

17<sup>th</sup> ANNUAL REPORT

**BOARD OF DIRECTORS:**

Mr. Anil Jain	Chairman & Managing Director
Mr. Deepak Lahoti	Wholetime Director
Mr. Yash Golechha	Wholetime Director
Mr. Manoj Bharadia	Wholetime Director
Mr. Ashok Bharadia	Director
Mr. Anil Parekh	Director
Mr. Krishnagopal Biyani	Director
Mr. Vijay Gaggar	Director
Mr. Ajay Mantri	Director
Mr. Pramod Gupte	Director

**COMPLIANCE OFFICER**

Mr. Nishit Golechha

**AUDITORS**

Kochar & Associates  
Chartered Accountants

**REGISTERED OFFICE:**

205, Gundecha Chambers,  
Nagindas Master Road,  
Fort,  
Mumbai 400 001.

**CONSULTANTS**

Banshi Jain & Associates  
Chartered Accountants

**BANKERS**

Central Bank Of India  
Punjab National Bank  
Citi Bank  
Syndicate Bank.  
HDFC Bank Ltd  
State Bank of India  
Union Bank of India  
UCO Bank

<b>Contents</b>	
Notice	2
Director's Report	5
Management Discussion Analysis Report	7
Corporate Governance Report	10
CEO Certification	19
Auditors Report	21
Annual Financial Statements	24
Notes to Accounts	27
Cash Flow Statement	41

**NOTICE**

**NOTICE** is hereby given that the Seventeenth Annual General Meeting Of The Members Of Wallfort Financial Services Limited will be held at its Registered Office situated at 205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai 400 001 on Friday, 28<sup>th</sup> September 2012 at 11:00 a.m. to transact the following business: -

**ORDINARY BUSINESS**

- 1) To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2012 and the Profit & Loss Account for the year ended thereon together with the report of the Director's and the Auditor's Report thereon for the year ended on 31<sup>st</sup> March 2012.
- 2) To re-appoint M/s Kochar & Associates, Chartered Accountants, Mumbai, Auditors of the company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.
- 3) To appoint a Director in place of Mr. Ajay Mantri, who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint a Director in place of Mr. Anil Parekh who retires by rotation and being eligible offers himself for reappointment.

By and on behalf of the Board  
*for* **WALLFORT FINANCIAL SERVICES LIMITED**  
Sd/-  
**Anil Jain**  
Chairman & Managing Director

**Registered Office:**  
205, Gundecha Chambers,  
Nagindas Master Road,  
Fort,  
Mumbai 400 001

## Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. PROXIES IN ORDER TO BE VALID MUST REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Book of the company will remain closed from Friday 21<sup>st</sup> September 2012 to Friday 28<sup>th</sup> September 2012 (both the days inclusive)
4. Members are requested to notify immediately any change in their address :
  - to their Depository Participants (DPs) in respect of their electronic share accounts; and
  - to Registrar and Share Transfer Agent of the Company in respect of their physical shares folios along with Bank particulars.
5. Wallfort Financial Services Limited is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs( MCA) , Government of India, had issued the following circulars in green initiative (a) Circular Nos. 17/2011 and 18/ 2011, dated April 21, 2011 and April 29,2011 respectively, allowing companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognising the spirit of the circular issued by the MCA, we propose to send notices/documents (i.e., physical annual report of the Company comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report etc.,) to the email address. In this behalf, we are confident that you would appreciate the "Green Initiative" taken by MCA. We solicit your cooperation in helping the Company to implement the e-governance initiatives of the Government.

Shareholders who have not updated their email id till date are requested to update email address with your depository participant for demat holding of shares and with Mr. Shekhar More from 'Wallfort Financial Services Limited' for physical holding of shares and co-operate with the Company to implement the Green Initiative of the Government.

Shareholders holding shares in physical form may email the details to [shekhar.more@wallfort.com](mailto:shekhar.more@wallfort.com)

Name of the member	Son of/ Daughter of/ Wife of	Client ID/ Ledger Folio No.	No. of Shares held	Pan No. (mandatory in case of Demat holders)	E-mail address

6. For the convenience of the Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
7. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready & replies will be provided at the meeting.

8. Members attending the meeting should bring their copy of Annual Report for reference at the meeting.
9. Disclosures as per Clause 49 of the Listing Agreement for appointment /reappointment of Directors. Brief particulars of Directors being appointed/re-appointed as under;

Name	Ajay Mantri	Anil Parekh
Date of Birth	23/02/1964	27/06/1966
Date of Appointment	15/06/2005	27/11/1998
Directorship held in other Companies	-	1) Raghuvir Ferro Alloy Private Ltd. 2) Chattisgarh Projects India Private Limited. 3) Madanpur South Coal Company Limited. 4) Wallfort Steel And Power Private Limited
Memberships/ Chairmanships of Committees across Public Companies	None	None
Specialized Expertise	In business of engg exports for last 25 years and also runs a event management company.	He is Practising FCA having vast experience in the field.
Qualifications	B.Com L.L.B.	FCA
Shares held in the Company	-	-

By and on behalf of the Board  
for WALLFORT FINANCIAL SERVICES LIMITED  
Sd/-  
Anil Jain  
Chairman & Managing Director

**Registered Office:**  
205, Gundecha Chambers,  
Nagindas Master Road,  
Fort,  
Mumbai 400 001.

**Place: Mumbai**  
**Date: 21/08/2012**

## DIRECTOR'S REPORT

To,

The Shareholders  
Wallfort Financial Services Limited

Dear Shareholders,

Your Directors present their Seventeenth Annual Report and the Audited Statements of Accounts for the financial year ended on 31<sup>st</sup> March 2012.

**Financial Results**

(Amt. Rs. In Lakhs)

PARTICULARS	2011 - 2012	2010 - 2011
Gross Profit (+)Loss(-) After Interest But Before Deprecation & Taxation	(584.80)	530.62
Depreciation	34.86	35.27
Profit Before Income Tax After Depreciation	(619.66)	495.35
Short Provision of Earlier Years	--	-
Prior Period Expenses	--	-
Provision For Taxation	130.48	106.08
Net Profit After Tax	(489.18)	389.27
Balance carried forward from last year	5415.27	5026.00
Balance carried forward to Balance Sheet	4926.09	5415.27

**Performance and Future Prospects**

The performance of the company has been satisfactory due to good market condition. The company has seen some gains from the investing/trading of shares and securities. The Stock markets have been showing positive signs and it is expected that the trend shall continue in future.

**Dividend**

The Directors do not recommend any dividend for the year 2011-2012.

**Directors**

Mr. Ajay Mantri and Mr. Anil Parekh who retire by rotation at the ensuing Annual General Meeting are proposed to be re-appointed.

**Directors Responsibility Statement As Per Section 217 (2AA)**

The Board of Directors hereby confirms that:

- i. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- iii. that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the Annual Accounts on a going concern basis.

#### Auditors Report

The observation made in the Auditors Report are self-explanatory and therefore no further comments are required under Section 217 (3) of the Companies Act, 1956.

#### Auditors

M/s. Kochar & Associates, Chartered Accountants appointed as the Auditors of the Company, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment. The Company has received their consent pursuant to Section 224 (1B) of the Companies Act, 1956.

#### Particulars of Employees

During the year under review there were no employees who were in receipt of the remuneration beyond the limits prescribed under Section 217 (2A) of the Companies Act, 1956 and therefore no disclosures need to be made under the said section.

#### Corporate Governance

The amendments to the Companies Act, 1956 and the listing agreements executed with the Stock Exchanges require compliance with specified Corporate Governance practices. A detailed Report on Corporate Governance approved by the Directors is annexed. A certificate on compliance of Corporate Governance requirements issued by the Statutory Auditors of the company in pursuance to clause 49 of the listing agreement is placed with the report on Corporate Governance.

#### Conservation of Energy, Technological Absorption and Foreign Exchange Earnings and Outing

The Company is not engaged in any manufacturing activity and therefore there are no particulars to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. Foreign Exchange Details are as follows:

Inflow: Rs Nil                      Outflow: Rs 67,499/-

#### Acknowledgement

The Directors take this opportunity to thank all the employees, shareholders, bankers to the Company, The Securities & Exchange Board of India, The Stock Exchange, Mumbai, other Government Agencies and valued clients for their support and co-operation during the year under review.

By and on behalf of the Board  
for WALLFORT FINANCIAL SERVICES LIMITED

Sd/-  
Anil Jain  
Chairman & Managing Director

Place: Mumbai  
Date: 21/08/2012

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE DEVELOPMENTS AND OUTLOOK

The Capital Markets indicates the developments occurring in the economy. Stock markets provide an avenue, which brings investors and capital seekers together and makes investments in stocks liquid, thus providing an exit route to the investors. Stock markets reflect the present and future potential of the Economy.

Stock Brokers who are members in the Stock Exchanges, not only enable buyers and sellers to carry out their transactions but also provide access to Stock market information and quality research. However the Stock markets are risky, volatile & uncertain, the ups and downs that go with it and is very much intrinsic to the stock market transactions. Hence a degree of vigilance and strong research is required at all times.

The year ended 31st March, 2012 the benchmark BSE Sensex declined by 10%, as compared to the 10% growth in FY11. Market capitalization on BSE also declined by 1%, from Rs 29.55 lakh crores in March 2011 to Rs 29.28 lakh crores in March 2012, buoyed by the large public issues during the year.

### OPPORTUNITIES AND THREATS

Inspite of all the uncertainty regarding movement of Stock markets, if one goes by the past records, the stock markets have provided good returns in the long run.

However, the growth of the markets has been bogged down by fear of decreased rate of GDP and ever increasing Inflation Levels where the risk to rewards situation looks unreal. Moreover, the monetary & fiscal changes and Budget announcements also play upon the sentiments prevailing in the market.

FII net inflows resumed in later part of FY12, supporting the markets to rise from the lows. Despite the uncertain environment and some un-supporting newsflow, the FII inflow signifies the conviction of the foreign investors in the long term potential of the Indian markets.

DII participation remained muted throughout this fiscal, with net outflows seen in FY12. The recent changes in guidelines for mutual funds hit their inflows hard. However, the sell-off by FIIs in the first half of FY12 saw corresponding buying by DIIs, affirming the belief that DIIs increase their participation during market downturns, thus offering support at lower levels.

### OPPORTUNITIES

Increase in more players via foreign capital flow in the country and increased penetration and reach of capital markets to common people has increased new opportunities in the market.

