



SUMEDHA
adding values to value

Adding Value^S to Value



ANNUAL REPORT 2015-16
SUMEDHA FISCAL SERVICES LIMITED



SUMEDHA
adding values to value

SUMEDHA FISCAL SERVICES LIMITED

(CIN : L70101WB1989PLC047465)

REGISTERED and CORPORATE OFFICE

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

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

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

BRANCH OFFICES

MUMBAI

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

NEW DELHI

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

AHMEDABAD

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

BANGALORE

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

HYDERABAD

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

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

(* Through Subsidiary Company)

BOARD OF DIRECTORS



Mr. Ratan Lal Gagar, Chairman
Independent Director



Dr. Basudeb Sen
Independent Director



Mr. Atul Chandra Varma
Independent Director



Mr. Prashant Sekhar Panda
Independent Director



Mr. Prabhat Agarwala
Independent Director



Mr. Vijay Maheshwari
Non-Executive Director



Mr. Anil Kumar Birla
Non-Executive Director



Mr. Bijay Murmuria
Non-Executive Director



Mr. Bhawani Sankar Rathi
Wholetime Director



Mrs. Garima Maheshwari
Non-Executive Director

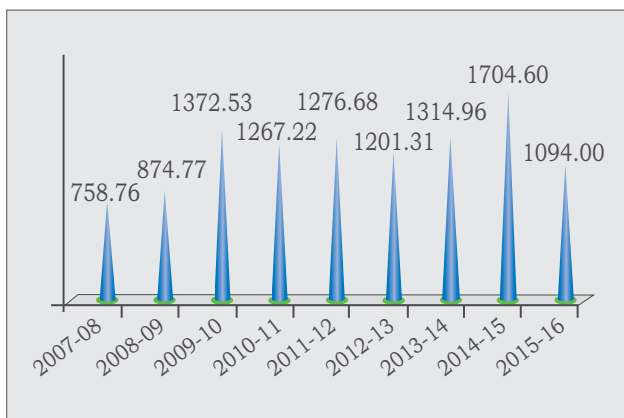


KEY BUSINESS HIGHLIGHTS IN 2015 – 2016

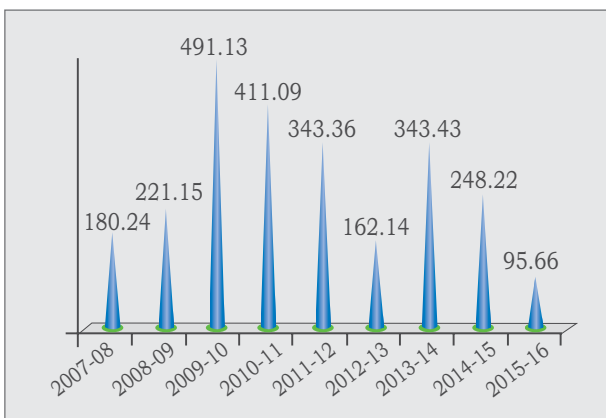
- PAT stood at ₹ 95.66 Lakhs
- The Investment Banking Segment continues to remain the major earning vertical accounting to 62.50% of Total Income and 90.00% of operating profits of the Company.

PERFORMANCE HIGHLIGHTS

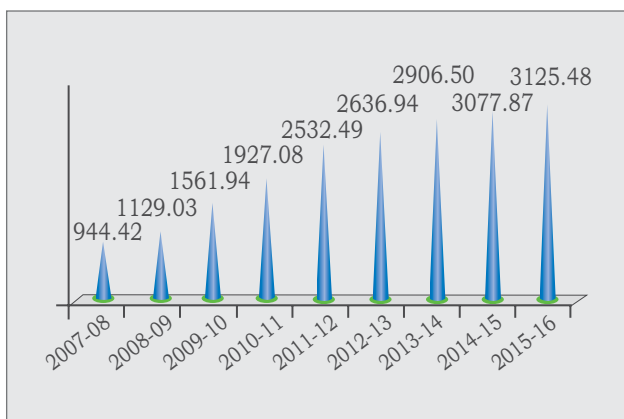
INCOME FROM OPERATIONS (In ₹ Lakhs)



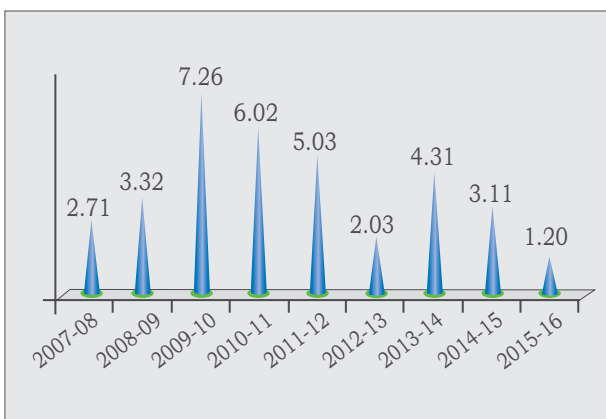
PAT (In ₹ Lakhs)



SHAREHOLDERS' FUND (In ₹ Lakhs)



EPS (In ₹)



CHAIRMAN'S ADDRESS



Dear Stakeholders,

Welcome to the 27th Annual General Meeting of your Company. I thank you for your sustained trust, encouragement and support.

Since we last met, several structural changes have taken place and/or have been promised and the same will result in significant transformation. Even though there had been a slowdown but

with these structural changes, there is a great likelihood of changes taking place in doing business in India.

Opening-up of most of the sectors to Foreign Direct Investment and steps for ease of doing business have become catalyst for access to superior technology alongwith growth of business and employment. National Skill Development is aimed at creating a backbone for supply of required skills at various levels and simultaneously impart employability to the youth.

“Aadhaar” based identity and direct-benefit-transfer schemes have already arrested misuse of funds amounting to thousands of crores of Rupees. Initiative for taking broadband connectivity to village/panchayat level and using it for promoting awareness for literacy, health-sanitation, nutrition, crop protection, access to welfare schemes would promote welfare to the segments of population to whom development could not reach earlier.

Financial inclusion will be an important element in ensuring access and equity – the necessary building blocks for sustainable growth of our country. Bringing formal financial services to every Indian who wants them is critical for improving the quality of life. At the same time protecting them through education, competition and regulation are equally important to ensure sustainable welfare.

At Sumedha Fiscal, we are constantly striving to have a diversified financial services business model and new opportunities are being closely worked upon so as to have a sustainable future growth.

Key area of focus

Investment Banking continues to be the focus area for the Company, as a one-stop solution for major value added corporate services. The services covered include merchant banking, loan syndication, financial restructuring, resolution of stressed assets, merger amalgamation, placements of securities.

But in the unfavorable market condition, liquidity crunch and low demand condition, finding suitable buyer became a challenge. With large chunk of investible fund declared / classified as NPA and consequently with lower lending limits, Public Sector Banks (PSBs) find themselves in a limbo. They can neither recover NPAs and free-up funds for lending nor sound proposals for fresh lending are forthcoming. This has impacted the loan syndication activity severely.

Financial Performance

Sumedha Fiscal Services Ltd. has posted revenues of Rs. 1094 lacs during FY16. Considering the overall sluggish economic

growth, the Profit before Tax fell by 58% to Rs. 153 lacs against Rs. 363 lacs in the previous year, whereas PAT stood at Rs. 96 lacs compared with Rs. 248 lacs for FY15, a decline of 61%. Our EPS stood at Rs. 1.20 in FY16, compared to Rs. 3.11 in FY15.

Looking ahead

Strategic Debt Restructuring Scheme (SDR) announced by the Reserve Bank of India was aimed at reviving the defaulting borrower through change in control/ownership by way of stake sale. The Government proposal for infusion of fresh capital to PSBs (equity/debt) and transfer of NPAs to some other entity are under active consideration. In the meantime implementation of large scale infrastructure projects and good monsoon are expected to increase aggregate demand and consequently expedite the cycle of consumption-production leading to recovery of the economy.

The country's economy is likely to grow at higher single digit rate from next year onwards and it is expected to be sustainable which augurs well for the Financial Services Sector. Further your Company is taking initiatives towards playing a catalyst's role to push Start-Ups or fueling new entrepreneurs with growth plans.

Bankruptcy Law

The notification of Bankruptcy Code brings in a huge change in the manner of winding up of companies, firms and bankruptcy of individuals. The time frame and manner of dissolution have been specified. Rights of the secured creditors under SARFAESI Act would remain stayed under the Code during the resolution moratorium (6 months, extendible by another 3 months) in case of companies, and even longer in case of non-corporate entities.

The secured creditor may have to take a tricky call, based on relative percentages of secured assets versus free assets, and decide whether to relinquish security interest and join the liquidation queue, or stay out of liquidation, and enforce security interest. Voluntary winding up of companies is now being moved completely from the Companies Act to the Bankruptcy Code.

Insolvency and liquidation practice is a lucrative professional opportunity and your Company with its excellent human capital and domain knowledge can play a significant role when the market matures.

As an organisation, your company continues to be driven by strong set of values and is committed to delivering excellence to its stakeholders. Our investment in our people, capabilities, technology and infrastructure continues to ensure that your Company remains relevant to our customers and close to their business.

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

Regards,

R. L. Gaggar
Chairman



OUR PHILOSOPHY

OUR VISION

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

OUR MISSION

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



OUR BRAND THOUGHT - Quotation Marks

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



CONTENTS

Notice - 27th AGM (including Procedure for Remote e-Voting)	06
Location of the AGM	10
CFO Certification	13
Directors' Report	14
Disclosure - Employee Stock of Option Scheme	20
Management Discussion and Analysis	23
Corporate Governance Report	25
Auditors' Certificate on Corporate Governance	38
Related Party Transactions (AOC-2)	39
Extract of Annual Return (MGT - 9)	41
Secretarial Audit Report	50
Remuneration Particulars of Employees	53
Independent Auditors' Report	55
Financial Statements 2015-16	60
Subsidiary & Associates Particulars (AOC-1)	88
Auditors' Certificate on Consolidated Financial Statements	89
Consolidated Financial Statements 2015-16	92
Financial Highlights	117

Corporate Information

Board of Directors

Mr. Ratan Lal Gaggar, *Chairman*

Dr. Basudeb Sen

Mr. Atul Chandra Varma

Mr. Prashant Sekhar Panda

Mr. Prabhat Agarwala

Mr. Vijay Maheshwari

Mr. Anil Kumar Birla

Mr. Bijay Murmuria

Mr. Bhawani Sankar Rathi, *Wholetime Director*

Mrs. Garima Maheshwari

Company Secretary

Mr. Deb Kumar Sett

Registered & Corporate Office

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

Corporate Identity No.: L70101WB1989PLC047465

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

Fax: + 91 33 2226 4140/2265 5830

Web: www.sumedhafiscal.com

Email: kolkata@sumedhafiscal.com

Bankers

Canara Bank

HDFC Bank

Auditors

ARSK & Associates, Chartered Accountants,
Kolkata

Registrar & Share Transfer Agents

Maheshwari Datamatics Private Limited

6, Mangoe Lane, 2nd Floor,
Kolkata - 700 001

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

Fax No. : 033-2248 4787

Email : mdpldc@yahoo.com

Annual General Meeting

Day : Saturday

Date : 17th September, 2016

Time : 10.30 A.M.

Venue : MCC Chamber of Commerce & Industry
15-B, Hemanta Basu Sarani,
Kolkata - 700 001.

Sumedha Fiscal Services Ltd.

CIN - L70101WB1989PLC047465

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

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

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

NOTICE OF 27TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Seventh Annual General Meeting of Sumedha Fiscal Services Ltd. will be held at MCC Chamber of Commerce & Industry, 15B Hemanta Basu Sarani, Kolkata – 700 001, on Saturday, the 17th day of September, 2016 at 10:30 AM for transaction of the following business :-

ORDINARY BUSINESS

1. To consider and adopt the audited Financial Statement of the Company for the financial year ended March 31, 2016 together with the Report of the Board of Directors and the Auditors thereon and the Consolidated Audited Financial Statement of the Company for the financial year ended March 31, 2016.
2. To declare dividend for the financial year ended 31st March, 2016.
3. To appoint a Director in place of Mr. Vijay Maheshwari [DIN – 00216687] who retires by rotation and being eligible offers himself for re-election.
4. **To appoint Auditors and to pass the following resolution as an Ordinary Resolution :-**

“Resolved that, pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. ARSK & Associates, Chartered Accountants (Firm’s Registration No. 315082E), be and are hereby reappointed as the Auditors of the Company to hold office till the conclusion of the next AGM and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017, as may be determined by the Audit Committee in consultation with the Auditors.”

SPECIAL BUSINESS

5. **Re-appointment of Mr. B. S. Rathi as Wholetime Director**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) (including any amendment and /or re-enactment thereof), the Company hereby approves the re-appointment of MR. BHAWANI SANKAR RATHI (DIN: 00028499) as a WHOLETIME DIRECTOR of the Company for a period of 3 (three) years with effect from April 1, 2016 on the terms and at a remuneration as detailed in Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Company be and is hereby authorized to pay the minimum remuneration, as detailed in the Explanatory Statement, to Mr. Rathi for that financial year, in which there is inadequacy or absence of profits, during the period of three years from the effective date of his appointment.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to increase, vary or amend the remuneration including salary, allowances, perquisites and benefits, minimum remuneration and other terms of his appointment, from time to time, as deemed expedient or necessary.”

Registered Office :
6A, Geetanjali,
8B, Middleton Street,
Kolkata – 700 071.

Date : 28th May, 2016

By Order of the Board
Deb Kumar Sett
Company Secretary

Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, September 8, 2016 to Saturday September 17, 2016** (both days inclusive). The Book Closure dates have been fixed in consultation with the Stock Exchanges.
4. The Dividend for the financial year ended 31st March, 2016, as recommended by the Board, if approved at the AGM, will be paid on or after **Thursday, September 22, 2016** to those Members whose name appears in the Register of Members of the Company as on the Book Closure dates.
5. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
6. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Maheshwari Datamatics Pvt. Ltd./the Company immediately (attached NECS Mandate vide http://www.sumedhafiscal.com/ecs_mandate.pdf).
7. Mr. Vijay Maheshwari, Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting. Mr. Bhawani Sankar Rathi, Wholetime Director, has been re-appointed by the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee of the Board. His re-appointment and terms and conditions thereof (including remuneration) are being placed before the members for approval. The relevant details of Directors seeking re-appointment under Item Nos. 3 and 5 of this Notice are annexed hereto. The Independent Directors of the Company have been appointed for a term of 5 years in accordance with the relevant provisions of the Companies Act, 2013, and are not eligible to retire by rotation.
8. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'Form for Updation/Registration of Email Address' available on the website of the Company http://www.sumedhafiscal.com/email_form.pdf to M/s Maheshwari Datamatics Pvt. Ltd. or Investor Service Department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
9. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy thereof. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.

11. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Saturday, September 10, 2016, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice.

Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at Wednesday, September 14, 2016 (9.00 A.M. IST) and end on Friday, September 16, 2016 (5.00 P.M. IST). Voting by ballot process shall be available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed Mr. B. L. Patni, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

PROCEDURE FOR REMOTE E-VOTING

- I. The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:
- (i) The voting period begins on Wednesday, September 14, 2016 (9.00 A.M. IST) and ends on Friday, September 16, 2016 (5.00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 10, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on Shareholders.
 - (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below:

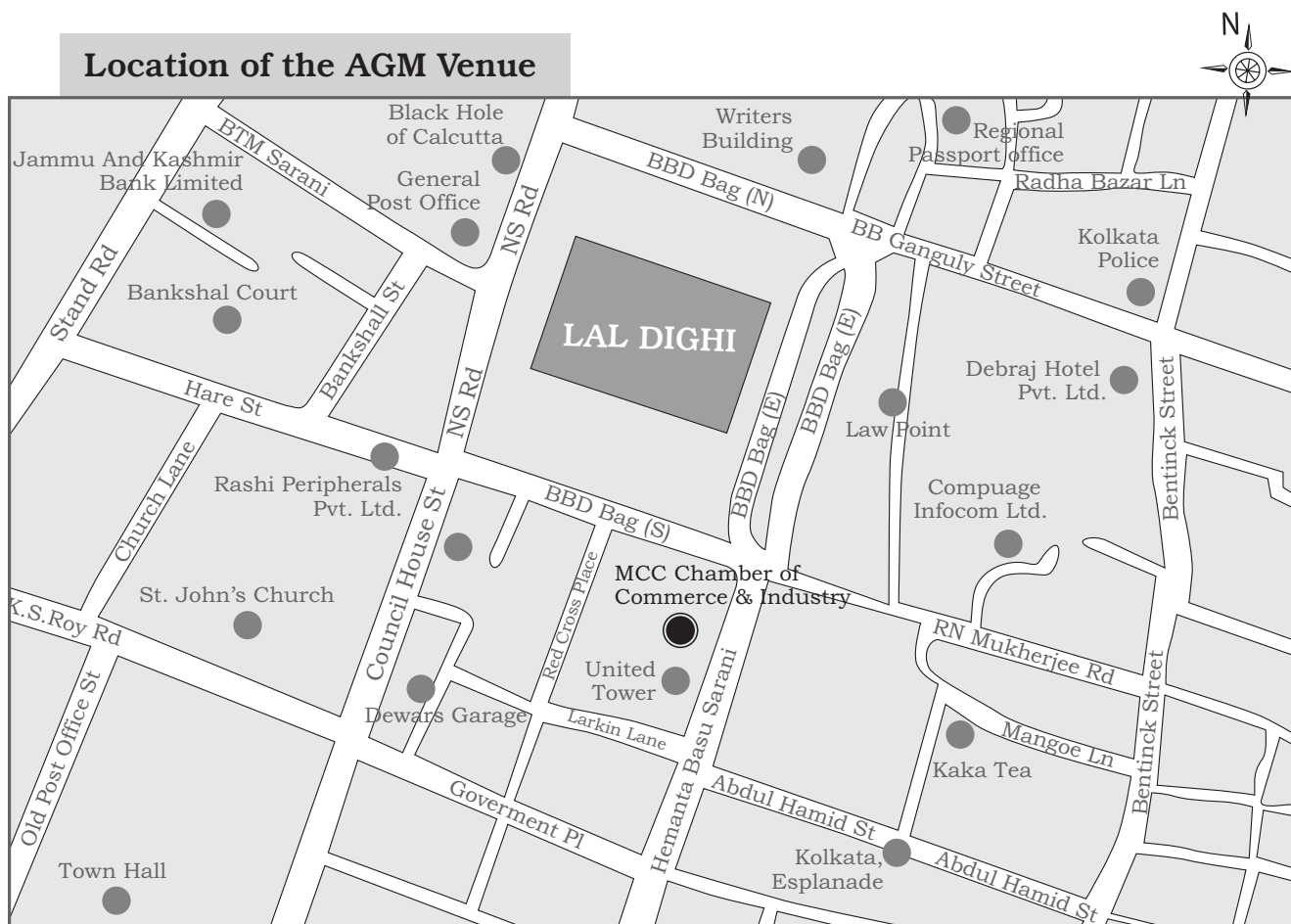
For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> ● If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Sumedha Fiscal Services Ltd. on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case of any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer’s Report, shall also be placed on the website of the Company.
12. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.
13. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under

Section 189 of Companies Act, 2013 and the Certificate from Auditors of the Company certifying that the “SFSL Employees Stock Option Scheme, 2011” is being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, will be available for inspection at the Annual General Meeting.

14. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends not encashed/ claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
15. Members are requested to contact Maheshwari Datamatics Pvt. Ltd./ Investor Service Department of the Company for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on ‘UNPAID / UNCLAIMED DIVIDEND’ page under ‘INVESTORS’ section on the website of the Company www.sumedhafiscal.com.
16. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Maheshwari Datamatics Pvt. Ltd./ Investor Service Department of the Company.
17. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue.
18. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

Location of the AGM Venue



● MCC Chamber of Commerce & Industry, 15B Hemanta Basu Sarani, Kolkata – 700 001

**PARTICULARS RELATING TO DIRECTORS
PROPOSED TO BE APPOINTED/RE-APPOINTED**

1	Name	Mr. Vijay Maheshwari	
	Date of Birth	03-Jan-1951 (Age: 65 years)	
	Date of Appointment	24-Nov-1999	
	Qualifications	B.Com, FCA	
	Expertise	Mr. Maheshwari is the main architect of the organisation with vision and leadership quality to lead a highly qualified and diversified group of individuals in their role as human capital of the Company. He also plays the critical role of business development in the highly competitive market. He is also an active member of the Confederation of Indian Industry (CII).	
	Chairman/Member of the Committee of the Company	<ul style="list-style-type: none"> ■ Nomination & Remuneration Committee/Compensation Committee, Member ■ Management Committee, Member 	
	Other Directorships/ Partnerships/ Proprietorships	Name of the Company	Committee Membership, if any
		1. SFSL Commodity Trading Pvt. Ltd. – <i>Subsidiary Company</i> 2. Paramount Wires and Cables Limited 3. Solar Electronics Pvt. Ltd. 4. Premier Stock Broking & Financial Services (P) Ltd. 5. US Infotech Pvt. Ltd. – <i>Associate Company</i> 6. Superb Estate Services Pvt. Ltd. 7. M/s. Maheshwari & Associates, Chartered Accountants - Partner	–
Shareholding in the Company (as on 31.03.2016)	16,69,220 Equity Shares of ₹ 10/- each		

2	Name	Mr. Bhawani Sankar Rathi	
	DIN	00028499	
	Date of Birth	14-Mar-1966 (Age : 50 Years)	
	Date of Appointment	01-Mar-1994	
	Qualifications	B.Com (Hons.), FCA, MBF from ICAI	
	Expertise	Having 25 years' post qualification experience in Finance, Law and Stock Broking. Specialist on corporate debt, a major contributor to Investment Banking Services of the Company. Managing the support structure in addition to the Stock Broking service provided by the Company.	
	Chairman/Member of the Committee of the Company	Nil	
	Other Directorships/ Partnerships/ Proprietorships	Name of the Company	Committee Membership, if any
		1. SFSL Insurance Advisory Services Pvt. Ltd. – <i>Associate Company</i> 2. SFSL Risk Management Services Pvt. Ltd. – <i>Associate Company</i> 3. Tropicana Exports Pvt. Ltd. 4. APC Plants Pvt. Ltd. 5. Precision Processors (India) Pvt. Ltd.	Nil
Shareholding in the Company (as on 31.03.2016)	1,19,270 Equity Shares of ₹ 10/- each		

**EXPLANATORY STATEMENT PURSUANT
TO SECTION 102 OF THE COMPANIES ACT, 2013**

ITEM NO. 5

Mr. Bhawani Sankar Rathi has been Wholetime Director of the Company since June 25, 2005. Tenure of his office expired on March 31, 2016. Mr. Rathi is responsible for day-to-day business operations, administration, accounting and finance and internal controls. He is also in-charge of Mumbai Office of the Company. The Board of Directors at its meeting held on May 28, 2016 has re-appointed him as “Wholetime Director” w.e.f. April 1, 2016 for a period of three years according to the recommendation of the Nomination and Remuneration Committee on the salary, allowances and perquisites as under :-

- a. Basic Salary – ₹ 1,30,000/- per month;
- b. House Rent Allowance – ₹ 25,000/- per month;
- c. Performance Linked Incentive – As per Company Rules (not exceeding 150% of Basic Salary); and
- d. Other Allowances – ₹ 20,000/- per month.

This disclosure may also be read and treated as compliance with the requirements of Section 190 of the Companies Act, 2013.

Except Mr. Bhawani Sankar Rathi and his relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. Shareholding interest of the Directors are provided hereunder.

The Board recommends the resolution set forth in Item No. 5 of the Notice for approval of the members.

DIRECTORS' INTEREST

The Directors may be deemed to be concerned or interested to the extent of shares held by them (more than 2%) in the Company as given in the table below –

Name of Director	No. of Shares	% Holding
Mr. Vijay Maheshwari	16,69,220	20.91
Mr. Bijay Murmuria	3,69,920	4.63
Mr. Bhawani Sankar Rathi	1,19,270	1.49

Interest of Mr. Vijay Maheshwari, Director

Except Mr. Vijay Maheshwari and his relative Mrs. Garima Maheshwari (daughter-in-law) none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice. Shareholding interest of the Directors are provided hereinabove.

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

Date : 28th May, 2016

By Order of the Board

Deb Kumar Sett
Company Secretary

CERTIFICATION BY CFO OF THE COMPANY

- A. I have reviewed Financial Statements and the Cash Flow Statement for the year ended 31-Mar-16 and that to the best of my knowledge and belief :
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of Internal Control Systems of the company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the Auditors and the Audit Committee:
1. Significant changes in internal control over financial reporting during the year;
 2. Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and
 3. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- E. I further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company during the period under review.

Place : Kolkata
Date : 28th May, 2016

Girdhari Lal Dadhich
Chief Financial Officer

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members,

Your Directors are pleased to present the Twenty-Seventh Annual Report together with the Audited Financial Statements for the year ended March 31, 2016.

Financial Highlights

(₹ in Lacs)

	Year ended	
	31.03.2016	31.03.2015
Total Income	1174.28	1805.99
Cash Profit	200.91	438.18
Less : Depreciation	47.58	75.05
Profit before tax	153.33	363.13
Less : Provision for taxation	47.14	120.25
Add / (Less) : Deferred Tax	(5.11)	10.78
Profit after tax	101.08	253.66
Add : Surplus brought forward	2012.91	1841.56
Add / (Less) : Adjustment for Earlier years	(5.41)	(5.43)
Balance available for appropriation	2108.58	2089.79
APPROPRIATION		
Provision for Dividend (Including Dividend Tax)	48.05	76.88
Balance carried to Balance Sheet	2060.53	2012.91

Operational Review

In 2015-16, your Company's total Income from Operations stood at ₹ 1094.00 lacs as against ₹ 1704.60 lacs during the previous year, a decrease of 35.82% over last year.

Your Company continued its focus on fee based activities (Investment Banking) and income therefrom was ₹ 694.98 lacs as against ₹ 845.47 lacs during the previous year, recording 17.80% decline due to adverse market condition. It continues to be the thrust area for the Company.

Income from Capital Market Operation for the year has been ₹ 229.80 lacs as against ₹ 192.81 lacs during the previous year, an increase of 19.18% over last year.

Income from Other Sources was at ₹ 80.28 lacs as against ₹ 101.38 lacs during the previous year.

There has not been any change in the nature of business of the Company.

FINANCE & ACCOUNTS

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 2013 and applicable Accounting Standards issued by the Institute of Chartered Accountants of India. The financial statements have been prepared on historical cost basis. The estimates and judgments relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2016.

DIVIDEND & RESERVES

Taking into consideration the overall profitability position, the Board of Directors is pleased to recommend a dividend of 50 paise per share (5%) for the year ended March 31, 2016, subject to the approval of the Members at the Annual General Meeting.

