered to institutional as well as retail clients. The commodity division operates in actively traded commodities (comprising metals, bullion, crude oil and natural gas). The company commenced currency derivatives trading during the year under review.

Strengths

- Member of the NSE – cash segment and derivatives segment, member of MCX (through a subsidiary company), member of NSE and MCX-SX to offer currency derivatives trading.
- Empanelled with many nationalised and private institutions/banks/mutual funds/insurance companies for institutional broking.
- Brokerage business is based on a high level of transparency, integrity and co-operation.
- All the dealers are NCFM (NSE's Certification in Financial Markets) certified.
- The broking division is reasonably well balanced as far as infrastructure is concerned with connectivity established



amongst branch offices through RF (Radio Frequency) network. It has also ensured uninterrupted connectivity during sun outage by opting NOW (Neat-on-Web) trading software offered by NSE. VPN (virtual private network) connectivity is also established and both VPN and NOW connectivity provide alternate and uninterrupted connectivity in the event of run down problem of VSAT (Very Small Aperture Terminal) and RF connectivity.

- Possesses in-house research team which helps the investors in making informed decision.

Highlights of 2008-09

- Revenue from equity broking business (cash and derivatives) in 2008-09 declined to Rs 85.23 lacs from Rs 210.94 lacs in 2007-08 with revenue from institutional clients brokerage suffering the most. Income from commodity market operations also registered reduction from Rs 1.47 lacs in 2007-08 to Rs 0.27 lacs in 2008-09.
- Number of new clients added in the equity broking business stood at 162 while 28 new clients were added in the commodity broking business.
- The dealers made the best use of slack time by improving their learning about the market, risk management, compliance and enhancing interaction with dealers of other branches.
- Centralisation of the accounting and back office system for all the branches.

Sector Performance and Opportunities

- SEBI's proposal to introduce a host of exotic derivative products in Indian markets has got a positive response from market participants. The Rammohan Rao-headed Derivatives and New Products Committee released a report suggesting a gamut of new variants in the futures and options segment. The report, which sought public comments received 37 responses, most of which look forward to the launch of exotic derivative instruments.
- RBI and the SEBI jointly unveiled norms enabling exchange-traded interest rate futures. Interest rate futures are derivative contracts which have an interest bearing security as the underlying instrument. The introduction of this instrument will act as additional source of broking revenue.
- Turnover at Indian commodity bourses rose 40.65 percentage to Rs 9,87,00,000 lacs in the first two months of fiscal 2009-10, data from regulator Forward Markets Commission (FMC) showed with active trading seen in gold, crude oil, silver and copper in the energy and metals pack. This shows that investors are gaining interest in commodities.

Company Outlook

- The company has already started a test run for online trading and is soon going to make it accessible to public at large.
- Sumedha Fiscal will continue to invest in new infrastructure and technology which will lead to better and efficient operation. Till 2008-09, the company was using NSE trading system (NEAT) system for dealing and from April 2009 onwards started using both NEAT & NOW system of NSE and continue using LD software for back office operations.
- The company is looking at ways through which it will be able to increase client base for commodity trading activity. Enhance marketing efforts to improve information dissemination to prospective clients. Further, with the hopes of revival in economy and stable government, there is a possibility of investors, traders and institutional clients gaining confidence in the market.

Depository Services

Sumedha Fiscal started offering demat accounts during the year under review by becoming a participant of National Securities Depository Ltd. (NSDL) to facilitate a seamless transaction platform as a part of its value added service for its clients. By means of integrating broking and depository services imparted, the company is able to guarantee clients with a quicker and smoother conduct of investment and trading dealings.

Strengths

- Offers online facility for opening demat accounts.
- Easy account opening formalities with the convenience of both online and offline trading.
- Charges nominal and most competitive depository services charges.
- Acts as value-added service primarily to broking clients.

Highlights of 2008-09

- Obtained depository membership of NSDL.

Sector Performance and Opportunities

- The new government is likely to go for PSU disinvestments in a big way which will result in a lot of IPOs in the near future and bring new investors to the market.
- SEBI's recent announcement of a series of measures related to primary market and mutual funds have added to investor confidence. This is a positive signal for investors because this means that the regulatory mechanisms are in place and this is encouraging new investors to enter stock market.
- The improvement in the overall global economy and the gaining interest of the global investor community in the Indian economy is being shown by way of lot of qualified institutional placement (QIP) investment taking place in the domestic capital market. This is going to result in increase in participation in capital market activity.

Company Outlook

In 2008-09, Sumedha Fiscal started to provide demat services. The company will try to get most of its broking clients' register with the company for demat services and shall also approach other investors as well.

Our Growth Drivers...

Human Resources

Human resources are key to the success of any financial services company. Sumedha Fiscal considers employees as its greatest asset and attributes its ability to deliver on strategy to its human capital. The people policy at Sumedha Fiscal believes in:

- Trust and faith
- Focus on individuals
- Developing a culture of openness and integrity
- Flexibility
- Fostering the talent of employees

The company has created a favorable work environment that encourages innovation and meritocracy. Sumedha Fiscal has set up a human resource management process, which enables to attract and retain high caliber employees and



allocating job responsibilities to employees as per their skill and interest at work. The company has qualified professionals with around 10 – 15 years of work experience in various fields of financial sector who act like mentors to new joiners as well as to employees who lack certain skill. This concept of mentorship helps to build employees confidence at work thereby increasing their efficiency. Sumedha Fiscal invests in training which enables employees to succeed, enrich knowledge and also helps them in their career progression.

During 2008-09, the major initiatives taken by the human resources department include designing organisation flow chart, having explicit job description, standardising human resource processes relating to recruitment, streamlining attendance methodology, implementation of quality circles, structuring 5S and development and maintenance of human resource information system.

When other financial services organisations were reducing their workforce and witnessing high attrition rate in 2008-09, Sumedha Fiscal registered 25 percentage increase in its workforce and a meager attrition rate. This shows the importance given to human capital by the company. Various initiatives like an effective recruiting process, a proficient grievance redressal system which helps in spotting problem being faced by employee at an early stage and dealing with it effectively, focus on the exit interviews and rigorous analysis on identifying reasons behind the employees leaving the organisation helped in controlling attrition rate to a large extent. Towards fostering a sense of ownership among the employees, the company has and shall continue to use programmes such as Employee Stock Option Scheme.

Information Technology

Sumedha Fiscal believes in continuous improvement and utilises latest technology to serve its customers better. The corporate office of the company is entirely computerised and equipped with modern and up-to date communication system and software packages. The branch offices are all interconnected via high speed connectivity with alternate back up arrangements. The company uses high speed bandwidth provided by large vendors like Airtel, Reliance, Tata Indicom and BSNL. This enables to maintain speedy communication through e-mail with the branches. The company has access to its in-house database comprising of various reports, circulars and magazines. The company also uses subscribed databases for preparing research reports and providing data support. The in house technical personnel handles the routine problems being faced by the employees for hardware as well as software maintenance while for critical problems, the company has entered into annual maintenance contract with specialised service agency.

During 2008-09, the major initiatives taken by the information technology department includes:

- Digitisation of important documents which allow faster and more secure interactions between the company and the customer and also reduce usage of printed paper.
- Implementation of policies i.e. password policy, back up policy, server monitoring policy, anti-virus/security policy, disaster recovery policy etc.
- Modernisation of IT infrastructure for trading in securities market as stock broker pursuant to new technology called trading access point (TAP) imposed by NSE.
- Centralising the back office system for broking at Kolkata which leads to better monitoring of the transactions carried out by branches.
- Putting system in place to undertake online trading services.
- Implementing customised ERP module on human resources.
- Putting robust server, back up devices and anti-virus software which are part of disaster recovery policy.

Going forward, the company is strengthening its disaster recovery mechanisms as it lays great stress on security and availability of data. Such proactive measures will make it more confident of handling overall activities and combating perceived risks.

Research

Sumedha Fiscal has a dedicated in house research team which is engaged in analysing the Indian economy and identifying equity investment ideas bringing useful information by way of varied research reports that help investors to make informed decisions and bank upon the right opportunity. The research team also provides regular updates to concerned departments within the organisation which helps to tap business opportunities at the right time. All the analysts in the Sumedha Fiscal research team are MBAs from reputed institute and on an average have 4 years of work experience. The research team has access to various software, database, national & international magazines etc. that assists in providing valuable information. Consistent delivery of high quality advice on individual stocks, sector trends and investment strategy by the research team has helped to strengthen the company's image in the investors' community.

The various reports/newsletter generated by the research team which are regularly sent to various investors includes:

- Daily Newsletter
- Daily Mutual Fund Performance Report
- Weekly Newsletter
- Fortnightly Business Newsletter
- IPO Analysis
- Monthly Newsletter
- Commodity Newsletter
- Company Report
- Sector Update
- Quarterly Results Review

Risk and Concern

The company manages its risks through strict compliance, proper internal checks and prudent operating methods. It is further separately discussed as a separate section in the Annual Report.

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

A stylized signature in blue ink, appearing to be 'Ratan Lal Gaggar'.

Ratan Lal Gaggar
Chairman



RISK MANAGEMENT AND MINIMISATION 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. Risk management is a dynamic science where the management constantly endeavors to adapt to new challenges besides strengthening existing risk management tools.

FUNDAMENTAL CONCEPTS

The fundamental concepts in risk management are the same:

- Policy
- Identification
- Analysis
- Assessment
- Monitoring
- Communication

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

- **Board supervision:** The Board and various Committees regularly reviews the risk strategies and, policies and provides valuable guidance in this regard.
- **Decision-making:** Various level of decision making has been created to ensure critical decisions are taken at appropriate level.
- **Independent review:** Risk-taking activities are subject to review by heads of each activity and accountability outlined.
- **Diversification:** Diversification such as geographical, business segment wise, clientele etc. are intentionally created 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

Sumedha Fiscal 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.

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

VARIOUS RISKS AND THEIR MITIGANTS

➤ ECONOMY RISK

The global and Indian economies, outside the company's control, represent the biggest risk. A slowdown in economy affects every business including Sumedha Fiscal.

Risk Mitigation

The company's risk mitigation involves adoption of a diversified business model which reduces impact of slowdown to some extent, Further, Sumedha Fiscal also provides certain other services demand for which increases during slowdown such as NPA recoveries, debt resolution, arrangement of equity for stressed companies etc.

➤ 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

There is a continuous monitoring of the market, client position etc. by the executives to ensure minimisation of risk. The back office system provides necessary information facilitating proper and effective controls. Sumedha Fiscal continues to invest in technology for facilitating growth and controls. The company is spreading its network and client base across its divisions including initiative to start Internet Broking 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

Sumedha Fiscal has introduced conservative provisioning and revenue recognition policies. It recognises income on Investment Banking where certainty exists. Provisions are made for all contractual dues which are uncertain. The company doesn't engage in any foreign currency derivative transactions.

➤ 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

Sumedha Fiscal is gradually expanding its branch coverage and this would further disperse the geographical risk. Further, the company provides a wide range of services to reduce the concentration.

➤ HUMAN RESOURCE RISK

People attrition could lead to a drain in intellectual capital which is fundamental to the company's 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

Sumedha Fiscal 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

Sumedha Fiscal follows prudent policies and compliance of all regulations through strict implementation, appointment of Compliance Officer and 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 to overall growth and transparency.

➤ COMPETITION RISK

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

Risk Mitigation

Sumedha Fiscal has created its own niche to take on competition with the following approach :

- 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 web-based applications, effective communication channels between branches and constant updation processes.

Risk Mitigation

The company continuously invests in technology and has integrated its back-office functions of all Branches 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

To the Members,

SUMEDHA FISCAL SERVICES LTD.

1. We have audited the attached Balance Sheet of Sumedha Fiscal Services Ltd., as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement of the company for the year ended on that date annexed thereto. 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 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 from material misstatements. 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.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report)(Amendment) Order, 2004, (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the Act) and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 and proper returns adequate for the purpose of our audit have been received from the branches not visited by us. The branch auditor's report in respect of the branch audited by the branch auditor, has been forwarded to us and has been appropriately dealt with;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the company;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the Directors of the company, as on 31st March, 2009 and taken on record by the Board of Directors of the company, we report that none of the Directors is disqualified as on



31st March, 2009 from being appointed as a 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 of our information and according to the explanations given to us, the said accounts give the information 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 of the company as at 31st March, 2009;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the 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 26, 2009

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of **SUMEDHA FISCAL SERVICES LTD.** on the financial statements for the year ended March 31, 2009.

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The fixed assets have been physically verified by the management during the year, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
c) Since there is no disposal of substantial part of fixed assets during the year, paragraph 4(i)(c) of the Companies (Auditor's Report) Order, 2003 is not applicable.
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 inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
c) The company has maintained proper record of its inventories and no discrepancies were noticed on physical verification.
3. According to the information and explanation given to us and in our opinion the company has not granted or taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly clauses 4(iii)(b) to 4(iii)(g) of the Companies (Auditor's Report) Order, 2003 are not applicable.
4. In our opinion and according to the information and explanation given to us, there is adequate internal control system commensurate with the size of company and the nature of its business for the purchase of inventory of shares and property and fixed assets and for the sale of shares and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the Register in pursuance Section 301 of Act, have been so entered in the register maintained as per requirement of that Section.
b) In our opinion and according to the information and explanations given to us, each of these transactions have been made in pursuance of such contracts or arrangements at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
7. In our opinion, the company's present internal audit system is commensurate with its size and nature of its business.
8. The provisions of the Companies Act for maintenance of cost records under Section 209(1)(d) are not applicable to the company.
9. a) According to the information and explanations given to us and the books and records examined by us, the company is regular in depositing with the appropriate authorities the undisputed statutory dues relating to Provident Fund,



Employees State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable to it.