We are very pleased to inform you that your company is now servicing 102 Institutional Clients and look forward to become one of the premier destination for Institutions/Corporates/Banks and FIIs in years to come. With the increase in FII flows and positive outlook on DII and Mutual Funds Flows we look forward to generating more business and servicing even more institutional clients and enhancing our service capabilities and providing good quality research and efficient market information to our clients.

Strong Brand name 'Wallfort' is a well-established brand among institutional investors in India and Broking Community. Wallfort believes that its brand is associated with high quality research and advice as well as corporate values like integrity and excellence. The company needs to leverage its brand to grow its businesses, build relationships and attract and retain talented individuals.

### **THREATS, RISKS AND CONCERNS**

The company is primarily exposed to credit risk, interest rate risk, liquidity risk and operational risks. Internally, it has constituted the board to manage these risks.

Cut throat competition on brokerage and low volumes are deterrent to progress of the Stock Broking Business.

The Risk of slowdown in global liquidity flows and increasing risk of GDP slowdown also hangs over the economy affecting the outlook for the stock broking industry and economic markets overall.

Risk exposure is monitored and controlled through a variety of separate but complementary financial, credit, operational, compliance and legal reporting systems. Risk management department analyses this data in conjunction with the company's risk management policies and takes appropriate action where necessary to minimize risk.

### **SEGMENTWISE / PRODUCTWISE PERFORMANCE**

As the company is only in one line of business i.e. stock broking segment wise or product wise disclosure of performance is not required to be made.

### **OUTLOOK**

The overall business growth of Stock Brokers mainly hinges on the health of the Indian Stock Markets. The Stock Markets had been very buoyant and it is expected that the trend shall continue in the future. However the last year has seen some consolidation period in terms of primary and secondary markets wherein the overall business sentiment had been subdued due to decrease in economic activity in the markets, lower capital inflows in the market and adverse political and economic conditions. Company is also focusing on growth of Institutional Brokerage Business by building new strategy to cater clients and add new clients. The overall Risk Reward ratio also looks not very optimistic as the global liquidity into the markets are looking robust in the later part of the year, however the GDP of the country has relatively slowed down though the same is relatively less affected by the global slowdown due to India's domestic economy and inflationary pressures are at its peak (which causes some concern) but the out look remains positive. Hence with good research and vigilance of the markets and economic conditions our outlook for the forthcoming year brings a hope of good business and returns.

### **RISK MITIGATION**

The Global markets are going through a transitional phase and the stock markets in India are not immune to the global development. Risks are assessed and ranked according to the likelihood and impact of them occurring. Existing controls are assessed and mitigation measures discussed.

Risk are assessed and reviewed regularly at top level and risk mitigation measures taken promptly to address any adverse situation. Moreover your company is essentially involved in arbitrage opportunities and with the introduction of the uniform settlement cycle the arbitrage opportunities have significantly reduced

Your Company has successfully implemented risk management framework to achieve the following objectives:

- (a) Strategic: High-Level goals, aligned with and supporting its mission.
- (b) Operations: Effective and efficient use of its resources.
- (c) Reporting: Reliability of financial reporting.
- (d) Compliance: Compliance with applicable laws and regulations.

### **MANAGEMENT PERCEPTION AND INITIATIVES:**

Boom and Bear phase are an integral part of the Stock market cycle. Although the uniform settlement cycle has resulted in reduced arbitrage opportunities, the company has shifted focus on growing the institutional business as with the robust growth of FIIs and DIIs inflows has become the silver lining opportunity.



Your company now servicing 102 Institutional Clients and making the same as thrust to increase the number, quality of service of and to these institutional clients and making forays to get empanelled with the FIIs.

The Management also looks forward to better risk reward scenarios in the future and hence is very upbeat on the investments made by the company through good quality research and looks forward to make healthy returns on the same.

#### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has an in-house internal audit department which examines and ensures adequate internal checks and control procedures. It also ensures proper accounting, records authorization, control of operations and compliance with law.

The company also believes in the importance of technology and systems in improving controls at various levels and strives to enhance them on a continuous basis. Further the Company is continuously working to improve and strengthen internal check and control system to align with the expected growth in operations.

#### **FINANCIAL PERFORMANCE**

This year's performance of your company has been negative due to deceleration in economic activities of the DII and declining margins due reduced brokerage margins and erosion of wealth due to decline in overall stock prices. However in our aim to make good investments through quality research, mitigating risk though efficient and effective market information gathering and analysis and increasing the number of institutional clients to 102 that are efficiently and effectively serviced and the companies focus on making forays to get empanelled with the FIIs. The company looks forward to mitigate and overcome the current risks and threats.

There has been a net loss of Rs. 489.18 Lacs during the year against the net profit of Rs. 389.27 Lacs during last year.

#### **DEVELOPMENTS IN HUMAN RESOURCES**

Our employees continue to be our biggest source of strength. Past success of Wallfort Financial Services Limited have come as much because of the soundness of its strategies as due to the determination and commitment of all its employees – who turned these strategies into action. Going forward, the Company's ability to enhance its human resource competencies will be even more critical. It is challenge that is being addressed through several structured initiatives.

During the year, the Company implemented several human resource and organizational development initiatives, including in areas such as job induction, job definition, policies and reward management. The Company has also instituted a well-structured variable pay plan and Performance Management System (PMS). Training and constant enhancement of skill-levels continued during the year.

By and on behalf of the Board  
for WALLFORT FINANCIAL SERVICES LIMITED

Sd/-  
Anil Jain  
Chairman & Managing Director

Place: Mumbai  
Date: 21/08/2012

## CORPORATE GOVERNANCE REPORT

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Wallfort Financial Services Limited believes that "Corporate Governance" refers to the processes and structure by which the business and affairs of the Company are directed and managed, in order to enhance long term shareholder value through enhancing corporate performance and accountability, whilst taking into account the interests of all stakeholders. Good corporate governance, therefore, embodies both enterprise (performance) and accountability (conformance).

The company strives to adopt the best governance and disclosure practices with the following principles in mind:

- (a) Satisfaction of the spirit of the law through ethical business conduct.
- (b) Transparency and a high degree of disclosure levels.
- (c) Truthful communication about how the company is run internally.
- (d) A simple and transparent corporate structure driven solely by the business needs.
- (e) Strict compliance with Clause 49 of the Listing Agreement as amended from time to time.
- (f) Establishment of an efficient Corporate Structure for the management of the Company's affairs.
- (g) Management is the trustee of the shareholders' capital and not the owner.

**2. COMPOSITION OF BOARD OF DIRECTORS**

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Non-Executive Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberations and decisions of the Board.

The composition of the Board is in accordance with the requirements of the Corporate Governance code of Listing Agreement with the stock exchanges. The Board is headed by the Executive Chairman. The Board of Directors presently comprises of 10 members.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement), across all the Companies in which he is a Director. The composition of the Board in detail is as follows:

Sr No.	Name Of The Directors	Category	*No. of Other Directorships	Membership of other committees
1	Mr. Anil Jain (Chairman & Managing Director)	Executive & Promoter	None	None
2	Mr. Ashok Bharadia	Non executive & Promoter	None	None
3	Mr. Manoj Bharadia (Wholetime Director)	Executive & Promoter	None	None
4	Mr. Deepak Lahoti (Wholetime Director)	Executive & Promoter	None	None
5	Mr. Yash Golechha (Wholetime Director)	Executive & Promoter	None	None
6	Mr. Anil Parekh	Non-executive and Independent	None	None
7	Mr. Krishan Gopal Biyani	Non Executive and Independent	None	None
8	Mr. Ajay Mantri	Non Executive and Independent	None	None
9	Mr. Vijay Kumar Gagar	Non Executive and Independent	None	None
10	Pramod Gupte	Non Executive and Independent	None	None

\* Directorships of Public Limited Companies only

The Directors furnish Notice of Disclosure of Interest as specified in Section 299(3) of the Company Act 1956.

#### Responsibilities Of The Boards:

The Board discharges the duties responsibilities as required under the applicable statute (s) including the Companies Act, 1956, Guidelines issued by SEBI and other regularities bodies from time to time. The Board of Directors ensures that other responsibilities do not have any material impact on their responsibilities as Directors of the company

#### Role Of The Independent Directors:

The independent directors play an important role & participate in all the deliberation of the Board and contribute to the decision making process with their rich knowledge and expertise in the areas of Account, Financial, Law, & other professional areas.

#### Meetings Of The Board:

Normally the meetings of the Board are held at Mumbai, dates of which are decided in advance. The members of the Boards have access to all information and records of the Company. Senior officials are invited to attend the meeting and provide clarification as and when required. The Board met 6 times during the year.

#### Attendance:

Sr No.	Name Of The Directors	Meetings held during the tenure of the Director from 1/4/2011 to 31/3/2012	No of Meetings attended	Attendance at the last AGM
1	Mr. Anil Jain	6	6	Yes
2	Mr. Ashok Bharadia	6	6	Yes
3	Mr. Manoj Bharadia	6	6	Yes
4	Mr. Deepak Lahoti	6	6	Yes
5	Mr. Yash Golechha	6	6	Yes
6	Mr. Krishna Gopal Biyani	6	5	No
7	Mr. Ajay Mantri	6	6	Yes
8	Mr. Anil Parekh	6	6	No
9	Mr. Vijay Kumar Gaggar	6	5	Yes
10	Mr. Pramod Gupte	6	5	Yes

#### Changes in Directors

During the year under review, following were changes in the Composition of Board of Directors: Mr. Ajay Mantri and Mr. Anil Parekh who retire by rotation at the ensuing Annual General meeting are proposed to be re-appointed.

**3. COMMITTEES OF THE BOARD**

With a view to enable more focused and timely attention on the affairs of the company, the Board has constituted the following committees with delegation in particular areas.

**Audit Committee:**

Audit Committee of the Board was constituted in compliance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Composition of the Audit Committee and the details of meetings attended by the members of the Audit Committee are given below:-

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. Ajay Mantri (Chairman)	Non Executive and Independent	5	5
Mr. Ashok Bharadia	Non Executive and Promoter	5	4
Mr. Manoj Bharadia	Executive and Promoter	5	4
Mr. Krishna Gopal Biyani	Non Executive and Independent	5	5

The Committee consists of experienced Directors having knowledge in accounts, law and other related subjects. The Quorum of the meeting is two independent Directors.