During the year under review, ₹ 20,505/- was transferred to General Reserve.

EMPLOYEE STOCK OPTION SCHEME

Details of the shares issued under SFSL Employees Stock Option Scheme (ESOP Scheme), as also the disclosures in compliance with Section 62 of Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 are set out in the **Annexure – I** to this Report.

Pursuant to approval of Members (on March 24, 2011) through Postal Ballot, the Company adopted the SFSL Employee Stock Option Scheme, 2011. Accordingly the employees of the Company (including its subsidiary) are eligible for grant of conditional rights to receive Equity Shares (₹ 10/- each) at an issue price of ₹ 11/- each. The grant will vest only on fulfillment of conditions, as contained in the ESOP Scheme. The ESOP Scheme is subject to statutory restrictions, as applicable. No share or right of entitlement has been issued thereunder during the year under review.

SHARE CAPITAL

The Paid-up Equity Share Capital as at March 31, 2016 stood at ₹ 7,98,44,240/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of requirements of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), a Management Discussion and Analysis Report is attached **Annexure – II** forming part of this Report.

REPORT ON CORPORATE GOVERNANCE

In terms of requirements of Regulation 34 of the SEBI LODR, a Report on Corporate Governance together with Auditors' Certificate regarding compliance of Conditions of Corporate Governance are attached as **Annexure - III** and **Annexure - IV**, forming part of this Report.

SUBSIDIARY & ASSOCIATE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As required under Section 129 (3) of the Companies Act, 2013 (the Act) and Regulation 24 of the SEBI LODR, Consolidated Financial Statements of the Company and its Subsidiary and Associate Companies prepared in accordance with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India are appended to the Annual Report. There has not been any addition or cessation or change in the Subsidiary and Associate Companies during the year under review. The Company is not having any joint venture.

Accordingly a statement in Form AOC-1 is attached to the Financial Statements of the Company for your information.

During the year under review the Company has formulated a Policy for determining "Material Subsidiary" and the same is disclosed on the website of the Company and can be accessed at http://www.sumedhafiscal.com/material_subsidary.pdf.

The performance of the subsidiary and associate companies are summarized below for your information.

SFSL Commodity Trading Pvt. Ltd. - Subsidiary

During the year the Company recorded Total Revenue of ₹ 15,59,304/- (previous year ₹ 13,86,547/-) and Net Profit of ₹ 98,487/- for the year ended 31st March, 2016 (Previous Year : ₹ 3,00,725/-).

The Company continues to explore growth opportunities.

PERFORMANCE OF ASSOCIATE COMPANIES

Capita Finance Services Ltd.

During the year the Company recorded Total Revenue of ₹ 6,23,040/- (previous year ₹ 3,26,397/-) and Net loss of ₹ 10,89,191/- for the year ended 31st March, 2016 against profit in the Previous Year of ₹ 2,10,861/-.

The Company continues to explore growth opportunities.

SFSL Insurance Advisory Services Pvt. Ltd.

During the year the Company recorded Total Revenue of ₹ 1,24,960/- (previous year ₹ 2,38,086/-) and Net Profit of ₹ 64,978/- for the year ended 31st March, 2016 (Previous Year: ₹ 64,430/-).

The Company continues to explore growth opportunities.

SFSL Risk Management Services Pvt. Ltd.

During the year the Company recorded Total Revenue of ₹ 1,54,432/- (previous year ₹ 1,62,760/-) and Net Profit of ₹ 60,577/- for the year ended 31st March, 2016 (Previous Year of ₹ 36,054/-).

The Company continues to explore growth opportunities.

US Infotech Pvt. Ltd.

During the year the Company recorded Total Revenue of ₹ 21,98,931/- (previous year ₹ 19,62,269/-) and Net Profit of ₹ 7,46,187/- for the year ended 31st March, 2016 (Previous Year : ₹ 4,71,225/-).

The Company continues to explore growth opportunities.

CORPORATE SOCIAL RESPONSIBILITY

The Company is not yet required to comply to with the requirement associated with Section 135 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act. 2013:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2016, the applicable accounting standards have been followed and there are no material departure;
- (ii) 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 as at March 31, 2016 and profits of the Company for the year ended on that date;
- (iii) that Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS

The Board of Directors had on the recommendation of Remuneration and Nomination Committee re-appointed Mr. Bhawani Sankar Rathi as "Wholetime Director" of the Company for a period of 3 (three) years with effect from April 1, 2016, subject to approval of the Shareholders at the forthcoming Annual General Meeting (AGM).

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Vijay Maheshwari, Director, retire by rotation at the forthcoming Annual General Meeting and, being eligible offer himself for re-appointment.

The Company has duly received Declarations from all the Independent Directors pursuant to Section 149(6) & (7) of the Companies Act, 2013.

NUMBER OF MEETINGS OF THE BOARD

The details of the number of meetings of the Board held during the Financial Year 2015 -16 form part of the Corporate Governance Report.

KEY MANAGERIAL PERSONNEL (KMP)

The following are the Key Managerial Personnel of the Company:

Name	Designation
Mr. Bhawani Sankar Rathi	Wholetime Director
Mr. Deb Kumar Sett	Company Secretary
Mr. Girdhari Lal Dadhich	Chief Financial Officer

The Board at its meeting held on May 28, 2016 has appointed Mr. Girdhari Lal Dadhich as the “Chief Financial Officer” of the Company. Mr. Dadhich has been with the Company/group for more than 20 years and is having exposure of all the related functions and transactions of the Company.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders' Relationship Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to Section 134(3)(p) of the Act and Reg. 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In the separate meeting of Independent Directors, performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive director and non-executive directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed.

LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186(4) of the Companies Act, 2013 [the Act] are provided in the Notes to Financial Statements.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy to report genuine concerns or grievances. The Whistle Blower Policy has been posted on the website of the Company http://www.sumedhafiscal.com/whistle_blower_policy.pdf.

REMUNERATION AND NOMINATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy has been posted on the website of the Company http://www.sumedhafiscal.com/remuneration_policy.pdf.

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and other employees forms part of Corporate Governance Report of this Annual Report.

RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis and required particulars such transactions are disclosed in form AOC-2 in terms of Section 134 of the Companies Act, 2013. Further, there are no material related party transaction during the year.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval on a quarterly basis. There has not been any Omnibus approval for any such transaction.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company http://www.sumedhafiscal.com/policy_on_rpt.pdf.

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties pursuant to subsection (1) of Section 188 of the Companies Act, 2013 furnished in Form AOC -2, is attached to this Report as **Annexure - V**.

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on http://www.sumedhafiscal.com/policy_on_rpt.pdf. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

DEPOSITS

The Company has neither accepted nor renewed any deposits during the year. No deposit has remained unpaid or unclaimed at the end of the year under review.

GOING CONCERN STATUS

No significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operation in the future.

MATERIAL CHANGES AND COMMITMENTS

There has not been any material change and commitment affecting the financial position of the Company occurred between the end of the Financial Year 2015-16 and the date of the Report.

COMPLIANCE SYSTEM

Based on the Reports of Statutory Compliance from Departmental Heads/Responsibility Centres, as aforesaid, the Company Secretary issues Certificate under Section 205 of the Companies Act, 2013 (Act) and Rules made thereunder. The Certificate is also endorsed by the Wholtime Director and Chief Financial Officer of the Company.

The status of Statutory Compliance is verified by the Internal Auditors and Secretarial Auditors pursuant to Sections 138 and 204 of the Act.

ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form – MGT-9, is attached to this Report as **Annexure - VI**.

SECRETARIAL AUDIT

In terms of the requirements of Section 204 of the Companies Act, 2013 the Secretarial Audit of the Company for the year ended 31st March 2016 was conducted by Mr. Babu Lal Patni, Company Secretary in Practice. The Secretarial Auditors' Report is attached to this Report as **Annexure - VII** and forms part of the Directors' Report. There is no qualification or reservation or adverse remark or disclaimer made by the Secretarial Auditor in the Report.

COST AUDIT

The Company is not engaged in production of goods or providing services pursuant to Section 148 of the Act and therefore not required to comply with the requirements thereunder.

AUDITORS AND AUDIT REPORT

Messrs. ARSK & Associates, Chartered Accountants, hold office as the Auditors of the Company upto the conclusion of the forthcoming Annual General Meeting and are eligible, for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are eligible for re-appointment.

There is no qualification, reservation or adverse remark made by Messrs. ARSK & Associates, the Statutory Auditors of the Company in their Report pertaining to the year ended 31st March 2016.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company for the year under review.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Since the Company does not own any manufacturing facility, the other particulars relating to conservation of energy and technology absorption stipulated in the Companies (Accounts) Rules, 2014 are not applicable.

FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange earnings and outgo during the year under review were Rs. Nil (previous year Rs. 7.75 lacs) and Rs. 0.40 lac (previous year ₹ 0.94 lac), respectively.

RISK MANAGEMENT

The Company, as an Intermediary registered with the Securities and Exchange Board of India (SEBI), is required to comply with the prescribed risk management measures. Accordingly, the quarterly status of various risks being faced by the Company and measures for mitigation thereof are placed before the Audit Committee and Board of Directors of the Company, for review and appropriate measures. Further details about the pertinent risks are contained in the statement of Management Discussion and Analysis.

PARTICULARS OF EMPLOYEES

The ratio of the remuneration of each Director to the median employee's remuneration and other particulars or details of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this Report as **Annexure VIII**. None of the employees of the Company is in receipt of remuneration coming under purview of the said Section/Rule.

EMPLOYEE RELATIONS

Work atmosphere of the Company has been harmonious.

In terms of requirements of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Rehabilitation) Act, 2013, the Company has formed Internal Complaints Committees. During the year, no complaint regarding sexual harassment was received by the said Committee.

APPRECIATION

We acknowledge our appreciation to Shareholders, Bankers, Regulators, National Stock Exchange, Multi-Commodity Exchange, Bombay Stock Exchange, 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. We look forward to the future with confidence and stand committed to creating a brighter future for all shareholders.

On Behalf of the Board

Place: Kolkata
Date: 28th May, 2016

Ratan Lal Gaggar
Chairman

Annexure - I

Disclosure pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on 31st March, 2016:

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Equity settled stock options granted to employees pursuant to the Company's stock option schemes are accounted for as per the intrinsic value method prescribed by Employee Stock Option Scheme and permitted by the SEBI guidelines, 1999 and the Guidance Note on Share Based Payment issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value of the option being excess of market value of the underlying share at the date of grant of option, over its exercise price is recognised as deferred employee compensation with a credit to Employees Stock Options Outstanding Account. The deferred employee compensation is amortized to Statement of Profit and Loss on straight line basis over the vesting period of the option. In case of forfeiture of option which is not vested, amortised portion is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the employees Stock Options Outstanding Account are transferred to the General Reserve.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time: ₹ 1.20

C. Details related to Employee Stock Option Schemes (ESOS) of the Company:

Sr. No.	Particulars	ESOS - 2011 Stock options
i.	A description of each ESOS that existed at any time during the year, including the general terms and condition of each ESOS, including -	
a.	Date of shareholder's approval	24th March, 2011
b.	Total number of option approved under ESOS	3,48,000
c.	Vesting requirement	Not earlier than one year and not more than three years from the date of grant of options.
d.	Exercise price or pricing formula	The Exercise Price has been the closing price of the Company's Share on the Bombay Stock Exchange Ltd. (the 'BSE') on the day immediately preceding the date of Grant, or the average price of the Company's Share in the twenty six weeks preceding the date of Grant based on the daily Closing Price on the BSE, or such other Price as may be determined by the Compensation Committee. Exercise Price: ₹ 11/-
e.	Maximum term of options granted	Three years from the date of vesting of options
f.	Source of shares	Primary
g.	Variation in terms of options	Nil
ii.	Method used to account for ESOS – Intrinsic or fair value	
	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for options issued under the ESOS. The intrinsic value of the stock option is Nil as the exercise price exceeds the market price on the date of the Grant. Therefore the Company has not recognized any expense in respect of Employee Stock Option during the Financial Year ended March 31, 2016.	

C. Details related to Employee Stock Option Schemes (ESOS) of the Company: (Contd.)

Sr. No.	Particulars	ESOS - 2011 Stock options	
iii.	Where the Company opts for expensing of the options using the intrinsic value of the options		
	The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed	Employee Compensation Cost: <ul style="list-style-type: none"> ● intrinsic value based ₹ Nil ● Fair value based ₹ Nil ● Difference ₹ Nil 	
	The impact of this difference	N.A.	
	- On profits	Net Profit	₹ 95.66 lacs
	- On EPS	Earnings per shares -	
		Basic	₹ 1.20
		Diluted	₹ 1.20
iv.	Option (including options and restricted stock units) movement during the year:		
	Number of options outstanding at the beginning of the year	2,15,800	
	Number of options granted during the year	Nil	
	Number of options forfeited / lapsed during the year	12,800	
	Number of options vested during the year	64,800	
	Number of options exercised during the year	Nil	
	Number of shares arising as a result of exercise of options	Nil	
	Money realised by exercise of options (INR), if Scheme is implemented directly by the Company	Nil	
	Loan repaid by the Trust during the year from exercise price received	Not Applicable	
	Number of options outstanding at the end of the year	2,03,000	
	Number of options exercisable at the end of the year	1,43,000	
v.	Weighted-average exercise prices and weighted-average fair values of options		
	Weighted- average exercise prices :-		
i.	equal or exceed to market price of the stock	-	
ii.	less than the market price of the Stock	11	
	Weighted-average fair values of options :-		
i.	equal or exceed to the market price of the stock	-	
ii.	less than the market price of the stock.	8.68	
vi.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to		
a.	Senior Managerial Personnel	Nil	
b.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil	
c.	Identified employee who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	

C. Details related to Employee Stock Option Schemes (ESOS) of the Company: (Contd.)

Sr. No.	Particulars	ESOS - 2011 Stock options
vii.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information	
a.	the weighted-average values of share price:	₹ 11.00
	Range of exercise price:	₹ 11.00
	expected volatility:	87%
	expected option life:	3 years
	expected dividends:	5%
	the risk-free interest rate:	8.9%
	and any other inputs to the mode	-
b.	the method used and the assumptions made to incorporate the effects of expected early exercise	Black – Scholes Method
c.	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	<p>The following factors have been considered:</p> <ul style="list-style-type: none"> ● The Closing price of the Company's shares on the Bombay Stock Exchange of India Limited (BSE) on the date previous to grant date. ● Adjustment of the aforesaid closing price for the expected dividend yield over the expected life of the options.
d.	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	<ul style="list-style-type: none"> ● Zero coupon Government Bond rate representing the risk free interest rate as on date of grant. ● Implied volatility of the Company's stock price on BSE based on the price data of last one year upto the date of grant. ● Exercise price has been adopted as given by the Company.

On Behalf of the Board

Place: Kolkata
Date: 28th May, 2016

Ratan Lal Gaggar
Chairman

Annexure - II

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMY: REVIEW

Indian economy is undergoing a deep-rooted transformation from quite a few aspects having far reaching consequences. Setting up of payment banks and opening of atleast one bank account per family through government scheme and linking the whole network through “Aadhar” identity would promote financial inclusion and ensure flow of credit to un-banked segment of rural population. This will contribute to flow of income, employment and social welfare to the weaker section of the society. Similarly Mobile Banking facility along with business correspondents of Banks would carry banking facility to door steps of the hitherto un-served population where setting up of brick-&-mortar branch is not a viable option. Expansion of broadband network to village/panchayat level would provide the critical infrastructure for leap forward for the segment of population whom development have not touched earlier in a significant way. All such steps would boost aggregate demand as well as supply side for goods and services.

Promotion of infrastructure projects and transparent process for accessing natural resources would expedite further growth. Easing of restrictions in setting up industries and removing of caps for Foreign Direct Investments augur well with the government’s “Make in India” Policy. This is being supplemented by a number of facilitating steps to remove existing bottle-necks. Ease of doing business, incentive to Micro, Small and Medium Enterprises and schemes to promote start-ups would also take care of the supply-side of the economy and address inflation to a significant extent. However growth and inflation are closely related and cannot be wished away.

Capital Markets

Indian Capital Markets have shown significant growth in the post Liberalization era. It remains one of the most resilient globally and poised to be one of the top destinations for domestic and global businesses, to expand and invest into. As global economy moves for imminent recovery, India has shown extraordinary strength to bounce back with greater stability and sustainability. Raising capital is a strategic priority across India and role of Capital Markets has assumed far greater importance and urgency. The Debt market still needs to be developed to invite capital inflows needed for massive infrastructure development. The frontiers of global markets are not only increasing but also moving towards process of convergence. FII inflows into the Indian equity markets have touched new heights.

The steep rise in number of retail investors has brought into focus further issues of corporate governance and investors protection more prominently. The efforts of the Regulators and the Government to protect the interests of investors in securities and to promote the development of, and to regulate the securities market towards enlightened Governance, has been lauded by all stake holders. There is huge potential for the capital markets growth as at present just 2% of the population, account for retail investors and the lowest strata of the pyramid still remains untapped. The real inclusive growth also needs penetration of capital market to the last mile. Financial literacy would play a critical role for further growth of the market. System should also be put in place to protect the small investors from mis-selling of inappropriate financial products.

Lending by Banks

Huge volume of Non-Performing Assets with Public Sector Banks (PSBs) with slow growth of the economy have been hindering fresh investments. The newly enacted Insolvency Code has introduced time-bound process of recovery by secured lenders and easier exit for investors. However finding out appropriate buyer of the distressed assets in a sluggish economy would continue to pose a challenge even with offer of management control of the defaulting borrower company. Therefore recapitalization of the PSBs through appropriate manner has become more important.

Outlook

Indian economy has witnessed significant growth compared to other emerging economies. Investment in infrastructure would accelerate it further. However job-creation lags far behind of the requirement. Positive outcome of growth would be reflected in enhanced aggregate demand and improved social welfare (healthcare, education, nutrition). Though annual GDP growth rate of around 6 per cent is good, pulling the country out of poverty line within reasonable time-frame requires a far higher rate. Bringing down the rate of interest may change the scenario. Reforms implemented have improved the sentiments of the investors, both domestic and foreign.

Highlights of Financial Performance during FY 2015-16

- Total Income from Operation of ₹ 1094 Lacs (₹ 1705 Lacs for FY15)
- Profit Before Tax of ₹ 153 lacs (₹ 363 lacs in FY15)
- Net Profit of ₹ 96 lacs (₹ 248 lacs in FY15)
- Basic EPS after extra ordinary items stood at ₹ 1.20, compared to ₹ 3.11 in FY15.

BUSINESS OVERVIEW**Investment Banking**

Investment Banking continues to be the major revenue earning division of the Company, contributing around 63% to total revenue for the year under review. Performance of this segment suffered mainly due to stagnant investment climate in the economy and weak corporate investment activity. The Company provides merchant banking, loan syndication, financial restructuring, portfolio resolution of stressed assets, M&A and equity placements under its investment banking division. In spite of challenging situation in the market Income from this segment has recorded ₹ 695 lacs (previous year ₹ 845 lacs).

Capital Market Operation

Capital Market Division of the Company offers equity, currency and commodity broking and wealth management for institutional and individual clients.

The market remained gloomy during most of the year and driven mainly by transactions from FIIs. Participation of common man has been very low. The scenario is featured with low margin, high investment in hardware and software, high compliance cost and growing regulatory requirements. However the Company has recorded an income of Rs. 230 lacs against Rs. 193 lacs during FY15.

Risks & Concerns

The company is subject to following broad risks -

- Operational Risk
- Market Risk
- Financial Risk
- Compliance Risk

The Company is having a system commensurate with its size and nature of activities to address the consequent vulnerability. Quarterly reports on relevant areas are placed before the Audit Committee and the Board of Directors of the Company. All major risks are identified, monitored and acted upon within the internal framework. However the Company is not yet required to constitute a Risk Management Committee pursuant to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Internal Control Systems

The Company currently operates in areas related to Investment Banking, Wealth Management and Broking Services. The Company is having all the required regulatory approvals with clear demarcation of operational and compliance responsibilities. Quarterly status thereof are reviewed by the Internal Auditors (external) and placed before the Audit Committee and the Board for remedial measures, if any.

There has been no material developments in the area of Human Resources.

The Company had 57 permanent employees during the year under review.

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 due diligence before forming any opinion based on this statement.

For and on Behalf of the Board

Place: Kolkata
Date: 28th May, 2016

Ratan Lal Gaggar
Chairman

Annexure - III

CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2016.

COMPANY'S PHILOSOPHY

The Company has been practicing the principles of transparency and accountability to ensure good corporate governance over the years. The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders.

Board of Directors

The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's performance. The Agenda of Board Meetings is circulated to all the Directors well in advance and contains all the relevant information.

The details of each member of the Board along with the number of Directorship(s)/Committee Membership(s)/Chairmanship(s) are provided herein below :-

Composition and Directorship(s)/Committee Membership(s)/ Chairmanship(s) as on 31st March, 2016

Name	Category	Directorship in other companies#	Member-ship(s) in committees of other companies##	Chairman-ship(s) in committees of other companies##	Date of joining
Mr. Ratan Lal Gaggar, Chairman	ID	9	2	7	30-Mar-93
Dr. Basudeb Sen	ID	3	1	2	28-Dec-05
Mr. Atul Chandra Varma	ID	-	-	-	13-Nov-10
Mr. Vijay Maheshwari	NED & P	1	-	-	04-Jul-92
Mr. Prashant Sekhar Panda	ID	2	1	-	24-Jan-09
Mr. Prabhat Agarwala	ID	-	-	-	16-May-15
Mr. Anil Kumar Birla	NED	-	-	-	30-Nov-05
Mr. Bhawani Sankar Rathi	WD & P	-	-	-	01-Mar-94
Mr. Bijay Murmuria	NED & P	1	-	-	04-Jul-92
Mrs. Garima Maheshwari ^R	NED	-	-	-	08-Nov-14

ID – Independent Director; NED – Non-Executive Director; P – Promoter; WD – Wholetime Director

Excluding Private Limited Companies, Foreign Companies, Section 8 Companies.

Includes only Audit Committee and Stakeholders Relationship Committee.

^R Mrs. Garima Maheshwari is daughter-in-law of Mr. Vijay Maheshwari

Appointment and Tenure

The Directors of the Company are appointed by Members at the General Meetings. In accordance with the Articles of Association of the Company. All the Directors, except the Wholetime Director and Independent Directors of the Company, are liable to retire by rotation.

The Wholetime Director serves in accordance with the terms of the contract of service with the Company as approved by the Members.

As regards the appointment and tenure of Independent Directors, the Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and Listing Regulations -

- The Independent Directors will serve a maximum of two terms of five years each.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013.

Board Independence

Our definition of 'Independence' of Directors is derived from Regulation 16 of Listing Regulations and Section 149(6) of the Companies Act, 2013. The status of independence is determined based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed. The status of independence of Directors has been provided in the preceding paragraph.

Board Meetings

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board / Committee meetings is set by the Company Secretary in consultation with the Chairman and the Wholetime Director of the Company.

The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings cover items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. During the financial year the Board met four times on May 16, 2015; August 8, 2015; November 8, 2015 and February 6, 2016. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

Board Business

The normal business of the Board includes:-

- framing and overseeing progress of the Company's annual plan and operating framework;
- reviewing business strategies of the Company;
- reviewing financial plans of the Company;
- reviewing quarterly and annual business performance of the Company;
- reviewing the Annual Report and accounts for adoption by the Members;
- reviewing the progress of various functions and businesses of the Company;
- reviewing the functioning of the Board and its Committees;
- reviewing the functioning of the subsidiary companies;
- considering and approving declaration / recommendation of dividend;
- reviewing compliance with all relevant legislations and regulations;
- reviewing Board Remuneration Policy;
- appointing Directors on the Board and Members of Management Committee;
- reviewing details of risk evaluation and internal controls;
- monitoring and reviewing Board Evaluation framework.

Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

With a view to leverage technology and reducing paper consumption, the Company has adopted e-mail-based system for transmitting Board / Committee Agenda.

Separate Independent Directors' Meetings

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives. They also have a separate meeting with the Non-Executive Chairman, to discuss issues as mandated by applicable laws.

In addition to these formal meetings, interactions outside the Board meetings also take place between the Chairman and Independent Directors.

Directors' Induction and Familiarization

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Chairman and the Wholetime Director and other senior Directors take appropriate steps for ensuring that such induction and training programmes are provided to Directors. The Independent Directors, from time to time, request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy.

The details of Directors' induction and familiarization are available on the Company's website at http://www.sumedhafiscal.com/familiarization_programme.pdf.

Board Evaluation

During the year, in terms of the requirements of the Act and Listing Regulations, Board Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors, individually. The exercise was led by the Non-Executive Chairman along with a senior Independent Director of the Company. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgement.

The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the Evaluation, the Board and Committees have agreed on an action to further improve the effectiveness and functioning of the Board and Committees. The Chairman of respective Board Committees also shared the results of evaluation with the respective Committee Members.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Committee, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees. The Chairman of the respective Committee informs the Board about the summary of the discussions held at the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has currently established the following statutory and non-statutory Committees.

AUDIT COMMITTEE

The Company's Audit Committee comprises three Independent Directors and one Non-Executive Director. The Audit Committee is headed by Mr. Prashant Sekhar Panda and has Mr. Atul Chandra Varma, Mr. Prabhat Agarwala and Mr. Bijay Murmuria as its members. All the members of the Committee have relevant experience in financial matters.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examining with management the quarterly financial results before submission to the Board;
- reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon;
- review management discussion and analysis of financial condition and results of operations;
- scrutiny of inter-corporate loans and investments made by the Company;
- reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the financial statements, in particular, the investments made by the unlisted subsidiaries;
- recommending appointment, remuneration and terms of appointment of Internal Auditors of the Company;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- evaluating undertaking or assets of the Company, wherever it is necessary;
- reviewing the functioning of the Whistle Blowing mechanism;

The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

Audit Committee meets quarterly for consideration/review of various businesses/ functions, business risk assessment, controls, internal audit and control assurance reports of all the major divisions of the Company. The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The Audit Committee also reviews the functioning of the Code of Business Principles and Whistle Blower Policy of the Company.

The recommendations of Audit Committee are duly approved and accepted by the Board.

The meetings of Audit Committee are also attended by the Wholetime Director, Chief Financial Officer, Statutory Auditors and Internal Auditors, as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board.

The Audit Committee met four times during the financial year ended 31st March, 2016 on May 16, 2015; August 8, 2015; November 8, 2015 and February 6, 2016.

Internal Controls and Risk Management

The Company is having a well-defined Internal Control System supported by Internal Compliance Structure. Quarterly performance and status of statutory compliance of all the segments are placed before the Audit Committee as well as the Board of Directors of the Company (Merchant Banking, Stock Broking, Depository Participant and Portfolio Management Service).