- b) According to the information and explanations given to us and the books and records examined by us, there are no undisputed amount payable, in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess outstanding as at 31st March, 2009 for a period exceeding 6 months from the date they become payable.
10. The company has no accumulated losses as at 31st March, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
 11. The company has not defaulted in repayment of dues to financial institution, bank or to debenture holders.
 12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The provisions of special nature applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
 14. 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 therein. 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 of illiquid scrips lying in the name of erstwhile merged entity.
 15. In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
 16. In our opinion and according to the information and explanation given to us, the company has applied the term loans for the purpose for which the loans have been obtained.
 17. 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.
 18. The company has made preferential allotment of shares aggregating Rs 3,125,000/- (including premium) during the year to parties and companies covered in the Register maintained under Section 301 of the Act, the terms and conditions of which are not prejudicial to the interests of the company.
 19. The company has not issued any Debenture.
 20. The company has not raised any money by way of public issue during the year.
 21. According to the information and explanations given by the management to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place : Kolkata
Date : June 26, 2009

For **ARSK & ASSOCIATES**
Chartered Accountants

Ravindra Khandelwal
Partner

Membership No. 054615

Balance Sheet as at 31st March, 2009

	Schedule No.	As at March 31,			
		2009		2008	
		Rs	Rs	Rs	Rs
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1		67,679,400		66,429,400
Reserves and Surplus	2		45,223,144		28,012,558
Loan Funds					
Secured Loans	3		1,274,162		3,686,485
Deferred Tax Liability - Net	4		5,098,000		3,176,986
			119,274,706		101,305,429
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	59,839,431		58,797,703	
Less : Depreciation/Amortisation		15,489,426		12,880,149	
Net Block			44,350,005		45,917,554
Investments	6		23,385,756		15,724,173
Current Assets, Loans and Advances					
Inventories	7	7,038,841		5,382,429	
Sundry Debtors	8	33,013,782		36,217,705	
Cash and Bank Balances	9	30,901,450		32,878,181	
Loans and Advances	10	19,587,189		15,469,451	
(i)		90,541,262		89,947,766	
Less : Current Liabilities and Provisions					
Current Liabilities	11	32,555,434		44,336,950	
Provisions	12	6,446,883		5,947,114	
(ii)		39,002,317		50,284,064	
Net Current Assets	(i) - (ii)		51,538,945		39,663,702
			119,274,706		101,305,429
Significant Accounting Policies and Notes on Accounts	18				
Balance Sheet Abstract & Company Profile	19				

As per our report of even date attached

For ARSK & Associates
Chartered Accountants

Ravindra Khandelwal
Partner
Membership No. 054615
Place : Kolkata
Date: June 26, 2009

Deb Kumar Sett
Company Secretary

On behalf of the Board
Vijay Maheshwari
Bijay Murmuria
Bhawani Shankar Rathi
Directors



Profit and Loss Account for the year ended 31st March, 2009

	Schedule No.	For the year ended March 31			
		2009		2008	
		Rs	Rs	Rs	Rs
INCOME					
Income from Operations	13		87,477,498		75,875,750
Other Income	14		4,489,046		1,694,553
	(i)		91,966,544		77,570,303
EXPENDITURE					
Personnel Expenses	15		17,424,268		13,413,479
Administrative and Operational Expenses	16		34,372,505		33,658,018
Financial Expenses	17		493,382		641,929
Depreciation/Amortisation		2,666,911		2,304,271	
Less: Transfer from Revaluation Reserve		21,373	2,645,538	21,373	2,282,898
Diminution in Value of Investment			1,441,304		-
	(ii)		56,376,996		49,996,324
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	(i) - (ii)		35,589,548		27,573,979
Exceptional Items			-		-
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS			35,589,548		27,573,979
Less: Provision for Tax :					
- Current Tax		11,750,000		8,600,000	
- Deferred Tax		1,921,014		488,012	
Fringe benefit Tax		383,000		445,000	
(Add)/Less: Adjustment for earlier year		(579,209)	13,474,805	17,319	9,550,331
PROFIT AFTER TAX			22,114,743		18,023,648
Less: Amortisation of Goodwill			819,170		819,170
Balance Brought Forward from previous year			26,957,775		15,211,535
Less: Charge on Account of Transitional Provision under AS-15 (Note No. 5)			-		17,903
Amount available for Appropriation			48,253,348		32,398,110
APPROPRIATIONS					
Proposed Dividend			5,075,955		4,650,058
Corporate Dividend Tax			862,659		790,277
Balance carried to Balance Sheet			42,314,734		26,957,775
			48,253,348		32,398,110
Number of Equity Shares outstanding during the year of Rs10/- each			6,667,940		6,642,940
Profit for calculation of EPS			22,114,743		18,023,648
Basic and Diluted Earnings Per Share:			3.32		2.71
Significant Accounting Policies & Notes on Accounts	18				
Balance Sheet Abstract and Company Profile	19				

As per our report of even date attached

For **ARSK & Associates**

Chartered Accountants

Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date: June 26, 2009

Deb Kumar Sett
Company Secretary

On behalf of the Board

Vijay Maheshwari

Bijay Murmuria

Bhawani Shankar Rathi

Directors

Cash Flow Statement for the year ended 31st March, 2009

	For the year ended March 31	
	2009	2008
	Rs	Rs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and after exceptional items	35,589,548	27,573,979
Adjustments for:		
Depreciation/Amortisation	2,645,538	2,282,898
Interest income	(1,631,582)	(1,099,521)
Dividend income	(229,464)	(80,644)
Bad debts written off	4,897,135	3,743,616
Profit / Loss on sale of fixed assets (net)	12,556	18,309
Profit / Loss on sale of Investments	(2,966)	(468,534)
Provision for diminution in the value of investments	1,441,304	-
Sundry balances written back	(2,621,511)	-
Obsolete asset Discarded	-	541,760
Operating profit before working capital changes	40,100,559	32,511,863
Adjustments for :		
(Increase) / Decrease in trade receivables	3,203,923	(19,013,259)
(Increase) / Decrease in inventories	(1,656,412)	1,864,186
(Increase) / Decrease in loans and advances	(8,542,773)	(14,059,087)
Increase / (Decrease) in trade and other payables	(11,281,747)	29,462,684
	(18,277,010)	(1,745,476)
Cash generated from Operations	21,823,549	30,766,387
Direct taxes paid	(12,133,000)	(9,045,000)
Cash Flow before Extra Ordinary Items	9,690,549	21,721,387
Extra Ordinary Item	2,621,511	-
Adjustment of Earlier Years	579,209	(35,222)
Net cash from operating activities	12,891,269	21,686,165
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase / sale of fixed assets	(1,931,088)	(3,889,677)
Purchase / sale of investments	(6,599,921)	728,410
Investment in subsidiaries including share application money	(2,500,000)	(750,000)
Investment Application Money	350,000	2,970,000
Advance to Subsidiary	(822,100)	-
Interest received	1,631,582	1,099,521
Dividend received	229,464	80,644
Net cash (used in) / from investing activities	(9,642,063)	238,898
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity capital	1,250,000	-
Securities premium received	1,875,000	-
Repayment of long term borrowings	(2,412,323)	1,129,745
Dividend paid	(5,938,614)	(5,440,335)
Interest paid	-	-
Net cash (used in) / from financing activities	(5,225,937)	(4,310,590)
Net increase in cash and cash equivalents	(1,976,731)	17,614,473
Cash and cash equivalents at the beginning of the year	32,878,18	15,263,708
Cash and cash equivalents at the end of the year	30,901,450	32,878,181

Notes : (i) Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under Schedule 8 of the accounts (ii) The above cash flow statement has been prepared under the indirect method as set out in accounting standard 3 on "Cash Flow Statement".

As per our report of even date attached

For **ARSK & Associates**

Chartered Accountants

Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date: June 26, 2009

Deb Kumar Sett
Company Secretary

On behalf of the Board

Vijay Maheshwari

Bijay Murmura

Bhawani Shankar Rathi

Directors



Schedules forming part of the Accounts

	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
SCHEDULE 1: SHARE CAPITAL		
Authorised		
10,000,000 Equity Shares of Rs 10/- each	100,000,000	100,000,000
Issued, Subscribed and Paid-up		
6,767,940(Prev. Year 6,642,940) Equity Shares of Rs10/- 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).	67,679,400	66,429,400
	67,679,400	66,429,400
SCHEDULE 2: RESERVES AND SURPLUS		
Securities Premium Account		
Balance as per last Balance Sheet	-	-
Add: Received during the year	1,875,000	-
(i)	1,875,000	-
Revaluation Reserve		
Balance as per last Balance Sheet	1,054,783	1,076,156
Less: Transferred to Profit & Loss Account	21,373	21,373
(ii)	1,033,410	1,054,783
Profit & Loss Account		
Surplus as per Profit & Loss Account	42,314,734	26,957,775
(i) + (ii) + (iii)	45,223,144	28,012,558
SCHEDULE 3: SECURED LOANS		
Term Loans (Vehicle Loans)		
from Scheduled Banks	655,702	1,263,118
from the Bodies Corporates	618,460	956,943
Working Capital facilities from the Scheduled Banks	-	1,466,424
	1,274,162	3,686,485
SCHEDULE 4: DEFERRED TAX LIABILITY -NET		
Deferred Tax Assets		
Leave Encashment (Provision)	46,283	15,171
(i)	46,283	15,171
Deferred Tax Liability		
Deferred Tax between Depreciation as per Books and Income Tax Act	5,144,283	3,192,157
(ii)	5,144,283	3,192,157
Net Deferred Tax Liabilities	5,098,000	3,176,986
(ii)-(i)	5,098,000	3,176,986

Schedules forming part of the Accounts (Contd.)

SCHEDULE 5: FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 31.03.08 (Rupees)	Addition (Rupees)	Sold / Discarded (Rupees)	As at 31.03.09 (Rupees)	As at Adjustment/ Deduction (Rupees)	For the year (Rupees)	As at 31.03.09 (Rupees)	As at 31.03.09 (Rupees)	As at 31.03.08 (Rupees)
Goodwill	819,170	-	819,170	-	-	-	-	-	819,170
Buildings	24,790,380	-	-	24,790,380	-	404,084	2,086,045	22,704,335	23,108,419
Electrical Installations	806,377	-	-	806,377	-	53,761	240,925	565,452	619,213
Computers	11,348,415	1,545,960	-	12,894,375	-	1,128,021	8,228,278	4,666,097	4,248,159
Office Equipments	3,144,150	402,128	-	3,546,278	-	175,668	997,515	2,548,763	2,322,303
Furnitures & Fixtures	5,053,260	-	-	5,053,260	-	327,071	1,921,265	3,131,995	3,459,065
Motor Vehicles	6,110,951	-	87,190	6,023,761	57,634	578,306	2,015,398	4,008,363	4,616,225
Stock Exchange Cards	6,725,000	-	-	6,725,000	-	-	-	6,725,000	6,725,000
Total	58,797,703	1,948,088	906,360	59,839,431	57,634	2,666,911	15,489,426	44,350,005	45,917,554
Previous Year	57,576,757	4,055,278	2,834,332	58,797,703	1,289,493	2,304,271	12,880,149	45,917,554	



Schedules forming part of the Accounts (Contd.)

SCHEDULE 6: INVESTMENT

A) Long Term Investments (Unquoted - at Cost)

In Equity Shates (Face Value Rs 10/- unless otherwise stated)

Sl No.	Name of the Company	As at 31.03.2009		As at 31.03.2008	
		Quantity Nos.	Value (Rs)	Quantity Nos.	Value (Rs)
(I)	TRADE				
1	Capita Finance Services Ltd.	40,000	400,000	40,000	400,000
2	Seasoft Solutions Pvt. Ltd.	209,500	2,095,000	209,500	2,095,000
3	SFSL Risk Management Service Pvt. Ltd. (F.V. Rs 100/-)	9,250	925,000	9,250	925,000
4	SFSL Insurance Advisory Services Pvt. Ltd. (F.V. Rs100/-)	8,500	850,000	8,500	850,000
5	US Infotech Pvt. Ltd.	250,000	2,500,000	250,000	2,500,000
	Subsidiary Company				
6	SFSL Commodity Trading Pvt. Ltd.	651,000	8,010,000	551,000	5,510,000
(II)	Non-trade				
	Vijaya Home Loan Ltd.	5,000	50,000	5,000	50,000
	(i)		14,830,000		12,330,000

B) Long Term Investments (Quoted – Non-Trade – at Cost)

In Equity Shates (Face Value Rs 10/- unless otherwise stated)

Sl No.	Name of the Company	As at 31.03.2009		As at 31.03.2008	
		Quantity Nos.	Value (Rs)	Quantity Nos.	Value (Rs)
(I)					
1	Aravali Securities & Finance Ltd.	200	4,000	200	4,000
2	Assam Brook Ltd.	3,625	229,012	3,625	229,012
3	Associated Precision Ltd.	600	43,950	600	43,950
4	Bagla Engineering Co. Ltd.	400	4,000	400	4,000
5	Business Forms Ltd.	6,000	72,000	6,000	72,000
6	Capital Trust Ltd.	8,400	161,933	8,400	161,933
7	Carbon Composites (I) Ltd.	500	5,500	500	5,500
8	CDR Health Care Ltd.	2,200	53,350	2,200	53,350
9	Gold Star Steel & Alloys Ltd.	1,220	6,100	1,220	6,100
10	Gujarat Inject (Kerela) Ltd.	900	14,850	900	14,850
11	Hindustan Zinc Ltd.	50	27,569	50	27,569

Schedules forming part of the Accounts (Contd.)

SCHEDULE 6: INVESTMENT

B) Long Term Investments (Quoted – Non-Trade – at Cost) (Contd.)

In Equity Shates (Face Value Rs 10/- unless otherwise stated)

Sl No.	Name of the Company	As at 31.03.2009		As at 31.03.2008	
		Quantity Nos.	Value (Rs)	Quantity Nos.	Value (Rs)
12	IFB Industries Ltd.	7,100	987,476	7,100	987,476
13	Ludlow Jute & Specialities Ltd.	40	8,500	40	8,500
14	Leafin India Ltd.	500	64,000	500	64,000
15	Maruti Cottex Ltd.	17,000	172,000	17,000	172,000
16	Madhya Bharat Papers Ltd.	500	3,125	500	3,125
17	MCC Investment & Leasing Company Ltd.	400	4,000	400	4,000
18	Modern Denim Ltd.	700	43,870	700	43,870
19	Neha Export Ltd.	1,900	28,500	1,900	28,500
20	Orkay Industries Ltd.	1,100	73,215	1,100	73,215
21	Paam Pharmaceuticals (Delhi) Ltd.	252	6,120	252	6,120
22	Parakaram Technofeb Ltd.	1,200	12,830	1,200	12,830
23	Platinum Finance Ltd.	100	3,000	100	3,000
24	Pioneer Financial Management Services Ltd.	1,000	10,000	1,000	10,000
25	Power Grid Corporation of India Ltd.	125	6,500	125	6,500
26	Primax Fiscal Services Ltd.	800	8,000	800	8,000
27	Richimen Silks Ltd.	500	5,000	500	5,000
28	Sanderson Industries Ltd.	265,850	265,850	265,850	265,850
29	Sen Pet India Ltd.	29,300	293,000	29,300	293,000
30	Shree Digvijay Cement Ltd.	4,000	143,515	4,000	143,515
31	Sijberia Industries Ltd.	20	-	20	-
32	State Bank of India	187	297,330	187	297,330
33	Steelco Gujarat Ltd.	50	8,000	50	8,000
34	T & I Global Ltd.	100	2,000	100	2,000
35	Technology Plastics Ltd.	1,000	24,085	1,000	24,085
36	Tourism Finance Corporation of India Ltd.	400	12,000	400	12,000
37	UTI Equity Fund	1,700	15,272	1,700	15,272
38	Uniworth Ltd.	2,627	242,075	2,627	242,075
39	Uniworth Textiles Ltd.	500	11,946	500	11,946



Schedules forming part of the Accounts (Contd.)