The following areas are referred to the Audit Committee

- (a) Overall assessment of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending the appointment of external auditor, fixation of audit fees and also approval for payment for any other services.
- (c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
  - (i) Changes, if any, in accounting policies and practices.
  - (ii) Major accounting entries based on exercise of judgment by management.
  - (iii) Observations, if any, in draft audit report.
  - (iv) Significant changes/amendments, if any, arising out of audit.
  - (v) The going concern assumption.
  - (vi) Compliance with accounting standards.
  - (vii) Compliance with Stock Exchanges and Legal requirements concerning financial statements.
  - (viii) Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.
- (d) Reviewing with the management, external and internal auditors and adequacy of internal control systems.
- (e) Reviewing the adequacy of internal audit function, coverage and frequency of internal audit.
- (f) Discussion with internal auditors any significant findings and follow up there on.

- (g) Reviewing the findings, if any, of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (h) Discussions with external auditors before the audit commencement nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- (i) Reviewing the company's financial and risk management policies.
- (j) To look into the reasons for substantial defaults, if any, in the payments to the creditors etc.

The Audit Committee shall exercise the following additional powers;

- (a) To investigate any activity within its terms of reference;
- (b) To seek information from any employee;
- (c) To obtain outside legal or other professional advice; and
- (d) To secure attendance of outsiders with relevant expertise, if any, if it considers necessary.

**Shareholders and Investor Grievances Committee:**

The Composition of the Shareholders/Investors Grievance Committee and details of Meetings attended by the Directors are given below:

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. Ashok Bharadia (Chairman)	Non Executive and Promoter	2	2
Mr. Deepak Lahoti	Executive and Promoter	2	2
Mr. Yash Golecha	Executive and Promoter	2	2
Mr. Anil Parekh	Non Executive and Independent	2	2

The Committee has been delegated authority by the Board to approve transfers/transmission of shares, issue of share certificates etc. The committee meets as and when there transfers/transmission of shares, or any complaints/ queries of the shareholders need to be attended.

The committee also reviews the queries and complaints received from the shareholders and the steps taken for their redressal. There were no complaints pending as on 31<sup>st</sup> March 2012.

There were no transfers/transmission of shares, issue of share certificates or investor complaints during the financial year.

**Remuneration committee**

The Composition of the Remuneration committee and details of Meetings attended by the Directors are given below:

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. Ajay Mantri (Chairman)	Non Executive and Independent	1	1
Mr. Krishnagopal Biyani	Non Executive and Independent	1	1
Mr. Anil Parekh	Non Executive and Independent	1	1

The Remuneration Committee is authorized to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration packages for executive Directors including pension rights and any compensation payment.

#### Directors Remuneration:

Sr No.	Name Of The Directors	Designation	Salary per month
1.	Mr. Anil Jain	Managing Director	Rs. 50,000/-
2.	Mr. Deepak Lahoti	Wholetime Director	Rs. 35,000/-
3.	Mr. Yash Golechha	Wholetime Director	Rs. 40,000/-
4.	Mr. Manoj Bharadia	Wholetime Director	Rs. 25,000/-

#### 4. ANNUAL GENERAL MEETING (AGMS):

The particulars of Annual General Meeting held during the last three years are as follows:

Year	Date	Time	Venue
2008-2009	30 <sup>th</sup> September 2009	11:00 a.m.	205, Gundecha Chambers, N.M.Road Fort, Mumbai 400001
2009-2010	30 <sup>th</sup> September 2010	11:00 a.m.	205, Gundecha Chambers, N.M.Road Fort, Mumbai 400001
2010-2011	30 <sup>th</sup> September 2011	11:00 a.m.	205, Gundecha Chambers, N.M.Road Fort, Mumbai 400001

#### Special resolution:

- 1) Vide Special Resolution passed on 30<sup>th</sup> September 2010, the shareholders approved increase in remuneration to be paid to Mr Deepak Lahoti, Wholetime Director of the Company, whereby he shall be paid salary ranging between Rs. 50,000/- to Rs. 2,00,000/- per month and bonus equivalent to four months salary paid w.e.f 1<sup>st</sup> October 2010.
- 2) Vide Special Resolution passed on 30<sup>th</sup> September 2010, the shareholders approved increase in remuneration paid to Mr Yash Golecha, Wholetime Director of the Company, whereby he shall be paid salary ranging

- between Rs. 50,000/- to Rs. 2,00,000/- per month and bonus equivalent to four months salary paid w.e.f. 1<sup>st</sup> October 2010.
- 3) Vide Special Resolution passed on 30<sup>th</sup> September 2010, the shareholders approved increase in remuneration paid to Mr Manoj Bharadia , Wholetime Director of the Company, whereby he shall be paid salary ranging between Rs 50,000/- to Rs 2,00,000/- per month and bonus equivalent to four months salary paid w.e.f.1<sup>st</sup> October 2010
  - 4) Vide Special Resolution passed on 30<sup>th</sup> September 2010 Mr Anil Jain was appointed as Managing Director of the Company w.e.f 19<sup>th</sup> September 2010 for a period of five years
  - 5) Special Resolution was passed through Postal Ballot as on 14<sup>th</sup> February, 2011 for alteration of Object Clause of the Memorandum of Association of the Company by inserting the following Clause (1A) after the Clause (1) in the Main Object Clause III (A) of the Memorandum of Association;  
(1A) To act as a Depository Participant of NSDL, CDSL or any other depository and provide various services of acting as intermediaries between the depository and the investors, Dematerialisation /Rematerialisation of Shares, Transfer of securities, Change of beneficial ownership, Settlement of trades done on exchange connected to the Depository and such other services as may be required to be provided by Depository Participant.
  - 6) Vide Special Resolution passed on 30<sup>th</sup>, September 2011. The Articles of Association of the company was altered.

#### 5. DISCLOSURES

The disclosure of related party transactions has been made in the Point No. 10 of Part B of Notes Forming Part of the Accounts on 31<sup>st</sup> March 2012. No penalties or strictures have been imposed on the company on any matter relating to the capital market by any regulatory authority for non-compliance for any laws during the last three years.

#### 6. COMMUNICATION TO SHAREHOLDERS

The periodical unaudited/audited financial results are published in Jantechya Mahanayak (Hindi) and The Asian Age (English) as required under the Listing Agreement. All financial and other vital information is promptly communicated to the stock exchanges on which company's shares are listed.

The Company has also complied with Clause 54 of the Listing Agreement whereby the Company has updated its website containing basic information about the Company e.g details of business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances. The company also agrees to ensure that the contents of the said website are updated at any given point of time as a part of shareholder information. The said results are displayed on the website of the company [www.wallfort.co.in](http://www.wallfort.co.in)

#### 7. MANAGEMENT DISCUSSION ANALYSIS REPORT

The Management Discussion Analysis report forms a part of the Annual Report.

#### 8. CODE OF CONDUCT

##### Declaration of compliance with code of conduct

The Board members have confirmed compliance with code of conduct and ethics for the period ended March 31<sup>st</sup>, 2012 as provided under clause 49 of the listing agreement with the stock exchange.

Sd/-  
Anil Jain  
Chairman & Managing Director

**9. SHAREHOLDERS INFORMATION:****i. Annual General Meeting**

The Annual General Meeting of the company for the year ended 31<sup>st</sup> March 2012 will be held at its Registered Office situated at 205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai 400 001 on Friday, 28<sup>th</sup> September 2012 at 11:00 a.m.

**ii. Financial Calendar for 2012-2013(Provisional)**

1	Results for the Quarter ended 30 <sup>th</sup> June 2012	By 15th August 2012
2	Results for the Quarter ended 30 <sup>th</sup> September 2012	By 15th November 2012
3	Results for the Quarter ended 31 <sup>st</sup> December 2012	By 15th February 2013
4	Results for the Quarter ended 31 <sup>st</sup> March 2013	By 15th May 2013
5	Results for the Year ended 31 <sup>st</sup> March 2013	By end of August 2013
6	Annual general Meeting for the year ended 31 <sup>st</sup> March 2013	By end of September 2013

**iii. Book Closure**

The Register of members and Share Transfer books are closed keeping in view the proposed dates of annual general meeting. For the year reference the above registers/books would be closed from Friday 21<sup>st</sup> September 2012 to Friday 28<sup>th</sup> September 2012 (both days inclusive) and was notified accordingly.

**iv. Listing Of Shares:**

The equity shares issued by the company are listed on the following Stock Exchanges,

Bombay Stock Exchange  
Phiroze Jeejeebhoy Towers,  
Dalal Street.  
Mumbai 400 001

**v. Dematerialization Of Shares:**

The Equity Shares of the Company are to be traded compulsorily in Dematerialised form. About 87.65% of paid-up Equity Capital has been dematerialised as on 31/03/2012.  
The Company has entered in to agreements with the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for the purpose.  
ISIN number for NSDL & CDSL: **INE121B01014**

**vi. Dividend Payment:**

No dividend has been recommended for the year 2011-2012

**vii. Listing of shares on stock exchanges and Stock Code**

SI No.	Name Of Stock Exchange	Stock Code
1	The Bombay Stock Exchange Limited	532053



## viii. Stock Market Price data

Month	High	Low
April 2011	42.40	34.25
May 2011	46.90	40.90
June 2011	41.65	28.65
July 2011	35.60	29.90
August 2011	39.10	32.30
September 2011	38.55	36.75
October 2011	38.25	27.55
November 2011	31.80	30.30
December 2011	30.00	22.15
January 2012	24.15	20.00
February 2012	22.80	20.70
March 2012	31.50	23.90

## ix. Registrar &amp; Transfer Agent

With a view to provide prompt and efficient services to the investors the company has entered into an agreement with M/s. Satellite Corporate Services Pvt. Ltd, Registrar & Transfer Agents registered with SEBI.

## Address:

B-302, Sony Apartment, Opp. St. Jude's High School,  
Off. Andheri-Kurla Road, Jarimari, Sakinaka,  
Mumbai-400072

## x. Share Transfer System

With a view to provide prompt and efficient services to the investors the company has entered into an agreement with M/s. Satellite Corporate Services Pvt. Ltd, Registrar & Transfer Agents registered with SEBI.

To supplement to the prompt services given by the Registrar & Transfer Agent the Shareholders and Investors grievance Committee meets as and when there are transfers/transmission of shares for the approvals of periodical transfers, issue of share certificates, splitting of shares etc.