The Company has effective systems for internal audit undertaken by external audit firms. The Internal Audit covers all the segments of the Company, including the Intermediaries of the SEBI.

The Company's risk assessment and mitigation system commensurate with its size and nature of activities. Detailed Report on status of risks faced by the Company and efficacy of the mitigation system are quarterly reviewed by the Audit Committee as well as Board of Directors of the Company.

The Company's internal financial control framework is commensurate with the size and operations of the business and is in line with requirements of the Companies Act, 2013. The Company's internal financial controls framework is based on the 'three lines of defense model'. The Company has laid down standard operating procedures and policies to guide the operations of the business. Vertical/Unit heads are responsible to ensure compliance with the policies and procedures laid down by the management. Continuous internal monitoring mechanisms ensure timely identification of risks and issues. The management, Statutory and Internal Auditors undertake rigorous monitoring of the control environment of the Company.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises Mr. Prashant Sekhar Panda, Chairman and Atul Chandra Varma, Mr. Prabhat Agarwala, Vijay Maheshwari and Mr. Bijay Murmura as members of the Committee. In terms of Section 178(1) of the Companies Act, 2013 and Regulation 19 of Listing Regulations, the Nomination and Remuneration Committee should comprise of at least three Directors; all of whom should be Non-Executive Directors. At least half of the Committee members should be Independent with an Independent Director acting as the Chairman of the Committee.

The role of Nomination and Remuneration Committee is as follows:

- Determine/ recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine/ recommend the criteria for qualifications, positive attributes and Independence of Director;
- Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;
- Review and determine all elements of remuneration package of the Wholetime Director, i.e. salary, benefits, bonuses, stock options etc.;
- Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
- Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole;

The Committee also plays the role of a Compensation Committee and is responsible for administering the Stock Option Plan of the Company and determining eligibility of employees for stock options.

The Nomination and Remuneration Committee met once during the financial year ended 31st March, 2016, on May 16, 2015.

Board Membership Criteria

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows a defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;

- professional qualifications, expertise and experience in specific area of business;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

Remuneration Policy

The Remuneration Policy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and reinforces the performance culture of the Company. This philosophy is set forth into practice by policy governing the different elements of total reward. The intent of the policy is to ensure that the principles of reward philosophy are followed in entirety, thereby facilitating the Company to recruit and retain the best talent. The ultimate objective is to gain competitive advantage by creating a reward proposition that inspires employees to deliver Company's promise to its clients and achieve superior operational results.

The guiding principles for Company's reward policies / practices are as follows:

1. Open, Fair, Consistent and Explainable: increase transparency and ensure fairness and consistency in reward framework.
2. Simplicity, Speed and Accuracy: simplify reward plans and processes and deliver the information employees need quickly, clearly and efficiently.
3. Business Results: Company's business results are the ultimate test of whether Reward solutions are effective and sustainable.

The appointment of Wholtime Director, Key Managerial Personnel and other senior employees is by virtue of their employment with the Company as management employees and therefore, their terms of employment vis-à-vis salary, variable pay, service contract, and notice period are governed by the applicable policies at the relevant point in time. The Remuneration Policy/system is reviewed and approved by the Nomination and Remuneration Committee periodically, taking into account external benchmarks within the context of group and individual performance.

A fair portion of the reward is linked to Company's performance. This creates alignment with the strategy and business priorities to enhance shareholder's value. Long term incentives seek to reward the eligible employees by aligning their deliverables to business results.

Non-Executive Directors and Independent Directors are eligible for sitting fee of ₹ 5,000/- for attending meetings of the Board or Committee.

The details of remuneration paid to Directors during the financial year 2015-16

Name of Directors	Meetings Fees # (₹)	Guarantee Commission* (₹)	Salary & Perks (₹)	Total (₹)	No. of Shares held as on 31-Mar-16
Mr. Ratan Lal Gaggar, <i>Chairman</i>	20,000	-	-	20,000	-
Dr. Basudeb Sen	25,000	-	-	25,000	4,000
Mr. Atul Chandra Varma	35,000	-	-	35,000	-
Mr. Vijay Maheshwari	20,000	1,25,000	-	1,45,000	16,69,220
Mr. Prashant Sekhar Panda	25,000	-	-	25,000	-
Mr. Prabhat Agarwala	50,000	-	-	50,000	2,500
Mr. Anil Kumar Birla	20,000	-	-	20,000	6,000
Mr. Bijay Murmura	45,000	1,25,000	-	1,70,000	3,69,920
Mr. Bhawani Sankar Rathi, <i>Wholtime Director</i>	-	-	19,74,107	19,74,107	1,19,270
Mrs. Garima Maheshwari	10,000	-	-	10,000	25,000
Total	2,50,000	2,50,000	19,74,107	24,74,107	20,86,630

Sitting Fees for Board and Committee Meetings.

* Guarantee Commission paid for providing personal guarantee for credit facilities availed by the Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is comprised of Mr. Prashant Sekhar Panda, Chairman, Mr. Anil Kumar Birla and Mr. Bijay Murmuria (inducted on May 28, 2016), as members of the Committee. The Committee met on May 16, 2015.

Details of Shareholders' / Investors' Complaints

Mr. Deb Kumar Sett, Company Secretary, is the Compliance Officer for resolution of Shareholders' / Investors' Complaints. Details of Complaints received, redressed and pending during the financial year ended 31st March, 2016 -

Pending at the beginning of the year	Received during the year	Redressed/ Replied during the year	Pending at the year end
Nil	Nil	Nil	Nil

Other functional Committee

Apart from the above statutory Committees, the Board of Directors has constituted the following Functional Committee to raise the level of governance as also to meet the specific business needs.

Management Committee

The Management Committee has been set up to oversee routine operations that arise in the normal course of the business, such as decision on banking relations, delegation of operational powers, appointment of nominees under statutes, etc. The Committee comprises three Directors of the Board (Mr. Vijay Maheshwari, Mr. Anil Kumar Birla and Mr. Bijay Murmuria). The Committee reports to the Board and the minutes of these meetings are placed before the Board for information.

Attendance of Directors at Meetings of Board, Committee and last AGM

The following table shows attendance of Directors at the Board and statutory Committee meeting(s) for the year ended 31st March, 2016. Attendance is presented as number of meeting(s) attended, out of the number of meeting(s) required to be attended.

Name	Board Meeting	Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	Last AGM held on 12-Sep-15
Mr. Ratan Lal Gaggar	3 of 4#	-	-	-	Y#
Dr. Basudeb Sen	4 of 4	-	-	-	N
Mr. Atul Chandra Varma	3 of 4	3 of 4	0	-	N
Mr. Vijay Maheshwari	3 of 4	-	1 of 1	-	Y
Mr. Prashant Sekhar Panda	2 of 4	2 of 4#	1 of 1#	1 of 1#	N
Mr. Prabhat Agarwala	4 of 4	4 of 4	1 of 1	-	N
Mr. Anil Kumar Birla	4 of 4	-	-	1 of 1	Y
Mr. Bhawani Sankar Rathi	4 of 4	-	-	-	Y
Mr. Bijay Murmuria	4 of 4	4 of 4	1 of 1	-	Y
Mrs. Garima Maheshwari	2 of 4	-	-	-	N

Chairman

Governance of Subsidiary Company

The minutes of the Board Meetings of the subsidiary company along with the details of significant transactions and arrangements entered into by the Subsidiary Company, if any, are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary company are presented to the Audit Committee as well as the Board. The Company does not have a material subsidiary as on the date of this report, having a net worth exceeding 20% of the consolidated net worth or income of 20% of the consolidated income of your Company.

The information in respect of the Loans and Advances in the nature of loans to the subsidiary pursuant to Regulation 34 of the Listing Regulations is provided in Note No. 9 in Notes to the standalone financial statements.

AFFIRMATION AND DISCLOSURE

All the Directors and senior management personnel have affirmed their compliance with the Code of Conduct as on 31st March, 2016 and a declaration to that effect, signed by the Wholetime Director, is attached and forms part of this Report. The Company is not having a Chief Executive Officer.

The Directors and senior management personnel have made disclosure to the Board of Directors relating to transactions with potential conflict of interest with the Company, if any. There were no material, financial or commercial transaction, between the Company and Directors and senior management personnel that may have a potential conflict with the interest of the Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations.

DISCLOSURE ON WEBSITE

Following information has been disseminated on the website of the Company at www.sumedhafiscal.com:

Particulars	URL
1. Details of business of the Company	http://www.sumedhafiscal.com/services.asp
2. Terms and conditions of appointment of Independent Directors	http://www.sumedhafiscal.com/terms_conditions.pdf
3. Composition of various Committees of Board of Directors	http://www.sumedhafiscal.com/committees.asp
4. Code of Conduct for Board of Directors and Senior Management Personnel	http://www.sumedhafiscal.com/CodeofConduct.asp
5. Details of establishment of Vigil Mechanism/ Whistle Blower Policy	http://www.sumedhafiscal.com/whistle_blower_policy.pdf
6. Policy on Dealing with Related Party Transactions	http://www.sumedhafiscal.com/policy_on_rpt.pdf
7. Policy for Determining 'Material' Subsidiaries	http://www.sumedhafiscal.com/material_subsidary.pdf
8. Details of Familiarization Programmes imparted to Independent Directors	http://www.sumedhafiscal.com/familiarization_programe.pdf
9. Status of Unpaid/Unclaimed Dividends	http://www.sumedhafiscal.com/UnpaidUnclaimedDividend.asp

DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

COMMODITY PRICE RISK/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company's Subsidiary (SFSL Commodity Trading Pvt. Ltd.) is registered with the SEBI as a Trading Member of Multi Commodity Exchange of India Ltd. However in view of volatility in the market it has kept its exposure in commodity market to minimum and the same is not posing any substantial risk neither to the Company nor to its Subsidiary.

COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER LISTING REGULATIONS

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of

Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- **Shareholders' rights:**

The quarterly results along with the press release are uploaded on the website of the Company http://www.sumedhafiscal.com/investor_relationship.asp.

- **Audit qualifications:**

Company's financial statements are unqualified.

- **Reporting of Internal Auditor:**

The Internal Auditors of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

SECRETARIAL AUDIT REPORT

The Company has undertaken Secretarial Audit for the financial year 2015-16 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

SHAREHOLDER INFORMATION

General Body Meetings

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

Financial Year ended	Date and time	Venue	Special Resolutions Passed
31st March, 2013	August 10, 2013 at 10.30 a.m.	MCC Chamber of Commerce & Industry, 15B Hemanta Basu Sarani, Kolkata – 700001	Re-Appointment and payment of remuneration to Mr. Bhawani Sankar Rathi as Wholetime Director & Chief Financial Officer
31st March, 2014	September 13, 2014 at 10:30 AM	MCC Chamber of Commerce & Industry, 15B Hemanta Basu Sarani, Kolkata – 700001	Leasing of office space u/s. 188(1)(c) of the Companies Act, 2013
31st March, 2015	September 12, 2015 at 10.30 a.m.	MCC Chamber of Commerce & Industry, 15B Hemanta Basu Sarani, Kolkata – 700001	No special resolution has been passed

No special resolution was passed by the Company last year through Postal Ballot. No special resolution is proposed to be conducted through Postal Ballot in the ensuing Annual General Meeting.

Annual General Meeting for the Financial Year 2015-16

Date	:	Saturday, 17th September, 2016
Venue	:	MCC Chamber of Commerce & Industry, 15B Hemanta Basu Sarani, Kolkata – 700001.
Time	:	10.30 a.m.
Book Closure Dates for Dividend	:	Thursday, September 8, 2016 to Saturday, September 17, 2016 (both days inclusive)
Last Date of receipt of Proxy Forms	:	Thursday, 15th September, 2016 before 10.30 a.m. at Registered Office of the Company

Calendar of Financial Year ended 31st March, 2016

The Company follows April-March as the financial year. The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2016 were held on the following dates:

First Quarter Results	:	8th August, 2015
Second Quarter and Half yearly Results	:	8th November, 2015
Third Quarter Results	:	6th February, 2016
Fourth Quarter and Annual Results	:	28th May, 2016

Tentative Calendar for financial year ending 31st March, 2017

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2017 are as follows:

First Quarter Results	:	6th August, 2016
Second Quarter and Half yearly Results	:	12th November, 2016
Third Quarter Results	:	11th February, 2017
Fourth Quarter and Annual Results	:	27th May, 2017

Dividend

The Board of Directors at their meeting held on 28th May, 2016, recommended a Dividend of ₹ 0.50 per equity share of ₹ 10/- each, for the Financial Year ended 31st March, 2016. Dividend, if approved by Members, will be paid on or after Thursday, 22nd September, 2016.

Unclaimed Dividends

During the year under review, the Company has credited ₹ 150,334/- to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 12th September, 2015 (date of last Annual General Meeting) on the Company's website <http://www.sumedhafiscal.com/unpaidUnclaimedDividend.asp> and on the website of the Ministry of Corporate Affairs.

Resume and other information regarding the Directors being appointed/re-appointed as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard 2 have been given in the Notice of the Annual General Meeting annexed to this Annual Report.

DISCLOSURES

Transactions with the Related Parties have been disclosed in Note No. 23 of the Notes to Financial Statements in the Annual Report for the year under review. There was no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

The Company's Policy on dealing with related party transactions as approved by the Board is available on the website of the Company at the link: (http://www.sumedhafiscal.com/policy_on_rpt.pdf).

The Company has formulated Whistle Blower Policy / vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the

personnel of the Company has been denied access to the Audit Committee. Company's Policy thereon is available on the Company's Website at the weblink : (http://www.sumedhafiscal.com/whistle_blower_policy.pdf)

All the mandatory requirements have been appropriately complied with and the non-mandatory requirements are dealt with at the end of this Report.

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements. There is no deviation therein during the Financial Year under consideration.

MEANS OF COMMUNICATION

Quarterly Results and publication thereof in newspapers

Quarterly, half-yearly and annual results are published in prominent dailies as Financial Express (English) and Akdin (Bengali) newspapers in the form prescribed by Regulation 33 and 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Display of Official news and presentation made to the Shareholders/ Institutional Investors/Analysts:

Press releases and Information Updates as and when made are displayed on the Company's website and also sent to the Stock Exchanges to enable them to put the same on their own websites.

Listing Details

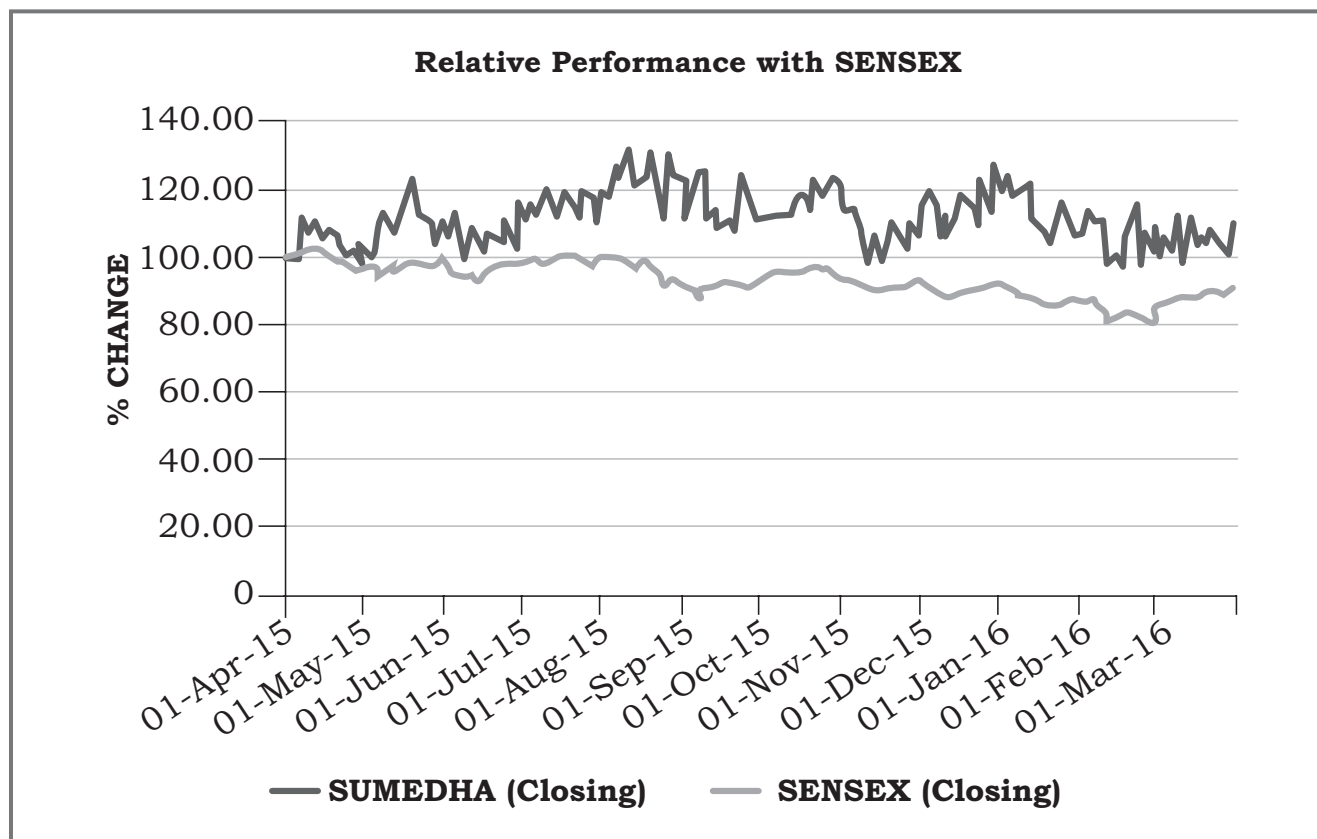
Name and Address of Stock Exchange	Stock Code
BSE Limited (BSE)	
Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	530419
The Calcutta Stock Exchange Limited (CSE)	
7, Lyons Range, Kolkata - 700 001	029093
ISIN	INE886B01012

The listing fee for the financial year 2015-16 has been paid to the above Stock Exchanges

Stock Price Data:

Period	The Calcutta Stock Exchange Ltd.		BSE Ltd.			
	High	Low	High	Low	Closing	Sensex (Closing)
April, 2015	-	-	15.05	11.50	12.55	27011.31
May, 2015	-	-	16.00	12.67	13.51	27828.44
June, 2015	-	-	15.00	12.55	15.00	27780.83
July, 2015	-	-	16.06	13.11	15.38	28114.56
August, 2015	-	-	17.50	14.00	16.05	26283.09
September, 2015	-	-	17.60	14.00	14.35	26154.83
October, 2015	-	-	16.99	13.72	16.03	26656.83
November, 2015	-	-	16.15	12.05	13.90	26145.67
December, 2015	-	-	17.47	13.11	16.10	26117.54
January, 2016	-	-	17.00	13.00	13.85	24870.69
February, 2016	-	-	15.80	12.00	13.38	23002.00
March, 2016	-	-	15.88	12.10	14.30	25341.86

Performance in comparison to BSE SENSEX: Share Price Performance (April 2015 to March 2016)

**Share Transfer System**

The requests for transfer of shares held in physical mode should be lodged at the aforesaid office of the Company's Registrar & Share Transfer Agents or at the Registered Office of the Company. The Board of Directors has delegated the powers of share transfer, transmission, sub-division, consolidation and also issue of Duplicate Share Certificate to the Management Committee (MC) in order to expedite transfer, transmission etc. in the physical form. Share Transfers are registered within statutory time limit of 15 days, if the transfer documents are found technically in order and complete in all respect.

Address for Correspondence

All shareholders' correspondence should be forwarded to M/s. Maheshwari Datamatics Pvt. Ltd., the Registrar and Transfer Agent of the Company or to the Investor Service Department at the Registered Office of the Company at the addresses mentioned below -

<p>Maheshwari Datamatics Pvt. Ltd. [Unit: Sumedha Fiscal Services Ltd.] 6, Mangoe Lane, 2nd Floor, Kolkata – 700001 Phone: (033) 2243-5809; 2243-5029; 2248-2248 Fax: (033) 2248-4787 E-mail: mdpldc@yahoo.com</p>	<p>Investor Service Department Sumedha Fiscal Services Ltd. 6A, Geetanjali, 8B, Middleton Street, Kolkata – 700071 Phone: (033) 2229-8936/3237 Fax: 033) 2229-4140 E-mail: investors@sumedhafiscal.com</p>	<p>Compliance Officer Mr. Deb Kumar Sett Company Secretary & Compliance Officer Phone: 2229-8936/3237 E-mail – compliance@ sumedhafiscal.com</p>
---	---	---

Distribution of Shareholding as on March 31, 2016:

a) Shareholding Pattern as on 31st March, 2016

Category	No. of Shares	% of holding	Held in Demat Form	% in Demat Form
Promoters (Individual & Bodies Corporate)	3739176	46.831	3739176	46.831
Mutual Funds/Government(s)	10500	0.131	-	-
Bodies Corporate (Non-promoter)	1879357	23.538	1780257	22.297
Indian Public (Individual)	2304214	28.859	2132094	26.703
NRIs/OCBs	48856	0.612	44956	0.563
Clearing Member	2321	0.029	2321	0.029
Total	7984424	100.000	7698804	96.423

b) According to number of Shares held

No. of Shares	No. of Shareholders	% of Shareholders	Shares held	% of Shareholding
1-500	1772	73.47	3107910	3.89
501-1000	247	10.24	2019110	2.53
1001-2000	149	6.18	2335260	2.93
2001-3000	71	2.94	1791590	2.24
3001-4000	26	1.08	947320	1.19
4001-5000	25	1.03	1190330	1.49
5001-10000	60	2.49	4362790	5.46
10001 and above	62	2.57	64089930	80.27
	2412	100.00	7984424	100.00

b) 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
9	30-03-10	56600
10	22-01-11	24400
11	30-03-12	1135484
	Total	7984424

Bifurcation of shares held in physical and demat form as on 31st March, 2016

Particulars	No. of Folios	No. of Shares	%
Physical Segment	356	278620	3.49
Demat Segment			
NSDL (A)	1312	6850621	85.80
CDSL (B)	744	855183	10.71
TOTAL	2,412	79,84,424	100.00

There are no outstanding GDRs / ADRs / Warrants / Convertible Instruments of the Company.

Branch Locations:

Mumbai
C-703 "Marathon Innova", Off Ganapatrao Kadam Marg, Opp Peninsula Corporate Park, Lower Parel (W), Mumbai - 400 013

Hyderabad
309/1, 3rd Floor, Krishna Plaza, Khairatabad, Hyderabad-500 004

New Delhi
B1/12 Safdarjung Enclave, 2nd Floor, New Delhi - 110 029

Ahmedabad
A/82, Pariseema Complex, Opp. IFCI Bhavan, C. G. Road, Ahmedabad - 380 009

Bangalore
First Floor, Park Plaza, No. 1 Park Road, (Off. Infantry Road), Tasker Town, Bangalore - 560 051

For and on Behalf of the Board

Place: Kolkata
Date: 28th May, 2016

Ratan Lal Gaggar
Chairman

Annexure - IV

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,

SUMEDHA FISCAL SERVICES LIMITED

We have examined the compliance of conditions of Corporate Governance by Sumedha Fiscal Services Limited ("the Company") for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchange(s) for the period from April 01, 2015 to November 30, 2015 and as per the relevant provisions of Security and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was 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/Regulation. 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 all the mandatory conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations as applicable.

