

18th Annual Report 2012-13



Wallfort Financial Services Ltd.

18th ANNUAL REPORT**BOARD OF DIRECTORS**

Mr. Anil Jain
Chairman & Managing Director

Mr. Anil Parekh
Director

Mr. Deepak Lahoti
Whole time Director

Mr. Krishnagopal Biyani
Director

Mr. Yash Golecha
Whole time Director

Mr. Vijay Gaggar
Director

Mr. Manoj Bharadia
Whole time Director

Mr. Ajay Mantri
Director

Mr. Ashok Bharadia
Director

Mr. Pramod Gupte
Director

COMPLIANCE OFFICER

Mr. Nishit Golechha

STATUTORY AUDITORS

Kochar & Associates
Chartered Accountants

REGISTERED OFFICE

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

CONSULTANTS

Banshi Jain & Associates
Chartered Accountants

REGISTRAR & TRANSFER AGENT

M/s. Satellite Corporate Services Pvt. Ltd

Contents	
Notice	2
Director's Report	6
Management Discussion Analysis Report	8
Report On Corporate Governance	12
CEO Certification	22
Independent Auditors Report	24
Annual Financial Statements	28
Cash Flow Statement	31
Notes to Accounts	32

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Wallfort Financial Services Limited will be held on Monday, September 30, 2013 at 11.00 a.m. at its Registered Office situated at 205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai 400 001, to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2013 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors' & Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Bharadia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vijay Gaggar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Kochar & Associates, Chartered Accountant, Statutory Auditors of the Company to and to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors or any Committee thereof to fix their remuneration.

By Order of the Board
For WALLFORT FINANCIAL SERVICES LIMITED

(ANIL JAIN)
CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Date: 14/8/2013

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on poll, instead of himself and a proxy need not be a Member of the Company.
2. The proxy form should be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before the commencement of the meeting.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
4. 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.
5. In case of joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
6. The members who hold shares in electronic form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number, in attendance slip for attending meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 24, 2013 to Friday, September 30, 2013 (both days inclusive).
8. The Ministry of Corporate Affairs (MCA), Government of India, had issued the following circulars in Green Initiative i.e. 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.

Recognizing 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 kindly update your email address with your depository participant for Demat holding of shares and with Mr. Shekhar More from 'Wallfort Financial Services Limited' on the email id shekhar.more@wallfort.com for physical holding of shares in following format.

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

9. The members who still hold share certificate(s) in physical form are advised to dematerialise their shareholding avail benefits of dematerialisation, which include easy liquidity, since trading is permitted in dematerialized form only, electronic transfer, saving in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
10. Members desirous of making nomination in terms of Section 109A of the Act, 1956 in respect of their shareholding may approach the Registrar for assistance, Shareholders holding shares in electronic form may approach their DP with whom they maintain their account for nomination.
11. 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 alongwith Bank particulars.
12. Brief profile of the Directors retiring by rotation and eligible for re-appointment as required under Clause 49 of the Listing Agreement entered into with Stock exchanges is annexed to the Notice.

Name of Director	Mr. Ashok Bharadia	Mr. Vijay Gaggar
Date of Birth	13/07/1966	16/01/1962
Date Appointment	16/11/1994	11/03/2002
Qualification	B.Com	B. Com
Brief Profile	He helped Wallfort achieve high professional standards, introduced best-in-class practices, and converted a traditional organization into a modern broking house. His experience spans for a period of over 28 years. His knowledge of the Indian market and strong client relationships help execute Wallfort strategy of building a strong broking business.	Has experience in stock broking & general administration & gives expert advice relating to capital markets.

Directorships held in other companies (excluding section 25 and foreign companies)	Wallfort Share and Stock Brokers private Limited	Kalpataru Ispat Private Ltd.
Shares held in the Company	11,00,010	

By Order of the Board
For WALLFORT FINANCIAL SERVICES LIMITED

(ANIL JAIN)
CHAIRMAN & MANAGING DIRECTOR

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

Place: Mumbai
Date: 14/8/2013

DIRECTORS' REPORT

Dear Members,

Your Directors' have pleasure in presenting their Eighteenth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2013.