All requests for dematerialisation of shares are processed and confirmation thereof is sent to the shareholders within 7 to 15 days of the receipt thereof.

## xi. Investor Correspondence

Company has registered with SCORES (SEBI Complaints Redress System) for redressal of investor complaints.

xii. (A) Distribution schedule of the Shareholding as on 31<sup>st</sup> March 2012:

No. Of Equity Shares Held	No. Share Holders	No. Of Shareheld	% Of Shareholding	
Rs.	Rs.	Number		
Upto	2500	1485	718578	7.42
2501 to	5000	46	219156	2.26
5001 to	10000	19	183366	1.89
10001 to	20000	15	263500	2.72
20001 to	30000	4	96800	1.00
30001 to	40000	3	141600	1.46
40001 to	50000	5	231000	2.38
50001 to	100000	13	1317800	13.60
100001 and above		15	6515400	67.26
<b>TOTAL</b>		<b>1605</b>	<b>9687200</b>	<b>100.00</b>

xiii. (B) Shareholding Pattern as on 31<sup>st</sup> March 2012

	CATEGORY	Nos. of Equity Shares	TOTAL %
<b>A</b>	<b>Share Holding Of Promoters</b>		
	<b>Promoters Group</b>		
	<b>1. Indian</b>		
	Individuals / Hindu	7,238,100	74.72
	Undivided Family		
	Bodies Corporate	24,500	0.25
	<b>SUB TOTAL</b>	<b>7,262,600</b>	<b>74.97</b>
	<b>2. Foreign</b>	<b>NIL</b>	<b>NIL</b>
	Total shareholding of Promoter & Promoter Group (A)	7,262,600	74.97
<b>B.</b>	<b>Publing Share Holding</b>		
	<b>1. Institutions</b>		
	<b>2. Non - Institutions</b>		
	Bodies Corporate	412075	4.25
	Individuals		
	Individual shareholders holding nominal share capital up to Rs. 1 lakh	1065464	11
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	924800	9.55
	Any Other Specify	0	0
	Non Resident Indians	850	0.01
	Hindu Undivided Families	21411	0.22
	<b>Sub Total</b>	<b>2424600</b>	<b>25.03</b>
	<b>Total Publing Sharholding (B)</b>	<b>2,424,600</b>	<b>25.03</b>
	<b>Total (A)+(B)</b>	<b>9,687,200</b>	<b>100.00</b>
<b>C</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>		
	(1) Promoter and Promoter Group	-	-
	(2) Public	-	-
	<b>Sub Total</b>	<b>-</b>	<b>-</b>
	<b>Total (A)+(B)+(C)</b>	<b>9,687,200</b>	<b>100.00</b>

## xiv. Address for Correspondence

205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai 400001.

Place Mumbai  
Date : 21-8-2012

By and on behalf of the Board  
for WALLFORT FINANCIAL SERVICES LIMITED

Sd/-  
ANIL JAIN  
CHAIRMAN & MANAGING DIRECTOR

**CEO Certification**

To  
The Board of Directors  
Wallfort Financial Services Limited  
Mumbai

- I, Anil Jain, Chairman and Managing Director of Wallfort Financial Services Limited, to the best of my knowledge and belief, certify that :
- 1) I have reviewed the Balance Sheet and Profit and Loss account (standalone and consolidated), and all the schedules and notes on accounts, as well as the Cash Flow statements, and the Directors' report.
  - 2) Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made.
  - 3) Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
  - 4) To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct
  - 5) I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and i have :
    - (a) Designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared.
    - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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 (GAAP).
    - (c) Evaluated the effectiveness of the Company's disclosure, controls and procedures
    - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting

Place : Mumbai  
Date : 21/08/2012

Sd/-  
ANIL JAIN  
CHAIRMAN & MANAGING DIRECTOR

**Auditors Certificate on Compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement**

To  
The Members of Wallfort Financial Services Ltd.

We have examined the compliance of conditions of Corporate Governance by Wallfort Financial Services Ltd. ("the company") for the year ended on March 31<sup>st</sup>, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of Conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the Conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has substantially complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no material investor grievances for a period exceeding one month against the company as per the records maintained by the company.

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

**For KOCHAR & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Sd/-  
**S. A. KOCHAR  
(PARTNER)**

**PLACE: MUMBAI  
DATED: 21/08/2012**

**AUDITORS REPORT**

**TO THE MEMBERS OF  
M/s. WALLFORT FINANCIAL SERVICES LTD.**

We have audited the attached Balance Sheet of M/S. WALLFORT FINANCIAL SERVICES LTD. as at 31st March 2012 and also the Profit and Loss Account for the period ended on that date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Company Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Said Order.

Further to our comments in the Annexure referred to above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books.
- c. The Balance Sheet and Profit and Loss Account and Cash Flow dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3c) of Section 211 of the Companies Act, 1956.
- e. On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012 and
  - ii. In the case of Profit and Loss Account, of the Loss of the Company for the period ended on that date.
  - iii. In the case of cash flow statement, of the cash flows for the period ended on that date.

**For Kochar & Associates  
Chartered Accountants  
FRN No.105256W  
CA. Piyush Kochar  
Partner  
M. No. 106049**

**Place: Mumbai  
Date: 21 August 2012.**

**ANNEXURE TO THE AUDITOR'S REPORT**

**(Referred to in paragraph 1 of our report of even date on the accounts for the period ended 31st March 2012 of M/s Wallfort Financial Services Ltd.)**

- a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

The management during the year has physically verified the Fixed Assets and no material discrepancies were observed on such verifications.

- b. The management has physically verified stocks of shares and debentures. In our Opinion, the frequency of verification is reasonable.

The procedures of verification of stock of shares and debentures followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The Company is maintaining proper records of Shares and Debentures. The discrepancies noticed on verification between the physical stocks and the Book records were not material.

- c. The company has not granted any loans company and or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

The Company had taken loans from 3 companies and 1 other party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 750 lakhs and at the year-end balance of loans taken from such parties was Rs. NIL.

The rate of Interest and the terms on which these loans have been raised are not prima facie prejudicial to the Interests of the Company.

The Company is regular in repaying the Principal as stipulated.

- d. In our opinion and according to the information and explanations given to us there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of shares and debentures and other fixed assets and with regard to the sale of shares and debentures.

- e. According to the information and explanations given to us, we are of the opinion that particulars of Contracts or arrangements referred to under section 301 of the Companies Act, 1956 have been so entered in the register maintained under that Act.

According to the information and explanation given to us, the transactions made in pursuance to contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakhs in respect of any party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- f. The Company has not accepted any deposits from the public during the year under review.
- g. Although the Company does not have a formal internal audit system in our opinion, its internal control procedures involves reasonable internal check of its financial transaction.
- h. The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act 1956.

- i. The Company is generally regular in Depositing with the appropriate authorities undisputed statutory dues including Investor Education, Protection Fund, Provident Fund Dues, Employees State Insurance Dues, Income Tax, Service Tax, Stamp Duty and other material statutory dues applicable to it.

According to the information and explanations given to us, there are no undisputed amounts, except Wealth Tax amounting to Rs. 1,75,500/-, payable in respect of Income Tax, Sales Tax, Customs Duty and Excise Duty that were outstanding as on March 31, 2012 for a period of more than six months from the date on which they became payable.

- j. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- k. The Company has not granted loans and advances on the basis of security by way of pledge of shares and debentures.
- l. We are informed that the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit society are not applicable to the Company. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- m. In our opinion and according to the explanations given to us, the Company has maintained proper record of the transactions and contracts of dealing or trading in shares and debentures and timely entries have been made therein. Also such shares securities and other investments have been held by the company in its own name except to the extent of exemption granted under section 49 of the Act.
- n. The company has not given Guarantees for Loans taken by others from Banks or Financial Institutions.
- o. The Company has not taken any Term Loans.
- p. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for Long Term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- q. As the company has not made any allotment of shares during the year hence this clause is not applicable.
- r. As the company has not issued any debentures this clause is not applicable.
- s. As the company has not raised any money by public issue during the year hence this clause is not applicable.
- t. According to the Information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place : Mumbai  
Date : 21/08/2012

For Kochar & Associates  
Chartered Accountants  
FRN No.105256W  
CA. Piyush Kochar  
Partner  
M. No. 106049

**WALLFORT FINANCIAL SERVICES LTD.**  
**BALANCE SHEET AS AT 31ST MARCH 2012**

	Note No.	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
a) Share Capital	A	96,872,000	96,872,000
b) Reserves and Surplus	B	496,678,708	545,597,096
c) Money received against share warrants		-	-
<b>2) Share application money pending allotment</b>		-	-
<b>3) Non-Current Liabilities</b>			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (Net)		-	1,137,802
c) Other Long term liabilities		-	-
d) Long term provisions	C	1,383,596	1,410,367
<b>4) Current Liabilities</b>			
a) Short-term borrowings	D	14,637,362	17,500,000
b) Trade payables	E	11,345,387	10,920,271
c) Other current liabilities	F	48,287	96,659
d) Short-term provisions	G	40,000	9,062,000
<b>Total</b>		<b>621,005,340</b>	<b>682,596,195</b>
<b>II ASSETS</b>			
<b>1 Non-Current assets</b>			
a) Fixed assets			
i) Tangible assets	H	18,575,927	20,447,120
ii) Intangible assets		-	-
iii) Capital work-in-progress		-	-
iv) Intangible assets under development		-	-
b) Non-current investments	I	262,118,154	262,107,514
c) Deferred tax assets (net)		11,950,325	-
d) Long term loans and advances	J	111,528,585	103,290,196
e) Other non-current assets		-	-
<b>2) Current assets</b>			
a) Current investments	K	75,361,765	73,399,295
b) Inventories		-	-
c) Trade receivables	L	2,342,515	2,396,554
d) Cash and bank balances	M	127,434,327	124,623,874
e) Short-term loans and advances	N	4,905,713	88,954,916
f) Other current assets	O	6,788,029	7,376,726
<b>Total</b>		<b>621,005,340</b>	<b>682,596,195</b>



**WALLFORT FINANCIAL SERVICES LTD.**  
**BALANCE SHEET AS AT 31ST MARCH 2012**

Significant Accounting Policies and Notes Forming Part of the Accounts  
As per our report of even date attached

For Kochar & Associates  
Chartered Accountants  
FRN No.105256W

CA. Piyush Kochar  
Partner  
M. No. 106049

Place: Mumbai  
Date: 21 August 2012.