SCHEDULE 6: INVESTMENT

B) Long Term Investments (Quoted – Non-Trade – at Cost) (Contd.) In Equity Shates (Face Value Rs 10/- unless otherwise stated)

Sl No.	Name of the Company	As at 31.03.2009		As at 31.03.2008	
		Quantity Nos.	Value (Rs)	Quantity Nos.	Value (Rs)
(II)	In Mutual Funds				
1	UTI Balanced Fund - (Income - Payout)	671.80	16,700	671.80	16,700
2	HDFC Cash Management Fund				
	- Treasury Advantage Plan - Retail -Weekly Div.	658,877.24	6,604,137	-	-
(III)	In debentures				
1	Essar Oil Ltd.	50	2,750	50	4,000
	(ii)		9,997,060		3,394,173
	(i) + (ii)		24,827,060		15,724,173
	Less : Diminution in Value of Investments		1,441,304		-
			23,385,756		15,724,173
	Aggregate Market Value of Quoted Investments		555,040		1,483,912
	Net Asset Value of Units of Mutual Funds		6,611,543		12,952

SCHEDULE 7: INVENTORIES

(At Lower of Cost and Net Realisable Value)

A) Equity Shares & Securities

Sl No.	Name of the Company	Face Value (Rs)	As at 31.03.2009		As at 31.03.2008	
			Quantity Nos.	Value (Rs)	Quantity Nos.	Value (Rs)
1	Aban Offshore Ltd.	2	100	34,910	-	-
2	Akar Laminators Ltd.	10	500	425	500	425
3	Alok Industries Ltd.	10	1,000	12,450	1,000	56,950
4	Apple Finance Ltd.	10	200	342	200	1,168
5	Atash Industries Ltd.	10	600	600	600	600
6	Axis Bank Ltd.	10	500	207,250	-	-
7	Bata India Ltd.	10	500	51,900	500	71,225
8	Bells Control Ltd.	10	50	115	50	115
9	Beta Napthol Ltd.	10	1,200	1,200	1,200	1,200
10	Bharat Forge Ltd.	2	22	2,153	22	5,877
11	Castrol India Ltd.	10	300	56,903	300	56,903
12	Century Textiles & Industries Ltd.	10	1,000	139,440	-	-

Schedules forming part of the Accounts (Contd.)

SCHEDULE 7: INVENTORIES

(At Lower of Cost and Net Realisable Value)

A) Equity Shares & Securities (contd.)

Sl No.	Name of the Company	Face Value (Rs)	As at 31.03.2009		As at 31.03.2008	
			Quantity Nos.	Value (Rs)	Quantity Nos.	Value (Rs)
13	Chemcrown India Ltd.	10	28,000	28,000	28000	28,000
14	Daewoo Motors Ltd.	10	100	671	100	950
15	Dr. Reddy Laboratories Ltd.	5	811	396,312	811	479,504
16	Edelweiss Capital Ltd.	5	285	73,566	235	194,451
17	GTL Infrastructure Ltd.	10	2,000	59,000	2000	92,578
18	Gujarat Lease Finance Ltd.	10	25	-	25	-
19	Gujarat Nre Coke Ltd.	10	5,100	101,235	500	22,241
20	GVK Power & Infrastructure Ltd.	1	2,000	29,375	-	-
21	Himachal Futuristics Ltd.	10	2,000	16,020	1,000	18,950
22	Himadri Chemicals & Industries Ltd.	10	100	1,150	100	1,150
23	Idea Cellular Ltd.	10	100	5,015	-	-
24	IFB Finance Ltd.	10	100	100	100	100
25	IFB Industries Ltd.	10	7,400	128,485	7,400	128,485
26	India Infoline Ltd.	2	250	14,700	-	-
27	Information Technology Ltd.	5	100	105	100	105
28	Infrastructure Devt. Finance Co. Ltd.	10	1,500	77,775	-	-
29	Larsen & Toubro Ltd.	2	500	336,325	-	-
30	Maruti Cottex Ltd.	10	2,000	2,000	2,000	2,000
31	Modi Alkalies & Chemicals Ltd.	10	100	100	100	100
32	Motilal Oswal Financial Services Ltd.	1	250	19,100	-	-
33	Mahanagar Telephone Nigam Ltd.	10	4,000	276,400	3,200	308,960
34	Marksans Pharma Ltd.	1	-	-	2,000	27,876
35	Nagarjuna Fertilizers & Chemicals Ltd.	10	5,000	67,750	-	-
36	National Thermal Power Corporation Ltd.	10	1,000	144,000	-	-
37	Nicco Corporation Ltd.	2	2,000	8,200	2,000	40,800
38	Oriental Bank of Commerce	10	3,000	329,700	3,000	529,950
39	Padmini Technologies Ltd.	10	4,300	26,660	4,300	26,660
40	Parakaram Techno Ltd.	10	84,400	84,400	84,400	84,400
41	Rajesh Exports Ltd.	1	2,000	47,400	-	-
42	Rama Newsprints and Papers Ltd.	10	125	1,563	125	3,700



Schedules forming part of the Accounts (Contd.)

SCHEDULE 7: INVENTORIES

(At Lower of Cost and Net Realisable Value)

A) Equity Shares & Securities (contd.)

Sl No.	Name of the Company	Face Value (Rs)	As at 31.03.2009		As at 31.03.2008	
			Quantity Nos.	Value (Rs)	Quantity Nos.	Value (Rs)
43	Ranbaxy Laboratories Ltd.	5	500	82,800	600	248,420
44	Reliance Industries Ltd.	10	500	761,600	500	1,132,900
45	Religare Enterprises Ltd.	10	50	16,375	-	-
46	Sanderson Industries Ltd.	10	183,400	183,400	183,400	183,400
47	Satyam Computer Services Ltd.	2	1,000	28,420	-	-
48	State Bank of India	10	1,200	1,222,941	-	-
49	State Bank of Travancore	10	100	205	10	205
	(Face Value Split from Rs 100/- to Rs10/-)					
50	Sterlite Industries India Ltd.	2	250	61,250	-	-
51	Suryoday Allo - Metal Powders Ltd.	10	6,500	20,150	6,500	20,150
52	Tata Steel Ltd.	10	1,000	164,740	-	-
53	Telephone Cables Ltd.	10	100	170	100	170
54	TV 18 (I) Ltd - PCD 13FB09	150	8	-	8	-
55	Unitech Ltd.	2	2,000	69,900	-	-
56	Unitex Designs Ltd.	10	195	556	195	556
57	UTI Master Shares - Unit Scheme	10	100	1,250	100	1,250
58	Vatsa Corporation Ltd.	10	100	135	100	135
59	Venkateshwara Hatcheries Ltd. - PF	10	20	20	20	20
60	Vimta Laboratories Ltd.	2	1,500	23,325	-	-
61	Viniyoga Clothex Ltd.	10	1,800	1,800	1,800	1,800
62	Walchandnagar Industries Ltd.	2	100	9,010	-	-
B)	Properties			1,608,000		1,608,000
				7,038,841		5,382,429

Schedules forming part of the Accounts (Contd.)

	As at 31.03.2009	As at 31.03.2008
	(Rupees)	(Rupees)
SCHEDULE 8: SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months	8,027,332	1,465,725
Other Debts	24,986,449	34,751,980
	33,013,781	36,217,705
SCHEDULE 9: CASH AND BANK BALANCES		
Cash in Hand	118,749	410,327
Bank Balances with Scheduled Banks		
- In Current Accounts	13,818,475	14,263,465
- In Fixed Deposit Accounts (Pledged with Bank)	16,964,226	18,204,389
	30,901,450	32,878,181
SCHEDULE 10: LOANS AND ADVANCES		
(Unsecured, considered good except otherwise stated)		
Loans and Advances recoverable in Cash or in Kind or for Value to be received		
Advances		
- To a Subsidiary	822,100	-
- To Others	7,289,881	3,611,708
Other Deposits	8,205,504	9,867,637
Share Application Money (Pending Allotment)	1,000,000	1,350,000
Advance payment of Taxes (Net of Provisions)	2,269,704	640,106
	19,587,189	15,469,451
SCHEDULE 11: CURRENT LIABILITIES		
Sundry Creditors	14,424,812	21,736,407
Unclaimed Dividend	664,702	498,897
Deposits	17,465,920	22,101,646
	32,555,434	44,336,950
SCHEDULE 12: PROVISIONS		
Provision for		
- Leave Encashment	473,794	474,578
- Income Tax (Net of Advance Tax)	-	-
- Fringe Benefit Tax (Net of Advance Tax)	34,475	32,201
- Proposed Dividend	5,075,955	4,650,058
- Corporate Dividend Tax	862,659	790,277
	6,446,883	5,947,114



Schedules forming part of the Accounts (Contd.)

	For the year ended 31.03.09 (Rupees)	For the year ended 31.03.08 (Rupees)
SCHEDULE 13: INCOME FROM OPERATIONS		
Income from Loan Syndication & Consultancy Services	78,763,474	44,740,796
Income From Capital Market Operation	8,714,024	31,134,954
	87,477,498	75,875,750
SCHEDULE 14: OTHER INCOME		
Profit on Sale of Investments	2,966	468,534
Interest (TDS Rs3,28,100/- P.Y. Rs 2,24,324/-)	1,631,582	1,099,521
Dividend	229,464	80,644
Liability No Longer Required Written Back	2,621,511	-
Miscellaneous Income	3,523	45,854
	4,489,046	1,694,553
SCHEDULE 15: PERSONNEL EXPENSES		
Salaries, Wages, Bonus and Gratuity	15,599,818	11,832,158
Contribution to Provident and Other Funds	1,238,191	943,556
Workmen and Staff Welfare Expenses	586,259	637,765
	17,424,268	13,413,479
SCHEDULE 16: ADMINISTRATIVE & OPERATIONAL EXPENSES		
Demat and Depository Charges	316,741	461,558
Communication Expenses	1,583,968	1,760,378
Insurance	265,444	237,374
Rent	1,772,500	1,392,500
Electricity	1,177,485	1,082,329
Office Maintenance	898,114	964,114
Travelling & Conveyance	1,965,632	2,452,703
Rates & Taxes	57,615	71,512
SEBI Turnover and Membership Registration Fee	1,834,579	767,155
Commission	266,750	3,040,175
Professional Service Charges	9,702,069	7,625,142
Auditors' Remuneration	137,624	114,501
Repairs & Maintenance		
- Buildings	219,130	136,409
- Plant and Machinery	729,013	70,967
- Others	611,305	659,968
Advertisement & Business Promotion	907,653	2,681,086
Car Expenses	1,716,855	1,235,096

Schedules forming part of the Accounts (Contd.)

	For the year ended 31.03.09 (Rupees)	For the year ended 31.03.08 (Rupees)
SCHEDULE 16: ADMINISTRATIVE & OPERATIONAL EXPENSES (Contd.)		
Printing & Stationery	862,316	1,054,913
Charity and Donation	115,000	100,000
Computer Expenses	825,682	571,138
Loss on Sale of Fixed Assets	12,556	18,309
Obsolete Fixed Assets Discarded	-	541,760
Bad-Debts written off	4,897,135	3,743,616
NSE Charges	222,255	568,383
VSAT Charges	596,695	250,505
Miscellaneous Expenses	2,678,390	2,056,427
	34,372,505	33,658,018
SCHEDULE 17 : FINANCIAL EXPENSES		
Interest on Term Loans		
- To Scheduled Banks	110,768	113,290
- To Body Corporates	99,196	125,091
Interest on Overdrafts to Scheduled Banks	283,418	403,548
	493,382	641,929

SCHEDULE - 18: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A SIGNIFICANT ACCOUNTING POLICIES

a Basis of preparation of accounts

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies applied by the Company are consistent with those used in the previous year.

b Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.



Schedules forming part of the Accounts (Contd.)

c Fixed Assets

i) Tangible Assets

Fixed Assets are stated at cost of acquisition inclusive of duties (net of CENVAT and other credits, wherever applicable), taxes, incidental expenses, erection / commissioning expenses and borrowing costs etc. up to the date the assets are ready for their intended use.

Fixed Assets retired from active use are valued at net realisable value.

ii) Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation. Goodwill arising on amalgamation is amortised over a period of ten years.

d Depreciation

Depreciation on Fixed Assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at rates determined based on the useful life of the assets, whichever is higher.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

Assets created but not owned by the Company are amortised over a period of five years.

e Impairment of Assets

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

f Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost, but provision for diminution in value is made to recognise a decline other than temporary in the value of such investments.

g Inventories

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.

h Revenue recognition

Revenue (income) is recognised when no significant uncertainty as to determination/realisation exists.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Insurance and other claims / refunds

Revenue, due to uncertainty in realisation, are accounted for on acceptance / actual receipt basis.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Schedules forming part of the Accounts (contd.)

Dividends

Dividend is recognised when the shareholders' right to receive payment is established by the Balance Sheet date. Dividend from subsidiaries is recognised even if same are declared after the Balance Sheet date but pertains to period on or before the date of Balance Sheet as per the requirement of schedule VI of the Companies Act, 1956.

i Retirement and other employee benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are accrued. There are no obligations other than the contribution payable to the respective trusts.

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

Actuarial gains/losses are immediately taken to Profit and Loss Account and are not deferred.

j Borrowing costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

k Taxation

Tax expense comprises of current, deferred and fringe benefits tax.

Current income-tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred tax is recognised on a prudent basis for timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax asset is recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such asset can be realised against future taxable income. Unrecognised deferred tax asset of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

l Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.



Schedules forming part of the Accounts (Contd.)

m Segment reporting

i) Identification of segments

The Company has identified that its operating segments are the primary segments. The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit and offering different products and serving different markets.

ii) Allocation of common costs

Common allocable costs are inter-se allocated to segments based on the basis most relevant to the nature of the cost concerned. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, are included under the head unallocated expense / income.

n Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

o Contingent liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the accounts.

p Provisions

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

B NOTES TO ACCOUNTS

	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
1 Contingent liabilities not provided for in respect of:		
Guarantee given by Canara Bank to National Securities Clearing Corporation limited (Rs 80 lacs) and Stock Holding Corporation of India Ltd (Rs 50 lacs)	13,000,000	13,000,000
2 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,037,500	5,625,000

3 As per information available with the Company there are no amounts payable or paid during the period which are required to be disclosed as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

4 Secured Loans

a Term loans (Vehicle Loans) from banks and bodies coporates are secured by hypothecation of respective vehicles.

Schedules forming part of the Accounts (Contd.)