FINANCIAL RESULTS

The financial results of the Company for the year ended March 31, 2013 compared to the previous year are summarized below:

(Rs. in Lakhs)

PARTICULARS	Years Ended 31.03.2013	Years Ended 31.03.2012
Gross Profit (+) Loss (-) After Interest But Before Depreciation & Taxation	(391.32)	(584.80)
Depreciation	32.24	34.86
Profit Before Income Tax After Depreciation	(423.56)	(619.66)
Short Provision of Earlier Years	-	-
Prior Period Expenses	-	-
Provision For Taxation	(184.00)	(130.48)
Net Profit After Tax	(239.56)	(489.18)

PERFORMANCE AND FUTURE PROSPECTS

Looking at the challenging market conditions in FY13 the performance of the company has been satisfactory. The company reduced its loss by focusing on lowering costs. The company maintained its performance on the brokerage side of the business. The Stock Markets earlier were very buoyant but lately have lacked in direction. The forthcoming election and developing global economic conditions will guide the future course for the markets.

DIVIDEND

The Directors do not recommend any dividend for the year 2012-2013.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement entered into with the stock Exchanges, a report on Corporate Governance and a certificate obtained from the Statutory Auditors confirming compliance thereto, is given in Annexure to this Report.

DIRECTORS

During the year under review, following were the changes in the Composition of Board of Directors.

In accordance with provisions of Companies Act, 1956, and the Articles of Association of the Company Mr. Ashok Bharadia & Mr. Vijay Gaggar retires by rotation at ensuing Annual General Meeting and are eligible reappointments.

Brief details of the Directors being reappointed have been incorporated in the Notice for the ensuing Annual General Meeting pursuant to Clause 49(iv)(g)(i) of Listing Agreement.

AUDITORS

The Statutory Auditors M/s. Kochar & Associates, Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from the Auditors has been received to the effect that their re-appointment if made, would be within limits prescribed under Section 224(1B) of the Companies Act, 1956.

PARTICULARS ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO.

In the view of the nature of activities being carried on by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively, are not applicable to the Company.

Foreign Exchange Earnings and Outgo:

Foreign Exchange earnings	:	Nil
Foreign Exchange outgo	:	Nil

PARTICULARS OF EMPLOYEES

There is no employee covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from operating Management, and after due enquiry, confirm that:

1. in the preparation of annual accounts, the applicable accounting standards have been followed and there has been no material departures;
2. 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.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.
5. Proper systems are in place to ensure compliance of all laws applicable to the Company.

AUDITORS' REPORT

The Auditors' Report is unqualified. The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarification under Section 217(3) of the Companies Act, 1956.

ACKNOWLEDGMENTS

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.

Place: Mumbai
Date: 14/8/2013

By Order of the Board
For **WALLFORT FINANCIAL SERVICES LIMITED**
ANIL JAIN
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE DEVELOPMENTS AND OUTLOOK

The Indian economy has seen an unremitting dip over the last 2 years with the result that GDP growth was merely ~5% in FY13 – slowest pace of expansion in nearly a decade. Despite such a sharp slowdown, inflation concerns have persisted with WPI inflation ruling over 7% in FY13 and CPI inflation still running close to double-digits. At the same time, Current Account Deficit (CAD) as a percentage of GDP has continued to widen in recent years and was at a record high of 4.8% in FY13. Along with this, the Fiscal Deficit also continued to present challenges to economy. The Union Budget 2013-14 did try to assure greater level of discipline over fiscal deficit. High CAD and Fiscal Deficit together present some of the most serious challenges to bringing Indian economy back on the path of growth. Such a prolonged slowdown has been the result of a confluence of factors – lingering administrative bottlenecks and associated slowdown in project clearance, large fiscal spending, tight monetary conditions and weak external demand. However, during second half of FY13, there was some stability in macro environment, largely as a result of a series of steps undertaken by the government such as liberalising of FDI regime in certain sectors, rationalisation of retail fuel prices and reining in of fiscal spending; although a lot more remains to be done.

The stock market is regarded as one of the leading indicators of a country's economic growth. The Sensex which was in an uptrend between FY04 to FY08, posting a CAGR return of 29% when India's GDP growth averaged 8.5%, witnessed a pull down post the global financial crisis of 2008 and a host of factors prevailing in the domestic economy. The GDP tumbled to a decade low of 4.5% in the quarter ending December 2012 and is pegged at 5% for FY13. The Sensex posted a modest 8% return during the financial year. Even though there was an inflow of \$25.8 billion of FII capital during the year, stock indices hit a roadblock at the upper levels on continuous selling by domestic investors. The fourth quarter of FY13 was marked by FIIs investing a net of Rs. 65291 crore in Indian markets till date, which is half the 1.30 lac crore they invested in FY12.