For and on behalf of the Board  
Sd/- ANIL JAIN  
Chairman & Managing Director

Sd/- MANOJ BHARADIA  
WHOLETIME DIRECTOR

Sd/- ASHOK BHARADIA  
DIRECTOR

**WALLFORT FINANCIAL SERVICES LTD.**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012**

	Note No.	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
<b>Revenue:</b>			
Revenue from operations	P	19,398,600	138,525,409
Other Income	Q	11,060,929	8,127,701
<b>Total Revenue</b>		<b>30,459,528</b>	<b>146,653,110</b>
<b>Expenses:</b>			
Employee benefit expense	R	20,502,579	22,115,027
Financial costs	S	4,847,381	4,362,463
Depreciation		3,486,572	3,527,302
Other expenses	T	63,448,386	70,431,318
<b>Total Expenses</b>		<b>92,284,918</b>	<b>100,436,110</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(61,825,389)</b>	<b>46,217,000</b>
<b>Exceptional Items</b>			
Loss on Sale of Assets		141,126	125,102
Excess Provision written back		-	3,443,234
<b>Profit before extraordinary items and tax</b>		<b>(61,966,515)</b>	<b>49,535,132</b>
<b>Extraordinary Items</b>			
		-	-
<b>Profit before tax</b>		<b>(61,966,515)</b>	<b>49,535,132</b>
<b>Tax expense:</b>			
1) Current tax		-	9,000,000
2) Deferred tax		(13,088,128)	1,546,923
3) Wealth Tax		40,000	62,000
4) Short/(Excess) Provision for tax for earlier years		-	-
<b>Profit(Loss) for the period from continuing operations</b>		<b>(48,918,388)</b>	<b>38,926,209</b>
Profit(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
<b>Net Profit/(Loss) from Discontinuing operations</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the period</b>		<b>(48,918,388)</b>	<b>38,926,209</b>
<b>Earning per equity share:</b>			
(1) Basic		(5.05)	4.02
(2) Diluted		(5.05)	4.02
<b>Significant Accounting Policies and Notes Forming Part of the Accounts</b>			

As per our report of even date attached

For and on behalf of  
**Kochar & Associates**  
Chartered Accountants  
FRN No.105256W

CA. Piyush Kochar  
Partner  
M. No. 106049

Place: Mumbai  
Date: 21 August 2012.

For and on behalf of the Board  
Sd/- ANIL JAIN  
Chairman & Managing Director

Sd/- MANOJ BHARADIA  
WHOLETIME DIRECTOR

Sd/- ASHOK BHARADIA  
DIRECTOR

**WALLFORT FINANCIAL SERVICES LTD.**  
**NOTES FORMING PART**  
**OF THE BALANCE SHEET AS AT 31ST MARCH 2012**

PARTICULARS	31/3/2012	31/3/2011
<b>Note A : Share Capital</b>		
<b>Authorised</b>		
1,10,00,000 Equity Shares of Rs. 10 Each	110,000,000	110,000,000
<b>Issued</b>		
1,05,01,200 (P.Y. 1,05,01,200) equity shares of Rs. 10 each fully paid up	105,012,000	105,012,000
Less: 8,14,000 Equity Shares of Rs.10 each forfeited	8,140,000	8,140,000
<b>Subscribed and Paid Up-</b>		
96,87,200 Equity Shares of Rs. 10 Each fully paid up	96,872,000	96,872,000
<b>TOTAL</b>	<b>96,872,000</b>	<b>96,872,000</b>
<b>Authorized shares</b>		
Number	11,000,000	11,000,000
Amount	110,000,000	110,000,000
<b>Number of Shares</b>		
Issued	9,687,200	9,687,200
Subscribed and fully paid	9,687,200	9,687,200
Subscribed but not fully paid	-	-
<b>Par value per share</b>	10	10
<b>Reconciliation</b>		
Shares outstanding at the beginning of the reporting period	9,687,200	9,687,200
Shares allotted during the year	-	-
Shares outstanding at the end of the Reporting period	9,687,200	9,687,200
<b>Rights, preferences and restrictions including restrictions on the distribution of</b>		
The company has one class of equity shares having a par value of Rs. 10 per share. Each		
<b>Shares held by the holding company or the ultimate holding company or subsidiaries.</b>	N.A.	N.A.
<b>Shares in the company held by each shareholder holding more than 5% specifying the number of shares held</b>		
Anil Jain	1,225,010	1,225,010
Ashok Bharadia	1,100,010	1,100,010
Anjali Jain	947,510	947,510
Sangeeta Bharadia	841,910	841,910
<b>Shares reserved for issue under options and contracts / commitments for the sale of shares/disinvestment, including the terms and amounts For a period of five years immediately preceding the date as at which the balance sheet is prepared</b>	N.A.	N.A.
Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash	N.A.	N.A.
Aggregate number and class of shares allotted as fully paid up by way of bonus shares	N.A.	N.A.
Aggregate number and class of shares bought back	N.A.	N.A.

<b>PARTICULARS</b>	<b>31/3/2012</b>	<b>31/3/2011</b>
<u>Terms of securities convertible into equity/preference shares issued along with the earliest date of conversion</u>	N.A	N.A
<u>Calls unpaid (showing aggregate value of calls unpaid by directors and officers)</u>	4,070,000	4,070,000
<b>Note B:</b>		
<b><u>Reserves &amp; Surplus</u></b>		
<b><u>Reserves</u></b>		
<u>Capital Reserve on forfeiture of shares</u>		
Balance as per the previous Balance Sheet	4,070,000	4,070,000
Add: Transfer from Profit & Loss Account Balance as at the end of the Period	4,070,000	4,070,000
<b><u>Surplus</u></b>		
<b><u>Profit &amp; Loss Account</u></b>		
Balance as per the previous Balance Sheet	541,527,096	502,600,887
Add: Profit during the year	(48,918,388)	38,926,209
Balance as at the end of the period	492,608,708	541,527,096
<b>TOTAL</b>	<b>496,678,708</b>	<b>545,597,096</b>
<b>Note C:</b>		
<b><u>Long Term Provisions</u></b>		
<u>Provision for Employee Benefits</u>		
Provision for Gratuity	1,383,596	1,410,367
<b>TOTAL</b>	<b>1,383,596</b>	<b>1,410,367</b>
<b>Note D:</b>		
<b><u>Short Term Borrowings</u></b>		
<b><u>Secured</u></b>		
Loans repayable on Demand from Banks (Secured by Pledge/ Mortgage of the Companies Securities and Guaranteed by some of the Directors and some relatives jointly and severally)	14,637,362	-
<b><u>Unsecured</u></b>		
Loans and Advances from Related Parties		17,500,000
<b>TOTAL</b>	<b>14,637,362</b>	<b>17,500,000</b>
<b>Note E:</b>		
<b><u>Trade Payables</u></b>		
Trade Payables	11,345,387	10,920,271
<b>TOTAL</b>	<b>11,345,387</b>	<b>10,920,271</b>
<b>Note F:</b>		
<b><u>Other Current Liabilities</u></b>		
Other Payables	48,287	96,659
<b>TOTAL</b>	<b>48,287</b>	<b>96,659</b>

PARTICULARS	31/3/2012	31/3/2011
<b>Note G:</b>		
<b>Short Term Provisions</b>		
Provision for Income Tax - Current Year		9,000,000
Provision for Wealth Tax - Current Year	40,000	62,000
<b>TOTAL</b>	<b>40,000</b>	<b>9,062,000</b>
<b>Note I:</b>		
<b>Non-Current Investments</b>		
(At Cost, Long Term)		
<b>Unquoted</b>		
<b>Others</b>		
Equity Shares	21,447,500	26,397,500
Units of Mutual Fund	500,000	500,000
<b>Quoted</b>		
<b>Trade</b>		
Equity Shares	240,170,654	235,210,014
(Aggregate amount of Unquoted Investments Rs. 219.47 lakhs)		
(Aggregate amount of Quoted Investments Rs. 240.17 lakhs)		
(Market Value of Quoted Investments is Rs. 236.60 lakhs)		
<b>TOTAL</b>	<b>262,118,154</b>	<b>262,107,514</b>
<b>Note J:</b>		
<b>Long Term Loans and Advances</b>		
<b>Unsecured Considered Good</b>		
Capital Advances		
Deposits	103,466,683.00	88,619,407
(includes deposit with Associate Enterprises Rs. 3.35 lakhs and with Directors relatives Rs 400 lakhs)		
Staff Loans	250,000	68,000
<b>Other Loans and Advances</b>		
Advance recoverable in cash or in kind or for the value to be received	705,812	705,812
Prepaid Expenses	168,982	200,029
Advance Tax & TDS (net of provisions)	6,937,108	13,696,948
<b>TOTAL</b>	<b>111,528,585</b>	<b>103,290,196</b>
<b>Note K:</b>		
<b>Current Investments</b>		
(Lower of Cost and Market Value)		
<b>Quoted</b>		
<b>Trade</b>		
Equity Shares	86,166,672	73,399,295
Less: Provisions for diminution in value of investment	10,804,907	
(Aggregate amount of Quoted Investments Rs 753.61 lakhs)		
(Market Value of Quoted Investments is Rs. 769.69 lakhs)		
<b>TOTAL</b>	<b>75,361,765</b>	<b>73,399,295</b>