- b Working capital facilities and Bank Guarantees extended by Canara Bank is secured by pledge of fixed deposits and also secured by way of equitable mortgage of an Immovable Property. The said facilities are further secured by personal guarantees extended by three Directors of the Company.
- c Working capital facilities extended by State Bank of Indore are secured by way of equitable mortgage of an Immovable Property and by Personal Guarantee extended by a Director.

5 Directors' remuneration

- a Managerial remuneration under section 198 of the Companies Act, 1956:
(Paid to Wholetime Director)

(Amount in Rs)

	For the year ended	
	31.03.09	31.03.08
i Salaries, allowances, exgratia, etc.	780,550	518,750
ii Contribution to provident fund	60,900	42,900
iii Perquisites	29,434	-
TOTAL	870,884	561,650

6 Payment to Auditors

(Amount in Rs)

	For the year ended	
	31.03.09	31.03.08
a As Auditors		
- statutory audit	70,000	55,000
- tax audit	20,000	20,000
- branch audit	20,000	25,000
- limited review	3,000	3,000
b In other manner		
- certifications	24,623	11,501
TOTAL	137,623	114,501

7 Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

- a Shares/ Securities are not considered as goods and hence, quantitative information thereof are not given.

(Amount in Rs)

	For the year ended	
	31.03.09	31.03.08
b Expenditure in foreign currency		
Travelling	462,925	122,025



Schedules forming part of the Accounts (contd.)

8 Investments purchased and sold during the year

Particulars of goods	For the year ended 31.03.09		For the year ended 31.03.08	
	Nos	Value (Rs)	Nos	Value (Rs)
i a) Shares & Securities Purchased:				
IFCI Ltd.	-	-	100	4,600
Lyod Steel Ltd.	-	-	300	3,000
Shree Ram Mills Ltd.	-	-	500	187,457
Power Grid Corporation Ltd.	-	-	125	6,500
Shree Digvijay Cement Ltd.	-	-	6,000	215,272
SFSL Commodity Trading Pvt. Ltd.	100,000	2,500,000	75,000	750,000
SBI	-	-	187	297,300
		2,500,000		1,464,129
b) Shares & Securities Sold:				
IFCI Ltd.	-	-	100	8,900
Lyod Steel Ltd.	-	-	300	8,385
Shree Ram Mills Ltd.	-	-	500	187,775
Shree Digvijay Cement Ltd.	-	-	3,000	123,600
Subhash Projects Ltd.	-	-	1,000	286,992
Balasore Alloys Ltd.	-	-	7,290	214,615
Ventura Textiles Ltd.	-	-	20,000	52,400
Sanghi Industries Ltd.	-	-	1,000	91,750
Gujrat NRE Coke Ltd.	-	-	2,000	178,500
Union Bank of India	-	-	310	68,897
VCK Capital	-	-	890	22,731
Sujana Universal	-	-	1,500	27,225
Futura Polysters Ltd.	-	-	2,750	81,070
		-		1,352,840
ii a) Units of Mutual Fund Purchased:				
HDFC Cash Management Fund	1,858,662	18,774,582	-	-
b) Units of Mutual Fund Sold:				
HDFC Cash Management Fund	1,216,777	12,170,445	-	-
Net Total i(a)+ii(a)-i(b)-ii(b)		9,104,137		111,289

9 Earnings Per Share (EPS)

(Amount in Rs)

	For the year ended	
	31.03.09	31.03.08
a Profit after Tax	22,114,743	18,023,648
b Weighted average number of Equity Shares outstanding during the year (Nos.)	6,667,940	6,642,940
c Nominal value of equity per share	10	10
d Basic/diluted earnings per share (EPS)	3.32	2.71

Schedules forming part of the Accounts (Contd.)

10 Disclosures of related party transactions:

a List of related parties with whom the Company has transacted during the year

i	Subsidiary Company	SFSL Commodity Trading Pvt. Ltd.
ii	Associate /Joint Venture Concerns	SFSL Insurance Advisory Services Pvt. Ltd. SFSL Risk Management Services Pvt. Ltd. Capita Finance Services Ltd. U.S. Infotech Pvt. Ltd. Seasoft Solutions Pvt. Ltd.
iii	Key Management Personnel	Mr. Bhawani Shankar Rathi (Whole time Director) Mr. Vijay Maheshwari (Director) Mr. Bijay Murmuria (Director)
iv	Relatives of Key Management Personnel	Kartick Maheshwari Garima Maheshwari

b Transactions with related Parties during the year and year end outstanding balances thereof, are as follows:

(Amount in Rs)

Nature of Transactions	Subsidiary	Associate/ Joint Venture Concerns	Key Man - agement Personnel	Relatives of Key Man- agement Personnel	Total
i Investments	2,500,000	-	-	-	2,500,000
	(750,000)				(750,000)
ii Managerial remuneration paid	-	-	870,884	-	870,884
			(561,650)		(561,650)
iii Rent paid	600,000	-	300,000	-	900,000
	(330,000)		(255,000)		(585,000)
iv Guarantee commission income	-	-	250,000	-	250,000
			(250,000)		(250,000)
v Balance receivable/ (payable)	822,100	-	-	-	822,100
	(51,600)	(3,993,773)	-	-	(4,045,373)
vi Share Application Money refunded	-	350,000	-	-	350,000
		(2,970,000)			(2,970,000)
vii Equity Share Allotment (Including Premium)	-	625,000	1,875,000	625,000	3,125,000

Note: The above transactions do not include reimbursement of expenses made / received during the year. Previous year figures are in the brackets.

- 11 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 31.03.2009 of Rs 21,373/- on revalued portion has been adjusted with Revaluation Reserve Account.



Schedules forming part of the Accounts (Contd.)

12 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.

13 Gratuity and post-employment benefits plans

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 recognised the following amounts in the Profit/ Loss Account for the Year:

(Amount in Rs)

	For the year ended	
	31.03.09	31.03.08
Contribution to Employee's Provident Fund	479,224	371,426
Contribution to Employee's Family Pension Fund	369,019	352,080
Total	848,243	723,506

B Defined Benefit Plans:

a Expenses recognised in the statement of Profit and Loss Account for the year ended 31st March, 2009.

	For the year ended 31.03.09		For the year ended 31.03.08	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
a) Component of Employer's Expense				
Current service cost	342,888	51,441	271,970	60,367
Interest cost on benefit obligation	110,237	37,935	88,092	36,181
Expected return on plan assets	104,066	-	(90,035)	-
Net actuarial(gain) / loss recognised during the period	100,446	46,790	(106,878)	(51,913)
Total expenses	449,505	136,166	163,149	44,635
b) Actual Contribution and Benefits Payments for period ending				
Actual Benefit Payments	253,125	136,950	-	-
Actual Contribution	365,289	136,950	168,482	-

Schedules forming part of the Accounts (Contd.)

b Net assets/ (liability) recognised in the Balance Sheet as at 31st March, 2009

(Amount in Rs)

	For the year ended 31.03.09		For the year ended 31.03.08	
	Grauity	Leave Encashment	Grauity	Leave Encashment
Present value of defined benefits obligation	1,528,185	473,794	1,227,739	474,578
Fair value of plan assets	1,460,861	-	1,244,631	-
Net Liability	(67,324)	(473,794)	16,892	(474,578)
Employer's Expense				
a) Current Service Cost	342,888	51,441	271,970	60,367
b) Total Employer Expense	449,505	136,166	163,149	44,635

c Change in obligations during the year ended 31st March, 2009

	For the year ended 31.03.09		For the year ended 31.03.08	
	Grauity	Leave Encashment	Grauity	Leave Encashment
Present value of defined obligation at the beginning of the period	1,227,739	474,578	974,555	429,943
Current service cost	342,888	51,441	271,970	60,367
Interest cost	110,237	37,935	88,092	36,181
Benefits paid	253,125	136,950	-	-
Actuarial (gains)/losses	100,446	46,790	(106,878)	(51,913)
Present value of defined benefits obligation at the end of the period	1,528,185	473,794	1,227,739	474,578

d Change in the fair value of plan assets during the year ended 31st March, 2009

	For the year ended 31.03.09		For the year ended 31.03.08	
	Grauity	Leave Encashment	Grauity	Leave Encashment
Plan Asset at the beginning of the period	1,244,631	-	986,114	-
Actual return on Plan Asset	104,066	-	(90,035)	-
Contribution by the employer	365,289	-	168,482	-
Employee Contributions	-	-	-	-
Benefits Paid	(253,125)	-	-	-
Plan Asset at the end of the period	1,460,861	-	1,244,631	-



Schedules forming part of the Accounts (contd.)

14 Segment Information

A Primary segment information (by business segments)

(Amount in Rs)

	For the year ended	
	31.03.09	31.03.08
i Segment Revenue		
- Capital Market Operations	11,392,107	31,702,885
- Consultancy	78,942,855	44,722,043
- Others (Unallocable)	-	45,854
Total Segment Revenue	90,334,962	76,470,782
ii Segment results (before interest and unallocated income/expense)		
- Capital Market Operations	(6,317,377)	13,787,393
- Consultancy	42,513,643	14,601,524
- Others (Unallocable)	(323,300)	(411,390)
Total Segment Results	35,872,966	27,977,527
iv Operating profit	35,872,966	27,977,527
v Unallocated interest expenses	283,418	403,548
vi Unallocated interest income	1,631,582	1,099,521
vii Total profit before tax	35,589,548	27,573,979
viii Segment Assets		
- Capital Market Operations	81,494,566	86,507,261
- Consultancy	73,530,754	63,943,231
- Others (Unallocable)	3,251,703	1,139,003
Total Segment Assets	158,277,023	151,589,495
ix Segment Liabilities		
- Capital Market Operations	25,622,254	32,716,337
- Consultancy	13,546,734	14,464,736
- Others (Unallocable)	1,107,491	6,789,478
Total Segment Liabilities	40,276,479	53,970,551
x Depreciation		
- Capital Market Operations	557,773	384,302
- Consultancy	2,087,765	1,898,597
- Others (Unallocable)	-	-
Total Depreciation	2,645,538	2,282,899

Schedules forming part of the Accounts (contd.)

14 Segment Information (Contd.)

A Primary segment information (by business segments)

(Amount in Rs)

	For the year ended	For the year ended
	31.03.09	31.03.08
xi Capital Employed		
- Capital Market Operations	55,872,312	53,790,924
- Consultancy	59,984,020	43,223,207
- Others (Unallocable)	2,144,212	604,813
Total Capital Employed	118,000,544	97,618,944

Notes :

- i The Company is operating in three main service segments mainly.
 - a Capital Market Operations comprising of Stock Broking, Investment, Mutual Funds & other products distribution.
 - b Consultancy comprising of Loan Syndication, Merchant Banking, Restructuring & Other related advisory services.
 - c Other comprising of other services area.
- ii Segments have been identified and reported taking into account the nature of services, different risk & return and internal reporting system.
- iii Segment Revenue, Results, Assets and Liabilities include the respective amounts identified to each of the segment and amounts allocated on a reasonable basis. Whereas unallocable Revenue, results Assets and Liabilities have been included in "others".
- iv Segment Liabilities excludes Deferred Tax Liabilities of Rs 5,098,000/- (Previous year Rs 3,176,986/-).

B There are no reportable geographical segment.

15 Previous year's figures have been regrouped/rearranged, wherever necessary.

As per our report of even date attached

For **ARSK & Associates**

Chartered Accountants

Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date: June 26, 2009

Deb Kumar Sett
Company Secretary

On behalf of the Board
Vijay Maheshwari
Bijay Murmuria
Bhawani Shankar Rathi
Directors



Schedules forming part of the Accounts (contd.)

SCHEDULE - 19: BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information Pursuant To Part IV of Schedule VI to the Companies Act, 1956

I. Registration Details

Registration No. : 4 7 4 6 5 State Code : 2 1
Balance Sheet Date : 3 1 0 3 2 0 0 9

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

Public Issue : N I L Rights Issue : N I L
Bonus Issue : N I L Private Placement : 3 1 2 5

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

Total Liabilities : 1 1 9 2 4 5 Total Assets : 1 1 9 2 7 5

Source of Funds

Paid-up Capital : 6 7 6 7 9 Reserves & Surplus : 4 5 2 2 3
Secured Loans : 1 2 7 4 Unsecured Loans : N I L
Deferred Tax Liabilities : 5 0 9 8

Application of Funds

Net Fixed Assets : 4 4 3 5 0 Investments : 2 3 3 8 6
Net Current Assets : 5 1 5 3 9 Misc. Expenditure : N I L
Accumulated Losses : N I L

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

Turnover : 9 1 9 6 7 Total Expenditure : 5 6 3 7 7
(including Other Income)
Profit/Loss before Tax : + - 3 5 5 9 0 Profit/Loss after tax : + - 2 2 1 1 5
(+ for profit, -for loss)
Earnings Per Share in Rs : 3 . 3 2 Dividend Rate % : 7 . 5 0

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

As per our report of even date attached

For ARSK & Associates
Chartered Accountants

Ravindra Khandelwal
Partner
Membership No. 054615
Place : Kolkata
Date: June 26, 2009

Deb Kumar Sett
Company Secretary

On behalf of the Board
Vijay Maheshwari
Bijay Murmuria
Bhawani Shankar 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, 2009
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. : 651,000 Equity Shares of Rs 10/- each
- b. Extent of interest of Holding Company at the end of the financial year of the Subsidiary Company. : 99.97 percentage
4. The net aggregate amount of the Subsidiary Company's Profit /(Loss) so far as it concerns the members of the Holding Company. : (Rs 363,589/-)
- a. **Not dealt with the Holding Company's accounts:**
 - i) For the financial year ended 31 March, 2009 : Rs 9,815/-
 - ii) For the previous financial years of the Subsidiary Company since it become the Holding Company's subsidiary. : (Rs 373,404/-)
- b. **Dealt with in Holding Company's accounts :**
 - i) For the financial year ended 31 March, 2009 : 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
Bhawani Shankar Rathi

Place : Kolkata
Date: June 26, 2009

Deb Kumar Sett
Company Secretary

Directors



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 31.03.2009.

Operating Results

Your Company earned profit of Rs 9,815/- during the year against loss in the previous year of Rs 9,820/-. Income from Commodity Market Operation decreased to Rs 26,642/- as against Rs 147,449/- during the previous year due to global melt down and persistent economic recession.

Income from Rent was Rs 6.00 Lacs during the year against Rs 3.30 Lacs in the previous year.

Dividend

In view of inadequate profit, your Directors unable to propose any dividend for the year under review.