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
Firms' Registration No. 315082E

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place : Kolkata
Date: 28th May, 2016

Annexure - V

FORM AOC – 2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereof.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sl. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient features of contracts/ arrangements/ transactions, including value, if any	Justification for entering into such contacts/ arrangements/ transactions	Date of approval by the Board	Amount paid as advance, if any	Date on which special resolution was passed in General meeting u/s. 188(1)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
				Not Applicable				

2. Details of contracts or arrangements or transactions at arm's length basis:

Sl. No.	Name (s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient features of contracts/ arrangements/ transactions, including value, if any	Justification for entering into such contacts/ arrangements/ transactions	Date of approval by the Board	Amount paid as advance, if any	Date on which special resolution was passed in General meeting u/s. 188(1st proviso)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.	SFSL Commodity Trading Pvt. Ltd. (Subsidiary)	Rent Agreement	Subsisting arrangement – renewable	Office space at Flat No. 7E, Geetanjali Apartments, 8B, Middleton Street, Kolkata - 700071; Rent - ₹ 9,00,000/- per annum.	Office space used by the Company	Note 1	Nil	Not applicable
2.	Mr. Vijay Maheshwari, Director	Payment of Guarantee Commission	Subsisting arrangement linked to renewal of credit facilities by Banks (Annual)	Consideration for providing Personal Guarantee (as Director) to lending Bank towards credit facilities provided to the Company; ₹ 1,25,000/- per annum.	As per Bank's terms of sanction	Note 1	Nil	Not applicable

2. Details of contracts or arrangements or transactions at arm's length basis: (Contd.)

Sl. No.	Name (s) of the related party and nature of relationship	Nature of contracts / arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient features of contracts/ arrangements/ transactions, including value, if any	Justification for entering into such contacts/ arrangements/ transactions	Date of approval by the Board	Amount paid as advance, if any	Date on which special resolution was passed in General meeting u/s. 188(1st proviso)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
3.	Mr. Vijay Maheshwari, Director	Rent Agreement	Subsisting arrangement – renewable	Office space at Flat No. 6A, Geetanjali Apartments, 8B, Middleton Street, Kolkata – 700071; ₹ 6,00,000/- per annum.	Office space used by the Company	Note 1	Nil	Not applicable
4.	Mr. Bijay Murmuria, Director	Payment of Guarantee Commission	Subsisting arrangement linked to renewal of credit facilities by Banks (Annual)	Consideration for providing Personal Guarantee (as Director) to lending Banks towards credit facilities provided to the Company; Rs. 1,25,000/- per annum.	As per Bank's terms of sanction	Note 1	Nil	Not applicable
5.	Superb Estates Services Pvt. Ltd. (Company in which Director is interested)	Rent Agreement	Subsisting arrangement – renewable	Space at 5B, Sarat Bose Road, Kolkata – 700020; ₹ 2,40,000/- per annum.	Record storage space	Note 1	Nil	Not applicable
6.	M/s. Maheshwari & Associates (Partnership Firm in which three Directors of the Company are Partners)	Licence/ Tenancy Agreement	Subsisting arrangement – renewable	Office space at Flat No. 1/1C, 8B, Middleton Street, Kolkata - 700 071; Rent - ₹ 4,20,000/- per annum	Vacant office space let out	17-May-14	Nil	13-Sep-14

Note 1 : Existing contracts/arrangements at the date of commencement of the Section 188 of the Companies Act, 2013 [i.e. April 1, 2014]

Annexure - VI

FORM NO. MGT-9

Extract of Annual Return as on the financial year ended on 31 March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L70101WB1989PLC047465
(ii)	Registration Date	28/08/1989
(iii)	Name of the Company	SUMEDHA FISCAL SERVICES LTD.
(iv)	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
(v)	Address of the Registered office and contact details	6A Geetanjali, 8B Middleton Street, Kolkata – 700071, West Bengal. Phone : 033-2229-8936/6758 Fax : 033-2226-4140 Email : investors@sumedhafiscal.com
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Pvt. Ltd. 6 Mangoe Lane, 2nd Floor, Kolkata – 700 001, West Bengal. Phone : 033-2243-5029/5809 Fax : 033-2248-4787 Email : mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl.No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1.	Investment Banking Services	99712000	62.50
2.	Broking Services	99715210	37.50

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	SFSL Commodity Trading Pvt. Ltd.	U65999WB1996PTC077314	Subsidiary	99.97	2(87)
2.	SFSL Insurance Advisory Services Pvt. Ltd.	U02720WB1983PTC036736	Associate	23.80	2(6)
3.	SFSL Risk Management Services Pvt. Ltd.	U19121WB1986PTC040937	Associate	38.43	2(6)
4.	Capita Finance Services Ltd.	U67120WB1992PLC054935	Associate	26.61	2(6)
5.	US Infotech Pvt. Ltd.	U72900WB2002PTC095028	Associate	43.35	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals/ HUF	2472510	0	2472510	30.9667	2580143	0	2580143	32.3147	4.3532
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corp.	1266666	0	1266666	15.8642	1377566	0	1377566	17.2532	8.7553
e) Banks / FI									
f) Any Others...									
Sub Total (A) (1) :-	3739176	0	3739176	46.8309	3957709	0	3957709	49.5679	5.8444
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any Others.....									
Sub Total(A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	3739176	0	3739176	46.8309	3957709	0	3957709	49.5679	5.8444
B. Public shareholding									
(1) Institutions									
a) Mutual Funds	0	3200	3200	0.0401	0	3200	3200	0.0401	0.0000
b) Banks / FI									
c) Central Govt.	0	7300	7300	0.0914	0	7300	7300	0.0914	0.0000
d) State Govt.(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-Total (B)(1)	0	10500	10500	0.1315	0	10500	10500	0.1315	0.0000
(2) Non-institutions									
a) Bodies Corp.									
i. Indian	1780257	99100	1879357	23.5378	1494370	95500	1589870	19.9121	-15.4035
ii. Overseas									
b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	1166963	172120	1339083	16.7712	1226985	168720	1395705	17.4803	4.2284
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	965131	0	965131	12.0877	954132	0	954132	11.9499	-1.1396
c) Others (Specify)									
Non Resident Individual	44956	3900	48856	0.6119	52004	3900	55904	0.7002	14.4261
Clearing Member	2321	0	2321	0.0291	20604	0	20604	0.2581	787.7208
Trusts									
Foreign Bodies - DR									
Sub-Total (B)(2) :-	3959628	275120	4234748	53.0376	3748095	268120	4016215	50.3006	-5.1605
Total Public Shareholding (B)= (B)(1)+(B)(2)	3959628	285620	4245248	53.1691	3748095	278620	4026715	50.4321	-5.1477
C. Shares held by Custodian for GDRs & ADRs									
GRAND TOTAL (A)+(B)+(C)	7698804	285620	7984424	100.0000	7705804	278620	7984424	100.0000	0.0000

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

ii) Shareholding of Promoters

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total Shares	
1.	Vijay Maheshwari	1562220	19.57	0	1669220	20.91	0	6.85
2.	Bijay Murmura	369920	4.63	0	369920	4.63	0	0.00
3.	Bhawani Shankar Rathi	119270	1.49	0	119270	1.49	0	0.00
4.	Sangeeta Murmura	110800	1.39	0	110800	1.39	0	0.00
5.	Savita Maheshwari	106100	1.33	0	106933	1.34	0	0.79
6.	Sangeeta Rathi	50600	0.63	0	50600	0.63	0	0.00
7.	Sumedha Bansal	50000	0.63	0	50000	0.63	0	0.00
8.	Vijay Maheshwari (Category HUF)	37000	0.46	0	37000	0.46	0	0.00
9.	Garima Maheshwari	25000	0.31	0	25000	0.31	0	0.00
10.	Pushpa Devi Murmura	23200	0.29	0	23200	0.29	0	0.00
11.	Kartick Maheshwari	8000	0.10	0	8000	0.10	0	0.00
12.	Banwari Lal Murmura	5200	0.07	0	5200	0.07	0	0.00
13.	Lila Devi Murmura	5000	0.06	0	5000	0.06	0	0.00
14.	Rekha Murmura	200	0.01	0	0	0.00	0	-100.00
15.	Hitech Tradecomm Pvt. Ltd.	566900	7.10	0	677800	8.49	0	19.56
16.	Superb Estate Services Pvt. Ltd.	218600	2.74	0	218600	2.74	0	0.00
17.	SFSL Risk Management Services Private Limited	190950	2.39	0	190950	2.39	0	0.00
18.	SFSL Insurance Advisory Services Private Limited	156200	1.96	0	156200	1.96	0	0.00
19.	APC Plants Pvt. Ltd.	90616	1.13	0	90616	1.13	0	0.00
20.	Ritik Roadways Pvt. Ltd.	43400	0.54	0	43400	0.54	0	0.00
	Total	3739176	46.83	0	3957709	49.57	0	5.84

iii) Change in Promoters' Shareholding

Sl. No.	Name of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Savita Maheshwari				
	At the beginning of the year	106100	1.3288	106100	1.3288
	As on 04-Sep-15 - Transfer	2500	0.0313	108600	1.3601
	As on 22-Jan-16 - Transfer	-1667	0.0209	106933	1.3393
	At the end of the year			106933	1.3393
2.	Vijay Maheshwari				
	At the beginning of the year	1562220	19.5658	1562220	19.5658
	As on 31-Mar-16 - Transfer	107000	1.3401	1669220	20.9060
	At the end of the year			1669220	20.9060
3.	Rekha Murmura				
	At the beginning of the year	200	0.0025	200	0.0025
	As on 16-Oct-15 - Transfer	-200	0.0025	0	0.0000
	At the end of the year			0	0.0000

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

iii) Change in Promoters' Shareholding (Contd.)

Sl. No.	Name of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4.	Hitech Tradecomm Pvt. Ltd.				
	At the beginning of the year	566900	7.1001	566900	7.1001
	As on 16-Oct-15 - Transfer	110900	1.3890	677800	8.4890
	At the end of the year			677800	8.4890

iv) Shareholding Pattern of top ten Shareholders (other than Directors Promoters and holders of GDRs and ADRs) :

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	IFB Leasing & Finance Ltd. #				
	At the beginning of the year	50000	0.6262		
	At the end of the year			50000	0.6262
2.	Hope Consultants Limited #				
	At the beginning of the year	50371	0.6309		
	As on 07/08/2015 - Transfer	-6171	0.0773	44200	0.5536
	As on 14/08/2015 - Transfer	-10050	0.1259	34150	0.4277
	As on 30/09/2015 - Transfer	-100	0.0013	34050	0.4265
	As on 25/12/2015 - Transfer	-3711	0.0465	30339	0.3800
	As on 31/12/2015 - Transfer	-15000	0.1879	15339	0.1921
	At the end of the year	15339	0.1921	15339	0.1921
3.	Capita Finance Services Ltd				
	At the beginning of the year	217900	2.7291	217900	2.7291
	As on 31/03/2016 - Transfer	-217900	2.7291	0	0.0000
	At the end of the year	0	0.0000	0	0.0000
4.	Camel Foods Private Limited *				
	At the beginning of the year	40657	0.5092	86105	1.0784
	As on 01/05/2015 - Transfer	21873	0.2739	62530	0.7831
	As on 14/08/2015 - Transfer	14646	0.1834	77176	0.9666
	As on 21/08/2015 - Transfer	8813	0.1104	85989	1.0770
	As on 11/09/2015 - Transfer	1004	0.0126	86993	1.0895
	At the end of the year	86993	1.0895	86993	1.0895
5.	GBK Resources Private Limited				
	At the beginning of the year	74893	0.9380		
	As on 10/04/2015 - Transfer	5680	0.0711	80573	1.0091
	As on 17/04/2015 - Transfer	-500	0.0063	80073	1.0029
	As on 10/07/2015 - Transfer	-2200	0.0276	77873	0.9753
	As on 17/07/2015 - Transfer	-2000	0.0250	75873	0.9503
	As on 24/07/2015 - Transfer	-911	0.0114	74962	0.9389
	As on 28/08/2015 - Transfer	-3198	0.0401	71764	0.8988

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)
iv) Shareholding Pattern of top ten Shareholders (other than Directors Promoters and holders of GDRs and ADRs) : (Contd.)

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5.	GBK Resources Private Limited (Contd.)				
	As on 04/09/2015 - Transfer	-80	0.0010	71684	0.8978
	As on 18/09/2015 - Transfer	15765	0.1974	87449	1.0952
	As on 23/10/2015 - Transfer	-314	0.0039	87135	1.0913
	As on 06/11/2015 - Transfer	-1950	0.0244	85185	1.0669
	As on 20/11/2015 - Transfer	3186	0.0399	88371	1.1068
	As on 27/11/2015 - Transfer	-1600	0.0200	86771	1.0868
	As on 11/12/2015 - Transfer	-603	0.0076	86168	1.0792
	As on 25/12/2015 - Transfer	-222	0.0028	85946	1.0764
	As on 31/12/2015 - Transfer	-4536	0.0568	81410	1.0196
	As on 08/01/2016 - Transfer	-12439	0.1558	68971	0.8638
	As on 22/01/2016 - Transfer	983	0.0123	69954	0.8761
	As on 05/02/2016 - Transfer	156	0.0020	70110	0.8781
	As on 04/03/2016 - Transfer	1848	0.0231	71958	0.9012
	As on 11/03/2016 - Transfer	1563	0.0196	73521	0.9208
	As on 18/03/2016 - Transfer	50	0.0006	73571	0.9214
	As on 25/03/2016 - Transfer	-2000	0.0250	71571	0.8964
	As on 31/03/2016 - Transfer	2000	0.0250	73571	0.9214
	At the end of the year			73571	0.9214
6.	RDH Plastics & Metals Pvt. Ltd.				
	At the beginning of the year	252378	3.1609		
	At the end of the year			252378	3.1609
7.	Sahujain Services Limited				
	At the beginning of the year	888710	11.1305		
	At the end of the year			888710	11.1305
8.	Raj Kumar Lohia				
	At the beginning of the year	139171	1.7430		
	At the end of the year			139171	1.7430
9.	Ganesh Guptha G *				
	At the beginning of the year	49000	0.6137		
	As on 10/04/2015 - Transfer	1000	0.0125	50000	0.6262
	At the end of the year			50000	0.6262
10.	Kusum Jain				
	At the beginning of the year	70000	0.8767		
	As on 18/03/2016 - Transfer	1	0.0000	70001	0.8767
	At the end of the year			70001	0.8767
11.	Laxman Mahadeo Tawde*				
	At the beginning of the year	43707	0.5474		
	As on 19/06/2015 - Transfer	4212	0.0528	47919	0.6002
	As on 26/06/2015 - Transfer	6292	0.0788	54211	0.6790
	As on 29/01/2016 - Transfer	1000	0.0125	55211	0.6915
	As on 19/02/2016 - Transfer	14289	0.1790	69500	0.8704
	At the end of the year			69500	0.8704

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

iv) *Shareholding Pattern of top ten Shareholders (other than Directors Promoters and holders of GDRs and ADRs) : (Contd.)*

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
12.	Dheeraj Kumar Lohia *				
	At the beginning of the year	33958	0.4253		
	As on 08/01/2016 - Transfer	10835	0.1357	44793	0.5610
	As on 05/02/2016 - Transfer	1352	0.0169	46145	0.5779
	As on 19/02/2016 - Transfer	4564	0.0572	50709	0.6351
	As on 31/03/2016 - Transfer	4755	0.0596	55464	0.6947
	At the end of the year			55464	0.6947
13.	Sanjiv Swarup Jh1: Mala Swarup				
	At the beginning of the year	63281	0.7926		
	As on 10/04/2015 - Transfer	-23500	0.2943	39781	0.4982
	As on 17/04/2015 - Transfer	-9000	0.1127	30781	0.3855
	As on 01/05/2015 - Transfer	-29000	0.3632	1781	0.0223
	As on 05/06/2015 - Transfer	-1781	0.0223	0	0.0000
	At the end of the year			0	0.0000
14.	Palak Choudhary				
	At the beginning of the year	55000	0.6888		
	At the end of the year			55000	0.6888

v) *Shareholding of Directors and Key Managerial Personnel:*

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	DR. BASUDEB SEN				
	At the beginning of the year	4000	0.0501		
	At the end of the year			4000	0.0501
2.	MR. VIJAY MAHESHWARI				
	At the beginning of the year	1562220	19.5658		
	As on 31/03/2016 - Transfer	107000	1.3401	1669220	20.9060
	At the end of the year			1669220	20.9060
3.	MR. PRABHAT AGARWALA				
	At the beginning of the year	2500	0.0313		
	At the end of the year			2500	0.0313
4.	MR. ANIL KUMAR BIRLA				
	At the beginning of the year	6000	0.0751	6000	0.0751
	At the end of the year			6000	0.0751

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

v) Shareholding of Directors and Key Managerial Personnel: (Contd.)

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5.	MR. BHAWANI SHANKAR RATHI				
	At the beginning of the year	119270	1.4938	119270	1.4938
	At the end of the year			119270	1.4938
6.	MR. BIJAY MURMURIA				
	At the beginning of the year	369920	4.6330	369920	4.6330
	At the end of the year			369920	4.6330
7.	MRS. GARIMA MAHESHWARI				
	At the beginning of the year	25000	0.3131	25000	0.3131
	At the end of the year			25000	0.3131
8.	MR. DEB KUMAR SETT				
	At the beginning of the year	700	0.0088	700	0.0088
	At the end of the year			700	0.0088

* Not in the list of Top 10 shareholders as on 01/04/2015 The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2016.

Ceased to be in the list of Top 10 shareholders as on 31/03/2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2015.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	7,92,185	-	-	7,92,185
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	4,746	-	-	4,746
Total (i + ii + iii)	7,96,931	-	-	7,96,931
Change in indebtedness during the financial year				
● Addition	9,00,000	-	-	9,00,000
● Reduction	6,87,684	-	-	6,87,684
Net Change	2,12,316	-	-	2,12,316
Indebtedness at the end of the financial year				
i. Principal Amount	10,04,501	-	-	10,04,501
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	3,178	-	-	3,178
Total (i + ii + iii)	10,07,679	-	-	10,07,679

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and/or Manager :

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Bhawani Sankar Rathi, Wholetime Director & Chief Financial Officer* ¹		
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		17,70,000	17,70,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-
	(c) Profit in lieu of Salary under Section 17(3) Income-tax Act, 1961		-	-
2.	Stock Option		-	-
3.	Sweat Equity		-	-
4.	Commission		-	-
	- As % of profit		-	-
	- Others, specify		-	-
5.	Others, please specify (PF, Medical and Leave Encashment)		2,04,107	2,04,107
	Total (A) * ²		19,74,107	19,74,107
	Ceiling as per the Act * ³			7,01,586

*¹ Mr. Bhawani Sankar Rathi, Wholetime Director was also designated as CFO of the Company. However he was not paid any separate Remuneration as CFO.

*² Payment made pursuant to Section 269 and Schedule XIII of the Companies Act, 1956 (read with MCA Circular No. 07/2015 dated 10-Apr-15)

*³ Ceiling of 5% of the Net Profit of the Company has been calculated as per Section 197 & 198 of the Companies Act, 2013.

B) Remuneration to other directors :

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Ratan Lal Gaggar	Dr. Basudeb Sen	Mr. Atul Chandra Varma	Mr. Prashant Sekhar Panda	Mr. Prabhat Agarwala	
1.	Independent Directors						
	● Fee for attending board/ committee meetings	20,000	20,000	35,000	25,000	50,000	1,50,000
	● Commission	-	-	-	-	-	-
	● Others, please specify	-	-	-	-	-	-
	Total (1)	20,000	20,000	35,000	25,000	50,000	1,50,000
2.	Other Non-Executive Directors						
		Mr. Vijay Maheshwari	Mr. Anil Kumar Birla	Mr. Bijay Murmuria	Mrs. Garima Maheshwari	-	
	● Fee for attending board/ committee meetings	25,000	20,000	45,000	10,000	-	1,00,000
	● Commission	-	-	-	-	-	-
	● Others, please specify	-	-	-	-	-	-
	Total (2)	25,000	20,000	45,000	10,000	-	1,00,000
	Total (B) = (1+2)	45,000	40,000	80,000	35,000	50,000	2,50,000
	Total Managerial Remuneration (A+B)* ¹					(₹ 19,74,107 + ₹ Nil)	19,74,107
	Overall Ceiling as per the Act * ²						15,43,488

*¹ Meeting Fees paid to Directors are exempt as Managerial Remuneration u/s. 197(2) of the Companies Act, 2013.

*² Overall Ceiling of 11% of the Net Profit of the Company has been calculated as per Section 197(1) of the Companies Act, 2013.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Contd.)

C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO*	Company Secretary	CFO**	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	7,15,764	-	7,15,764
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profit in lieu of Salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- As % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5.	Others, please specify (PF, Medical and Leave Encashment)	-	48,507	-	48,507
	Total (A)	-	7,64,271	-	7,64,271

* There is no CEO in the Company.

** Mr. Bhawani Sankar Rathi, Wholetime Director is also designated as CFO of the Company. However he was not paid any separate Remuneration as CFO.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OFFENCES :

There has been no penalty, punishment or compounding offences for the year ended 31st March, 2016.

On behalf of the Board

Place: Kolkata
Date: 28th May, 2016

Ratan Lal Gaggar
Chairman

Annexure - VII

FORM No MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To
The Members,
Sumedha Fiscal Services Limited
6A, Geetanjali, 8B Middleton Street,
Kolkata -700071.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sumedha Fiscal Services Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Sumedha Fiscal Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sumedha Fiscal Services Limited ("the company") for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - (Not applicable during the year.)
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - (Not applicable during the year.)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable during the year.)

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable during the year.)
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - (Not applicable during the year.)
- vi. a) The Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996
- b) The Securities and Exchange Board of India (Merchants Bankers) Regulations, 1992
- c) The Securities and Exchange Board of India (Stock Brokers & Sub Brokers) Regulations, 1992
- d) The Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreement entered into by the Company with BSE and CSE.
- iii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations: **Nil**

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Whole Time Director of the Company has also been designated as the Chief Financial Officer. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and process in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit period that there was no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc. referred to above.

Place: Kolkata
Dated: 20th May, 2016

BABU LAL PATNI
Company Secretary in Practice
Membership No. FCS 2304
Certificate of Practice No.: 1321

Note:

This report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.

Annexure - A of Secretarial Audit Report

To
The Members,
Sumedha Fiscal Services Limited
6A, Geetanjali, 8B Middleton Street,
Kolkata -700071.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to be express on opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Kolkata
Dated: 20th May, 2016

BABU LAL PATNI
Company Secretary in Practice
Membership No. FCS 2304
Certificate of Practice No.: 1321

Annexure - VIII

REMUNERATION AND OTHER SPECIFIED PARTICULARS OF EMPLOYEES

[Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year (2015 – 2016) :

Sl.No.	Name of the Directors	Ratio to median remuneration
1.	Mr. BHAWANI SANKAR RATHI	5.95

B. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Sl.No.	Name of the Directors	Salary for FY 2014 - 2015	Salary for FY 2015 - 2016	% increase in remuneration in the financial year
1	Mr. BHAWANI SANKAR RATHI, Wholetime Director	1710000	1710000	NIL
3	Mr. DEB KUMAR SETT, Company Secretary	657204	666564	1.42%

C. The percentage increase in the median remuneration of employees in the financial year:

Sl.No.	Median	FY 2014 - 2015	FY 2015 - 2016	% increase in median remuneration in the financial year
1	Median Remuneration of employees	287502	287505	0.00%

D. The number of permanent employees on the rolls of Company: 66 employees as on 31st March, 2016

E. The explanation on the relationship between average increase in remuneration and Company performance:

The average increase of 9.30% in remuneration given in the Company was in-line with the average inflation of 4.91% in the year 2015 – 2016.

F. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of key managerial personnel (KMP) in FY 16 (₹ Lacs)	23.67
Revenue (₹ Lacs)	1174.28
Remuneration of KMPs (as % of revenue)	2.02
Profit before Tax (PBT) (₹Lacs)	153.33
Remuneration of KMP (as % of PBT)	15.44

G. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalisation (₹ Lacs)	1141.00	1101.00	3.63
Price Earnings Ratio	11.89	4.34	173.96

H. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2016 ₹	20/03/1995 ₹	% Change
Market Price (BSE)	14.30	10.00	43

I. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase in the salary of employees other than the managerial personnel was around 9.61%. Average increase in the managerial remuneration for the year was 0.71%.

There are no exceptional circumstances of increase in KMP remuneration.

J. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Mr. Bhawani Sankar Rathi (Wholetime Director)	Mr. Deb Kumar Sett (Company Secretary)
Remuneration in FY 16 (₹ Lacs)	17.10	6.67
Revenue (₹ Lacs)	1174.28	1174.28
Remuneration as % of revenue	1.45	0.57
Profit before Tax (PBT) (₹Lacs)	153.33	153.33
Remuneration (as % of PBT)	11.15	4.35

* Annualised

K. The key parameters for any variable component of remuneration availed by the directors: Nil

L. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: NIL

M. Affirmation that the remuneration is as per Remuneration Policy of the Company :

The remuneration paid during the financial year ended 31st March, 2016 is in term of the Remuneration Policy of the Company.

on behalf of the Board

Place: Kolkata
Date: 28th May, 2016

Ratan Lal Gaggar
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Members of **SUMEDHA FISCAL SERVICES LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of SUMEDHA FISCAL SERVICES LIMITED (‘the Company’), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statement

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and 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 it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **ARSK & ASSOCIATES**
Chartered Accountants
Firm's Reg. No. : 315082E

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place: Kolkata

Date: 28th May, 2016

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure A referred to in our Independent Auditors' Report to the members of the SUMEDHA FISCAL SERVICES LIMITED on the standalone financial statements for the year ended 31st March 2016.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The management has conducted the physical verification of inventory at reasonable intervals during the year. As informed, no material discrepancies were noticed on such physical verification.
3. According to the information and explanation given to us the Company has granted unsecured loan to its subsidiary company covered in the register maintained under section 189 of the Companies' Act, 2013.
 - a) The terms and condition of the grant of such loan are not prejudicial to the company's interest.
 - b) In respect of aforesaid unsecured loan, the principal amount is repayable on demand and receipt of interest is regular.
 - c) There are no overdue for more than ninety days in respect of the loans granted to its Subsidiary Company.
4. In respect of loans, investments, guarantees, and security the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. (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, Income tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Service Tax, Cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, sales tax, wealth-tax, custom duty, excise duty and cess which have not been deposited on account of any dispute, except as under :

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income Tax	1,15,615	AY 2008-09	Commissioner of Income Tax (Appeals)

8. The Company has not defaulted in repayment of loans or borrowing to financial institution, bank or to debenture holders.
9. In our opinion and according to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer and has applied the term loans for the purpose for which the loans have been obtained.
10. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. All transactions with the related parties held in the Company are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. In our opinion and as per information and explanation provided the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **ARSK & ASSOCIATES**
Chartered Accountants
Firm's Reg. No. : 315082E
CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place: Kolkata
Date: 28th May, 2016

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SUMEDHA FISCAL SERVICES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient

conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Kolkata
Date: 28th May, 2016

For **ARSK & ASSOCIATES**
Chartered Accountants
Firm's Reg. No. : 315082E
CA. Ravindra Khandelwal
Partner
Membership No. 054615

Balance Sheet as at 31st March, 2016

(Amount in ₹)

Particulars	Note No.	As at 31st March	
		2016	2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	1	7,98,44,240	7,98,44,240
Reserves and Surplus	2	23,27,03,940	22,79,42,600
	I	31,25,48,180	30,77,86,840
2 Non-current Liabilities			
Long-Term Borrowings	3	4,04,941	2,85,252
Deferred Tax Liabilities (Net)	4	1,01,82,923	96,71,699
	II	1,05,87,864	99,56,951
3 Current Liabilities			
Trade Payables		85,88,165	16,70,614
Other Current Liabilities	5	91,38,038	1,46,47,407
Short-Term Provisions	6	55,71,237	85,20,381
	III	2,32,97,440	2,48,38,402
	I+II+III	34,64,33,484	34,25,82,193
II. ASSETS			
1 Non-Current Assets			
Fixed Assets	7		
Tangible Assets		8,15,57,708	8,35,63,215
Non-Current Investments	8	3,01,75,302	2,00,54,280
Long-Term Loans and Advances	9	4,36,04,105	4,62,42,186
	IV	15,53,37,115	14,98,59,681
2 Current assets			
Current Investments	10	2,40,17,965	3,93,31,361
Inventories	11	4,35,06,458	4,60,76,909
Trade Receivables	12	5,96,55,200	3,63,29,559
Cash and Cash Equivalents	13	6,07,61,136	6,40,64,279
Short-Term Loans and Advances	14	10,28,695	12,47,402
Other Current Assets	15	21,26,915	56,73,002
	V	19,10,96,369	19,27,22,512
	IV+V	34,64,33,484	34,25,82,193
Significant Accounting Policies	a-r		
Notes On Financial Statements	1 to 35		

As per our report of even date attached

For **ARSK & Associates**

Chartered Accountants

Firm's Registration No. 315082E

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date : 28th May, 2016

For and on behalf of the Board of Directors

Bijay Murmuria

Director

Bhawani Sankar Rathi

Wholetime Director

Deb Kumar Sett
Company Secretary**Girdhari Lal Dadhich**
Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2016

(Amount in ₹)

Particulars	Note No.	For the year ended 31st March	
		2016	2015
I. Revenue:			
Revenue from Operations	16	10,93,99,908	17,04,60,284
Other Income	17	80,28,329	1,01,38,744
Total Revenue		11,74,28,237	18,05,99,028
II. Expenses:			
Purchases of Stock-in-Trade - Shares and Securities		2,38,85,576	6,59,65,609
Changes in Inventories of Stock-in-Trade - Shares and Securities		2,570,451	(71,37,856)
Employee Benefit Expense	18	3,07,85,019	3,24,33,260
Finance Cost	19	1,27,090	4,09,991
Depreciation Expense	7	47,58,371	75,05,026
Other Expenses	20	3,99,68,890	4,51,10,343
Total Expenses		10,20,95,397	14,42,86,373
III. Profit before Tax	(I-II)	1,53,32,840	3,63,12,655
IV Tax Expense:			
Current Tax Expense		47,14,106	1,19,20,000
Deferred Tax		5,11,224	(10,78,273)
Wealth Tax		-	1,05,706
Short/(Excess) Provision for Tax Relating to Prior Years		5,41,223	5,42,816
V Profit For The Year	(III - IV)	95,66,287	2,48,22,406
VI Earnings Per Equity Share:	25		
(1) Basic		1.20	3.11
(2) Diluted		1.20	3.11
Significant Accounting Policies	a-r		
Notes on Financial Statements	1 to 35		