PARTICULARS	31/3/2012	31/3/2011
<b>Note L:</b>		
<b>Trade Receivables</b>		
Unsecured Considered Good	2,342,515	2,396,554
<b>TOTAL</b>	<b>2,342,515</b>	<b>2,396,554</b>
<b>Note M:</b>		
<b>Cash &amp; Bank Balances</b>		
<b>Cash &amp; Cash Equivalent</b>		
Cash in Hand	381,365	710,705
Cheques in Hand		
<b>Bank Balance</b>		
In Current Account	5,537,599	(3,374,325)
Short Term Highly Liquid Investments / Deposits with maturity of less than 3 months	22,500,000	23,665,041
<b>Other Bank Balances</b>		
<b>FD with Scheduled Banks</b>		
Deposits with maturity more than 3 months and less than 12 months	72,118,602	91,878,049
Deposits with maturity more than 12 months	26,896,762	11,744,404
<b>TOTAL</b>	<b>127,434,327</b>	<b>124,623,874</b>
<b>Note N:</b>		
<b>Short Term Loans and Advances</b>		
<b>Unsecured Considered Good</b>		
Staff Loans	1,342,308	876,806
<b>Other Loans and Advances</b>		
Advance recoverable in cash or in kind or for the value to be received	1,571,805	86,258,853
Prepaid Expenses	1,991,601	1,819,257
<b>TOTAL</b>	<b>4,905,713.11</b>	<b>88,954,915.74</b>
<b>Note O:</b>		
<b>Other Current Assets</b>		
Interest Accrued on Fixed Deposits	6,788,029	7,376,726
<b>TOTAL</b>	<b>6,788,029</b>	<b>7,376,726</b>
<b>Note P:</b>		
<b>Revenue from Operation</b>		
Income from Sale of Investments	(7,433,980)	188,196,551
Business Income	(15,831,254)	-109,917,938
Income from Brokerage	33,396,898	48,834,637
Dividend	9,259,429	11,405,084
Income from DP Operations	7,506	7,075
<b>TOTAL</b>	<b>19,398,600</b>	<b>138,525,409</b>
<b>Note Q:</b>		
<b>Other Income</b>		
<b>Interest Income</b>		
Interest on Bank Fixed Deposits	10,450,539	8,046,129
<b>Other Non Operating Income</b>		
Income from Mutual Fund Distribution	563,503	18,855
Other Income	46,887	62,717
<b>TOTAL</b>	<b>11,060,929</b>	<b>8,127,701</b>

PARTICULARS	31/3/2012	31/3/2011
<b>Note R:</b>		
<b>Employee Benefit Expenses</b>		
Directors Remmuration	1,800,000	2,400,000
Salaries and Employee Benefits	16,222,289	18,086,181
Employers Contribution to Provident and Other Funds	329,704	298,401
PF Administration Charges	20,939	19,009
Gratuity	(26,771)	-59,827
Staff Mediclaim	258,515	217,879
Staff Welfare	1,897,903	1,153,384
<b>TOTAL</b>	<b>20,502,579</b>	<b>22,115,027</b>
<b>Note S:</b>		
<b>Financial Costs</b>		
Bank Guarantee & Processing Charges	2,950,942	3,114,822
Bank Interest	454,707	578,449
Interest on Loans	1,441,732	669,192
<b>TOTAL</b>	<b>4,847,381</b>	<b>4,362,463</b>
<b>Note T:</b>		
<b>Other Expenses</b>		
Annual Subscription	130,000	130,000
Audit Fees	216,000	216,000
Bad Debts	380,466	472,882
Computer Expenses	915,603	1,239,545
Consultancy & Professional Charges	926,501	7,231,397
Data Subscription	2,425,234	2,803,401
Electricity	1,586,800	1,670,457
Loss on Revaluation of Current Investments	10,804,907	-
Insurance	30,000	16,117
Interest on Statutory Dues	3,435	50,495
Misc Expenses	1,340,516	1,562,011
Office Expenses	3,351,462	2,976,511
Printing and Stationery	1,444,797	239,284
Rent	8,209,262	6,322,626
Repairs and Maintainance	132,674	441,700
Securities Transaction Tax	16,286,947	26,766,587
Service Tax	14,090	183
Stamp Duty	4,490,808	6,099,952
Stock Exchange Expenses	4,826,846	6,349,742
Telecommunication Expenses	1,959,714	2,060,067
Travelling Expenses	1,818,056	2,231,969
Vehile Expenses	2,154,270	1,550,391
<b>TOTAL</b>	<b>63,448,386</b>	<b>70,431,318</b>

For and on behalf of the Board

Sd/- ANIL JAIN

Chairman &amp; Managing Director

Sd/- MANOJ BHARADIA

WHOLETIME DIRECTOR

Sd/- ASHOK BHARADIA

DIRECTOR

WALLFORT FINANCIAL SERVICES LTD.

NOTE H : FIXED ASSET SCHEDULE FOR THE PERIOD ENDED 31ST MARCH 2012

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 1-4-2011	ADDITION	DEDN. 31-03-2012	AS ON 31-03-2012	UPTO 1-04-2011	DURING THE YEAR	DEDN. /Adj.	TOTAL	AS ON 31-03-12	AS ON 1-4-2011
Computers	13,976,340	32,850	—	14,009,190	10,725,578	1,310,205	0	12,035,783	1,973,407	3,250,762
Vehicles	17,416,110	2,463,014	1,669,805	18,209,319	4,059,839	1,709,759	753,679	5,015,919	13,193,400	13,356,271
Plant & Machinery	1,035,254	17,250	—	1,052,504	335,288	45,354	—	380,642	671,862	699,966
Furniture & Fixture	5,595,493	—	—	5,595,493	3,013,953	354,195	—	3,368,148	2,227,345	2,581,540
Office Equipment	951,275	18,390	—	969,665	392,694	67,059	—	459,753	509,912	558,581
<b>TOTAL</b>	<b>38,974,473</b>	<b>2,531,504</b>	<b>1,669,805</b>	<b>39,836,172</b>	<b>18,527,352</b>	<b>3,486,572</b>	<b>753,679</b>	<b>21,260,245</b>	<b>18,575,927</b>	<b>20,447,120</b>
Previous Year	38,234,829	1,535,164	795,520	38,974,473	18,813,702	3,527,302	3,813,652	18,527,352	20,447,120	19,421,126



Notes:

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS**

**(A) SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of preparation of financial statements**

The accompanying financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, on the accrual basis, as adopted consistently by the Company.

**2. Use of estimates**

The preparation of financial statements in accordance with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses including the disclosures of contingent assets and liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

**3. Fixed Assets and Depreciation**

Fixed Assets are stated at cost less accumulated depreciation. The cost of the Fixed Assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The company provides pro-rata depreciation from the date on which asset is acquired / put to use. In respect of assets sold, pro rata depreciation is provided up to the date on which the asset is sold. On all assets depreciation has been provided using the Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on assets whose actual cost is not more than five thousand rupees has been provided at the rate of 100%.

**4. Borrowing Costs**

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use and other borrowing costs are charged to the Profit and Loss Account

**5. Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other Investments are classified as Long Term Investments. Investments are further classified into Investments in Unquoted shares, Investments in Quoted shares, Investment in Partnership Firm and Investment in Mutual Fund.

Long term investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary, if any in the value of investments. Current investments are valued at lower of cost and market value.

## 6. Revenue Recognition

Income from operations comprises profit / loss on sale of investments and derivative instruments.

Dividend Income is recognized when the right to receive payment is established.

Interest on fixed deposits is recognized on time proportion basis.

In respect of other heads of income the company accounts the same on accrual basis.

## 7. Employee Benefits

### Defined Contribution Schemes:

The Company has Defined Contribution Plans for post employment benefits namely Provident Fund that is recognized by the Income Tax Authorities.

Under the Provident Fund Plan, the company to the Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution.

The company contributes to state plans namely Employees State Insurance Fund and Employees Pension Scheme and has no further obligation beyond making its contribution.

The company's contribution to the above funds is charged to revenue every year.

### Defined Benefit Plans:

Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The liability recognized in the Balance sheet in respect of gratuity is the present value of defined benefit obligation at the balance sheet date together with the adjustments for unrecognized actuarial gains or losses and the past service cost. An independent actuary calculates the defined benefit obligation at the balance sheet date. Actuarial Gains or losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss account as Income or Expense.

### Compensated Absences:

As per the policy of the company, an employee cannot carry forward leave. The accumulated leave has to be encashed annually. As no obligation arises on account of employees rendering service that increases their entitlement to future compensated absences, the amount of compensated absence paid is charged to the Profit and Loss account.

Termination benefits are recognized as an expense as and when incurred.

## 8. Taxes on Income

Income Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

### Current Tax:

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act 1961 after considering tax allowances and exemptions, if any.

**Deferred Tax:**

A deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance sheet date. Deferred tax charge or credit is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are re-assessed for the appropriateness of their respective carrying values at each balance sheet date.

**9. Impairment of Assets**

The carrying value of fixed assets is reviewed for impairment at each Balance Sheet date to determine whether there is any indication of impairment.

If the carrying value of the fixed assets exceeds its estimated recoverable amount, an impairment loss is recognized in the Profit & Loss account and the fixed assets are written down to their recoverable amount.

**10. Foreign Currency Transactions**

Transactions in the foreign currency, which are of revenue nature, are accounted for at the exchange rate prevailing on the date of transaction. Current liabilities and/or assets are translated at the year-end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation at the end of the year is recognized as income or expenses as the case may be.

**11. Provisions, Contingent Liabilities and Contingent Assets**

The company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made. Contingent liabilities are disclosed by way of a note.

Contingent assets are not recognized. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

**12. Prior Period**

The Income or expense which arise in the current period as a result of errors and omissions in preparation of financial statement of one or more prior period are considered as prior period items and are shown separately in the financial statements.

**13. Cash Flow**

Cash Flows are reported using the Indirect Method whereby Profit before tax is adjusted for the effects of transaction of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, financing and investing activities of the company are segregated.

**(B) NOTES FORMING PART OF THE ACCOUNTS****1. Deferred Tax**

For the current year, a sum of Rs. 1,30,88,128/- (Previous year - Rs. 15,46,923/-) has been recognized as a deferred tax in the Profit & Loss Account and the same has been debited to the Deferred Tax Asset a/c in the Balance Sheet.

As on March 31, 2012, deferred tax on account of timing difference on depreciation of fixed assets and provision for gratuity was Rs. 1,19,50,325/- (Previous year - Liability Rs. 11,37,802/-).

2. As of March 31, 2012, the Company had no outstanding dues to small-scale industrial undertakings (Previous Year Rs. Nil).
3. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.
4. In the opinion of the Board, Current Assets, Loans & advances have the value on realization in the ordinary course of business at least equal to the amount at which they are stated.
5. The company pledges Investments towards margin requirement for trading in equity / derivatives.
6. Bank Overdraft represents Credit facility for Pay in, pay out and margin requirements
7. The National Stock Exchange and Bombay Stock Exchange have a lien on Fixed Deposits which have been kept for Margin and Base Capital Requirements.