Directors

Mr. Rajeev Tandon, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered themselves 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 has decreased in the Financial Year 2008-09 from Financial Year 2007-08. Global slow down and persistent economic recession have cast their shadow on the performance. Future Trading of Commodities in India has been growing at phenomenal rate with combined trade turnover of Rs 5,249,000 crore in Financial Year 2008-09. MCX registered turnover of Rs 4,588,093 crore in Financial Year 2008-09. Your company continues to make efforts to enlarge its operations by widening its geographical reach and improves its profitability.

Increase in Authorised & Paid Up Capital

During the year the Authorised Capital of the company has been increased from Rs 6,000,000/- to 7,000,000/- and accordingly issued 100,000 Equity Shares of Rs 10/- each at a premium 15/- per share to its holding company Sumedha Fiscal Services Ltd. for increasing the networth of the company as required by Circular No. MCX/MEM/435/2007 dt. 26-Nov-2007 of the Multi Commodity Exchange of India of which the company is a Member.

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.

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 of the financial year ended 31st March, 2009 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 Earnings and Outgo:

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

Earnings 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 percent 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.

On behalf of the Board

Vijay Maheshwari

Chairman

Place :Kolkata

Date : June 12, 2009



CIN No. U65999WB1996PTC077314

Nominal Capital : Rs 7,000,000/-

COMPLIANCE CERTIFICATE

To

The Members

SFSL Commodity Trading Pvt. Ltd.

8B, Middleton Street,

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, 2009. 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 6 times on 12/04/2008, 18/06/2008, 30/08/2008, 3/10/2008, 20/11/2008, and 14/02/2009 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 31/03/2008 was held on 20/09/2008 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. one Extra Ordinary General Meeting was held during the financial year on 3/11/2008.
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.
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 is 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 100,000 Equity Shares of Rs 10/- each at a premium of Rs 15/- 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 Lakhota
Proprietor
C. P. No.: 3633

Place : Kolkata
Date : June 12, 2009



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, 2009 :

1. Form No. 23AC and 23ACA regarding Balance Sheet as on 31.03.2008 and Profit & Loss A/c for the year ended 31/03/2008 were filed on 17/10/2008 pursuant to Section 220 of the Act.
2. Form No. 66 for Compliance Certificate dated 18/06/2008 was filed on 30/09/2008 pursuant to Section 383A of the Act.
3. Form No. 20B for Annual Return (Date of AGM – 20/09/2008) was filed on 14/11/2008 pursuant to Section 159 of the Act.
4. Form 5 for increase in Authorised Capital to Rs 7,000,000/- by an Ordinary Resolution passed on 3/11/2008 pursuant to Section 97 of the Act was filed on 5/11/2008.
5. Form 23 for Special Resolution passed on 3/11/2008 for issue of shares to promoter pursuant to Section 81(1A) has been filed on 8/11/2008.
6. Form 2 for allotment of 100,000 Equity Shares for cash at premium, allotted on 20/11/2008 pursuant to Section 75(1) of the Act has been filed on 27/11/2008.

For ANJALI LAKHOTIA & CO.
Company Secretaries

Anjali Lakhotia
Proprietor
C. P. No.: 3633

Place : Kolkata
Date : June 12, 2009

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, 2009, 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 give 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, 2009 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, 2009.
 - ii) in the case of Profit & Loss Account, of Profit for the year ended 31st March, 2009.
 - iii) In the case of Cash Flow Statement, of the cash flow for the year ended 31st March, 2009.

For P. K. MUNDRA & CO.
Chartered Accountants

P. K. Mundra
Proprietor

Membership No. 52302

Place : Kolkata
Date : June 12, 2009



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 procedures 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, 2009 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, 2009, 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.
12. The company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
13. No Term Loans have been taken from Bank during the year.
14. 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.
15. The company has not raised money during the year by way of public issue.
16. The company has made preferential allotment of 100,000 Equity Shares of Rs 10/- each at a premium of Rs 15/- per shares aggregating to Rs 2,500,000/- during the year to Holding Company covered in the Register maintained under section 301 of the Act.
17. No incidence of any fraud on or by the company has been noticed or reported during the year.
18. Other provisions of the aforesaid order are not applicable to the company.

Place : Kolkata
Date : June 12, 2009

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

Balance Sheet as at 31st March, 2009

	Schedule	As at 31.03.2009	As at 31.03.2008
		(Rupees)	(Rupees)
SOURCES OF FUNDS			
Shareholders' Funds			
a) Share Capital	1	6,512,000	5,512,000
b) Reserves & Surplus	2	1,500,000	-
		8,012,000	5,512,000
APPLICATION OF FUNDS			
1) Fixed Assets	3		
Gross Block (office flat)		1,583,474	1,575,474
Less: Depreciation		315,851	265,234
	(i)	1,267,623	1,310,240
2) Investments	4	2,556,000	56,000
	(ii)	2,556,000	56,000
3) Current Assets, Loans & Advances			
a) Sundry Debtors	5	611,835	322,786
b) Cash & Bank Balance	6	1,174,313	685,450
c) Loans & Advances	7	2,194,706	2,228,220
d) Deposits	8	1,606,155	862,874
	(iii)	5,587,009	4,099,330
Less: Current Liabilities & Provisions:	9		
a) Current Liabilities & Provisions		1,762,221	326,974
	(iv)	1,762,221	326,974
Net Current Assets	(v)=(iii)-(iv)	3,824,788	3,772,356
4) Miscellaneous Expenditure			
a) Debit Balance in Profit & Loss Account	(vi)	363,589	373,404
	(i)+(ii)+(v)+(vi)	8,012,000	5,512,000
NOTES TO THE ACCOUNTS	10		
BALANCE SHEET ABSTRACT & COMPANY PROFILE	11		

As per our report of even date

For P. K. MUNDRA & CO.

Chartered Accountants

P. K. Mundra

Proprietor

Membership No. 52302

Place : Kolkata

Date: June 12, 2009

On behalf of the Board

Vijay Maheshwari

Bijay Murmura

Directors



Profit and Loss Account for the year ended 31st March, 2009

	Schedule	For the year ended	For the year ended
		31.03.09 (Rs)	31.03.08 (Rs)
INCOME			
Income from Commodity Market Operations		26,642	147,449
Rent		600,000	330,000
Interest Receipts		-	6,060
Misc. Income		1,028	3,420
	(i)	627,670	486,929
EXPENDITURE			
Payment to and Provisions for Employees		273,739	166,780
Staff Training Expenses		-	500
Insurance Premium		2,699	10,338
Annual Fees		75,000	50,000
Conveyance Expenses		-	5,525
Demat Charges		11,845	8,000
Filing Fee		12,500	12,500
Lease Line Charges		38,554	63,372
Professional Charges		12,000	2,000
Depreciation		50,617	49,283
Audit Fee		7,500	8,427
Printing & Stationery		4,650	1,850
Rates & Taxes		2,360	590
Transaction Charges		100,000	76,836
Repairs & Maintenance		-	1,140
Miscellaneous Expenses		391	2,054
Interest Paid		-	133
Telephone Expenses		-	10,046
User ID Charges		26,000	27,000
	(ii)	617,855	496,374
Net Profit/(Loss) before Tax	(i)-(ii)	9,815	(9,445)
Provision for Fringe Benefits Tax		-	375
Net Profit/(Loss) after Tax		9,815	(9,820)
Balance brought forward		(373,404)	(322,142)
Less: Charges on account of Transitional Provision under AS-15 (See Note No.2)		-	(41,442)
		(363,589)	(373,404)
NOTES TO THE ACCOUNTS	10		
BALANCE SHEET ABSTRACT & COMPANY PROFILE	11		

As per our report of even date

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

P. K. Mundra
Proprietor
Membership No. 52302
Place : Kolkata
Date: June 12, 2009

On behalf of the Board

Vijay Maheshwari
Bijay Murmura
Directors

Cash Flow Statement for the ended 31st March, 2009

	For the year ended 31 st March	
	2009 (Rs)	2008 (Rs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Extraordinary items	9,815	(9,445)
Adjustment for:		
Depreciation	50,617	49,283
(Profit)/Loss on sale of Fixed Assets	-	-
Obsolete Fixed Assets Discarded	-	-
(Profit)/Loss on sale of Investments	-	-
Interest paid	-	133
	60,432	39,971
Adjustment for :		
Interest received	-	(6,060)
Dividend received	-	-
Operating Profit before Working Capital changes	60,432	33,911
Adjustment for:		
Current Assets	(1,098,816)	102,028
Current Liabilities	1,435,247	(41,741)
(Increase)/ Decrease in Net Current Assets	336,431	60,287
Cash generated from Operations	396,863	94,198
Interest paid	-	(133)
Taxation(Including Fringe Benefit Tax)	-	(375)
Adjustment for earlier year	-	(41,442)
Net Cash from operating activities	396,863	52,248
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets/Adjustment	(8,000)	-
Sale of Fixed Assets/Adjustment	-	-
(Purchase)/Sale of Investments	(2,500,000)	-
Investment-Application Money	100,000	(750,000)
Interest received	-	6,060
Dividend received	-	-
Net Cash used in investing activities	(2,408,000)	(743,940)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of share capital (Including Premium)	2,500,000	750,000
Dividend paid(Including Dividend tax Paid)	-	-
Net Cash from Financing activities	2,500,000	750,000
Net increase in Cash and Cash equivalents	488,863	58,308
Cash and Cash equivalents at the beginning of the year	685,450	627,142
Cash and Cash equivalents at the close of the year	1,174,313	685,450

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

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

P. K. Mundra
Proprietor
Membership No. 52302
Place : Kolkata
Date: June 12, 2009

On behalf of the Board

Vijay Maheshwari
Bijay Murmuria
Directors



Schedules forming part of the Balance Sheet

	As at 31.03.09 (Rupees)	As at 31.03.08 (Rupees)
SCHEDULE 1: SHARE CAPITAL		
A. Authorised		
700,000 (P. Y. - 600,000) Equity Shares of Rs 10/- each	7,000,000	6,000,000
B. Issued, Subscribed & Paid Up		
651,200 (P. Y. - 551,200) Equity shares of Rs 10/- each fully paid up (Out of the above 651,000 (P. Y. - 551,000) Equity Shares are held by Holding Company - Sumedha Fiscal Services Ltd.)	6,512,000	5,512,000
SCHEDULE 2: RESERVES & SURPLUS		
a) Securities Premium Account		
As per Las Accounts	-	-
Add:- During the Year	1,500,000	-
	1,500,000	-

SCHEDULE 3: FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31.03.08 (Rupees)	Addition (Rupees)	Deduction (Rupees)	As at 31.03.08 (Rupees)	Adjustment/ Deduction (Rupees)	For the year (Rupees)	As at 31.03.09 (Rupees)	As at 31.03.08 (Rupees)
FIXED ASSETS								
Buildings (Flat)	1,410,154	-	-	1,410,154	196,705	22,703	1,190,746	1,213,449
Computers	165,320	8,000	-	173,320	68,529	27,914	76,877	96,791
Total	1,575,474	8,000	-	1,583,474	265,234	50,617	1,267,623	1,310,240
Previous Year	1,523,974	-	-	1,575,474	215,951	49,283	1,310,240	1,359,523

Schedules forming part of the Balance Sheet (Contd.)

	No. of Shares	As at 31.03.2009 (Rupees)	No. of Shares	As at 31.03.2008 (Rupees)
SCHEDULE 4				
INVESTMENT (AT COST)				
Unquoted Shares				
1) Capita Finance Services Ltd.	5,000	50,000	5,000	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) GDBG IDFC Dynamic Bond Fund-PlanA-Growth	166.058	2,000	166.058	2,000
2) JP Morgan India Treasury Fund- Super Inst. Growth Plan	141,767.5579	1,500,000		-
3) JP Morgan India Liquid Fund- Retail Growth Plan	102,051.7339	1,000,000		-
		2,556,000		56,000
(Market Value Rs 2,690,640.90 (P. Y. Rs 1,751.31))				

	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
SCHEDULE 5: SUNDRY DEBTORS		
(Considered good by the Management)		
- Other Debts	611,835	322,786
	611,835	322,786
SCHEDULE 6: CASH & BANK BALANCES		
A. Cash in Hand (as certified by the Management)	326,180	323,177
B. Balance with Scheduled Banks in Current Account	848,133	362,272
	1,174,313	685,450
SCHEDULE 7: LOANS & ADVANCES		
Advance against salary	15,300	29,400
Tax deducted at source	259,820	136,220
Share Application	1,911,000	2,011,000
Other Advances	-	51,600
Fringe Benefits Tax	683	-
Service Tax & Education Cess not claimed	7,903	-
	2,194,706	2,228,220



Schedules forming part of the Balance Sheet (Contd.)

	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
SCHEDULE 8: DEPOSITS		
Multi Commodity Exchange of India Ltd.	726,000	726,000
Lease Line Deposit	52,103	52,103
Margin Trading Margin Account	828,052	84,771
	1,606,155	862,874
SCHEDULE 9: CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Client Margin Account	818,000	260,000
Sundry Creditors	58,421	8,427
Advance from Holding Company	822,100	-
(i)	1,698,521	268,427
B. Provisions		
Provision for Fringe Benefits Tax	-	375
Provision For Gratuity	55,579	42,725
Provision For Leave Encashment	8,121	15,447
(ii)	63,700	58,547
(i)+(ii)	1,762,221	326,974

Schedules forming part of the Balance Sheet and Profit & Loss Accounts

SCHEDULE - 10: NOTES TO THE ACCOUNTS

Annexed to and forming part of the Balance Sheet as at 31st March, 2009 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 and 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 48,813/- (Previous Year - Rs 289,889/- 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).



Schedules forming part of the Balance Sheet and Profit & Loss Accounts (Contd.)