As per our report of even date attached

 For **ARSK & Associates**

Chartered Accountants

Firm's Registration No. 315082E

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date : 28th May, 2016

For and on behalf of the Board of Directors

Bijay Murmuria

Director

Bhawani Sankar Rathi

Wholetime Director

Deb Kumar Sett
 Company Secretary

Girdhari Lal Dadhich
 Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2016

(Amount in ₹)

Particulars	For the year ended 31st March	
	2016	2015
A. Cash flows from operating activities		
Profit before Taxation and after Exceptional Items	1,53,32,840	3,63,12,655
Adjustments for :		
Depreciation	47,58,371	75,05,026
Interest income	(31,37,346)	47,97,866
Dividend income	(9,12,442)	(8,20,826)
Interest paid	1,27,090	4,09,991
(Profit)/Loss on Sale of Fixed Assets (net)	(50,056)	42,846
(Profit)/Loss on Sale of Investments	(26,64,739)	(35,86,119)
Adjustment in Diminution in Value of Investments	69,520	(7,80,208)
Liabilities no longer required written back	20,069	(1,010)
Other non - Operating income	(4,76,251)	(4,44,431)
Operating profit before working capital changes	1,30,67,056	4,34,35,790
Adjustments for :		
(Increase) / Decrease in other Current Assets	35,46,087	(40,31,153)
(Increase) / Decrease in Trade Receivables	(2,33,45,710)	1,72,61,463
(Increase) / Decrease in Inventories	25,70,451	(71,37,856)
(Increase) / Decrease in Loans and Advances	70,95,743	88,46,637
Increase / (Decrease) in trade and other payables	(16,33,589)	(73,80,918)
Cash generated from Operations	13,00,038	5,09,93,963
Direct taxes paid	(79,24,382)	(1,27,12,325)
Cash Flow before Extra Ordinary Items	(66,24,344)	3,82,81,638
Adjustment of Earlier Years	(5,41,223)	-
Net cash from operating activities	(71,65,567)	3,82,81,638
B. Cash flows from investing activities		
(Purchase)/Sale of Fixed Assets	(27,02,807)	(6,21,656)
(Purchase)/Sale of Investments	77,87,594	(1,04,504)
Other non operating income	4,76,251	4,44,431
Loan to Subsidiary	(10,28,682)	(11,28,219)
Interest received	31,37,346	(47,97,866)
Dividend received	9,12,442	8,20,826
Net cash (used in) / from investing activities	85,82,144	(53,86,988)
C. Cash flows from financing activities		
Proceeds/(Repayment) of Long Term Borrowings	2,12,316	(39,51,110)
Proceeds from Employee Stock Option Plan	-	2,400
Dividend and Dividend Tax	(48,04,946)	(63,87,539)
Interest paid	(1,27,090)	(4,09,991)
Net cash (used in) / from financing activities	(47,19,720)	(1,07,46,240)
Net increase in cash and cash equivalents	(33,03,143)	2,21,48,410
Cash and cash equivalents at the beginning of the year	6,40,64,279	4,19,15,869
Cash and cash equivalents at the end of the year	6,07,61,136	6,40,64,279

- Notes: 1 Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under note no 13 of the accounts.
2 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

Firm's Registration No. 315082E

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date : 28th May, 2016

For and on behalf of the Board of Directors

Bijay Murmuria

Director

Bhawani Sankar Rathi

Wholetime Director

Deb Kumar Sett

Company Secretary

Girdhari Lal Dadhich

Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of accounts

The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

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.

d. Depreciation

Depreciation on Fixed Assets is provided on straight line method at the rates prescribed in Schedule III of the Companies Act, 2013 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.

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 recognized 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

h. Revenue recognition***Sale of service***

Revenue is recognised when no significant uncertainty as to its determination 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.

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. Taxation

Tax expense comprises of current and deferred tax.

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

Deferred tax is recognized 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 recognized 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.

k. Earning per share

Earning 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.

l. Segment reporting**i) Identification of segments**

The Company has identified that its operating segments are the primary segments. The Company's operating businesses are organized 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.

m. 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.

n. 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.

o. 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.

p. Equity index/stock- Futures

Initial margin and additional margin paid, for entering into contracts for equity index/stock futures, which are released on final settlement/squaring-up of underlying contracts, are disclosed under Current Assets, Loans and Advances.

Equity index/stock futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Current Assets, Loans and Advances or Current Liabilities, respectively represents the net amount paid or received on the basis of movement in the prices of index/stock futures till the balance sheet date.

As on the balance sheet date, profit/loss on open positions in index/stock futures are accounted for as follows:

Profit and loss on hedged transactions are recognized on net basis. In respect of other transactions, credit balance being anticipated profit is ignored and no credit for the same is taken in the profit and loss account. Debit balance being anticipated loss is adjusted in the profit and loss account.

On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between settlement/squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract is recognised in the profit and loss account.

q. Equity index/stock - Options

Initial margin and additional margin paid for entering into contracts for equity index/stock options, which are released on final settlement/squaring-up of underlying contracts, are disclosed under Current Assets, Loans and Advances.

As at the balance sheet date, profit and loss account on hedged transactions is recognized on net basis. In case of other transactions, in the case of long positions, provision is made for the amount by which the premium paid for those options exceeds the premium prevailing on the balance sheet date, and in the case of short positions, for the amount by which premium prevailing on the balance sheet date exceeds the premium received for those options. The premium paid or received as the case may be, after the aforesaid provision, is disclosed in Current Assets or Current Liabilities.

r. Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year-end rates.

Notes forming part of the Financial Statement for the year ended 31st March, 2016

	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amount (₹)	Number	Amount (₹)
1 SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued, Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid	79,84,424	7,98,44,240	79,84,424	7,98,44,240
Total	79,84,424	7,98,44,240	79,84,424	7,98,44,240

1.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares as at 31st March, 2016		Equity Shares as at 31st March, 2015	
	Number	Amount (₹)	Number	Amount (₹)
a) Shares outstanding at the beginning of the year	79,84,424	7,98,44,240	79,84,424	7,98,44,240
Shares outstanding at the end of the year	79,84,424	7,98,44,240	79,84,424	7,98,44,240
<i>Out of the above:</i>				
b) 96,000 employee stock options had been granted by the Company in 2007-08 out of which 56,600 employee stock options were exercised in 2009-10 and 24,400 were exercised during the year 2010-11.				

1.2 Rights, preferences and restrictions attached to shares

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹10 per share. Each holder of Equity Shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

1.3 The details of Shareholders holding more than 5 % shares :-

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Vijay Maheshwari	16,69,220	20.91	15,62,220	19.60
Sahujain Services Limited	8,88,710	11.13	8,88,710	11.13
Hitech Tradecomm Pvt. Limited	6,77,800	8.49	5,66,900	7.10
Total	32,35,730	40.53	30,17,830	37.83

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

	As at 31st March	
	2016	2015
2 RESERVES & SURPLUS		
a. Securities Premium Reserve		
Opening Balance	2,57,20,164	2,57,20,164
Closing Balance I	2,57,20,164	2,57,20,164
b. Revaluation Reserve		
Opening Balance	9,06,040	9,26,545
(-) Written Back in Current Year	20,505	20,505
Closing Balance II	8,85,535	9,06,040
c. General Reserve		
Opening Balance	20,505	-
Add: Transfer during the year	20,505	20,505
Closing Balance III	41,010	20,505
d. Employee Stock Option*		
Opening Balance	4,700	2,300
Add: amount received during the year	-	2,400
Closing Balance IV	4,700	4,700
e. Surplus in the Statement of Profit and Loss		
Opening Balance	20,12,91,191	18,41,56,677
(+) Net Profit/(Net Loss) for the Current Year	95,66,287	2,48,22,406
(-) Dividends proposed to be distributed to equity shareholders ₹ 0.80 per share (Previous year ₹ 0.80 per share)	39,92,212	63,87,539
(-) Tax on dividend	8,12,735	13,00,353
Closing Balance V	20,60,52,531	20,12,91,191
Total (I+II+III+IV+V)	23,27,03,940	22,79,42,600

* The Company had approved an Employee Stock Option Plan on 24th March, 2011 which was further amended on 09th November, 2013. 3,48,000 options were granted to 68 employees on 09th November, 2013. Out of 68 employees to whom the options were granted only 23 employees have paid the application money of ₹ 100/- each in F Y 2013-14 and 24 employees have paid the application money of ₹ 100/- each in F Y 2014-15. The aggregate options for which application has been received from the employees is 1,17,000 in F Y 2013-14 and 1,28,000 in F Y 2014-15. The intrinsic value of the Stock Option is nil as the exercise price exceeds the market price on the date of grant. Therefore the Company has not recognised any expense in respect of Employee Stock Option during the financial year.

Particulars	Non-current portion As at 31st March		Current maturities* As at 31st March	
	2016	2015	2016	2015
3 LONG-TERM BORROWINGS				
Secured				
Term Loan from Scheduled Banks - Note (3.1)	4,04,941	2,85,252	5,99,560	5,06,933
Total	4,04,941	2,85,252	5,99,560	5,06,933

* Amount disclosed under the head "Other Current Liabilities" (Note 5)

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particulars	Repayment Schedule	As at 31st March	
		2016	2015
3.1			
A. Borrowings from HDFC Bank			
Vehicle Loan	Repayable in 36 monthly installments of ₹ 22,669 and final installment would be due on 5th November, 2016.	1,74,576	4,15,147
B. Borrowings from Canara Bank			
Vehicle Loan	Repayable in 36 monthly installments. 35 installments of ₹ 22,735 and Final installment of ₹ 22,667 due on 16th August, 2016.	1,32,851	3,77,038
C. Borrowings from Toyota Financial Services India Ltd.			
Vehicle Loan	Repayable in 36 monthly installments of ₹ 28,935 and final installment would be due on 20th June, 2018.	6,97,074	-
Less: Current portion of term loans from schedule banks shown under Other Current Liabilities.		5,99,560	5,06,933
Total		4,04,941	2,85,252

Additional Information:**A. HDFC Bank**

- (i) Secured by hypothecation of the corresponding vehicle
- (ii) Rate of interest is 10.75% p.a.

B. Canara Bank

- (i) Secured by hypothecation of the corresponding vehicle
- (ii) Rate of interest is 10.70% p.a.

C. Toyota Financial Services India Ltd.

- (i) Secured by hypothecation of the corresponding vehicle
- (ii) Rate Of Interest is 9.74% p.a.

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particulars	As at 31st March	
	2016	2015
4 NET DEFERRED TAX LIABILITY		
In accordance with AS-22 on 'Accounting for taxes on Income' by the Institute of Chartered Accountants of India, net deferred tax, has been accounted for, as detailed below :		
Deferred Tax Liability		
Difference between book and tax depreciation	1,18,94,639	1,13,48,998
Sub Total (A)	1,18,94,639	1,13,48,998
Deferred Tax Asset		
Leave Encashment	2,53,358	2,13,017
Long Term Capital Loss	14,58,358	14,64,282
Sub Total (B)	17,11,716	16,77,299
Net Deferred Tax Liability (A – B)	1,01,82,923	96,71,699
5 OTHER CURRENT LIABILITIES		
Due to Micro, Small and Medium enterprises	-	-
Current maturities of long term borrowings (Refer Note No. 3)	5,99,560	5,06,933
Received from clients :		
- Against margin money	36,50,849	60,51,000
- As advance	19,39,742	28,28,574
Unclaimed Dividend	11,49,577	12,41,759
Payable for expenses	13,85,634	35,19,013
Statutory dues	4,12,676	5,00,128
Total	91,38,038	1,46,47,407
6 SHORT-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	-	1,76,043
Leave Encashment	7,66,290	6,56,446
Others		
Proposed Dividend	39,92,212	63,87,539
Corporate Dividend Tax	8,12,735	13,00,353
Total	55,71,237	85,20,381

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

7 FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1st April, 2015	Additions	Disposals	Balance as at 31st March, 2016	Balance as at 1st April, 2015	Depreciation for the year	On Disposals	Balance as at 31st March, 2016	Balance as at 31st March, 2015
Tangible Assets									
a Buildings	7,76,42,369 (7,70,83,210)	- (5,59,159)	-	7,76,42,369 (7,76,42,369)	78,91,855 (66,72,357)	12,24,664 (12,19,498)	-	91,16,519 (78,91,855)	6,97,50,514 (7,04,10,853)
b Electrical Installation	6,05,835 (6,05,835)	-	-	6,05,835 (6,05,835)	4,65,680 (3,04,916)	45,869 (1,60,764)	-	5,11,549 (4,65,680)	1,40,155 (3,00,919)
c Furniture & Fixtures	91,56,442 (91,37,607)	2,87,910 (18,835)	-	94,44,352 (91,56,442)	46,89,294 (33,81,539)	8,55,997 (13,07,755)	-	55,45,291 (46,89,294)	44,67,148 (57,56,068)
d Computers & Software	1,47,58,910 (1,41,56,680)	4,28,156 (6,02,230)	3,89,489	1,47,97,577 (1,47,58,910)	1,31,20,992 (1,19,69,008)	4,75,886 (11,51,984)	3,89,489	1,32,07,389 (1,31,20,992)	16,37,918 (21,87,672)
e Office equipment	44,03,234 (42,06,743)	6,18,359 (2,05,591)	1,57,981 (9,100)	48,63,612 (44,03,234)	29,97,667 (10,73,394)	7,86,985 (19,32,918)	1,54,749 (8,645)	36,29,903 (29,97,667)	14,05,567 (31,33,349)
f Vehicles	1,08,76,464 (1,16,74,369)	15,26,883	7,95,236 (7,97,905)	1,16,08,111 (1,08,76,464)	47,14,551 (36,11,658)	13,68,970 (17,32,107)	6,90,024 (6,29,214)	53,93,497 (47,14,551)	61,61,913 (80,62,711)
Total	117,443,254	28,61,308	13,42,706	11,89,61,856	3,38,80,039	47,58,371	12,34,262	3,74,04,148	8,35,63,215
Previous Year	(116,864,444)	(13,85,815)	(8,07,005)	(11,74,43,254)	(2,70,12,872)	(75,05,026)	(6,37,859)	(3,38,80,039)	(8,98,51,572)

Note : Previous year figures are in the brackets.

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particulars	As at 31st March	
	2016	2015
8 NON-CURRENT INVESTMENTS		
Non-Trade Investments		
a) Unquoted (Refer 'a' below)		
Investment in Equity Instruments	1,72,37,688	1,58,07,688
b) Quoted		
Investment in Equity Instruments (Refer 'b' below)	91,02,152	54,11,611
Investment in Debentures(Refer 'c' below)	-	-
c) Unquoted		
Investments in Mutual Funds (Refer 'd' below)	1,797	1,797
Investments in Debentures (Refer 'e' below)	50,70,000	-
Grand Total (a+b+c)	3,14,11,637	2,12,21,096
Less : Provision for diminution in the value of Investments	12,36,335	11,66,816
Total	3,01,75,302	2,00,54,280

a Details of Non-Trade Investments (Unquoted - at Cost)

Sl. No.	Name of the Body Corporate (Face Value of ₹ 10 unless otherwise stated)	No. of Shares As at 31st March		Amount (₹) As at 31st March	
		2016	2015	2016	2015
	In Subsidiary				
1	SFSL Commodity Trading Pvt. Ltd.	6,51,000	6,51,000	80,10,000	80,10,000
	In Associates				
1	Capita Finance Services Ltd.	40,000	40,000	4,00,000	4,00,000
2	SFSL Risk Management Service Pvt. Ltd. (F.V. Rs. 100)	9,250	9,250	9,25,000	9,25,000
3	SFSL Insurance Advisory Services (P) Ltd. (F.V. Rs. 100)	8,500	8,500	8,50,000	8,50,000
4	US Infotech Pvt. Ltd.	3,10,000	3,10,000	56,22,688	56,22,688
	In Others				
1	I Care Learning Pvt. Ltd.	65,000	-	14,30,000	-
2	Sijberia Industries Ltd.	20	20	-	-
	Total			1,72,37,688	1,58,07,688

b Details of Non-Trade Investments (Quoted-at Cost)

Sl. No.	Equity Instruments of Bodies Corporate (Face Value of ₹ 10 unless otherwise stated)	No. of Shares As at 31st March		Amount (₹) As at 31st March	
		2016	2015	2016	2015
1	Aravali Securities & Finance Limited	200	200	4,000	4,000
2	Assam Brook Limited	3,625	3,625	2,29,012	2,29,012
3	APS Star Industries Limited	600	600	43,950	43,950
4	Bajaj Hindustan Limited (F.V. ₹ 1)	2,500	2,500	90,000	90,000
5	Bharat Wires	2,114	-	95,130	-

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

8 NON-CURRENT INVESTMENTS (Contd.)

b Details of Non-Trade Investments (Quoted-at Cost) (Contd.)

Sl. No.	Equity Instruments of Bodies Corporate (Face Value of ₹ 10 unless otherwise stated)	No. of Shares As at 31st March		Amount (₹) As at 31st March	
		2016	2015	2016	2015
6	Business Forms Limited	6,000	6,000	72,000	72,000
7	CDR Health Care Limited	2,200	2,200	53,350	53,350
8	Gujarat Inject (Kerela) Limited	900	900	14,850	14,850
9	Healthcare Global Enterprises	975	-	2,12,550	-
10	IFB Industries Limited	5,500	5,500	7,64,946	7,64,946
11	Leafin India Limited	500	500	64,000	64,000
12	Maruti Cottex Limited	17,000	17,000	1,72,000	1,72,000
13	Madhya Bharat Papers Limited	500	500	3,125	3,125
14	MCC Investment & Leasing Co. Ltd.	400	400	4,000	4,000
15	Modern Denim Limited	700	700	43,870	43,870
16	Orkay Industries Limited	1,100	1,100	73,215	73,215
17	Opal Luxury Time Products Limited	2,000	2,000	2,60,000	2,60,000
18	Paam Pharmaceuticals (Delhi) Limited	252	252	6,120	6,120
19	Parakaram Technofeb Limited	1,200	1,200	12,830	12,830
20	Pioneer Financial Management Services Ltd.	1,000	1,000	10,000	10,000
21	Primax Fiscal Services Limited	800	800	8,000	8,000
22	Sanderson Industries Limited	2,65,850	2,65,850	2,65,850	2,65,850
23	Sen Pet India Limited	29,300	29,300	2,93,000	2,93,000
24	Skipper Ltd	45,000	24,000	56,57,177	22,74,316
25	State Bank of India(FV 1)	1,870	1870	2,97,330	2,97,330
26	Technology Plastics Limited	1,000	1,000	24,085	24,085
27	Thejo Engineering Limited	1,200	1,200	2,41,200	2,41,200
28	Timbor Home Limited	1,374	1,374	86,562	86,562
	Total	3,95,660	3,69,888	91,02,152	54,11,611
	Market Value of Quoted Investment			92,67,130	82,83,943

c Debentures (Quoted)

Sl. No.	Instruments of Bodies Corporate	No. of Units As at 31st March		Amount (₹) As at 31st March	
		2016	2015	2016	2015
1	NTPC Limited	2,000	2,000	-	-
	Total			-	-
	Market value of Quoted Debentures			25,000	25,000

d Mutual Funds

Sl. No.	Name of the Fund	No. of Units As at 31st March		Amount (₹) As at 31st March	
		2016	2015	2016	2015
1	UTI Equity Fund	200	200	1,797	1,797
	Total			1,797	1,797
	NAV of Mutual Funds			15,668	17,236

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

8 NON-CURRENT INVESTMENTS (Contd.)

e Debentures (Unquoted)

Sl. No.	Instruments of Bodies Corporate	No. of Units As at 31st March		Amount (₹) As at 31st March	
		2016	2015	2016	2015
1	I Care Learning Pvt. Ltd.	50,700	-	50,70,000	-
	Total			50,70,000	-

(Amount in ₹)

Particular	As at 31st March	
	2016	2015
9 LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Loan to Subsidiary		
SFSL Commodity Trading Pvt. Ltd.	35,56,901	25,28,219
Capital Advances	1,72,08,915	1,72,08,915
Security Deposits (Secured, considered good)	1,13,81,900	1,21,81,900
Others		
Advance Payment of taxes (Net)	34,14,893	16,99,382
Other advances	75,93,376	1,21,63,763
Other deposits	4,48,120	4,60,007
Total	4,36,04,105	4,62,42,186

Particular	No. of Units As at 31st March		Amount (₹) As at 31st March	
	2016	2015	2016	2015
10 CURRENT INVESTMENTS				
Investments in Mutual Funds				
ICICI Prudential Flexible Income Growth	72,608	1,05,825	1,85,07,965	2,61,42,638
HDFC Debt Fund for Cancer	10,000	10,000	1,00,000	1,00,000
HDFC Liquid Fund - Direct Plan- Growth	1,682	3,49,567	50,00,000	95,02,141
Canara Rebeco Medium Term Opportunities	40,000	40,000	4,00,000	4,00,000
JP Morgan India Treasury Fund	791	791	10,000	10,000
SBI SHF Ultra STD Fund- Direct Plan- Growth	-	2,081	-	31,76,582
Total			2,40,17,965	3,93,31,361
Net Asset Value of Investment in Mutual Funds			2,64,75,242	4,18,49,687

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

11 INVENTORIES

(As taken by the management and certified by a Director) (At lower of cost and net realisable value)

Stock - in - Trade

Sl. No.	Name of the Body Corporate	Face Value (₹)	As at 31st March, 2016		As at 31st March, 2015	
			No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
A	In Equity Instruments (Quoted)					
1	3I Infotech Limited	10	10,000	41,600	10,000	58,500
2	Ajmera Limited	10	1,000	1,37,800	-	-
3	Akar Laminators Limited	10	500	1	500	1
4	Alok Industries Limited	10	35,000	1,58,200	45,000	3,33,000
5	Bajaj Hindusthan Sugar Limited	1	1,000	20,040	1,000	14,400
6	Balaji Telefilms Pvt. Ltd.	2	-	-	5,000	3,20,548
7	Balasore Alloys Ltd.	5	10,000	1,58,000	10,000	1,46,500
8	Bank of India	10	2,000	1,94,100	-	-
9	Bells Control Limited	10	50	1	50	1
10	Bharti Airtel Limited	5	4,000	11,68,560	4,000	11,68,558
11	Cairn India Limited	10	3,500	5,40,225	2,500	5,34,625
12	Castrol India Ltd.	5	2,000	7,49,700	2,000	9,48,800
13	Claris Lifescience Ltd.	10	13,000	16,96,500	2,500	4,70,471
14	Chemcrown India Ltd.	10	28,000	1	28,000	1
15	Core Education & Technologies Limited	2	11,000	22,440	11,000	84,700
16	DLF Limited	2	10,700	12,26,220	8,700	13,09,539
17	Daewoo Motors (India) Limited	10	100	1	100	1
18	Dredging Corporation Ltd.	10	1,000	3,79,700	1,000	3,73,500
19	Edelweiss Financial Services Limited	1	500	28,175	500	31,875
20	EIH Limited	2	2,000	1,15,500	4,000	2,75,953
21	Electrosteel Castings Limited	1	10,000	1,89,000	10,000	1,90,000
22	Electrosteel Steels Limited	10	60,000	2,01,000	60,000	2,37,600
23	The Federal Bank Limited	2	4,000	1,84,400	-	-
24	Firstsource Solutions Ltd.	10	5,000	1,68,500	5,000	1,54,500
25	GMR Infrastructure Limited	1	30,000	3,50,700	30,000	4,98,000
26	Gol Offshore Ltd.	10	2,000	83,600	2,000	1,14,600
27	Gujarat NRE Coke Limited	10	4,000	11,800	4,000	20,640
28	Gujarat State Fertilisers & Chemicals Ltd.	2	1,000	64,600	1,000	83,250
29	Health Care Global Enterprise Limited	10	1,000	1,79,050	-	-
30	Himachal Futuristic Communications Ltd.	1	2,000	32,500	2,000	26,800
31	Himadri Chemicals & Industries Limited	1	2,000	31,440	2,000	30,000
32	Hindustan Copper Limited	5	2,500	1,26,875	2,500	1,57,750
33	Hotel Leela Ventures Ltd.	2	20,000	3,61,000	20,000	3,74,000
34	ICICI Bank Limited	2	1,375	3,25,256	1,375	3,99,024

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

11 INVENTORIES

(As taken by the management and certified by a Director) (At lower of cost and net realisable value) (Contd.)

Stock - in - Trade (Contd.)

Sl. No.	Name of the Body Corporate	Face Value (₹)	As at 31st March, 2016		As at 31st March, 2015	
			No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
A	In Equity Instruments (Quoted) (Contd.)					
35	IFB Industries Limited	10	3,000	9,52,050	1,000	5,83,500
36	Insecticides Ltd.	10	1,500	4,67,550	2,000	13,82,000
37	IPCA Laboratories Limited	2	1,000	5,79,750	-	-
38	ITC Ltd.	1	1,000	3,28,050	1,000	3,25,450
39	Jaiprakash Associates Limited	10	25,000	1,91,000	15,000	3,70,000
40	Lanco Infratech Limited	1	20,000	99,400	20,000	1,08,800
41	Lersen & Toubro Limited	2	300	2,47,749	300	2,47,749
42	LIC Housing Finance Limited	2	4,000	14,88,050	4,000	10,16,100
43	Maruthi Cotex Limited	10	2,000	1	2,000	1
44	Lords Chloro Alkali Limited	10	10	68	10	68
45	Lokesh Machines Ltd.	10	-	-	3,053	2,09,595
46	Mahanagar Telephone Nigam Limited	10	4,000	70,800	4,000	72,800
47	National Aluminium Co. Ltd.	5	15,000	5,94,750	15,000	6,99,750
48	Nestle India Limited	10	100	5,76,895	-	-
49	NCC Limited	2	5,000	3,79,250	-	-
50	NMDC Limited	1	3,500	3,42,825	1,500	1,73,925
51	NTPC Limited	10	2,000	2,30,200	2,000	2,30,200
52	Nicco Corporation Limited	2	2,000	960	2,000	1,060
53	Orient Green Power Co. Ltd.	10	10,000	1,18,400	10,000	1,46,500
54	Oriental Bank of Commerce	10	19,000	17,41,350	17,000	34,79,900
55	Padmini Technologies Limited	10	3,200	1	3,200	1
56	Parakaram Technofab Limited	10	84,400	1	84,400	1
57	Radha Madhav Corporation Ltd.	10	2,000	26,200	2,000	64,400
58	Ram Krishna Forgings Pvt. Ltd.	10	2,000	6,81,400	-	-
59	Rellance Industries Limited	10	4,000	36,74,858	4,000	32,98,800
60	Sanderson Industires Limited	10	1,83,400	1	1,83,400	1
61	Sharon Bio-Medicines Ltd.	2	-	-	5,000	89,750
62	Shipping Corporation of India Ltd.	10	-	-	2,000	92,300
63	Shree Digvijay Cements Co.	10	7,593	1,21,488	-	-
64	Shreyas Shipping & Logistics Ltd.	10	-	-	1,000	4,04,400
65	Speciality Restaurants Limited	10	1,000	84,850	1,000	1,23,495
66	MW Unitexx Limited	10	195	466	195	556
67	State Bank of India	1	90,500	1,75,84,150	90,500	1,95,84,882
68	Stering Biotech Ltd.	1	5,000	19,800	5,000	30,950

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

11 INVENTORIES

(As taken by the management and certified by a Director) (At lower of cost and net realisable value) (Contd.)