8. Expenditure in foreign currency

(a) Data Subscription - Rs.67,499/- (Previous year - 2,32,763/-)

9. **Employee Benefits**

**Defined Benefit Plans as per Actuarial Valuation as at March 31, 2012**

a. Changes in the present value of the defined benefit obligation are as follows:

Particulars	2011-2012	2010-2011
Liability at the Beginning of the year	14,10,367	14,70,194
Interest Cost	1,16,355	1,17,616
Current Service cost	2,70,838	7,20,470
Actuarial (gains)/losses on obligation	(4,13,964)	(8,97,913)
Liability at the end of the year	13,83,596	14,10,367

b. Changes in the fair value of plan assets are as follows:

Particulars	2011-2012	2010-2011
Fair Value of Plan Assets at the beginning of the year	—	—
Expected Return on Plan Assets	—	—
Contributions	—	—
Actuarial gains (losses)	—	—
Fair Value of plan assets at the end of the year	—	—
Total Actuarial gains / (losses) to be recognized	(4,13,964)	(8,97,913)

## c. Amounts recognized in the Balance Sheet

Particulars	2011-2012	2010-2011
Liability at the end of the year	13,83,596	14,10,367
Fair Value of plan assets at the end of the year	—	—
Difference	13,83,596	14,10,367
Amount recognized in the Balance Sheet	13,83,596	14,10,367

## d. Amounts recognized in the Profit and Loss Account

Particulars	2011 - 2012	2010 - 2011
Current service cost	2,70,838	7,20,470
Interest cost	1,16,355	1,17,616
Expected return on plans assets	—	—
Net Actuarial (gain)/ loss recognised in the year	(4,13,964)	(8,97,913)
Net benefit expense	(26,771)	(59,827)

## e. Actuarial Assumptions

Particulars	2011 - 2012	2010 - 2011
Discount rate	8.75%	8.25%
Retirement Age	60 years	60 years
Salary Escalation	5%	5%
Employee turnover	2%	2%

10. Related party disclosure has been made as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, as under:

**Related Party Relationship****Associate Enterprises**

Binodini Vyapar Pvt. Ltd.  
Knockta Dealcomm Pvt. Ltd.  
Wallfort Properties Pvt. Ltd.  
Wallfort Exim Pvt. Ltd.  
Wallfort Commodities Pvt. Ltd.

Mohur Invest. & Consul. Pvt. Ltd.  
Vijaydeep Properties Pvt. Ltd.  
Wallfort Investments & Trading Co. Ltd.  
Wallfort Share & Stock brokers Pvt. Ltd.

**Key Management personnel**

Anil Jain  
Ashok Bharadia  
Deepak Lahoti

Manoj Bharadia  
Yash Golechha

**Relatives of key management personnel**

Anjali Jain  
Radhakishan Bharadia  
Annapurna Bharadia  
Raj Golechha  
Damoderi Bharadia  
Ramkumar Bharadia

Shyamsunder Bharadia  
Megraj Golechha  
Taradevi Jain  
Pradeep Jain  
Puspha P. Jain  
Vandana Bharadia

**Relatives of key management personnel**

Daxa Golechha  
Rashmi Lahoti  
Deepa Bharadia  
Shobha Golechha  
Kamladevi Bharadia  
Sangeeta Bharadia

Kishnidevi Bharadia  
Shrivallabh Bharadia  
Manidevi Bharadia  
Priya Jain  
Vijay Bharadia  
Pankaj Lahoti

**Transactions**

(Rs. In Lakhs)

Particulars	Associate Enterprises		Key Management Personnel		Relatives	
	2012 (Rs.)	2011 (Rs.)	2012 (Rs.)	2011 (Rs.)	2012 (Rs.)	2011 (Rs.)
Brokerage	7.64	2.11	-	-	1.47	0.15
Loans Received	1878.00	2828.00	3326.91	3932.19	-	-
Loans Repaid	1878.00	2828.00	3151.91	3757.19	-	-
Advances Refunded	660.00	-	80.00	-	170.00	-
Advances	250.00	410.00	-	80.00	400.00	170.00
Rent	0.96	0.96	12.42	12.42	40.39	21.39
Salary	-	-	18.00	24.00	4.80	6.40
Interest	-	-	14.41	6.69	-	-

**Outstanding Balances**

(Rs. In Lakhs)

Particulars	Associate Enterprises		Key Management Personnel		Relatives	
	2012 (Rs.)	2011 (Rs.)	2012 (Rs.)	2011 (Rs.)	2012 (Rs.)	2011 (Rs.)
Investments	147.00	147.00	-	-	-	-
Deposit	3.35	3.35	-	-	-	-
Advances	-	410.00	-	80.00	400.00	170.00
Loans	-	-	-	175.00	-	-

- Note : 1) Related party relationships are as identified by the company and relied upon by the Auditors  
2) Transaction carried out with related parties referred to above are in ordinary course of business.

**11. Auditors Remuneration**

PARTICULARS	Amount in (Rs) CY	Amount in (Rs) LY
Statutory Audit Fees	140000	140000
Tax Auditing Fees	45000	45000
Consulting Fees	25000	25000
Others (Out of Pocket Expense)	6000	6000
<b>Total</b>	<b>216000</b>	<b>216000</b>

**12. Contingent liabilities**

- a. Unexpired Bank Guarantees – 17.5 Crores against Fixed Deposits 8 crores approx

**13. Earnings per share**

Earnings per Share has been calculated as per Accounting Standard 20 issued by the Institute of Chartered Accountants of India, as under:

Particulars	FY 2012	FY 2011
Amount used as numerator – Profit after tax	(48,918,388)	38,926,209
No. Of Shares	9,687,200	9,687,200
Basic & diluted earning per share	(5.05)	4.02

**14. Segment Reporting**

The company is engaged in single segment and there are no separate reportable segments as defined in AS – 17.

**15. Provisions made for the year ended March 31, 2012 comprises of**

Particulars	Opening Balances as on 1/4/2011	Provided on 31/3/2012	Provisions regrouped reversed / paid during the year ended 31/3/2012	Closing balance as of 31/3/2012
Income Tax	9000000	-	9000000	-
Wealth Tax	175500	40000	175500	40000
Gratuity	1410367	1383596	1410367	1383596

16. The figures have been rounded off to the nearest rupee.

17. The previous year's figures have been recast / restated, wherever necessary, to conform to the current year's classification.

Kochar & Associates  
Chartered Accountants  
FRN No.105256W

CA. Piyush Kochar  
Partner  
M. No. 106049

Place: Mumbai  
Date: 21 August 2012.

For and on behalf of the Board  
Sd/- ANIL JAIN  
Chairman & Managing Director

Sd/- MANOJ BHARADIA  
WHOLETIME DIRECTOR

Sd/- ASHOK BHARADIA  
DIRECTOR

**AUDITOR'S CERTIFICATE**

WE HAVE VERIFIED THE ABOVE CASH FLOW STATEMENT OF WALLFORT FINANCIAL SERVICES LIMITED DERIVED FROM THE AUDITED FINANCIAL STATEMENT FOR THE PERIOD ENDED ON MARCH 31<sup>st</sup> 2012 AND FOUND THE SAME TO BE DRAWN IN ACCORDANCE THEREWITH AND ALSO WITH THE REQUIREMENT OF CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE.

For and on behalf of  
Kochar & Associates  
Chartered Accountants  
FRN No.105256W

CA. Piyush Kochar  
Partner  
M. No. 106049

Place: Mumbai  
Date: 21 August 2012.



**WALLFORT FINANCIAL SERVICES LTD.**  
**CASH STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2012.**

	31ST MARCH 2012 (AMT. IN RS.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net loss before extra ordinary items	-61,966,516
<u>Adjustment for:</u>	
Loss on sale of Assets	141,126
Interest Received	-10,450,539
Provision for Gratuity	-26,771
Dividend Received	-9,259,429
Interest Paid	1,896,439
Depreciation	3,486,572
Operating Profit before working capital changes	-76,179,118
<u>Adjustment for :</u>	
Trade & Other receivable	67,391,550
Trade payable	376,745
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>-8,410,823</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Sale of fixed Asset	775,000
Purchase of fixed assets	-2,531,504
Sale / Purchase of Investments	-1,973,111
Interest Received	10,450,539
Dividend Received	9,259,429
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>15,980,353</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>	
Loans Repaid	-17,500,000
Loans Received	14,637,362
Interest Paid	-1,896,439
<b>NET CASH USED IN FINANCIAL ACTIVITIES (C)</b>	<b>-4,759,077</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2,810,453</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>124,623,874</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>127,434,327</b>

For and on behalf of  
 Kochar & Associates  
 Chartered Accountants  
 FRN No.105256W

CA. Piyush Kochar  
 Partner  
 M. No. 106049

Place: Mumbai  
 Date: 21 August 2012.

For and on behalf of the Board  
 Sd/- ANIL JAIN  
 Chairman & Managing Director

Sd/- MANOJ BHARADIA  
 WHOLETIME DIRECTOR

Sd/- ASHOK BHARADIA  
 DIRECTOR

**M/S Wallfort Financial Services Ltd.**  
**Annexure "A" Statement of Investments as on 31st March 2012**

**Unquoted Others****Equity Shares**

250	Equity shares of CSE Ltd of Rs. 1 each fully paid	1,250,000
73300	Equity shares of Chattisgarh Project India P. Ltd. of Rs 10 each fully paid up	5,497,500

**In Group Companies**

25000	Equity shares of Wallfort Commodities P Ltd. of Rs 10 each fully paid	2,450,000.00
175000	Equity shares of Wallfort Share & Stock Brokers P. Ltd. of Rs 10 each fully paid	12,250,000.00
		<u>21,447,500.00</u>