DEFINED BENEFIT PLANS:

i) Change in Defined Benefit Obligations

(Amount in Rs)

		Gratuity		Leave Encashment		Total	
		31-03-09	31-03-08	31-03-09	31-03-08	31-03-09	31-03-08
a	Present Value of DBO at beginning or period	42,725	32,554	15,447	8,888	58,172	41,442
b	Current Service Cost	7,660	6,836	1,213	1,988	8,873	8,824
c	Interest Cost	3,932	3,011	884	973	4,816	3,984
d	Curtailment cost/(Credit)	-	-	-	-	-	-
e	Settlement Cost / (Credit)	-	-	-	-	-	-
f	Employee Contribution	-	-	-	-	-	-
g	Plan Amendments	-	-	-	-	-	-
h	Acquisitions	-	-	-	-	-	-
i	Actuarial (Gain)/Losses	1,262	324	(1,116)	3,598	146	3,922
j	Benefits Paid	-	-	8,307	-	8,307	-
j	Present Value of DBO at the end of period	55,579	42,725	8,121	15,447	63,700	58,172

ii) Change 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 recognised in the Balance Sheet including an reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets

(Amount in Rs)

		Gratuity		Leave Encashment		Total	
		31-03-09	31-03-08	31-03-09	31-03-08	31-03-09	31-03-08
a	Present Value of Obligation	55,579	42,725	8,121	15,447	63,700	58,172
b	Fair Value of Plan Assets	-	-	-	-	-	-
c	Net Asset/(Liability) recognised in the Balance Sheet	(55,579)	(42,725)	(8,121)	(15,447)	(63,700)	(58,172)
Employer Expenses							
a	Current Service Cost	7,660	6,836	1,213	1,988	8,873	8,824
b	Total Employer Expense	12,854	10,171	981	6,559	13,835	16,730

Schedules forming part of the Balance Sheet and Profit & Loss Accounts (Contd.)

iv) Total Expense recognised in the statement of Profit & Loss Account

(Amount in Rs)

		Gratuity		Leave Encashment		Total	
		31-03-09	31-03-08	31-03-09	31-03-08	31-03-09	31-03-08
A	Components of Employer Expense						
i	Current Service Cost	7,660	6,836	1,213	1,988	8,873	8,824
ii	Interest Cost	3,932	3,011	884	973	4,816	3,984
iii	Expected Return on Plan Assets	-	-	-	-	-	-
iv	Curtailment Cost/(Credit)	-	-	-	-	-	-
v	Settlement Cost/(Credit)	-	-	-	-	-	-
vi	Amortisation of Past Service Cost	-	-	-	-	-	-
vii	Actuarial Losses/(Gains)	1,262	324	(1,116)	3,598	146	3,922
viii	Total Expenses recognised in the statement of Profit and Loss	12,854	10,171	981	6,559	13,835	16,730
B	Actual Contribution & Benefits Payments for period ending 31st March, 2008						
i	Actual Benefit Payments	-	-	8,307	-	8,307	-
ii	Actual Contributions	-	-	8,307	-	8,307	-

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

(Amount in Rs)

		Gratuity		Leave Encashment		Total	
		31-03-09	31-03-08	31-03-09	31-03-08	31-03-09	31-03-08
A	Founded Status						
i	Present value of Defined Benefit Obligation	55,579	32,554	8,121	8,888	63,700	41,442
ii	Fair Value of Plan Assets	-	-	-	-	-	-
iii	Funded Status [Surplus /(Deficit)]	(55,579)	(32,554)	(8,121)	(8,888)	(63,700)	(41,442)
iv	Effect of Balance Sheet asset Limit	-	-	-	-	-	-
v	Unrecognised Past Service Costs	-	-	-	-	-	-
	Net Asset /(Liability) recognised in Balance Sheet	(55,579)	(32,554)	(8,121)	(8,888)	(63,700)	(41,442)
i	Net Asset/(Liability) recognised in Balance Sheet at beginning of period	(42,725)	(32,554)	(15,447)	(8,888)	(58,172)	(41,442)
ii	Employer Expense	12,854	10,171	981	6,559	13,835	16,730
iii	Employer Contributions	-	-	-	-	-	-
iv	Benefits Paid	-	-	-	-	-	-
v	Net asset / (liability) recognised in Balance Sheet at end of the period	(55,579)	(42,725)	(8,121)	(15,447)	(63,700)	(58,172)



Schedules forming part of the Balance Sheet and Profit & Loss Accounts (Contd.)

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	
	31.03.09 (Rupees)	31.03.08 (Rupees)
● Rent Received	6,00,000	3,30,000
● Amount Receivable/(Payable) at year end	(8,22,100)	51,600
● Share Capital Received	25,00,000	7,50,000

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

As per our report of even date attached

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

Chartered Accountants

P. K. Mundra

Proprietor

Membership No. 52302

Place : Kolkata

Date: June 12, 2009

On behalf of the Board

Vijay Maheshwari

Bijay Murmuria

Directors

Schedules forming part of the Balance Sheet and Profit & Loss Accounts (Contd.)

SCHEDULE - 11: BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : 7 7 3 1 4 State Code : 2 1
 Balance Sheet Date : 3 1 0 3 2 0 0 9

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

Public Issue : N I L Rights Issue : N I L
 Bonus Issue : N I L Private Placement : 2 5 0 0

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

Total Liabilities : 8 0 1 2 Total Assets : 8 0 1 2

Source of Funds

Paid-up Capital : 6 5 1 2 Reserves & Surplus : 1 5 0 0
 Secured Loans : N I L Unsecured Loans : N I L

Application of Funds

Net Fixed Assets : 1 2 6 8 Investments : 2 5 5 6
 Net Current Assets : 3 8 2 5 Misc. Expenditure : 3 6 3
 Accumulated Losses : N I L

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

Turnover : 6 2 8 Total Expenditure : 6 1 8
 Profit/Loss before Tax : + - 0 1 0 Profit/Loss after tax : + - 0 1 0
 Earning Per Share in Rs : 0 . 0 1 Dividend rate% : N I L

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: June 12, 2009

On behalf of the Board

Vijay Maheshwari

Bijay Murmuria

Directors



AUDITORS' REPORT

To the Members of SUMEDHA FISCAL SERVICES LTD.

1. We have audited the attached consolidated Balance Sheet of Sumedha Fiscal Services Ltd. and its subsidiary and associates as at 31st March, 2009, and also the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date. The consolidated financial statements are responsibility of Sumedha Fiscal Services Ltd.'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.
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 from material misstatements. 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.
3. We did not audit the financial statements of the subsidiary – SFSL Commodity Trading Pvt. Ltd. whose financial statements reflect total assets of Rs 9,411/- thousand as at 31st March, 2009 and total revenues of Rs 628/- 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.
4.
 - a) We have audited the financial statement of the associates SFSL Insurance Advisory Services Pvt. Ltd. The audited statements reflects total assets of Rs 2,805/- thousand as at 31st March, 2009 and total revenue of Rs 118/- thousand for the year 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 2,559/- thousand as at 31st March, 2009 and total revenue of Rs 109/- thousands for the year ended and the company's associate – Capita Finance Services Ltd., whose financial statements reflects total assets of Rs 11,122/- thousands as at 31st March, 2009 and total revenue of Rs 245/- thousand for the year ended and the company's associate US Infotech Pvt. Ltd whose financial statements reflects total assets Rs 16,068/- thousand as at 31st March, 2009 and revenue of Rs 1,292/- thousand for the year ended and the company's associate Seasoft Solutions Pvt. Ltd. whose financial statements reflects total assets Rs 7,870/- thousand as at 31st March, 2009 and revenue of Rs 9,386/- thousand for the year ended. These financial statements have been audited by other auditors 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 auditors.
5. We report that the Consolidated Financial Statements have been prepared by the management of Sumedha Fiscal Services Ltd. 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.
6. 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:
 - a. 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, 2009 and;
 - b. 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;
 - c. 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: June 26, 2009

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

Consolidated Balance Sheet as at 31st March, 2009

	Schedule No.	As at March 31,			
		2009		2008	
		Rs	Rs	Rs	Rs
SOURCES OF FUNDS					
Shareholders' Funds					
Capital	1		67,679,400		66,429,400
Reserves and Surplus	2		44,588,919		27,335,908
Minority Interest			1,621		1,618
Loan Funds					
Secured Loans	3		1,274,162		3,686,485
Deferred Tax Liability - Net	4		5,098,000		3,176,986
			118,642,103		100,630,397
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	61,422,905		60,373,177	
Less : Depreciation/Amortisation		15,805,277		13,145,383	
Net Block			45,617,628		47,227,794
Investments	6		17,660,742		9,966,546
Current Assets, Loans and Advances					
Inventories	7	7,038,841		5,382,429	
Sundry Debtors	8	33,625,616		36,540,491	
Cash and Bank Balances	9	32,075,763		33,563,630	
Loans and Advances	10	22,565,950		18,560,545	
(i)		95,306,170		94,047,095	
Less : Current Liabilities and Provisions					
Current Liabilities	11	33,431,854		44,605,377	
Provisions	12	6,510,583		6,005,661	
(ii)		39,942,437		50,611,038	
Net Current Assets	(i)- (ii)		55,363,733		43,436,057
			118,642,103		100,630,397
Significant Accounting Policies & Notes to Consolidated Accounts	18				

As per our report of even date attached

For **ARSK & Associates**

Chartered Accountants

Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date: June 26, 2009

Deb Kumar Sett
Company Secretary

On behalf of the Board

Vijay Maheshwari

Bijay Murmuria

Bhawani Shankar Rathi

Directors



Consolidated Profit and Loss Account for the year ended 31st March, 2009

	Schedule No.	For the year ended March 31			
		2009		2008	
		Rs	Rs	Rs	Rs
INCOME					
Income from Operation	13		87,504,140		76,023,199
Other Income	14		4,490,074		1,704,033
	(i)		91,994,214		77,727,232
EXPENDITURE					
Personnel Expenses	15		17,698,007		13,580,259
Administrative and Operational Expenses	16		34,066,004		33,608,196
Financial Expenses	17		493,382		642,062
Depreciation/Amortisation		2,717,528		2,353,554	
Less: Transfer from Revaluation Reserve		21,373	2,696,155	21,373	2,332,181
Diminution in Value of Investment			1,441,304		-
	(ii)		56,394,851		50,162,698
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	(i)-(ii)		35,599,363		27,564,534
Exceptional Items			-		-
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS			35,599,363		27,564,534
Less: Provision for Tax -					
- Current Tax		11,750,000		8,600,000	
- Deferred Tax		1,921,014		488,012	
Fringe Benefit Tax		383,000		445,375	
(Add)/Less: Adjustment for earlier year		(579,209)	13,474,805	17,319	9,550,706
PROFIT AFTER TAX			22,124,558		18,013,828
Add: Share of Profit of Associates			32,613		260,470
Less: Minority Interest			3		-
Less: Amortisation of Goodwill			819,170		819,170
Balance brought forward from previous year			26,281,125		14,325,677
Less: Charge on account of Transitional Provision under AS-15 (Note No. 5)			-		59,345
Amount available for Appropriation			47,619,123		31,721,460
APPROPRIATIONS					
Proposed Dividend			5,075,955		4,650,058
Corporate Dividend Tax			862,659		790,277
Balance carried to Balance Sheet			41,680,509		26,281,125
			47,619,123		31,721,460
Number of Equity Shares outstanding during the year of Rs10/- each			6,667,940		6,642,940
Profit for calculation of EPS			22,124,558		18,013,828
Basic and diluted earnings per share:			3.32		2.71
Significant Accounting Policies and Notes to Consolidated Accounts	18				

As per our report of even date attached

For ARSK & Associates
Chartered Accountants

Ravindra Khandelwal
Partner
Membership No. 054615
Place : Kolkata
Date: June 26, 2009

Deb Kumar Sett
Company Secretary

On behalf of the Board
Vijay Maheshwari
Bijay Murmura
Bhawani Shankar Rathi
Directors

Consolidated Cash Flow Statement for the year ended 31st March, 2009

	For the year ended March 31	
	2009	2008
	Rs	Rs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and before exceptional items	35,599,363	27,564,534
Adjustments for:		
Depreciation/Amortisation	2,696,155	2,332,181
Dividend Income	(229,464)	(80,644)
Interest Income	(1,631,582)	(1,105,581)
Bad Debts written off	4,897,135	3,743,616
(Profit) / Loss on Sale of Fixed Assets (Net)	12,556	18,309
(Profit) / Loss on Sale of Investments	(2,966)	(468,534)
Provision for diminution in the Value of Investments	1,441,304	-
Sundry Balances written back	(2,621,511)	-
Obsolete Assets discarded	-	541,760
Operating Profit before Working Capital changes	40,160,990	32,545,641
Adjustments for:		
(Increase) / Decrease in trade receivables	(1,982,261)	(22,810,796)
(Increase) / Decrease in Inventories	(1,656,412)	1,864,187
(Increase) / Decrease in Loans and Advances	(4,455,405)	(10,159,522)
Increase / (Decrease) in trade and other payables	(10,668,601)	29,420,943
Cash generated from Operations	21,398,312	30,860,452
Direct Taxes paid	(12,133,000)	(9,045,375)
Cash Flow before Extra Ordinary Items	9,265,312	21,815,077
Extraordinary Items	2,621,511	-
Adjustment of Earlier Items	579,209	(76,664)
Net cash from Operating Activities	12,466,032	21,738,413
B. CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase) / sale of Fixed Assets	(1,939,088)	(3,889,677)
(Purchase) / sale of Investments	(9,099,921)	(21,590)
Investment in subsidiaries including Share Application Money	-	2,220,000
Investment - Application Money	450,000	-
Interest received	1,631,582	1,105,581
Dividend received	229,464	80,644
Net cash (used in) / from Investing Activities	(8,727,963)	(505,042)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Capital	1,250,000	750,000
Securities premium received	1,875,000	-
Proceeds/(Repayment) of long term borrowings	(2,412,323)	1,129,745
Dividend paid	(5,938,614)	(5,440,335)
Net cash (used in) / from Financing Activities	(5,225,937)	(3,560,590)
Net increase in cash and cash equivalents	(1,487,867)	17,672,781
Cash and cash equivalents at the beginning of the year	33,563,630	15,890,849
Cash and cash equivalents at the end of the year	32,075,763	33,563,630

Notes : (i) Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under Schedule 8 of the accounts (ii) The above cash flow statement has been prepared under the indirect method as set out in accounting standard 3 on "Cash Flow Statement".

As per our report of even date attached
For **ARSK & Associates**
Chartered Accountants

Ravindra Khandelwal
Partner
Membership No. 054615
Place : Kolkata
Date: June 26, 2009

Deb Kumar Sett
Company Secretary

On behalf of the Board
Vijay Maheshwari
Bijay Murmuria
Bhawani Shankar Rathi
Directors



Schedules forming part of the Consolidated Accounts

	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
SCHEDULE 1: SHARE CAPITAL		
Authorised		
10,000,000 Equity Shares of Rs 10/- each	100,000,000	100,000,000
Issued, subscribed and paid-up		
6,767,940 (Prev. Year 6,642,940) Equity Shares of Rs10/- 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).	67,679,400	66,429,400
	67,679,400	66,429,400
SCHEDULE 2: RESERVES AND SURPLUS		
Securities Premium Account		
Balance as per last Balance Sheet	-	-
Add: Received during the year	1,875,000	-
(i)	1,875,000	-
Revaluation Reserve		
Balance as per last Balance Sheet	1,054,783	1,076,156
Less: Transferred to Profit & Loss Account	21,373	21,373
(ii)	1,033,410	1,054,783
Profit & Loss Account		
Surplus as per Profit & Loss Account	41,680,509	26,281,125
(i) + (ii) + (iii)	44,588,919	27,335,908
SCHEDULE 3: SECURED LOANS		
Term Loans (Vehicle Loans)		
from Scheduled Banks	655,702	1,263,118
from the Bodies Corporates (Secured by hypothecation of vehicles taken on hire purchase)	618,460	956,943
Working capital facilities from the scheduled banks	-	1,466,424
	1,274,162	3,686,485
SCHEDULE 4: DEFERRED TAX LIABILITY - NET		
Deferred Tax Assets		
Leave Encashment (Provision)	46,283	15,171
	46,283	15,171
Deferred tax Liability		
Deferred tax between Depreciation as per Books and Income Tax Act	5,144,283	3,192,157
Net Deferred Tax Liabilities	5,098,000	3,176,986

Schedules forming part of the Consolidated Accounts (Contd.)