Stock - in - Trade (Contd.)

Sl. No.	Name of the Body Corporate	Face Value (₹)	As at 31st March, 2016		As at 31st March, 2015	
			No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
A	In Equity Instruments (Quoted) (Contd.)					
69	Suryodaya Allo - Metal Powders Limited	10	6,500	1	6,500	1
70	Telephone Cables Limited	10	100	1	100	1
71	Texmaco Infrastructure & Holdings Limited	1	19,000	5,84,250	19,000	6,67,850
72	Texmaco Rall Engineering Limited	1	16,000	16,69,600	16,000	19,31,871
73	Uco Bank	10	24,000	9,27,600	24,000	15,32,400
74	Unitech Ltd.	2	30,000	1,47,900	10,000	1,62,000
75	United Bank of India	10	1,000	19,050	1,000	28,550
76	Vatsa Corporation Limited	1	100	1	100	1
77	Vedanta limited	1	2,000	1,72,295	-	-
78	Veto Switchgear Cable Ltd.	10	-	-	1,650	1,02,300
79	Vijaya Bank	10	8,000	2,50,800	8,000	3,72,000
80	Vimta Labs Limited	2	1,500	71,247	1,500	71,248
81	Viniyoga Clothex Limited	10	1,800	1	1,800	1
82	Visa Steel Ltd.	10	5,300	75,206	5,300	77,380
	Total			4,34,66,750		4,60,39,674

Note: The quoted shares for which no trading is done in scrips since long time and the market value is negligible or not available have been valued at ₹ 1/-.

B	In Preference Shares					
1	Venkateshwara Hatcheries Limited	10	20	1	20	1
	Total		20		20	
C	In Mutual Funds (Quoted)					
1	Goldman Sachs Gold ETF (Goldbees)		15	38,457	15	35,984
2	UTI Master Shares - Unit Scheme		100	1,250	100	1,250
	Total			39,707		37,234
	Grand Total			4,35,06,458		4,60,76,909

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particular	As at 31st March	
	2016	2015
12 TRADE RECEIVABLES		
(Unsecured, considered good)		
Trade Receivables		
- outstanding for a period less than six months	4,38,12,449	2,82,04,792
- outstanding for a period exceeding six months	1,58,42,751	81,24,767
Total	5,96,55,200	3,63,29,559
13 CASH AND CASH EQUIVALENTS		
a. Balances with Banks *	2,31,73,810	3,45,00,962
b. Cash on hand	12,44,510	5,04,620
c. Fixed Deposits with Banks #	3,63,42,816	2,90,58,697
Total	6,07,61,136	6,40,64,279
* Balance with banks include Unclaimed Dividend of ₹11,49,557/- (Previous Year ₹ 12,41,789/-)		
# Fixed Deposits with banks includes fixed deposits pledged with banks against Bank Guarantee and margin money amounting to ₹ 1,72,79,443/- (Previous Year – ₹ 1,72,79,443/-) and pledged with BSE against is ₹ 43,75,000/- (Previous Year- ₹ 33,75,000/-)		
14 SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Other advances	10,28,695	12,47,402
Total	10,28,695	12,47,402
15 OTHER CURRENT ASSETS		
Prepaid Expenses	6,74,997	5,82,289
Income Tax Refundable	3,53,259	37,74,195
Accrued Interest	10,98,659	13,16,518
Total	21,26,915	56,73,002

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particular	For the year ended 31st March	
	2016	2015
16 REVENUE FROM OPERATIONS		
Investment Banking	6,94,97,598	8,45,46,818
Sales of Stock-in-Trade - Shares and Securities	1,69,22,499	6,66,32,401
Brokerage, Commission and other charges	2,29,79,811	1,92,81,065
Total	10,93,99,908	17,04,60,284
17 OTHER INCOME		
Interest Income on		
- Fixed Deposits	28,63,705	26,09,944
- Income Tax Refund	4,59,460	1,77,840
- Loan	2,71,501	1,42,466
- Others	2,140	18,67,616
Dividend Income	9,12,442	8,20,826
Net Gain on Sale of Mutual Funds	25,23,097	31,67,251
Net Gain on Intraday Trading of Shares and Securities	3,07,966	5,32,348
Profit on Sale of Investments	1,41,642	4,18,868
Profit on Sale of Fixed Assets	50,056	(42,846)
Other Non-Operating Income	4,96,320	4,44,431
Total	80,28,329	1,01,38,744
18 EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus and Incentives	2,82,71,633	2,95,96,338
Contribution to Provident and Other Funds	12,45,691	13,39,985
Gratuity Fund Expense	1,07,317	6,31,809
Staff Welfare Expenses	11,60,378	8,65,128
Total	3,07,85,019	3,24,33,260
19 FINANCE COST		
Interest Expense	1,27,090	4,09,991
Total	1,27,090	4,09,991

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particular	For the year ended 31st March	
	2016	2015
20 OTHER EXPENSES		
Advertisement & Business Promotion	77,15,618	68,32,670
Adjustment in Diminution in Value of Investments	69,520	(7,80,208)
Bad Debts	70,317	12,04,396
Car Expenses	31,75,197	32,12,650
Charity and Donation	2,17,335	3,69,687
Communication Expenses	11,49,732	11,36,296
Computer Expenses	2,48,380	2,02,479
Commission	14,50,000	37,50,000
Electricity	12,83,819	11,95,140
Insurance	3,03,701	3,19,620
Office Maintenance	13,58,828	13,10,391
Net Loss on Derivative Transactions	7,12,994	11,13,395
Net Loss on Currency Derivatives	-	57,707
NSE / BSE/ SHCIL Charges	9,99,115	7,61,933
Processing Fees	1,46,412	25,948
Professional Charges	86,15,731	1,13,15,680
Payments to Auditor	2,98,000	2,82,000
Printing & Stationery	6,49,480	7,58,717
Rates & Taxes	4,79,173	1,83,389
Repairs & Maintenance	5,76,168	1,28,689
Rent	23,40,000	23,40,000
SEBI Turnover and Membership Registration Fees	3,74,766	7,99,700
Travelling & Conveyance	28,09,130	29,58,938
VSAT Charges	84,900	84,900
Miscellaneous Expenses	48,40,574	55,46,226
Total	3,99,68,890	4,51,10,343
21 PAYMENTS TO AUDITOR		
- Statutory Audit	1,70,000	1,70,000
- Tax Audit	75,000	75,000
- Limited Review	15,000	15,000
- Certification and other services	38,000	22,000
Total	2,98,000	2,82,000

Note: The above figures are exclusive of Service Tax as the Company has taken Cenvat input of the Service Tax charged on the audit fees.

22 OPEN INTEREST IN EQUITY INDEX/STOCK FUTURES AS AT 31ST MARCH, 2016:

Sl.No.	Name of the future	Series of future	Number of contracts	Number of units per lot
1	Bank of Baroda	28th April, 2016	1.00	3,100
2	Bank of India	28th April, 2016	2.00	3,000

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

22 OPEN INTEREST IN EQUITY INDEX/STOCK FUTURES AS AT 31ST MARCH, 2016: (Contd.)

Sl.No.	Name of the future	Series of future	Number of contracts	Number of units per lot
3	Cairn India Limited	28th April, 2016	2.00	2,000
4	Canara Bank	28th April, 2016	5.00	800
5	The Federal Bank Limited	28th April, 2016	1.00	8,000
6	Glenmark Pharmaceuticals Limited	28th April, 2016	12.00	500
7	Hindalco Industries Limited	28th April, 2016	1.00	5,000
8	ITC Limited	28th April, 2016	3.00	1,600
9	Oriental Bank of Commerce	28th April, 2016	4.00	3,000
10	Reliance Communications Limited	28th April, 2016	1.00	8,000
11	Reliance Industries Limited	28th April, 2016	14.00	500
12	State Bank of India	28th April, 2016	6.00	2,000
13	Sun Pharma Limited	28th April, 2016	3.00	600
14	Tata Communications Limited	28th April, 2016	7.00	1,100
15	UCO Bank	28th April, 2016	4.00	10,000

OPEN INTEREST IN EQUITY INDEX/STOCK FUTURES AS AT 31ST MARCH, 2015:

Sl.No.	Name of the future	Series of future	Number of contracts	Number of units per lot
1	Bank of India	30th April, 2015	5.00	1,000
2	Cairn India Limited	30th April, 2015	1.00	1,000
3	Canara Bank	30th April, 2015	4.00	1,000
4	The Federal Bank Limited	30th April, 2015	1.00	2,000
5	Glenmark Pharmaceuticals Limited	30th April, 2015	12.00	500
6	Hindalco Industries Limited	30th April, 2015	2.00	2,000
7	ICICI Bank Limited	30th April, 2015	2.00	1,250
8	ITC Limited	30th April, 2015	5.00	1,000
9	Oil & Natural Gas Corporation Limited	30th April, 2015	4.00	500
10	Oriental Bank of Commerce	30th April, 2015	2.00	1,000
11	Reliance Communications Limited	30th April, 2015	4.00	2,000
12	Reliance Industries Limited	30th April, 2015	40.00	250
13	State Bank of India	30th April, 2015	2.00	1,250
14	Tata Communications Limited	30th April, 2015	4.00	1,000
15	UCO Bank	30th April, 2015	8.00	4,000

23 DISCLOSURES OF RELATED PARTY TRANSACTIONS (AS IDENTIFIED & CERTIFIED BY THE MANAGEMENT):

As per Accounting Standard-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the names of the related parties are given below:

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.
US Infotech Pvt. Ltd. |
| iii. | Key Management Personnel | Mr. Bhawani Sankar Rathi (Wholetime Director)
Mr. Vijay Maheshwari (Director)
Mr. Bijay Murmuria (Director) |
| iv. | Enterprise/ Firm owned or significantly influenced by Key Management Personnel and their relatives | Superb Estate Services Pvt. Ltd.
M/s. Maheshwari and Associates, Chartered Accountants |

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

23 DISCLOSURES OF RELATED PARTY TRANSACTIONS (AS IDENTIFIED & CERTIFIED BY THE MANAGEMENT): (Contd.)

b. Transaction with related parties during the year and year end outstanding balance thereof are as follows :

(Amount in ₹)

Nature of Transactions	Associate/ Joint Venture Concerns	Subsidiary	Enterprise owned or significantly influenced by Key Management Personnel and their relatives	Key Manage- ment Personnel	Total
i. Managerial Remuneration	-	-	-	19,74,107	19,74,107
	-	-	-	(29,33,200)	(29,33,200)
ii. Rent paid	-	9,00,000	2,40,000	6,00,000	17,40,000
	-	(9,00,000)	(2,40,000)	(6,00,000)	(17,40,000)
iii. Guarantee Commission paid	-	-	-	2,50,000	2,50,000
	-	-	-	(2,50,000)	(2,50,000)
iv. Balance receivable/(payable)	-	35,56,901	-	-	35,56,901
	-	(25,28,219)	-	-	(25,28,219)
v. Dividend Paid	4,52,040	-	1,74,880	16,41,128	22,68,048
	(4,52,040)	-	(1,74,880)	(16,41,128)	(22,68,048)
vi. Rent received	-	-	4,20,000	-	4,20,000
	-	-	(4,20,000)	-	(4,20,000)

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

c. Disclosure in Respect of Material Related Party Transactions during the year

Particular	For the year ended 31st March	
	2016	2015
Managerial Remuneration		
Bhawani Sankar Rathi	19,74,107	19,81,200
Rajesh Kumar Gupta	-	9,52,000
Rent paid		
SFSL Commodity Trading Pvt. Ltd.	9,00,000	9,00,000
Superb Estate Services Pvt. Ltd.	2,40,000	2,40,000
Vijay Maheshwari	6,00,000	6,00,000
Guarantee Commission paid		
Vijay Maheshwari	1,25,000	1,25,000
Bijay Murmuria	1,25,000	1,25,000
Balance receivable		
SFSL Commodity Trading Pvt. Ltd.	35,56,901	25,28,219

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

23 DISCLOSURES OF RELATED PARTY TRANSACTIONS (AS IDENTIFIED & CERTIFIED BY THE MANAGEMENT): (Contd.)

c. Disclosure in Respect of Material Related Party Transactions during the year (Contd.)

(Amount in ₹)

Particular	For the year ended 31st March	
	2016	2015
Dividend Paid		
Bijay Murmuria	2,95,936	2,95,936
Bhawani Sankar Rathi	95,416	95,416
Vijay Maheshwari	12,49,776	12,49,776
SFSL Insurance Advisory Services Pvt. Ltd.	1,24,960	1,24,960
SFSL Risk Management Services Pvt. Ltd.	1,52,760	1,52,760
Capita Finance Services Ltd.	1,74,320	1,74,320
Superb Estate Services Pvt. Ltd.	1,74,880	1,74,880
Rent received		
M/s. Maheshwari & Associates, Chartered Accountants	420,000	420,000
24 EXPENDITURE / EARNING IN FOREIGN CURRENCY		
a) Expenditure in Foreign Currency		
Membership	39,690	-
Travelling	-	93,891
Total	39,690	93,891
Note : The figures given above are net payments after withholding tax deducted at source.		
b) Earnings In Foreign Currency		
Consultancy Fees	-	7,74,823
Total	-	7,74,823
25 EARNING PER SHARE (EPS)		
a. Profit after tax	95,66,287	2,48,22,406
b. Weighted average number of equity shares outstanding during the year (Nos.)	79,84,424	79,84,424
c. Nominal value of equity per share	10	10
d. Weighted average number of equity shares outstanding during the year in computing diluted earning per share (Nos.)	79,84,424	79,84,424
e. Earning per share		
- Basic [a/b]	1.20	3.11
- Diluted [a/d]	1.20	3.11

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

26 Quoted Equity Instruments held as Stock-in-Trade includes shares which the Company has pledged with Stock Holding Corporation of India Limited amounting to ₹ 2,09,99,915/- (P.Y. ₹ 1,39,26,971/-)

Scrip Name	As at 31st March, 2016	
	Quantity	Value (₹)
Bharti Airtel Ltd	4,000	11,68,558
Castrol India Limited	2,000	7,49,700
Larsen & Toubro Limited	300	2,47,749
Oriental Bank of Commerce	17,000	15,58,050
Reliance Industries Limited	4,000	36,74,858
State Bank of India	70,000	1,36,01,000
Pledged Quoted Equity Instruments as at 31st March, 2015		
Bharti Airtel Ltd	4,000	11,68,558
Larsen & Toubro Limited	300	2,47,749
Oriental Bank of Commerce	8,000	16,37,600
Reliance Industries Limited	4,000	32,98,800
State Bank of India	35,000	75,74,264

27 GRATUITY AND POST-EMPLOYMENT BENEFITS PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than 'The provisions of Gratuity Act, 1972'. The above said scheme is funded.

The following table summarises the components of net benefits / expense recognised in the profit and loss account and the balance sheet for the respective plans.

(Amount in ₹)

Particular	For the year ended 31st March	
	2016	2015
A Defined Contribution Plans:		
The Company has recognised the following amounts in the Profit/ Loss Account for the Year:		
Contribution to Employee's Provident Fund	5,62,407	7,04,195
Contribution to Employee's Family Pension Fund	4,94,124	4,36,097
Total	10,56,531	11,40,292

B Defined Benefit Plans:

a) Expenses recognised in the statement of Profit and Loss Account for the year ended 31st March, 2016

Particulars	For the year ended 31st March			
	2016		2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
(A) Component of Employer's Expense				
Current service cost	3,75,057	1,34,310	4,64,583	1,03,054
Interest cost on benefit obligation	3,21,292	51,203	3,00,494	50,062
Expected return on plan assets	(3,45,020)	-	(3,29,131)	-
Net actuarial(gain) / loss recognised during the period	(2,44,012)	2,47,419	1,95,863	2,24,727
Total expenses	1,07,317	4,32,932	6,31,809	3,77,843
(B) Actual Contribution and Benefits Payments for period ending				
Actual Benefit Payments	6,76,039	3,23,088	1,93,159	2,77,649
Actual Contribution	5,27,817	3,23,088	33,087	2,77,649

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

27 GRATUITY AND POST-EMPLOYMENT BENEFITS PLANS (Contd.)

b) Net assets/ (liability) recognised in the balance sheet as at 31st March, 2016 (Amount in ₹)

Particulars	For the year ended 31st March			
	2016		2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of defined benefits obligation	38,25,040	7,66,290	41,19,123	6,56,446
Fair value of plan assets	40,69,497	-	39,43,080	-
Net Assets/ (Liability) recognised in the Balance Sheet as at 31st March	2,44,457	(7,66,290)	(1,76,043)	(6,56,446)
Employer's Expense				
(a) Current Service Cost	3,75,057	1,34,310	4,64,583	1,03,054
(b) Total Employer Expense	1,07,317	4,32,932	6,31,809	3,77,843

c) Change in obligations during the year ended 31st March, 2016

Particulars	For the year ended 31st March			
	2016		2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of defined obligation at the beginning of the period	41,19,123	6,56,446	33,38,822	5,56,252
Current service cost	3,75,057	1,34,310	4,64,583	1,03,054
Interest cost	3,21,292	51,203	3,00,494	50,062
Benefits paid	(6,76,039)	(3,23,088)	(1,93,159)	(2,77,649)
Actuarial (gains)/losses	(3,14,393)	2,47,419	2,08,383	2,24,727
Present value of defined benefits obligation at the end of the period	38,25,040	7,66,290	41,19,123	6,56,446

d) Change in the fair value of plan Assets during the year ended 31st March, 2016

Particulars	For the year ended 31st March			
	2016		2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Plan Asset at the beginning of the period	39,43,080	-	37,61,501	-
Actual return on Plan Asset	2,74,639	-	3,41,651	-
Contribution by the employer	5,27,817	3,23,088	33,087	2,77,649
Employee Contributions	-	-	-	-
Benefits Paid	(6,76,039)	(3,23,088)	(1,93,159)	(2,77,649)
Plan Asset at the end of the period	40,69,497	-	39,43,080	-

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

27 GRATUITY AND POST-EMPLOYMENT BENEFITS PLANS (Contd.)

e) Gratuity Plan

(Amount in ₹)

Particulars	For the year ended 31st March				
	2016	2015	2014	2013	2012
Present value of defined benefit obligation	38,25,040	41,19,123	33,38,822	26,41,002	23,91,167
Fair value of plan assets	40,69,497	39,43,080	37,61,501	34,47,718	32,32,296
Surplus /(deficit)	2,44,457	(1,76,043)	4,22,679	8,06,716	8,41,129
Experience adjustment (gain)/ loss for plan liability	1,64,345	(2,87,300)	(25,228)	2,80,417	(39,515)
Experience adjustment (gain)/ loss for plan assets	(2,92,332)	12,520	(15,308)	(22,272)	(1,554)

f) Leave Encashment

Particulars	For the year ended 31st March				
	2016	2015	2014	2013	2012
Present value of defined benefit obligation	7,66,290	6,56,446	5,56,252	5,37,316	4,51,588
Surplus /(deficit)	(7,66,290)	(6,56,446)	(5,56,252)	(5,37,316)	(4,51,588)
Experience adjustment (gain)/ loss for plan liability	2,51,504	1,40,360	1,92,190	2,04,123	1,51,194
Experience adjustment (gain)/ loss for plan assets	-	-	-	-	-

28 SEGMENT INFORMATION

Particular	For the year ended 31st March	
	2016	2015
A Primary segment information (by business segments)		
i Segment Revenue		
– Capital Market Operations	4,40,31,681	8,93,19,779
– Investment Banking	7,33,96,556	9,20,35,901
– Others (Unallocable)	-	-
Total Segment Revenue	11,74,28,237	18,13,55,680
ii Segment Results (before interest and unallocated income/expense)		
– Capital Market Operations	27,63,099	1,48,96,882
– Investment Banking	1,38,00,089	2,30,95,307
– Others (Unallocable)	(11,03,258)	(12,69,543)
Total Segment Results	1,54,59,930	3,67,22,646
iii Operating Profit	1,54,59,930	3,67,22,646
iv Unallocated Interest Expenses	1,27,090	4,09,991
v Unallocated Interest Income	-	-
vi Total Profit before Tax	1,53,32,840	3,63,12,655
vii Segment Assets		
– Capital Market Operations	14,64,80,878	13,96,90,424
– Investment Banking	19,50,34,877	19,61,87,175
– Others (Unallocable)	49,17,729	67,24,590
Total Segment Assets	34,64,33,484	34,26,02,189

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

28 SEGMENT INFORMATION (Contd.)

(Amount in ₹)

Particular	For the year ended 31st March	
	2016	2015
A Primary segment information (by business segments) (Contd.)		
viii Segment Liabilities		
– Capital Market Operations	1,45,83,798	1,10,49,344
– Investment Banking	31,64,060	51,44,658
– Others (Unallocable)	59,54,523	89,29,651
Total Segment Liabilities	2,37,02,381	2,51,23,653
ix Depreciation		
– Capital Market Operations	2,33,829	6,78,229
– Investment Banking	45,24,542	68,26,797
– Others (Unallocable)	-	-
Total Depreciation	47,58,371	75,05,026
x Capital Employed		
– Capital Market Operations	13,18,97,080	12,86,41,080
– Investment Banking	19,18,70,817	19,10,42,517
– Others (Unallocable)	(10,36,794)	(22,05,061)
Total Capital Employed	32,27,31,103	31,74,78,536

Note:

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

Segments have been identified and reported taking into account the nature of services, different risk & return and internal reporting system.
- Segment Revenue, Results, Assets and Liabilities include the respective amounts identified to each of the segment and amounts allocated on a reasonable basis. Whereas un- allocable Revenue, Results, Assets and Liabilities have been included in "others".
- Segment Liabilities excludes Deferred Tax Liabilities of ₹ 1,01,82,922/- (Previous year ₹ 96,71,700/-)

B. There is no reportable geographical segment.

- Balances of some of the trade receivables, trade payable, loans and advances incorporated in the books as per balances appearing in the relevant subsidiary records, are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management, however, is of the view that there will be no material discrepancies in this regard.
- During the year unpaid dividend amounting to ₹ 1,50,334.10/- relating to financial year 2007-08 has been transferred to the Investor Education and Protection Fund as per Section 205C of the Companies Act, 1956.
- Historically, the Company's investment in unquoted shares has been done with a view to hold them for long term and thereby earn capital gains, since dividend payout on such investments has generally been irregular. The aforesaid policy has been taken into consideration while computing the provision for income-tax as applicable.

Notes forming part of the Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particular	As at 31st March	
	2016	2015
32 CONTINGENT LIABILITY		
a) Contingent liabilities not provided for in respect of Guarantee given by Canara Bank to National Securities Clearing Corporation limited (₹80 lacs) and Stock Holding Corporation of India Limited (₹ 50 lacs) #	1,30,00,000	1,30,00,000
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	20,01,085	20,01,085
c) The Income Tax has raised a demand in respect of A.Y 2008-09 for which the Company has preferred appeal with Commissioner of Income Tax (Appeals). The Company being confident of getting the case settled in its favour, no provision for the aforesaid has been made in the accounts.	1,15,615	1,15,615

: The above bank guarantees extended by Canara Bank is secured by pledge of fixed deposits and also secured by way of equitable mortgage of a company's Immovable Property. The said facilities are further secured by personal guarantees of three Directors of the Company.

33 Revaluation of Office Premises was carried out as on 31.03.96 by an approved Valuer. The revaluation resulted in an increase of ₹ 13,11,255/- in the value of the assets over its net book value as on 31.03.96 which has been credited to Revaluation Reserve. The difference between depreciation based on the revalued carrying amount of the office premises and on its original cost, that is, ₹ 20,505/- is transferred to General Reserve as per Schedule II of Companies Act, 2013.

34 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

35 Figures have been rounded off to nearest rupee.

As per our report of even date attached

For **ARSK & Associates**

Chartered Accountants

Firm's Registration No. 315082E

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date : 28th May, 2016

For and on behalf of the Board of Directors

Bijay Murmuria

Director

Deb Kumar Sett

Company Secretary

Bhawani Sankar Rathi

Wholetime Director

Girdhari Lal Dadhich

Chief Financial Officer

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/Associate Companies/Joint ventures (As on 31st March, 2016)

Part A : Subsidiary

1.	Sl. No.	1
2.	Name of the Subsidiary	SFSL Commodity Trading Pvt. Ltd.
3.	Reporting period for the Subsidiary concerned, if different from the holding company's reporting period	01 April, 2015 to 31 March, 2016
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not applicable
5.	Share Capital	₹ 65,12,000
6.	Reserves & Surplus	₹ 61,31,624
7.	Total Assets	₹ 1,62,47,482
8.	Total Liabilities	₹ 1,62,47,482
9.	Investments	₹ 41,90,100
10.	Turnover	₹ 15,59,304
11.	Profit before Taxation	₹ 92,244
12.	Provision for Taxation	₹ (6,243)
13.	Profit after Taxation	₹ 98,487
14.	Proposed Dividend	Nil
15.	% of Shareholding	99.97

- Notes: 1. There is no subsidiary which is yet to commence operations.
2. There is no subsidiary which has been liquidated or sold during the year.