**Units Of Mutual Funds**

50000	Units of DBS Chola Mutual Fund	5,00,000.00
		<u>5,00,000.00</u>

**Quoted Trade Equity Shares****Fully Paid up**

Qty	Security	F. Value	Current Amt	Non Current Amt
50000	ARSHIYA INTERNATIONAL LTD.	2	3,907,729	3,907,729
25000	ASAHI SONGWON COLORS LTD.	10	-	2,528,491
25000	ATUL LTD.	10	4,918,906	-
400	BHOR WAKELOCK LTD	10	-	7,820
15000	BOMBAY BURMAH TRADING CORP.LTD.	10	-	7,676,668
250000	BHILWARA TECHNICAL TEXTILES LTD.	1	-	1,004,056
14700	CALADENIO LTD	10	-	147,000
80000	CEAT LTD.	10	6,530,128	-
100000	DAMODAR THREADS LTD.	10	-	4,307,342
50000	DISHMAN PHARMACEUTICALS & CHEMICALS LTD	2	3,106,185	-
50000	EDUCOMP SOLUTIONS LTD.	2	-	11,214,319
25000	EVEONN EDUCATION LTD.	10	6,743,000	-
2500	FAG BEARINGS INDIA LTD.	10	3,625,000	-
25000	GLOSTER LTD.	10	-	7,942,919
125000	GUJARAT NARMADA VALLEY FERTILIZERS COMPANY LTD.	10	-	11,732,575
25000	HARRISONS MALAYALAM LTD.	10	2,272,500	-
100000	HCL INFOSYSTEMS LTD	2	4,561,234	-
50000	HIMATSINGKA SEIDE LTD.	5	1,696,617	-
50000	INDIAN HOTELS CO.LTD	1	3,531,563	-
25000	ITD CEMENTATION INDIA LTD.	10	4,902,959	-
100000	JAY SHREE TEA & INDUSTRIES LTD.	5	-	16,417,540
50000	J.B.CHEMICALS & PHARMACEUTICALS LTD.	2	4,292,466	-
100000	JBF INDUSTRIES LTD.	10	-	16,804,019
100000	JAY BHARAT MARUTI LTD.	5	9,809,345	-
25000	J.KUMAR INFRAPROJECTS LTD.	10	-	3,910,997
50000	KALE CONSULTANTS LTD.	10	-	5,029,073

Qty	Security	F. Value	Current Amt	Non Current Amt
10000	KRISHNA ENGINEERING WORKS LTD.	10	-	51,500
25000	LIBERTY PHOSPHATE LTD.	10	-	1,854,137
50000	MCLEOD RUSSEL INDIA LTD.	5	-	9,848,983
200000	MIRZA INTERNATIONAL LTD.	2	4,475,507	-
200000	MUNJAL AUTO INDUSTRIES LTD.	2	-	6,978,339
25000	NATCO PHARMA LTD.	10	-	6,515,392
100000	NCL INDUSTRIES LTD.	10	4,565,933	-
17700	NUCLEUS SOFTWARE EXPORTS LTD.	10	1,288,716	-
7300	NUCLEUS SOFTWARE EXPORTS LTD.	10	527,674	-
100000	ONMOBILE GLOBAL LTD.	10	-	7,433,116
10000	PFIZER LTD.	10	-	12,549,808
25000	POLARIS FINANCIAL TECHNOLOGY LTD.	5	4,130,682	-
100000	PRATIBHA INDUSTRIES LTD.	2	-	5,015,053
80000	PREMIER EXPLOSIVES LTD.	10	-	5,713,938
100000	PVR LTD.	10	-	13,762,573
10000	RESPONSE INFO LTD	10	-	31,000
100000	RSWM LTD.	10	-	15,795,470
200	SBM OLD	100	-	724,718
50000	SRF LTD.	10	-	17,192,514
25000	SRINIVASA HATCHERIES LTD.	10	1,947,936	-
75000	SENTINEL TEA AND EXPORTS LTD.	10	770,704	-
150	SUDARSHAN CHEMICAL INDUSTRIES LTD.	10	-	18,753
100000	UNITY INFRAPROJECTS LTD	2	-	4,036,721
25000	VADILAL ENTERPRISES LTD.	10	-	3,929,323
75000	VADILAL INDUSTRIES LTD.	10	-	12,370,944
50000	VARDHMAN TEXTILES LTD.	10	-	13,244,156
25000	VENKY'S (INDIA) LTD.	10	-	10,473,669
10000	WELSPUN BRANDS LTD	10	-	-
20000	WIM PLAST LTD.	10	4,024,862	-
25000	ZENSAR TECHNOLOGIES LTD.	10	4,536,872	-
			<b>86,166,672</b>	<b>240,170,654</b>
	<b>TOTAL</b>		<b>86,166,672</b>	<b>262,118,154</b>

**M/S Wallfort Financial Services Ltd.**  
**Annexure "A" Statement of Investments as on March 31, 2011**

**Unquoted Others****Equity Shares**

165000 equity shares of Special Blast of Rs 10 each fully paid	4,950,000
401 Equity shares of BSE Ltd of Rs. 1 each fully paid	—
250 Equity shares of CSE Ltd of Rs. 1 each fully paid	1,250,000
73300 Equity shares of Chattisgarh Project India P. Ltd. of Rs. 10 each fully paid up	5,497,500

**In Group Companies**

25000 Equity shares of Wallfort Commodities P Ltd. of Rs 10 each fully paid	2,450,000
175000 Equity shares of Wallfort Share & Stock Brokers p Ltd. of Rs 10 each fully paid	12,250,000
	<u>26,397,500</u>

**Units Of Mutual Funds**

50000 Units of DBS Chola Mutual Fund	5,00,000
	<u>5,00,000</u>

**Quoted Trade Equity Shares****Fully Paid up**

Qty	Security	Face Value	Current Amt	Non Current Amt.
5000	AGC NETWORKS LIMITED	10		895,947
69300	ALOK INDUSTRIES LTD.	10		762,300
50000	ARVIND LTD.	10		3,205,310
400	BHOR WAKELOCK LTD	10		7,820
4000	BOMBAY DYEING & MFG. LTD.	10		2,447,969
250000	BHILWARA TECHNICAL TEXTILES LTD.	1		1,004,056
14700	CALADENIO LTD.	10		147,000
2000	CAMLIN LTD.	1		82,159
25000	CENTURY ENKA LTD	10	4,812,854	
100000	DAMODAR THREADS LTD.	10		4,307,342
15000	FAG BEARINGS INDIA LTD.	10	10,044,369	
7500	FUTURE CAPITAL HOLDINGS LTD.	10	1,116,755	
150000	GARDEN SILK MILLS LTD.	10	4,777,800	9,555,599
100000	GILLANDERS ARBUTHNOT & CO.LTD.	10		12,610,294
25000	GLOSTER LIMITED	10		7,942,919
50000	GUJARAT STATE FERTILIZERS & CHEMICALS LTD.	10		12,701,732
100000	GUJARAT SIDHEE CEMENTS LTD.	10		1,083,992
125000	HARRISONS MALAYALAM LTD.	10		11,351,194
400000	HINDUSTAN ORGANIC CHEMICALS LTD.	10		13,529,661
500	HITACHI HOME AND LIFE SOLUTIONS (INDIA) LTD	10		146,498
1000	INDIABULLS FINANCIAL SERVICES LTD.	2		146,661
100000	IKF TECHNOLOGIES LTD.	1		450,000
200000	JAY SHREE TEA & INDUSTRIES LTD.	5		32,003,719
100000	JBF INDUSTRIES LTD.	10		15,376,823
150000	JAY BHARAT MARUTI LTD.	5	4,599,828	9,199,655
100000	KALE CONSULTANTS LTD.	10		10,277,275

**M/S Wallfort Financial Services Ltd.**  
**Annexure "A" Statement of Investments as on March 31, 2011**

Qty	Security	Face Value	Current Amt	Non Current Amt.
500	KALYANI STEELS LTD	5		102,402
50	KALYANI INVESTMENT LTD.	10		0
10000	KRISHNA ENGINEERING WORKS LTD.	10		51,500
2000	LAKSHMI VILAS BANK LTD.	10		220,246
10000	LAKSHMI VILAS BANK LTD.	10		989,000
200000	MANGALORE CHEMICALS & FERTILIZERS LTD.	10	5,850,375	
9000	NATURAL CAPSULES LTD	10		430,040
6000	NIIT LTD	2		425,985
5	ORISSA MINERALS DEVELOPMENT COMPANY LTD	10		370,000
100000	PVR LTD.	10		13,762,573
50000	RAYMOND LTD.	10	15,578,161	
10000	RESPONSE INF	10		31,000
100000	RSWM LTD.	10		13,340,639
2000	STATE BANK OF MYSORE	10		724,718
25000	SESHASAYEE PAPER & BOARDS LTD.	10		7,121,480
25000	SRF LTD.	10		8,184,166
25000	STEEL STRIPS WHEELS LTD.	10	6,404,879	
135000	SENTINEL TEA AND EXPORTS LTD.	10	53,019	90,133
150	SUDARSHAN CHEMICAL INDUSTRIES LTD	10		18,753
50000	TAMIL NADU NEWSPRINT & PAPERS LTD.	10		6,864,529
200000	TONIRA PHARMA LTD	10		3,700,000
60000	VADILAL INDUSTRIES LTD.	10	7,638,126	1,527,625
50000	VARDHMAN TEXTILES LTD	10		13,244,156
25000	VENKY'S (INDIA) LTD	10		14,193,296
10000	WELSPUN BRAN	10		0
46000	EXCEL CROP CARE LTD.	5	12,523,129	
1000	ZYLOG SYSTEMS LTD	10		581,849
			73,399,295	235,210,014
	<b>TOTAL</b>		73,399,295	262,107,514

For and on behalf of the Board  
Sd/- ANIL JAIN  
Chairman & Managing Director

Sd/- MANOJ BHARADIA  
WHOLETIME DIRECTOR

Sd/- ASHOK BHARADIA  
DIRECTOR

**WALLFORT FINANCIAL SERVICES LTD.**

Regd. Office : 205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai - 400 001.

**ATTENDANCE SLIP**

Regd. Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_  
 I hereby record my presence at the Seventeen Annual General Meeting of the Company to be held at  
 Regd. Office : 205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai 400 001. On Friday  
 28th Sep. 2012. at 11.00 a.m.

**Member's/Proxy's Name**

**Member's/Proxy's Signature**

\_\_\_\_\_

NOTE : Please sign this attendance slip and hand over at the entrance of the meeting hall.

**WALLFORT FINANCIAL SERVICES LIMITED**

Regd. Office : 205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai - 400 001.

**PROXY FORM**

Regd. Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

I/we \_\_\_\_\_

of \_\_\_\_\_

(Write full Address) \_\_\_\_\_

being a member/members of WALLFORT FINANCIAL SERVICES LIMITED hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ or failing him

\_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to attend and vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company  
 to be held on Friday, 28th September, 2012, at 11.00 a.m. at the Regd. Office : 205, Gundecha Chambers, Nagindas  
 Master Road, Fort, Mumbai - 400 001, and at any adjournment thereof.

Signed this \_\_\_\_\_ Day Of \_\_\_\_\_ 2012.

Signature

**AFFIX  
 1 RUPEE  
 REVENUE  
 STAMP**

NOTE : The Proxy form must be deposited at the Registered Office of the company not less than 48 hours before the  
 time for holding of the aforesaid meeting.