SCHEDULE 5: FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 31.03.08 (Rupees)	Addition (Rupees)	Sold / Discarded (Rupees)	As at 31.03.09 (Rupees)	Adjustment/ Deduction (Rupees)	For the year (Rupees)	As at 31.03.09 (Rupees)	As at 31.03.09 (Rupees)	As at 31.03.08 (Rupees)
Goodwill	819,170	-	819,170	-	-	-	-	-	819,170
Buildings	26,200,534	-	-	26,200,534	-	426,787	2,305,453	23,895,081	23,108,419
Electrical Installations	806,377	-	-	806,377	-	53,761	240,925	565,452	619,213
Computers	11,513,735	1,553,960	-	13,067,695	-	1,155,935	8,324,721	4,742,974	4,248,159
Office Equipments	3,144,150	402,128	-	3,546,278	-	175,668	997,515	2,548,763	2,322,303
Furnitures & Fixtures	5,053,260	-	-	5,053,260	-	327,071	1,921,265	3,131,995	3,459,065
Motor Vehicles	6,110,951	-	87,190	6,023,761	57,634	578,306	2,015,398	4,008,363	4,616,225
Stock Exchange Cards	6,725,000	-	-	6,725,000	-	-	-	6,725,000	6,725,000
Total	60,373,177	1,956,088	906,360	61,422,905	57,634	2,717,528	15,805,277	45,617,628	45,917,554
Previous Year	59,152,231	4,055,278	2,834,332	60,373,177	1,289,493	2,353,554	13,145,383	47,227,794	



Schedules forming part of the Consolidated Accounts (Contd.)

	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
SCHEDULE 6: INVESTMENT - LONG TERM AND AT COST		
Quoted - Non Trade		
Equity Shares, Debentures & Mutual Funds	11,057,756	3,396,173
Unquoted		
In Associates -Trade		
Cost of Investment		
(Including Rs 3,060,367/- of Goodwill net of Capital Reserve on Consolidation)	6,770,000	6,770,000
Add:- Share of Post Acquisition Profit / Loss (net)	(271,014)	(303,627)
Other	104,000	104,000
	17,660,742	9,966,546
(Market value of Quoted Investments Rs 9,857,224/-; P.Y.- Rs 16,90,826/-)		
SCHEDULE 7: INVENTORIES		
(As taken Valued & Certified by a Director)		
A) Equity Shares & Securities (Valued at Cost or Market Price whichever is lower)	5,430,841	3,774,429
B) Properties (Valued lower of cost or net realisable value)	1,608,000	1,608,000
	7,038,841	5,382,429
SCHEDULE 8: SUNDRY DEBTORS		
(Unsecured, Considered good)		
Debts outstanding for a period exceeding six months	8,027,332	1,465,725
Other Debts	25,598,284	35,074,766
	33,625,616	36,540,491
SCHEDULE 9: CASH AND BANK BALANCES		
Cash in Hand	444,930	733,504
Bank balances with Scheduled Banks		
- In Current Accounts	14,666,608	14,625,737
- In Fixed Deposit Accounts (Pledged with Bank)	16,964,226	18,204,389
	32,075,763	33,563,630

Schedules forming part of the Consolidated Accounts (Contd.)

	As at 31.03.2009	As at 31.03.2008
	(Rupees)	(Rupees)
SCHEDULE 10: LOANS AND ADVANCES		
(Unsecured, considered good except otherwise stated)		
Loans and Advances recoverable in cash or in kind or for value to be received		
Advances		
- To others	7,313,084	3,692,708
Other Deposits	9,811,659	10,730,511
Share Application Money (pending allotment)	2,911,000	3,361,000
Advance payment of Taxes (net of provisions)	2,530,207	776,326
	22,565,950	18,560,545
SCHEDULE 11: CURRENT LIABILITIES		
Sundry Creditors	14,483,233	21,744,834
Unclaimed Dividend	664,702	498,897
Deposits	18,283,920	22,361,646
	33,431,854	44,605,377
SCHEDULE 12: PROVISIONS		
For Leave Encashment	481,915	490,025
For Income Tax (Net of Advance Tax)	-	-
For Gratuity	55,579	42,725
For Fringe Benefit Tax (Net of Advance Tax)	34,475	32,576
For Proposed Dividend	5,075,955	4,650,058
For Corporate Dividend Tax	862,659	790,277
	6,510,583	6,005,661

	For the year ended	
	31.03.09 (Rupees)	31.03.08 (Rupees)
SCHEDULE 13: INCOME FROM OPERATIONS		
Income from Loan Syndication & Consultancy Services	78,763,474	44,740,796
Commodity Trading	26,642	147,449
Income From Capital Market Operation	8,714,024	31,134,954
	87,504,140	76,023,199
SCHEDULE 14: OTHER INCOME		
Profit on Sale of Investments	2,966	468,534
Interest (TDS Rs 3,28,100/-; P.Y. - Rs 2,24,324/-)	1,631,582	1,105,581
Dividend	229,464	80,644
Liability no longer required Written Back	2,621,511	-
Miscellaneous Income	4,551	49,274
	4,490,074	1,704,033



Schedules forming part of the Consolidated Accounts (Contd.)

	For the year ended	
	31.03.09 (Rupees)	31.03.08 (Rupees)
SCHEDULE 15: PERSONNEL EXPENSES		
Salaries, Wages, Bonus and Gratuity	15,873,557	11,998,938
Contribution to Provident and Other Funds	1,238,191	943,556
Workmen and Staff Welfare Expenses	586,259	637,765
	17,698,007	13,580,259
SCHEDULE 16: ADMINISTRATIVE AND OPERATIONAL EXPENSES		
Demat and Depository Charges	328,586	469,558
Communication Expenses	1,583,968	1,770,424
Insurance	268,143	247,712
Rent	1,172,500	1,062,500
Electricity	1,177,485	1,082,329
Office Maintenance	898,114	964,114
Travelling & Conveyance	1,965,632	2,458,228
Rates & Taxes	59,975	72,102
SEBI Turnover and Membership Registration Fee	1,909,579	817,155
Commission	266,750	3,040,175
Professional Service Charges	9,714,069	7,627,142
Auditors' Remuneration	145,124	122,928
Repairs & Maintenance		
- Buildings	219,130	137,549
- Plant and Machinery	729,013	70,967
- Others	611,305	659,968
Advertisement & Business Promotion	907,653	2,681,086
Car Expenses	1,716,855	1,235,096
Printing & Stationery	866,966	1,056,763
Charity and Donation	115,000	100,000
Computer Expenses	825,682	571,138
Loss on Sale of Fixed Assets	12,556	18,309
Obsolete Fixed Assets Discarded	-	541,760
Bad-Debts written off	4,897,135	3,743,616
NSE Charges	322,255	645,219
VSAT Charges	661,249	340,877
Miscellaneous Expenses	2,691,280	2,071,481
	34,066,004	33,608,196
SCHEDULE 17: FINANCIAL EXPENSES		
Interest on Term Loans		
- To Scheduled Banks	110,768	113,290
- to Body Corporates	99,196	125,091
- to Others	-	133
Interest on Overdrafts to Scheduled Banks	283,418	403,548
	493,382	642,062

Schedules forming part of the Consolidated Accounts (Contd.)

SCHEDULE - 18: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED ACCOUNTS

A CONSOLIDATION OF ACCOUNTS

The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements and Accounting Standard (AS) 23 on Accounting for Investment 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 Pvt. Ltd., the Subsidiary Company and Associates SFSL Insurance Advisory Services Pvt. Ltd., SFSL Risk Management Services Pvt. Ltd., Capita Finance Services Ltd., US Infotech Pvt. Ltd. and Seasoft Solutions Pvt. Ltd.

B SIGNIFICANT ACCOUNTING POLICIES

a Basis of preparation of accounts

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies applied by the Company are consistent with those used in the previous year.

b Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c Fixed Assets

i) Tangible Assets

Fixed Assets are stated at cost of acquisition inclusive of duties (net of CENVAT and other credits, wherever applicable), taxes, incidental expenses, erection / commissioning expenses and borrowing costs etc. up to the date the assets are ready for their intended use.

Fixed Assets retired from active use are valued at net realisable value.

ii) Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation. Goodwill arising on amalgamation is amortised over a period of ten years.

d Depreciation

Depreciation on Fixed Assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at rates determined based on the useful life of the assets, whichever is higher.

In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

Assets created but not owned by the Company are amortised over a period of five years.

e Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets



Schedules forming part of the Consolidated Accounts (Contd.)

and their 'value in use'. The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

f Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost, but provision for diminution in value is made to recognise a decline other than temporary in the value of such investments.

g Inventories

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.

h Revenue recognition

Revenue (income) is recognised when no significant uncertainty as to determination/realisation exists.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Insurance and other claims / refunds

Revenue, due to uncertainty in realisation, are accounted for on acceptance / actual receipt basis.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Dividend is recognised when the shareholders' right to receive payment is established by the Balance Sheet date. Dividend from subsidiaries is recognised even if same are declared after the Balance Sheet date but pertains to period on or before the date of Balance Sheet as per the requirement of schedule VI of the Companies Act, 1956.

i Retirement and other employee benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are accrued. There are no obligations other than the contribution payable to the respective trusts.

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

j Borrowing costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Schedules forming part of the Consolidated Accounts (Contd.)

k Taxation

Tax expense comprises of current, deferred and fringe benefits tax.

Current income-tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred Tax is recognised on a prudent basis for timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred Tax Asset is recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such asset can be realised against future taxable income. Unrecognised Deferred Tax Asset of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such Deferred Tax Assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

l Earnings Per Share

Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

m Segment Reporting

i) Identification of Segments

The Company has identified that its operating segments are the primary segments. The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit and offering different products and serving different markets.

ii) Allocation of common costs

Common allocable costs are inter-se allocated to segments based on the basis most relevant to the nature of the cost concerned. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, are included under the head unallocated expense / income.

n Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

o Contingent Liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the accounts.



Schedules forming part of the Consolidated Accounts (Contd.)

p Provisions

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each balance date and adjusted to reflect the current best estimates.

C NOTES TO ACCOUNTS

1 a) The subsidiary Company of Sumedha Fiscal Services Limited considered in the Consolidated Financial Statement is:

Name of the Company	Country of Incorporation	% of voting power held as at 31.03.2009
SFSL Commodity Trading Pvt. Ltd.	India	99.96%

b) Associates of Sumedha Fiscal Services Ltd.

Name of the Company	% of Shares Held	Original Cost of Investment (Rupees)	Goodwill/ (Capital Reserve) (Rupees)	Accumulated Profit/ (Loss) As on 31.03.09 (Rupees)	Carrying amount of Investments as on 31.03.09 (Rupees)
SFSL Insurance Advisory Services Pvt. Ltd	28.60	850,000	495,355	(425,662)	424,338
SFSL Risk Managemnet Services Pvt. Ltd.	38.43	925,000	66,936	55,847	980,847
Capita Finance Services Ltd.	28.43	400,000	149,755	37,090	437,090
US Infotech Pvt. Ltd.	34.96	2,500,000	(1,220,874)	453,917	2,953,917
Seasoft Solutions Pvt. Ltd.	24.65	2,095,000	3,549,196	(392,206)	1,702,794
Total		6,770,000	3,040,368	(271,014)	6,498,986

2 Contingent liabilities not provided for in respect of:

	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
Guarantee given by Canara Bank to National Securities Clearing Corporation limited (Rs 80 lacs) and Stock Holding Corporation of India Ltd. (Rs 50 lacs)	13,000,000	13,000,000
3 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,037,500	5,625,000

4 As per information available with the Company there are no amounts payable or paid during the period which are required to be disclosed as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Schedules forming part of the Consolidated Accounts (Contd.)

5 Secured Loans

- a Term Loans (Vehicle Loans) from banks and bodies coporates are secured by hypothecation of respective vehicles.
- b Working capital facilities and Bank Guarantees extended by Canara Bank are secured by pledge of Fixed Deposits and also secured by way of equitable mortgage of an Immovable Property. The said facilities are further secured by personal guarantees extended by three Directors of the Company.
- c Working capital facilities extended by State Bank of Indore are secured by way of equitable mortgage of an Immovable Property and by Personal Guarantee extended by a Director.

6 Directors' remuneration

- a Managerial remuneration under section 198 of the Companies Act, 1956:
(Paid to Wholetime Director)

	For the year ended	
	31.03.09 (Rupees)	31.03.08 (Rupees)
i Salaries, allowances, exgratia, etc.	780,550	518,750
ii Contribution to provident fund	60,900	42,900
iii Perquisites	29,434	-
TOTAL	870,884	561,650

7 Payment to auditors

	For the year ended	
	31.03.09 (Rupees)	31.03.08 (Rupees)
a As auditors		
- statutory audit	77,500	62,500
- tax audit	20,000	20,000
- branch audit	20,000	25,000
- limited review	3,000	3,000
b In other manner		
- certifications	24,623	12,428
TOTAL	145,123	122,928

8 Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

- a Shares/ Securities are not considered as goods and hence, quantitative information thereof are not given.

	For the year ended	
	31.03.09 (Rupees)	31.03.08 (Rupees)
b Expenditure in Foreign Currency		
Travelling	462,925	122,025



Schedules forming part of the Consolidated Accounts (Contd.)