Part B : Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies

Name of Associates / Joint Ventures	SFSL Risk Management Services Pvt. Ltd.	Capita Finance Services Ltd.	SFSL Insurance Advisory Services Pvt. Ltd.	US Infotech Pvt. Ltd.
1. Latest Audited Balance Sheet Date	24-May-16	20-May-16	25-May-16	23-May-16
2. Shares of Associate / Joint Ventures held by the company on the year end				
No.	9,250	40,000	8,500	3,10,000
Amount of Investment in Associates / Joint Venture	₹ 9,25,000	₹ 4,00,000	₹ 8,50,000	₹ 56,22,688
Extend of Holding %	38.43	26.61	23.80	43.35
3. Description of how there is significant influence	Share Ownership	Share Ownership	Share Ownership	Share Ownership
4. Reason why the Associate/ Joint Venture is not consolidated	-	-	-	-
5. Networth attributable to shareholding as per latest audited Balance Sheet	₹ 11,93,435	₹ 31,17,150	₹ 6,14,990	₹ 87,13,745
6. Profit / Loss for the year				
i. Considered in Consolidation	₹ 23,280	₹ (2,89,843)	₹ 15,465	₹ 24,89,810
ii. Not considered in Consolidation	-	-	-	-

For and on behalf of the Board of Directors

Bijay Murmuria
Director

Bhawani Sankar Rathi
Wholtime Director

Place : Kolkata
Date : 28th May, 2016

Deb Kumar Sett
Company Secretary

Girdhari Lal Dadhich
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of SUMEDHA FISCAL SERVICES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SUMEDHA FISCAL SERVICES LIMITED** (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associates, comprising the Consolidated Balance Sheet as at 31st March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- (b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
- (c) the consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the aforesaid consolidated financial statements;
- (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Holding Company and its subsidiary company does not have any pending litigations which would impact its financial position.
 - ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary Company.

For **ARSK & Associates**
Chartered Accountants
Firm's Registration No. 315082E
CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place : Kolkata
Date : 28th May, 2016

ANNEXURE - A TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SUMEDHA FISCAL SERVICES LIMITED ("the Holding Company") and its subsidiary company as of March 31, 2016 in conjunction with our audit of the consolidated financial statements for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary company, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **ARSK & Associates**
Chartered Accountants
Firm's Registration No. 315082E

CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place : Kolkata
Date : 28th May, 2016

Consolidated Balance Sheet as at 31st March, 2016

(Amount in ₹)

Particulars	Note No.	As at 31st March	
		2016	2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
Share Capital	1	7,98,44,240	7,98,44,240
Reserves and Surplus	2	24,31,68,456	23,60,10,097
Minority Interest		3,167	3,125
	I	32,30,15,863	31,58,57,462
2 Non-Current Liabilities			
Long-Term Borrowings	3	4,04,941	2,85,252
Deferred Tax Liabilities (Net)	4	1,00,52,241	95,56,297
	II	1,04,57,182	98,41,549
3 Current Liabilities			
Trade Payables		85,88,165	16,70,614
Other Current Liabilities	5	91,84,995	1,46,76,654
Short-Term Provisions	6	55,71,237	85,20,381
	III	2,33,44,397	2,48,67,649
	I+II+III	35,68,17,442	35,05,66,660
II. ASSETS			
1 Non-Current Assets			
Fixed Assets	7		
Tangible Assets		8,37,12,259	8,57,69,592
Non-Current Investments	8	3,21,89,461	1,92,30,718
Long-Term Loans and Advances	9	4,76,72,734	5,01,98,995
	IV	16,35,74,454	15,51,99,305
2 Current Assets			
Current Investments	10	2,40,17,965	3,93,31,361
Inventories	11	4,35,06,458	4,60,76,909
Trade Receivables	12	5,96,55,200	3,63,29,559
Cash and Cash Equivalents	13	6,25,81,490	6,65,35,905
Short-Term Loans and Advances	14	11,06,698	12,47,402
Other Current Assets	15	23,75,177	58,46,219
	V	19,32,42,988	19,53,67,355
	IV+V	35,68,17,442	35,05,66,660
Significant Accounting Policies	a-s		
Notes on Financial Statements	1 to 36		

As per our report of even date attached

For **ARSK & Associates**

Chartered Accountants

Firm's Registration No. 315082E

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date : 28th May, 2016

For and on behalf of the Board of Directors

Bijay Murmuria

Director

Bhawani Sankar Rathi

Wholetime Director

Deb Kumar Sett

Company Secretary

Girdhari Lal Dadhich

Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

(Amount in ₹)

Particulars	Note No.	For the year ended 31st March	
		2016	2015
I. Revenue:			
Revenue from Operations	16	10,93,99,908	17,04,65,343
Other Income	17	82,74,490	1,01,01,744
Total Revenue		11,76,74,398	18,05,67,087
II. Expenses:			
Purchases of Stock-in-Trade - Shares and Securities		2,38,85,576	6,59,65,609
Changes in inventories of Stock in Trade - Shares and Securities		25,70,451	(71,37,856)
Employee Benefit Expense	18	3,07,85,019	3,24,33,260
Finance Cost	19	1,27,090	4,09,991
Depreciation Expense	7	48,10,197	75,56,852
Other Expenses	20	4,00,70,981	4,47,12,470
Total Expenses		10,22,49,314	14,39,40,326
III. Profit before tax	(I-II)	1,54,25,084	3,66,26,761
IV. Tax Expense:			
Current Tax Expense		47,31,706	1,19,79,853
Deferred Tax		4,95,944	(13,71,931)
Wealth Tax		-	1,05,706
MAT Credit entitlement		-	(31,409)
Short/(Excess) provision for tax relating to prior years		4,72,807	5,42,411
V. Profit for the year before adjustment of Minority Interest	(III-IV)	97,24,627	2,54,02,131
Add : Share of Profit of Associates		22,38,721	3,17,431
Less: Minority Interest		42	92
Profit for the year		1,19,63,306	2,57,19,470
VI. Earnings per equity share:	25		
(1) Basic		1.22	3.18
(2) Diluted		1.22	3.18
Significant Accounting Policies	a-s		
Notes on Financial Statements	1 to 36		

As per our report of even date attached

For **ARSK & Associates**

Chartered Accountants

Firm's Registration No. 315082E

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date : 28th May, 2016

For and on behalf of the Board of Directors

Bijay Murmuria

Director

Bhawani Sankar Rathi

Wholetime Director

Deb Kumar Sett
Company Secretary

Girdhari Lal Dadhich
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31st March, 2016

(Amount in ₹)

Particulars	For the year ended 31st March	
	2016	2015
A. Cash flows from operating activities		
Profit before Taxation and after Exceptional Items	1,54,25,084	3,66,26,761
Adjustments for :		
Depreciation	48,10,194	75,56,852
Interest income	(35,24,075)	50,47,209
Dividend income	(9,12,442)	(8,20,826)
Interest Paid	1,27,090	4,09,991
(Profit)/Loss on sale of fixed assets (net)	(50,056)	42,846
(Profit)/Loss on Sale of Investments	(22,75,128)	(36,52,710)
Adjustment in Diminution in value of investments	69,520	(7,80,208)
Liabilities no longer required written back	20,069	(1,010)
Rent received	(4,20,000)	(4,20,000)
Operating profit before working capital changes	1,32,70,256	4,40,08,905
Adjustments for :		
(Increase) / Decrease in other current assets	34,71,042	(38,83,214)
(Increase) / Decrease in trade receivables	(2,33,45,710)	1,75,14,804
(Increase) / Decrease in inventories	25,70,451	(71,37,856)
(Increase) / Decrease in loans and advances	60,18,043	69,74,027
Increase / (Decrease) in trade and other payables	(1,12,25,772)	(72,61,865)
Cash generated from Operations	(92,41,690)	5,02,14,801
Direct taxes paid	(80,82,783)	(1,27,12,325)
Cash Flow before Extra Ordinary Items	(1,73,24,473)	3,75,02,476
Adjustment of Earlier Years	(4,72,807)	-
Net cash from operating activities I	(1,77,97,280)	3,75,02,476
B. Cash flows from investing activities		
(Purchase)/sale of fixed assets	(27,02,807)	(17,79,824)
(Purchase)/sale of investments	67,98,983	5,60,104
Rent Received	4,20,000	4,20,000
Interest received	35,24,075	(50,47,209)
Dividend received	9,12,442	8,20,826
Net cash (used in) / from investing activities II	89,52,693	(50,26,103)
C. Cash flows from financing activities		
Proceeds/(Repayment) of long term borrowings	2,12,316	(39,51,110)
Proceeds from employee stock option plan	-	2,400
Dividend and Dividend Tax	48,04,946	(63,87,539)
Interest paid	(1,27,090)	(4,09,991)
Net cash (used in) / from financing activities III	48,90,172	(1,07,46,240)
Net increase in cash and cash equivalents I+II+III	(39,54,415)	2,17,30,133
Cash and cash equivalents at the beginning of the year	6,65,35,905	4,48,05,772
Cash and cash equivalents at the end of the year	6,25,81,490	6,65,35,905

Notes: 1 Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under note no 13 of the accounts.
2 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

Firm's Registration No. 315082E

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date : 28th May, 2016

For and on behalf of the Board of Directors

Bijay Murmuria

Director

Bhawani Sankar Rathi

Wholetime Director

Deb Kumar Sett

Company Secretary

Girdhari Lal Dadhich

Chief Financial Officer

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016

SIGNIFICANT ACCOUNTING POLICIES

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 (P) Ltd., the Subsidiary Company and Associates SFSL Insurance Advisory Services (P) Ltd., SFSL Risk Management Services (P) Ltd., Capita Finance Services Ltd. and US Infotech Pvt. Ltd.

b. Basis of preparation of accounts

The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

c. 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.

d. 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.

e. Depreciation

Depreciation on Fixed Assets is provided on straight line method at the rates prescribed in Schedule III of the Companies Act, 2013 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.

f. 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 recognized 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.

g. 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.

h. Inventories

Inventories of shares and securities are valued at lower of cost or market value.

i. Revenue recognition***Sale of service***

Revenue is recognised when no significant uncertainty as to its determination 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.

j. 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.

k. Taxation

Tax expense comprises of current and deferred tax.

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

Deferred tax is recognized 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 recognized 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. Earning per share

Earning 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 organized 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 date and adjusted to reflect the current best estimates.

q. Equity index/stock- Futures

Initial margin and additional margin paid, for entering into contracts for equity index/stock futures, which are released on final settlement/squaring-up of underlying contracts, are disclosed under Current Assets, Loans and Advances.

Equity index/stock futures are marked-to-market on a daily basis. Debit or credit balance disclosed under Current Assets, Loans and Advances or Current Liabilities, respectively represents the net amount paid or received on the basis of movement in the prices of index/stock futures till the balance sheet date.

As on the balance sheet date, profit/loss on open positions in index/stock futures are accounted for as follows :

Profit and loss on hedged transactions are recognized on net basis. In respect of other transactions, credit balance being anticipated profit is ignored and no credit for the same is taken in the profit and loss account. Debit balance being anticipated loss is adjusted in the profit and loss account.

On final settlement or squaring-up of contracts for equity index/stock futures, the profit or loss is calculated as the difference between settlement/squaring-up price and contract price. Accordingly, debit or credit balance pertaining to the settled/squared-up contract is recognised in the profit and loss account.

r. Equity index/stock - Options

Initial margin and additional margin paid for entering into contracts for equity index/stock options, which are released on final settlement/squaring-up of underlying contracts, are disclosed under Current Assets, Loans and Advances.

As at the balance sheet date, profit and loss account on hedged transactions is recognized on net basis. In case of other transactions, in the case of long positions, provision is made for the amount by which the premium paid for those options exceeds the premium prevailing on the balance sheet date, and in the case of short positions, for the amount by which premium prevailing on the balance sheet date exceeds the premium received for those options. The premium paid or received as the case may be, after the aforesaid provision, is disclosed in Current Assets or Current Liabilities.

s. Foreign currency transactions

Transaction denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year-end rates.

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016

	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amount (₹)	Number	Amount (₹)
1 SHARE CAPITAL				
Authorised				
Equity Shares of ₹ 10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued, Subscribed & Paid up				
Equity Shares of ₹ 10/- each fully paid	79,84,424	7,98,44,240	79,84,424	7,98,44,240
Total	79,84,424	7,98,44,240	79,84,424	7,98,44,240

1.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares as at 31st March, 2016		Equity Shares as at 31st March, 2015	
	Number	Amount (₹)	Number	Amount (₹)
a) Shares outstanding at the beginning of the year	79,84,424	7,98,44,240	79,84,424	7,98,44,240
Shares outstanding at the end of the year	79,84,424	7,98,44,240	79,84,424	7,98,44,240
<i>Out of the above:</i>				
b) 96,000 employee stock options had been granted by the Company in 2007-08 out of which 56,600 employee stock options were exercised in 2009-10 and 24,400 were exercised during the year 2010-11.				

1.2 Rights, preferences and restrictions attached to shares

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹10 per share. Each holder of Equity Shares is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

1.3 The details of Shareholders holding more than 5% shares :-

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Vijay Maheshwari	16,69,220	20.91	15,62,220	19.60
Sahujain Services Limited	8,88,710	11.13	8,88,710	11.13
Hitech Tradecomm Pvt. Limited	6,77,800	8.49	5,66,900	7.10
Total	32,35,730	40.53	30,17,830	37.83

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particulars	As at 31st March	
	2016	2015
2 RESERVES & SURPLUS		
a. Securities Premium Reserve		
Opening Balance	2,57,20,164	2,57,20,164
Closing Balance I	2,57,20,164	2,57,20,164
b. Revaluation Reserve		
Opening Balance	9,06,040	9,26,545
(-) Written Back in Current Year	20,505	20,505
Closing Balance II	8,85,535	9,06,040
c. General Reserve		
Opening Balance	20,505	-
Add: Transfer during the year	20,505	20,505
Closing Balance III	41,010	20,505
d. Employee Stock Option*		
Opening Balance	4,700	2,300
Add: amount received during the year	-	2,400
Closing Balance IV	4,700	4,700
e. Surplus in the Statement of Profit and Loss		
Opening Balance	20,93,58,688	19,13,27,110
(+) Net Profit/(Net Loss) for the current year	1,19,63,306	2,57,19,470
(-) Dividends proposed to be distributed to equity shareholders ₹ 0.50 per share (Previous year ₹ 0.80 per share)	39,92,212	63,87,539
(-) Tax on dividend	8,12,735	13,00,353
Closing balance V	21,65,17,047	20,93,58,688
Total I+II+III+IV+V	24,31,68,456	23,60,10,097

* The Company had approved an Employee Stock Option Plan on 24th March, 2011 which was further amended on 09th November, 2013. 3,48,000 options were granted to 68 employees on 09th November, 2013. Out of 68 employees to whom the options were granted only 23 employees have paid the application money of ₹ 100/- each in F Y 2013-14 and 24 employees have paid the application money of ₹ 100/- each in F Y 2014-15. The aggregate options for which application has been received from the employees is 1,17,000 in F Y 2013-14 and 1,28,000 in F Y 2014-15. The intrinsic value of the stock option is nil as the exercise price exceeds the market price on the date of grant. Therefore the company has not recognised any expense in respect of Employee Stock Option during the financial year.

Particulars	Non-current portion As at 31st March		Current maturities* As at 31st March	
	2016	2015	2016	2015
3 LONG-TERM BORROWINGS				
Secured				
Term Loan from Schedules Banks - Note (3.1)	4,04,941	2,85,252	5,99,560	5,06,933
Total	4,04,941	2,85,252	5,99,560	5,06,933

* Amount disclosed under the head "Other Current Liabilities" (Note 5)

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particulars	Repayment Schedule	As at 31st March	
		2016	2015
3.1			
A. Borrowings from HDFC Bank			
Vehicle Loan	Repayable in 36 monthly installments of ₹ 22,669/- and final installment would be due on 5th November, 2016.	1,74,576	4,15,147
B. Borrowings from Canara Bank			
Vehicle Loan	Repayable in 36 monthly installments. 35 installments of ₹ 22,735/- and Final installment of ₹ 22,667/- due on 16th August, 2016.	1,32,851	3,77,038
C. Borrowings from Toyota Financial Services India Ltd.			
Vehicle Loan	Repayable in 36 monthly installments. Of ₹ 28,935/- And Final installment Would be due on 20th June, 2018.	6,97,074	-
	Less: Current portion of term loans from schedule banks shown under Other Current Liabilities.	5,99,560	5,06,933
Total		4,04,941	2,85,252

Additional Information:**A. HDFC Bank**

- (i) Secured by hypothecation of the corresponding vehicle
- (ii) Rate of interest is 10.75% p.a.

B. Canara Bank

- (i) Secured by hypothecation of the corresponding vehicle
- (ii) Rate of interest is 10.70% p.a.

C. Toyota Financial Services India Ltd.

- (I) Secured by hypothecation of the corresponding vehicle
- (II) Rate of Interest is 9.74% p.a.

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particulars	As at 31st March	
	2016	2015
4 NET DEFERRED TAX LIABILITY		
In accordance with AS-22 on 'Accounting for taxes on Income' by the Institute of Chartered Accountants of India, net deferred tax, has been accounted for, as detailed below :		
Deferred Tax Liability		
Difference between book and tax depreciation	1,17,63,957	1,12,33,596
Sub Total (A)	1,17,63,957	1,12,33,596
Deferred Tax Asset		
Leave Encashment	2,53,358	2,13,017
Long term capital loss	14,58,358	14,64,282
Sub Total (B)	17,11,716	16,77,299
Net Deferred Tax Liability (A – B)	1,00,52,241	95,56,297
5 OTHER CURRENT LIABILITIES		
Due to Micro, Small and Medium enterprises	-	-
Current maturities of long term borrowings (Refer Note No. 3)	5,99,560	5,06,933
Received from clients :		
- Against margin money	36,50,849	60,51,000
- As advance	19,39,742	28,28,574
Unclaimed Dividend	11,49,577	12,41,759
Payable for expenses	14,25,634	35,34,013
Statutory dues	4,19,633	5,14,375
Total	91,84,995	1,46,76,654
6 SHORT-TERM PROVISIONS		
Provision for employee benefits		
Gratuity	-	1,76,043
Leave Encashment	7,66,290	6,56,446
Others		
Proposed Dividend	39,92,212	63,87,539
Corporate Dividend Tax	8,12,735	13,00,353
Total	55,71,237	85,20,381

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

7 FIXED ASSETS (Amount in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	Blance as at 1st April, 2015	Additions	Disposals	Blance as at 31st March, 2016	Blance as at 1st April, 2015	Depreciation for the year	On Disposals	Blance as at 31st March, 2016	Blance as at 31st March, 2015
Tangible Assets									
a Buildings	8,02,10,691 (7,84,93,364)	- (17,17,327)	-	8,02,10,691 (8,02,10,691)	82,73,779 (70,05,281)	12,73,664 (12,68,498)	-	95,47,443 (82,73,779)	7,19,36,912 (7,14,88,083)
b Electrical Installation	6,05,835 (6,05,835)	-	-	6,05,835 (6,05,835)	4,65,680 (3,04,916)	45,869 (1,60,764)	-	5,11,549 (4,65,680)	1,40,155 (3,00,919)
c Furniture & Fixtures	91,56,442 (91,37,607)	2,87,910 (18,835)	-	94,44,352 (91,56,442)	46,89,294 (33,81,539)	8,55,997 (13,07,755)	-	55,45,291 (46,89,294)	44,67,148 (57,56,068)
d Computers & Software	1,49,71,126 (1,43,68,896)	4,28,156 (6,02,230)	3,89,489	1,50,09,793 (1,49,71,126)	1,33,22,826 (1,21,70,842)	4,75,886 (11,51,984)	3,89,489	1,34,09,223 (1,33,22,826)	16,48,300 (21,98,054)
e Office equipment	44,16,184 (42,19,693)	6,18,359 (2,05,591)	1,57,981 (9,100)	48,76,562 (44,16,184)	30,01,020 (10,73,921)	7,89,811 (19,35,744)	1,54,749 (8,645)	36,36,082 (30,01,020)	14,15,164 (31,45,772)
f Vehicles	1,08,76,464 (1,16,74,369)	15,26,883	7,95,236 (7,97,905)	1,16,08,111 (1,08,76,464)	47,14,551 (36,11,658)	13,68,970 (17,32,107)	6,90,024 (6,29,214)	53,93,497 (47,14,551)	61,61,913 (80,62,711)
Total	12,02,36,742	28,61,308	13,42,706	12,17,55,344	3,44,67,150	48,10,197	12,34,262	3,80,43,085	8,57,69,592
Previous Year	(11,84,99,764)	(25,43,983)	(8,07,005)	(12,02,36,742)	(2,75,48,157)	(75,56,852)	(6,37,859)	(3,44,67,150)	(9,09,51,607)

Note : Previous year's figures are shown in the brackets.

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particulars	As at 31st March	
	2016	2015
8 NON-CURRENT INVESTMENTS		
Non-Trade Investments		
a) In Associates		
Cost of Investments	1,08,87,788	1,13,88,788
Add: Share of Post-Acquisition of Profit	58,34,059	35,95,338
Investment in Equity instruments	1,67,21,847	1,49,84,126
b) Quoted		
Investment in Equity instruments	91,02,152	54,11,611
Investment in Debentures	-	-
Total	91,02,152	54,11,611
c) Unquoted		
Investments in Others	14,30,000	-
Investments in Mutual Funds	11,01,797	1,797
Investments in Debentures	50,70,000	-
Total unquoted investment	76,01,797	1,797
Grand Total	3,34,25,796	2,03,97,534
Less : Provision for diminution in the value of Investments	12,36,335	11,66,816
Total	3,21,89,461	1,92,30,718
Market Value of Quoted Investment	92,67,130	82,83,943
NAV of Unquoted Mutual Funds	11,16,955	17,236
9 LONG-TERM LOANS AND ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Loan to		
- Related Party	11,69,670	9,22,858
- Others	45,89,929	35,08,568
Capital Advances	1,72,08,915	1,72,08,915
Security Deposits (Secured, considered good)	1,13,81,900	1,21,81,900
Advance Payment of taxes (Net)	35,51,344	18,15,524
Mat Credit entitlement	1,27,377	72,690
Other Advances	75,93,376	1,22,15,034
Other Deposits	20,50,223	22,73,506
Total	4,76,72,734	5,01,98,995
10 CURRENT INVESTMENTS		
Investments in Mutual Funds	2,40,17,965	3,93,31,361
Total	2,40,17,965	3,93,31,361
Net Asset Value of Investment in Mutual Funds	2,64,75,242	4,18,49,687

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particulars	As at 31st March	
	2016	2015
11 INVENTORIES		
(As taken by the Management and certified by a Director)		
(At lower of Cost and net realisable value)		
Stock-in-Trade		
Equity Shares & Securities (Quoted)	4,34,66,750	4,60,39,674
Preference Shares	1	1
Mutual Funds (Quoted)	39,707	37,234
Total	4,35,06,458	4,60,76,909
12 TRADE RECEIVABLES		
(Unsecured, considered good)		
Trade Receivables		
- outstanding for a period less than six months	5,28,42,345	2,82,04,792
- outstanding for a period exceeding six months	68,12,855	81,24,767
Total	5,96,55,200	3,63,29,559
13 CASH AND CASH EQUIVALENTS		
a. Balances with Banks *	2,41,43,909	3,50,21,003
b. Cash on hand	12,44,765	5,06,205
c. Fixed Deposits with Banks #	3,71,92,816	3,10,08,697
Total	6,25,81,490	6,65,35,905
* Balance with banks include Unclaimed Dividend of ₹11,49,557/- (Previous Year ₹ 12,41,789/-)		
# Fixed Deposits with Banks includes fixed deposits pledged with banks against Bank Guarantee and margin money amounting to ₹ 1,72,79,443/- (Previous Year - ₹ 1,72,79,443/-), pledged with BSE amounting to ₹ 43,75,000/- (Previous Year- ₹ 33,75,000/-) and kept as Base Minimum Capital with Multi Commodity Exchange of India Ltd. amounting to ₹ 7,50,000/-.		
14 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good)		
Other Advances	11,06,698	12,47,402
Total	11,06,698	12,47,402

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particulars	As at 31st March	
	2016	2015
15 OTHER CURRENT ASSETS		
Prepaid Expenses	6,74,997	5,82,289
Income Tax Refundable	4,09,813	37,74,195
Accrued Interest	12,90,367	14,89,735
Total	23,75,177	58,46,219

Particulars	For the year ended 31st March	
	2016	2015
16 REVENUE FROM OPERATIONS		
Investment Banking	6,94,97,598	8,45,46,818
Sales of Stock-in-Trade - Shares and Securities	1,69,22,499	6,66,32,401
Brokerage, Commission and other charges	2,29,79,811	1,92,86,124
Total	10,93,99,908	17,04,65,343
17 OTHER INCOME		
Interest Income on		
- Fixed Deposits	30,34,793	27,92,026
- Income Tax Refund	4,60,534	1,83,260
- Loan	56,800	2,04,307
- others	4,32,482	18,67,616
Dividend Income	9,12,442	8,20,826
Net gain on Sale of Mutual Funds	25,23,097	32,33,842
Net gain on intraday trading of Shares and Securities	3,07,966	5,32,348
Profit on Sale of Fixed Assets	50,056	-
Other non-operating income	4,96,320	4,67,519
Total	82,74,490	1,01,01,744
18 EMPLOYEE BENEFITS EXPENSE		
Salaries, Bonus and Incentives	2,82,71,633	2,95,96,338
Contribution to Provident and Other Funds	12,45,691	13,39,985
Gratuity Fund Expense	1,07,317	6,31,809
Staff Welfare Expenses	11,60,378	8,65,128
Total	3,07,85,019	3,24,33,260

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particulars	For the year ended 31st March	
	2016	2015
19 FINANCE COST		
Interest Expense	1,27,090	4,09,991
Total	1,27,090	4,09,991
20 OTHER EXPENSES		
Communication Expenses	11,49,732	11,36,296
Insurance	3,06,076	3,22,155
Rent	14,40,000	14,40,000
Electricity	12,83,819	11,95,140
Office Maintenance	13,58,828	13,10,391
Travelling & Conveyance	28,09,880	29,65,438
Net Loss on Derivative Transactions	7,12,994	11,13,395
Net Loss on Currency Derivatives	-	57,707
Net Loss on Commodity Market Operation	580	508
Loss on Sale of Fixed Assets	-	42,846
Loss on Sale of Investment	2,47,969	(4,18,868)
Rates & Taxes	4,84,129	1,87,789
Registration Fees	1,00,000	-
Adjustments in Diminution of Value of Investments	69,520	(7,80,208)
SEBI Turnover and Membership Registration Fees	3,74,766	7,99,700
Commission	14,50,000	37,50,000
Processing Fees	1,71,412	25,948
Professional Charges	86,19,231	1,13,21,180
Payment to Auditor	3,20,001	2,98,500
Repairs & Maintenance	5,76,168	1,28,689
Advertisement & Business Promotion	77,15,618	68,32,670
Bad Debts	70,317	14,56,003
Car Expenses	31,75,197	32,12,650
Printing & Stationery	6,49,480	7,58,717
Charity and Donation	2,17,335	3,69,687
Computer Expenses	2,48,380	2,02,479
NSE / BSE/ SHCIL Charges	9,99,115	7,61,933
VSAT Charges	84,900	84,900
Miscellaneous Expenses	54,35,534	61,36,825
Total	4,00,70,981	4,47,12,470
21 PAYMENTS TO AUDITORS		
- Statutory Audit	1,85,000	1,85,000
- Tax Audit	75,000	75,000
- Limited Review	15,000	15,000
- Certification and other services	45,001	23,500
Total	3,20,001	2,98,500

Note: The above figures are exclusive of Service Tax as the Company has taken Cenvat input of the Service Tax charged on the audit fees.

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

22 OPEN INTEREST IN EQUITY INDEX/STOCK FUTURES AS AT 31ST MARCH, 2016:

Sl.No.	Name of the future	Series of future	Number of contracts	Number of units per lot
1	Bank of Baroda	28th April, 2016	1.00	3,100
2	Bank of India	28th April, 2016	2.00	3,000
3	Cairn India Limited	28th April, 2016	2.00	2,000
4	Canara Bank	28th April, 2016	5.00	800
5	The Federal Bank Limited	28th April, 2016	1.00	8,000
6	Glenmark Pharmaceuticals Limited	28th April, 2016	12.00	500
7	Hindalco Industries Limited	28th April, 2016	1.00	5,000
8	ITC Limited	28th April, 2016	3.00	1,600
9	Oriental Bank of Commerce	28th April, 2016	4.00	3,000
10	Reliance Communications Limited	28th April, 2016	1.00	8,000
11	Reliance Industries Limited	28th April, 2016	14.00	500
12	State Bank of India	28th April, 2016	6.00	2,000
13	Sun Pharma Limited	28th April, 2016	3.00	600
14	Tata Communications Limited	28th April, 2016	7.00	1,100
15	UCO Bank	28th April, 2016	4.00	10,000

OPEN INTEREST IN EQUITY INDEX/STOCK FUTURES AS AT 31ST MARCH, 2015:

Sl.No.	Name of the future	Series of future	Number of contracts	Number of units per lot
1	Bank of India	30th April, 2015	5.00	1,000
2	Cairn India Limited	30th April, 2015	1.00	1,000
3	Canara Bank	30th April, 2015	4.00	1,000
4	The Federal Bank Limited	30th April, 2015	1.00	2,000
5	Glenmark Pharmaceuticals Limited	30th April, 2015	12.00	500
6	Hindalco Industries Limited	30th April, 2015	2.00	2,000
7	ICICI Bank Limited	30th April, 2015	2.00	1,250
8	ITC Limited	30th April, 2015	5.00	1,000
9	Oil & Natural Gas Corporation Limited	30th April, 2015	4.00	500
10	Oriental Bank of Commerce	30th April, 2015	2.00	1,000
11	Reliance Communications Limited	30th April, 2015	4.00	2,000
12	Reliance Industries Limited	30th April, 2015	40.00	250
13	State Bank of India	30th April, 2015	2.00	1,250
14	Tata Communications Limited	30th April, 2015	4.00	1,000
15	UCO Bank	30th April, 2015	8.00	4,000

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

23 DISCLOSURES OF RELATED PARTY TRANSACTIONS (AS IDENTIFIED & CERTIFIED BY THE MANAGEMENT):

As per Accounting Standard-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the names of the related parties are given below :

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

i. Associate /Joint Venture Concerns	SFSL Insurance Advisory Services Pvt. Ltd. SFSL Risk Management Services Pvt. Ltd. Capita Finance Services Ltd. US Infotech Pvt. Ltd.
ii. Key Management Personnel	Mr. Bhawani Sankar Rathi (Wholetime Director) Mr. Vijay Maheshwari (Director) Mr. Bijay Murmuria (Director) Ms. Garima Maheshwari (Director)
iii. Enterprise/ Firm owned or significantly influenced by Key Management Personnel and their relatives	Superb Estate Services Pvt. Ltd. M/s. Maheshwari and Associates, Chartered Accountants

b. Transaction with related parties during the year and year end outstanding balance thereof are as follows:

(Amount in ₹)

Nature of Transactions	Enterprise owned or significantly influenced by Key Management Personnel and their relatives	Associate/ Joint Venture Concerns	Key Management Personnel	Total
i) Managerial remuneration	-	-	19,74,107	19,74,107
	-	-	(29,33,200)	(29,33,200)
ii) Sale of investments	-	1,11,389	-	1,11,389
	-	-	-	-
iii) Rent paid	2,40,000	-	6,00,000	8,40,000
	(2,40,000)	-	(6,00,000)	(8,40,000)
iv) Guarantee commission paid	-	-	2,50,000	2,50,000
	-	-	(2,50,000)	(2,50,000)
v) Loan given	-	8,08,499	-	8,08,499
	-	(9,22,858)	-	(9,22,858)
vi) Loan given received back	-	5,61,687	-	5,61,687
	-	-	-	-
vii) Balance receivable/(payable)	11,69,670	-	-	11,69,670
	(9,22,858)	-	-	(9,22,858)
viii) Dividend Paid	1,74,880	4,52,040	16,41,128	22,68,048
	(1,74,880)	(4,52,040)	(16,41,128)	(22,68,048)
ix) Rent received	4,20,000	-	-	4,20,000
	(4,20,000)	-	-	(4,20,000)

Note: a. The above transactions do not include reimbursement of expenses made / received during the year.

b. Previous year figures are in the brackets.

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

23 DISCLOSURES OF RELATED PARTY TRANSACTIONS (AS IDENTIFIED & CERTIFIED BY THE MANAGEMENT): (Contd.)

c. Disclosure in Respect of Material Related Party Transactions during the year

(Amount in ₹)

Particular	For the year ended 31st March	
	2016	2015
Managerial Remuneration		
Bhawani Sankar Rathi	19,74,107	19,81,200
Rajesh Kumar Gupta	-	9,52,000
Sale of Investments		
Garima Maheshwari	1,11,389	-
Loan given		
SFSL Risk Management Services Pvt. Ltd.	51,120	8,71,171
SFSL Insurance Advisory Services Pvt. Ltd.	-	51,687
U.S. Infotech Pvt. Ltd.	7,57,379	-
Loan given received back		
U.S. Infotech Pvt. Ltd.	5,10,000	-
SFSL Insurance Advisory Services Pvt. Ltd.	51,687	-
Rent paid		
Superb Estate Services Pvt. Ltd.	2,40,000	2,40,000
Vijay Maheshwari	6,00,000	6,00,000
Guarantee Commission paid		
Vijay Maheshwari	1,25,000	1,25,000
Bijay Murmuria	1,25,000	1,25,000
Dividend paid		
Bijay Murmuria	2,95,936	2,95,936
Bhawani Sankar Rathi	95,416	95,416
Vijay Maheshwari	12,49,776	12,49,776
SFSL Insurance Advisory Services Pvt. Ltd.	1,24,960	1,24,960
SFSL Risk Management Services Pvt. Ltd.	1,52,760	1,52,760
Capita Finance Services Ltd.	1,74,320	1,74,320
Superb Estate Services Pvt. Ltd.	1,74,880	1,74,880
Rent received		
M/s. Maheshwari & Associates, Chartered Accountants	4,20,000	4,20,000
24 EXPENDITURE / EARNING IN FOREIGN CURRENCY		
a) Expenditure in Foreign Currency		
Membership	39,690	-
Travelling	-	93,891
Total	39,690	93,891
Note : The figures given above are net payments after withholding tax deducted at source.		
b) Earnings in Foreign Currency		
Consultancy Fees	-	7,74,823
Total	-	7,74,823

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particular	For the year ended 31st March	
	2016	2015
25 EARNING PER SHARE (EPS)		
a. Profit after tax	97,24,627	2,54,02,131
b. Weighted average number of equity shares outstanding during the year (Nos.)	79,84,424	79,84,424
c. Nominal value of equity per share	10	10
d. Weighted average number of equity shares outstanding during the year in computing diluted earning per share (Nos.)	79,84,424	79,84,424
e. Earning per share		
- Basic [a/b]	1.22	3.18
- Diluted [a/d]	1.22	3.18

26 Quoted Equity Instruments held as Stock-in-Trade includes shares which the Company has pledged with Stock Holding Corporation of India Limited amounting to ₹ 2,09,99,915/- (P.Y. ₹ 1,39,26,971/-)

Scrip Name	As at 31st March, 2016	
	Quantity	Value (₹)
Bharti Airtel Ltd	4,000	1,168,558
Castrol India Limited	2,000	749,700
Larsen & Toubro Limited	300	247,749
Oriental Bank of Commerce	17,000	1,558,050
Reliance Industries Limited	4,000	3,674,858
State Bank of India	70,000	13,601,000
Pledged Quoted Equity Instruments as at 31st March, 2015		
Bharti Airtel Ltd	4,000	11,68,558
Larsen & Toubro Limited	300	2,47,749
Oriental Bank of Commerce	8,000	16,37,600
Reliance Industries Limited	4,000	32,98,800
State Bank of India	35,000	75,74,264

27 Balances of some of the trade receivables, trade payable, loans and advances incorporated in the books as per balances appearing in the relevant subsidiary records, are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management, however, is of the view that there will be no material discrepancies in this regard.

28 During the year unpaid dividend amounting to ₹ 1,50,334.10/- relating to financial year 2007-08 has been transferred to the Investor Education and Protection Fund as per Section 205C of the Companies Act, 1956.

29 Historically, the Company's investment in unquoted shares has been done with a view to hold them for long term and thereby earn capital gains, since dividend payout on such investments has generally been irregular. The aforesaid policy has been taken into consideration while computing the provision for income-tax as applicable.

30 GRATUITY AND POST-EMPLOYMENT BENEFITS PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than 'The provisions of Gratuity Act, 1972'. The above said scheme is funded.

The following table summarises the components of net benefits / expense recognised in the profit and loss account and the balance sheet for the respective plans.

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

30 GRATUITY AND POST-EMPLOYMENT BENEFITS PLANS (Contd.)

A Defined Contribution Plans:

The Company has recognised the following amounts in the Profit/Loss account for the year: (Amount in ₹)

Particular	For the year ended 31st March	
	2016	2015
Contribution to Employee's Provident Fund	5,62,407	7,04,195
Contribution to Employee's Family Pension Fund	4,94,124	4,36,097
Total	10,56,531	11,40,292

B Defined Benefit Plans:

a) Expenses recognised in the statement of Profit and Loss Account for the year ended 31st March, 2016

Particulars	For the year ended 31st March			
	2016		2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
(A) Component of Employer's Expense				
Current service cost	3,75,057	1,34,310	4,64,583	1,03,054
Interest cost on benefit obligation	3,21,292	51,203	3,00,494	50,062
Expected return on plan assets	(3,45,020)	-	(3,29,131)	-
Net actuarial (gain) / loss recognised during the period	(2,44,012)	2,47,419	1,95,863	2,24,727
Total expenses	1,07,317	4,32,932	6,31,809	3,77,843
(B) Actual Contribution and Benefits Payments for period ending				
Actual Benefit Payments	6,76,039	3,23,088	1,93,159	2,77,649
Actual Contribution	5,27,817	3,23,088	33,087	2,77,649

b) Net assets/ (liability) recognised in the balance sheet as at 31st March, 2016

Particulars	For the year ended 31st March			
	2016		2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of defined benefits obligation	38,25,040	7,66,290	41,19,123	6,56,446
Fair value of plan assets	40,69,497	-	39,43,080	-
Net Assets/ (Liability) recognised in the Balance Sheet as at 31st March	2,44,457	(7,66,290)	(1,76,043)	(6,56,446)
Employer's Expense				
(a) Current Service Cost	3,75,057	1,34,310	4,64,583	1,03,054
(b) Total Employer Expense	1,07,317	4,32,932	6,31,809	3,77,843

c) Change in obligations during the year ended 31st March, 2016

Particulars	For the year ended 31st March			
	2016		2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of defined obligation at the beginning of the period	41,19,123	6,56,446	33,38,822	5,56,252
Current service cost	3,75,057	1,34,310	4,64,583	1,03,054
Interest cost	3,21,292	51,203	3,00,494	50,062
Benefits paid	(6,76,039)	(3,23,088)	(1,93,159)	(2,77,649)
Actuarial (gains)/losses	(3,14,393)	2,47,419	2,08,383	2,24,727
Present value of defined benefits obligation at the end of the period	38,25,040	7,66,290	41,19,123	6,56,446

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

30 GRATUITY AND POST-EMPLOYMENT BENEFITS PLANS (Contd.)

d) Change in the fair value of plan Assets during the year ended 31st March, 2016

(Amount in ₹)

Particulars	For the year ended 31st March			
	2016		2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Plan Asset at the beginning of the period	39,43,080	-	37,61,501	-
Actual return on Plan Asset	2,74,639	-	3,41,651	-
Contribution by the employer	5,27,817	3,23,088	33,087	2,77,649
Employee Contributions	-	-	-	-
Benefits Paid	(6,76,039)	(3,23,088)	(1,93,159)	(2,77,649)
Plan Asset at the end of the period	40,69,497	-	39,43,080	-

e) Gratuity plan

Particulars	For the year ended 31st March				
	2016	2015	2014	2013	2012
Present value of defined benefit obligation	38,25,040	41,19,123	33,38,822	26,41,002	23,91,167
Fair value of plan assets	40,69,497	39,43,080	37,61,501	34,47,718	32,32,296
Surplus /(deficit)	2,44,457	(1,76,043)	4,22,679	8,06,716	8,41,129
Experience adjustment (gain)/ loss for plan liability	1,64,345	(2,87,300)	(25,228)	2,80,417	(39,515)
Experience adjustment (gain)/ loss for plan assets	(2,92,332)	12,520	(15,308)	(22,272)	(1,554)

f) Leave encashment

Particulars	For the year ended 31st March				
	2016	2015	2014	2013	2012
Present value of defined benefit obligation	7,66,290	6,56,446	5,56,252	5,37,316	4,51,588
Surplus /(deficit)	(7,66,290)	(6,56,446)	(5,56,252)	(5,37,316)	(4,51,588)
Experience adjustment (gain)/ loss for plan liability	2,51,504	1,40,360	1,92,190	2,04,123	1,51,194
Experience adjustment (gain)/ loss for plan assets	-	-	-	-	-

31 SEGMENT INFORMATION

Particular	For the year ended 31st March	
	2016	2015
A Primary segment information (by business segments)		
i Segment Revenue		
- Capital Market Operations	4,42,77,842	8,93,19,779
- Investment Banking	7,33,96,556	9,20,35,901
- Others (Unallocable)	-	-
Total Segment Revenue	11,76,74,398	18,13,55,680

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

31 SEGMENT INFORMATION (Contd.)

(Amount in ₹)

Particular	For the year ended 31st March	
	2016	2015
A Primary segment information (by business segments) (Contd.)		
ii Segment results (before interest and unallocated income/expense)		
– Capital Market Operations	28,55,343	1,52,10,988
– Investment Banking	1,38,00,089	2,30,95,307
– Others (Unallocable)	(11,03,258)	(12,69,543)
Total Segment Results	1,55,52,174	3,70,36,752
iii Operating Profit	1,55,52,174	3,70,36,752
iv Unallocated Interest Expenses	1,27,090	4,09,991
v Unallocated Interest Income	-	-
vi Total Profit before Tax	1,54,25,084	3,66,26,761
vii Segment Assets		
– Capital Market Operations	16,25,97,678	15,46,77,625
– Investment Banking	18,93,02,035	19,36,58,956
– Others (Unallocable)	49,17,729	67,24,590
Total Segment Assets	35,68,17,442	35,50,61,171
viii Segment Liabilities		
– Capital Market Operations	1,46,30,755	1,10,49,344
– Investment Banking	31,64,060	51,44,658
– Others (Unallocable)	59,54,523	89,29,651
Total Segment Liabilities	2,37,49,338	2,51,23,653
ix Depreciation		
– Capital Market Operations	2,85,655	7,30,055
– Investment Banking	45,24,542	68,26,797
– Others (Unallocable)	-	-
Total Depreciation	48,10,197	75,56,852
x Capital Employed		
– Capital Market Operations	14,79,66,923	14,36,28,281
– Investment Banking	18,61,37,975	18,85,14,298
– Others (Unallocable)	(10,36,794)	(22,05,061)
Total Capital Employed	33,30,68,104	32,99,37,518

Note:

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

Segments have been identified and reported taking into account the nature of services, different risk & return and internal reporting system.
- Segment Revenue, Results, Assets and Liabilities include the respective amounts identified to each of the segment and amounts allocated on a reasonable basis. Whereas un- allocable Revenue, Results, Assets and Liabilities have been included in "others".
- Segment Liabilities excludes Deferred Tax Liabilities of ₹ 1,00,52,241/- (Previous year ₹ 95,56,297/-)

B. There is no reportable geographical segment.

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

(Amount in ₹)

Particular	As at 31st March	
	2016	2015
32 CONTINGENT LIABILITY		
a) Contingent liabilities not provided for in respect of Guarantee given by Canara Bank to National Securities Clearing Corporation limited (₹ 80 lacs) and Stock Holding Corporation of India Limited (₹ 50 lacs) #	1,30,00,000	1,30,00,000
b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	20,01,085	20,01,085
c) The Income Tax has raised a demand in respect of A.Y 2008-09 for which the Company has preferred appeal with Commissioner of Income Tax (Appeals). The Company being confident of getting the case settled in its favour, no provision for the aforesaid has been made in the accounts.	1,15,615	1,15,615

The above bank guarantees extended by Canara Bank is secured by pledge of fixed deposits and also secured by way of equitable mortgage of a company's Immovable Property. The said facilities are further secured by personal guarantees of three directors of the Company.

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

Name of the Company	Country of Incorporation	% voting power held as at 31st March, 2016
SFSL Commodity Trading (P) Ltd.	India	99.97%

Associates of Sumedha Fiscal Services Limited

Name of the Company	% of shares held	Original Cost of Investment (₹)	Goodwill/ (Capital Reserve) (₹)	Accumulated Profit/(Loss) as on 31.03.16 (₹)	Carrying Amount of Investments as on 31.03.16 (₹)
SFSL Insurance Advisory Services Pvt. Ltd.	23.80	8,50,000	4,95,355	(2,35,047)	6,14,953
SFSL Risk Management Services Pvt. Ltd.	38.43	9,25,000	66,936	2,68,438	11,93,438
Capita Finance Services Ltd.	26.61	4,00,000	1,49,755	1,87,784	5,87,784
US Infotech Pvt. Ltd.	43.35	56,22,688	3,59,192	56,12,884	1,12,35,572
Total		77,97,688	10,71,238	58,34,059	1,36,31,747

Notes forming part of the Consolidated Financial Statement for the year ended 31st March, 2016 (Contd.)

- 34** Revaluation of Office Premises was carried out as on 31.03.96 by an approved Valuer. The revaluation resulted in an increase of ₹ 13,11,255/- in the value of the assets over its net book value as on 31.03.96 which has been credited to Revaluation Reserve. The difference between depreciation based on the revalued carrying amount of the office premises and on its original cost, that is, ₹ 20,505/- is transferred to General reserve as per Schedule II of Companies Act, 2013.
- 35** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.
- 36** Figures have been rounded off to nearest rupee.

As per our report of even date attached

For **ARSK & Associates**

Chartered Accountants

Firm's Registration No. 315082E

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Date : 28th May, 2016

For and on behalf of the Board of Directors

Bijay Murmuria

Director

Bhawani Sankar Rathi

Wholetime Director

Deb Kumar Sett

Company Secretary

Girdhari Lal Dadhich

Chief Financial Officer



SUMEDHA
adding values to value

SUMEDHA FISCAL SERVICES LIMITED

CIN : L70101WB1989PLC047465

Regd. Office: 6A Geetanjali, 8B Middleton Street, Kolkata – 700 071, Tel.: 033-2229 8936/6758/3237/4473 Fax : 033-2226 4140/22655830

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

ATTENDANCE SLIP

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

DP Id. : Folio No. / Client Id. No. of Shares

Name :

Address :

.....

Name of Proxy :

(in Block letters)

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

I hereby record my presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING at "Somany Conference Hall", MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata – 700 001 on Saturday, the 17th September, 2016 at 10.30 a.m.

.....

Member's Signature

.....

Proxy's Signature

Shareholders/Proxy representatives are requested to produce this Attendance Slip for admission to meeting hall. The admission may, however, be subject to verification/checks, as may be deemed necessary.



SUMEDHA
adding values to value

SUMEDHA FISCAL SERVICES LIMITED

CIN : L70101WB1989PLC047465

Regd. Office: 6A Geetanjali, 8B Middleton Street, Kolkata – 700 071; Tel.: 91 33 2229 9836/6758/3237/4473; Fax: 91 33 2226 4140

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

FORM FOR UPDATION / REGISTRATION OF E-MAIL ADDRESS

Investor Service Department

Sumedha Fiscal Services Ltd.

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

Sending of Notices, Reports and Accounts & other documents through Electronic Mode

Dear Sirs,

I hereby update / register my e-mail address provided below for receiving the Notices, Reports and Accounts and other documents from the Company through electronic mode:-

E-mail Address:

Name of the Sole / First Holder:

DP ID / Client ID / Registered Folio No.:

Contact Nos.(Land Line with STD) : Mobile:

Optional

Date:.....

.....
Signature of the Sole / First Holder

Notes: (1) The Notices, Report and Accounts and other documents are sent in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the remaining Shareholders.

(2) This Form can also be downloaded from the Company's website http://www.sumedhafiscal.com/email_form.pdf under the section 'Investor Relations'.



SUMEDHA
adding values to value

SUMEDHA FISCAL SERVICES LIMITED

NECS MANDATE FORM

To

Sumedha Fiscal Services Ltd.

(CIN : L70101WB1989PLC047465)

6A Geetanjali, 8B Middleton Street,

Kolkata – 700 071.

I/we hereby authorize you to make all payments in respect of my holding in your Company to my bankers for crediting to my account as detailed below:

1. Shareholder's Name :
(In Block letters) (First Holder)
- Mobile No..... :
- Email Id (Joint holder, if any)
2. Folio Number/DP ID and Client Id No. :
3. No. of Shares :
4. Name of the Bank :
5. Branch name and address :
6. Account Type SB A/c Current A/c Others
[Mark 'X' in the appropriate box] (Please specify)
7. Bank Account Number :
8. MICR Code Number of the Bank and Branch :
9. Nine digit code number of the bank and branch appearing on the cheque :
10. IFSC Code :
11. PAN/GIR no. : Word No.

I/we hereby declare that the particulars given above are correct and complete. If credit is not effected for the reason(s) of incomplete or incorrect information. I /we would not hold the Company responsible.

Dated :

Signature of the first holder
(as appearing in the Company's records)

Certificate of the investor's bank

Certified that the particulars of the bank account furnished above are correct as per our records.

Bank stamp:

Dated :

Signature of the authorized
official of the bank

Note: Please attach a photocopy of cheques issued by your bank relating to your above account for verifying the accuracy of the code number.

Form No. MGT-11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]



Name of the Company : **Sumedha Fiscal Services Ltd.**

CIN : **L70101WB1989PLC047465**

Registered Office : **6A Geetanjali, 8B Middleton Street, Kolkata – 700 071.**

Telephone : 033-2229 8936/6758/3237 Fax : 033-2226 4140/22655830 Email : investors@sumedhafiscal.com

Name of the Member (s) :

Registered Address :

.....

Email ID :

Folio No. / Client ID :

DP ID :

I / We, being the member(s) of Shares of the above named Company, hereby appoint -

1. Name :
Address :
Email ID :
Signature :, or failing him/her
2. Name :
Address :
Email ID :
Signature :, or failing him/her
3. Name :
Address :
Email ID :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Saturday, the 17th day of September, 2016 at 10.30a.m. at "Somany Conference Hall", MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata – 700 001 and at any adjournment thereof in respect of such resolutions as are indicated below :

Sl.No.	Resolution	Vote (Note 4)	
		For	Against
	Ordinary Business :		
1	Adopt the audited Financial Statement and Reports thereon for the financial year ended March 31, 2016		
2	Declare dividend for the financial year ended 31st March, 2016;		
3	Re-appointment of Mr. Vijay Maheshwari [DIN – 00216687] who retires by rotation		
4	Appointment of ARSK & Associates, Chartered Accountants as Auditors of the Company		
	Special Business :		
5	Re-appointment of Mr. B. S. Rathi as Wholetime Director		

Signed thisday of, 2016

Signature of Shareholder :

Signature of Proxy holder(s) :



Note. :

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. Members holding more than 10% of the total Share Capital of the Company may appoint a single person as Proxy, who shall not act as Proxy for any other Member.
4. It is optional to indicate your preference. If you leave the 'for,' 'against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

FINANCIAL HIGHLIGHTS

(₹ in lacs unless specified otherwise)

Details	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Income From Operations	1094.00	1704.60	1,314.96	1,201.31	1,276.68	1,267.22	1,372.52	874.77
Other Income	80.28	101.39	66.15	70.82	174.68	54.49	30.04	44.89
Total Income	1174.28	1805.99	1,381.11	1,272.13	1,451.36	1,321.71	1,402.56	919.66
Profit before interest, depreciation, amortisation and tax	202.18	442.27	528.06	277.87	527.30	652.03	768.86	401.70
Profit before interest & tax	154.60	367.22	488.91	237.48	486.31	614.76	741.89	375.27
Profit before tax	153.33	363.12	484.35	231.45	472.00	596.86	738.18	355.89
Profit after tax	95.66	248.22	344.47	162.13	343.70	411.09	491.13	221.15
Net fixed Assets	815.58	835.63	898.52	922.91	939.50	993.06	481.86	443.50
Share Capital	798.44	798.44	798.44	798.44	798.44	700.40	682.45	676.79
Reserves & Surplus *	2318.19	2270.36	2,098.79	1,829.02	1,724.36	1,216.78	869.37	441.90
Networth	3116.63	3068.80	2,897.23	2,627.46	2,522.80	1,917.18	1,551.82	1,118.69
Total borrowings	10.04	7.92	47.43	43.26	54.32	448.26	15.24	12.74
Earnings per share(in Rupee)	1.20	3.11	4.31	1.90	5.04	6.02	7.26	3.32
Dividend per share (in Rupee)	0.50	0.80	0.80	0.50	0.80	0.80	0.80	0.75
Book value per share (in Rupee)	39.03	38.55	36.40	33.03	31.72	28.14	22.88	16.68
EBITDS/turnover (%)	17.22	24.49	38.23	21.84	36.33	49.33	54.82	43.68
Profit before tax/ turnover (%)	13.06	20.11	35.07	18.19	32.52	45.16	52.63	38.70
Return on capital employed (%)	4.91	11.80	16.14	8.48	18.05	25.16	45.56	30.43
Return on networth (%)	3.07	8.09	11.89	6.17	13.62	21.44	31.65	19.77

* Excluding Revaluation Reserve



partnerships



principles

Values
we stand
by at
Sumedha



personal touch



SUMEDHA
adding values to value

www.sumedhafiscal.com