9 Investments purchased and sold during the year

Particulars of goods	For the year ended 31.03.09		For the year ended 31.03.08	
	Nos	Value (Rs)	Nos	Value (Rs)
i a) Shares & Securities Purchased:				
IFCI Ltd.	-	-	100	4,600
Lyod Steel Ltd.	-	-	300	3,000
Shree Ram Mills Ltd.	-	-	500	187,457
Power Grid Corporation Ltd.	-	-	125	6,500
Shree Digvijay Cement Ltd.	-	-	6,000	215,272
SFSL Commodity Trading Pvt. Ltd.	100,000	2,500,000	75,000	750,000
SBI	-	-	187	297,300
		2,500,000		1,464,129
b) Shares & Securities Sold:				
IFCI Ltd.	-	-	100	8,900
Lyod Steel Ltd.	-	-	300	8,385
Shree Ram Mills Ltd.	-	-	500	187,775
Shree Digvijay Cement Ltd.	-	-	3,000	123,600
Subhash Projects Ltd.	-	-	1,000	286,992
Balasore Alloys Ltd.	-	-	7,290	214,615
Ventura Textiles Ltd.	-	-	20,000	52,400
Sanghi Industries Ltd.	-	-	1,000	91,750
Gujrat NRE Coke Ltd.	-	-	2,000	178,500
Union Bank of India	-	-	310	68,897
VCK Capital	-	-	890	22,731
Sujana Universal	-	-	1,500	27,225
Futura Polysters Ltd.	-	-	2,750	81,070
		-		1,352,840
ii a) Units of Mutual Fund Purchased:				
HDFC Cash Management Fund	1,858,662	18,774,582	-	-
J P Morgan India Treasury Fund- Super Inst. Growth Plan	141,768	1,500,000	-	-
J P Morgan India Liquid Fund- Retail Growth Plan	102,052	1,000,000	-	-
		21,274,582		-
b) Units of Mutual Fund Sold:				
HDFC Cash Management Fund	1,216,777	12,170,445	-	-
Net Total i(a)+ii(a)-i(b)-ii(b)		11,604,137		111,289

10 Earnings Per Share (EPS)

	For the year ended	
	31.03.09 (Rs)	31.03.08 (Rs)
a Profit after Tax	22,124,558	18,013,828
b Weighted average number of equity shares outstanding during the year (Nos.)	6,667,940	6,642,940
c Nominal value of equity per share	10	10
d Basic/diluted Earnings Per Share (EPS)	3.32	2.71

Schedules forming part of the Consolidated Accounts (Contd.)

11 Disclosures of related party transactions:

a List of related parties with whom the Company has transacted during the year

i	Associates/Joint Venture Concerns	SFSL Insurance Advisory Services Pvt. Ltd. SFSL Risk Management Services Pvt. Ltd. Capita Finance Services Ltd U.S. Infotech Pvt. Ltd. Seasoft Solutions Pvt. Ltd.
ii	Key Management Personnel	Mr. Bhawani Shankar Rathi (Wholetime Director) Mr. Vijay Maheshwari (Director) Mr. Bijay Murmuria (Director)
iii	Relatives of Key Management Personnel	Kartick Maheshwari Garima Maheshwari

b Transactions with related Parties during the year and year end outstanding balances thereof, are as follows

(Amount in Rs)

Nature of Transactions	Associate/ Joint Venture Concerns	Key Man - agement Personnel	Relatives of Key Man- agement Personnel	Total
i Investments	-	-	-	-
ii Managerial remuneration paid	-	870,884	-	870,884
iii Rent paid	-	(561,650)	-	(561,650)
iv Guarantee commission income	-	300,000	-	300,000
v Balance receivable/ (payable)	-	(255,000)	-	(255,000)
	(3,993,773)	-	-	(3,993,773)
vi Share Application Money refunded	350,000	-	-	350,000
	(2,970,000)	-	-	(2,970,000)
vii Equity Share Allotment (Including Premium)	625,000	1,875,000	625,000	3,125,000

Note: The above transactions do not include reimbursement of expenses made / received during the year. Previous year figures are in the brackets.

- 12 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 31.03.2009 of Rs 21,373/- on revalued portion has been adjusted with Revaluation Reserve Account.



Schedules forming part of the Consolidated Accounts (Contd.)

13 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.

14 Gratuity and post-employment benefits plans

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 recognised the following amounts in the Profit/ Loss Account for the Year:

(Amount in Rs)

	For the year ended	
	31.03.09	31.03.08
Contribution to Employee's Provident Fund	479,224	371,426
Contribution to Employee's Family Pension Fund	369,019	352,080
Total	848,243	723,506

B Defined Benefit Plans:

a Expenses recognised in the statement of profit and loss account for the year ended 31st March, 2009

(Amount in Rs)

	For the year ended 31.03.09		For the year ended 31.03.08	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
a) Component of Employer's Expense				
Current service cost	350,548	52,654	278,806	62,355
Interest cost on benefit obligation	114,169	38,819	91,103	37,154
Expected return on plan assets	104,066	-	(90,035)	-
Net actuarial(gain) / loss recognised during the period	101,708	45,674	(106,554)	(48,315)
Total expenses	462,359	137,147	173,320	51,194
b) Actual Contribution and Benefits Payments for period ending				
Actual Benefit Payments	253,125	145,257	-	-
Actual Contribution	365,289	145,257	168,482	-

Schedules forming part of the Consolidated Accounts (Contd.)

b Net assets/ (liability) recognised in the balance sheet as at 31st March, 2009

(Amount in Rs)

	For the year ended 31.03.09		For the year ended 31.03.08	
	Grauity	Leave Encashment	Grauity	Leave Encashment
Present value of defined benefits obligation	1,583,764	487,711	1,270,464	490,025
Fair value of plan assets	1,460,861	-	1,244,631	-
Net liability	(122,903)	(487,711)	(25,833)	(490,025)
Employer's Expense				
a) Current Service Cost	350,548	52,654	278,806	62,355
b) Total Employer Expense	462,359	137,147	173,320	51,194

c Change in obligations during the year ended 31st March, 2009

	For the year ended 31.03.09		For the year ended 31.03.08	
	Grauity	Leave Encashment	Grauity	Leave Encashment
Present value of defined obligation at the beginning of the period	1,270,464	490,025	1,007,109	438,831
Current service cost	350,548	52,654	278,806	62,355
Interest cost	114,169	38,819	91,103	37,154
Benefits paid	253,125	145,257	-	-
Actuarial (gains)/losses	101,708	45,674	(106,554)	(48,315)
Present value of defined benefits obligation at the end of the period	1,583,764	487,711	1,270,464	490,025

d Change in the fair value of plan assets during the year ended 31st March, 2009

	For the year ended 31.03.09		For the year ended 31.03.08	
	Grauity	Leave Encashment	Grauity	Leave Encashment
Plan Asset at the beginning of the period	1,244,631	-	986,114	-
Actual return on Plan Asset	104,066	-	(90,035)	-
Contribution by the employer	365,289	-	168,482	-
Employee Contributions	-	-	-	-
Benefits Paid	(253,125)	-	-	-
Plan Asset at the end of the period	1,460,861	-	1,244,631	-



Schedules forming part of the Consolidated Accounts (Contd.)

15 Segment information

A Primary segment information (by business segments)

(Amount in Rs)

	For the year ended	
	31.03.09	31.03.08
i Segment Revenue		
- Capital Market Operations	11,419,777	31,856,394
- Consultancy	78,942,855	44,722,043
- Others	-	49,274
Total segment revenue	90,362,632	76,627,711
ii Segment Results (before interest and unallocated income/expense)		
- Capital Market Operations	(6,295,062)	13,774,528
- Consultancy	42,513,643	14,604,944
- Others	(335,800)	(411,390)
Total Segment Results	35,882,781	27,968,082
iv Operating Profit	35,882,781	27,968,082
v Unallocated Interest Expenses	283,418	403,548
vi Unallocated Interest Income	1,631,582	1,099,521
vii Total Profit before Tax	35,599,363	27,564,534
viii Segment Assets		
- Capital Market Operations	89,822,595	91,836,611
- Consultancy	65,249,740	58,129,601
- Others	3,512,206	1,275,223
Total Segment Assets	158,584,541	151,241,435
ix Segment Liabilities		
- Capital Market Operations	26,562,375	33,042,932
- Consultancy	13,546,734	20,720,026
- Others	1,107,491	534,565
Total Segment Liabilities	41,216,600	54,297,523
x Depreciation		
- Capital Market Operations	608,385	433,583
- Consultancy	2,087,770	1,898,598
- Others	-	-
Total Depreciation	2,696,155	2,332,181

Schedules forming part of the Consolidated Accounts (Contd.)

A Primary segment information (by business segments) (Contd.)

(Amount in Rs)

	For the year ended	
	31.03.09	31.03.08
xi Capital Employed		
- Capital Market Operations	63,260,220	58,793,679
- Consultancy	51,703,006	37,409,575
- Others	2,404,715	740,658
Total Capital Employed	117,367,941	96,943,912

Notes :

- i The Company is operating in three main service segments mainly.
 - a Capital Market Operations comprising of Stock Broking, Investment, Mutual Funds & other products distribution.
 - b Consultancy comprising of Loan Syndication, Merchant Banking, Restructuring & Other related advisory services.
 - c Other comprising of other services area.
- ii Segments have been identified and reported taking into account the nature of services, different risk & return and internal reporting system.
- iii 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".
- iv Segment Liabilities excludes Deferred Tax Liabilities of Rs 5,098,000/- (Previous year Rs 3,176,986/-).

B There are no reportable geographical segment.

16 Previous year's figures have been regrouped/rearranged, wherever necessary.

As per our report of even date attached

For ARSK & Associates

Chartered Accountants

Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date: June 26, 2009

Deb Kumar Sett
Company Secretary

On behalf of the Board

Vijay Maheshwari

Bijay Murmuria

Bhawani Shankar Rathi

Directors

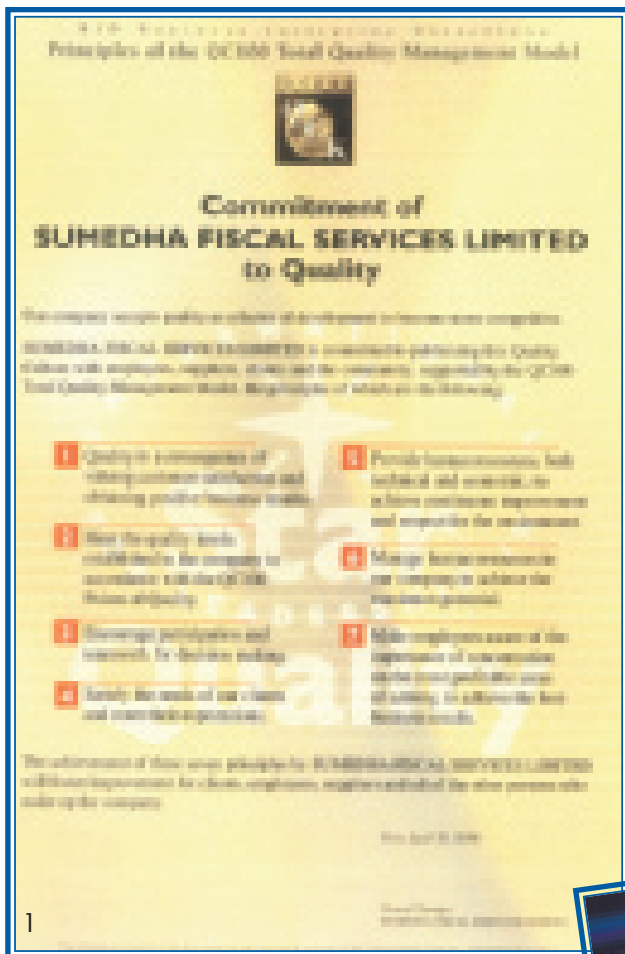


SUMMARISED ACCOUNTS

(Rs in Lacs)

	2008-09	2007-08	2006-07	2005-06	2004-05
BALANCE SHEET					
Net Worth*	1118.69	933.86	816.41	778.02	734.81
Borrowings	12.74	36.87	25.56	41.48	23.31
Deferred Tax Liability	50.98	31.77	26.89	22.60	18.86
	1182.41	1002.50	868.86	842.10	776.98
UTILISATION OF FUNDS					
Net Fixed Asset including					
Capital Work-in-Progress*	433.16	448.62	446.35	319.52	316.05
Investments	233.86	157.24	152.34	137.90	141.66
Net Current Assets	515.39	396.64	270.17	384.68	319.27
	1182.41	1002.50	868.86	842.10	776.98
PROFIT AND LOSS ACCOUNT					
<i>Income</i>					
Income from Operations	874.77	758.76	419.73	458.26	299.20
Other Income	44.89	16.94	39.35	20.37	9.93
	919.66	775.70	459.08	478.63	309.13
<i>Expenditure</i>					
Establishment	520.07	473.10	309.65	331.30	201.33
Interest & Finance Charges	2.83	4.03	2.20	1.38	1.81
Depreciation	26.46	22.83	18.85	15.48	14.07
Misc. Expenditure written off	-	-	-	-	3.48
Provision for Diminution in Investment	14.41	-	-	-	-
	563.77	499.96	330.70	348.16	220.69
Profit before Taxation	355.89	275.74	128.38	130.47	88.44
Profit after Taxation	221.15	180.24	85.44	89.28	42.82
Basic and Diluted Earnings per Share (in Rs)	3.32	2.71	1.29	1.34	0.64

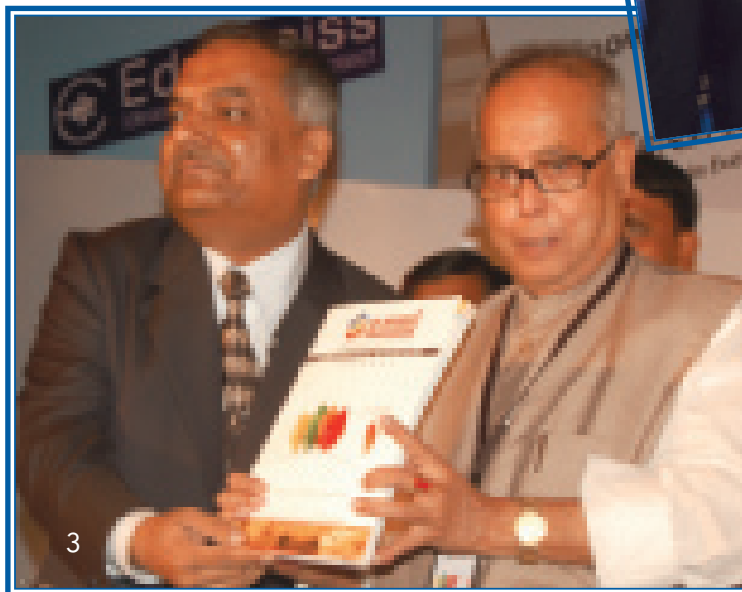
* Excluding Revaluation Reserve



1. Star Quality Award (Gold Category) received by Sumedha Fiscal in the 12th International Star for Leadership in Quality Convention, part of the annual program of Business Initiative Directions (B.I.D.) Awards for outstanding business achievements



2. Mr. Vijay Maheshwari (Director) receiving B.I.D. Star Quality Award from Mr. Jose E Prieto (President of B.I.D.) at Paris in April 2008



3. Mr. Bijay Murmuria (Director) Presenting the memento to Mr. Pranab Mukherjee as President of ANMI (Association of National Exchanges Members of India) for 2008-09 at the 4th ANMI International Convention at Kolkata in January 2009



SUMEDHA FISCAL SERVICES LIMITED

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