According to ICRA estimates, the total capital market related revenue for select top brokers who account for ~35% market share has remained almost flat in H1FY13 (annualized) when compared to FY12. However, costs have declined more sharply by ~7-8% (annualized) over the same period leading to improvement in cost-income ratio and other profitability indicators. In 9M FY13, while the burden of collapsed retail participation has completely weighed down the retail broking operations, the combination of regulatory changes such as capping of commission rates for domestic mutual funds as well as increasing and seemingly irreversible penetration of DMAs have been a heavy drag on the institutional broking segment.

OPPORTUNITIES AND THREATS

The great uncertainty over how growth will recover in the advanced economies is unnerving financial markets across the world. Back home, the recent enthusiasm seen in the markets is largely driven by FII flows, dependent on global growth prospects. Reversal of global liquidity could adversely impact capital flows into India and put downward pressure on the INR. Currency depreciation could fuel the current account deficit, leading to weakening of macro fundamentals, viz. inflation, trade deficit, subsidy bills and hence fiscal balances. Government spending ahead of an election year and a currency with a weakening bias remain threats to domestic price pressures. Uncertain external balances continue to pose challenges. Government's actions to stick to fiscal consolidation and boost the investment cycle remain imperative. Domestic growth would also depend upon a timely and adequate monsoon, resumption of industrial growth, revival in exports via measures to make them competitive, curtailment of current account deficit and supply side measures to ease constraints. Tracking statistical phenomenon, the wholesale price index is likely to reflect subdued inflation rates;

The Risk of slowdown in global liquidity flows and increasing risk of GDP slowdown also hangs over thus providing a cushion for rate easing, and allowing the transmission of actions taken so far for GDP and earnings growth to pick up. Government spending related to elections is likely to boost rural consumption. The economy is likely to gain gradually from the measures announced earlier. The Union Budget 2013, amongst other proposals, has reduced Securities Transaction Tax (STT) on equity futures contracts to 0.01% from 0.017%, introduced commodities transaction tax (CTT) on non-agriculture commodities futures trading and allowed participation of FIIs in the currencies derivative segment. These proposals could provide a fillip to equity derivative volumes as well as currency derivative volumes. The imposition of the CTT could impact the gross returns of the arbitrageurs by 20-30% and consequently significantly impede the growth of the segment at least over the short term. Also, arbitrage activity could return to the equities segment or move to the currencies segment, which could help growth of these segments.

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.

SEGMENT WISE / PRODUCT WISE 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 earlier were very buoyant but lately have lacked in direction. The forthcoming election and developing global economic conditions will guide the future course for the markets. Primary Market which

has been robust during this period is expected to gather further momentum as a lot of Companies are planning to go for a public issue in the near future. The Company is also focusing on growth of Institutional Brokerage Business by building new strategy to cater to clients and add new clients. The overall Risk Reward ratio also looks favorable as the global liquidity into the markets. The domestic economic pressures, like – manufacturing slowdown, declining GDP and inflationary pressure appear to be peaking and we are likely to only improve from hereon. 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 Positive due to positive attitude, 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 efficiently and effectively serviced.

has been robust during this period is expected to gather further momentum as a lot of Companies are The company has gained profits from investing and trading of shares and securities and servicing of Institutional Clients.

There has been a net loss of Rs. 239.56 Lacs during the year against the net loss of Rs. 489.18 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 Order of the Board
For **WALLFORT FINANCIAL SERVICES LIMITED**
Sd/-
ANIL JAIN
CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Date: 14/8/2013

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

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:

- Truthful communication about how the company is run internally.
- A simple and transparent corporate structure driven solely by the business needs.
- Compliance with Clause 49 of the Listing Agreement as amended from time to time.
- Establishment of an efficient Corporate Structure for the management of the Company's affairs.

2. BOARD OF DIRECTORS

(A) Composition of the Board

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 exchange. 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 (Whole-time Director)	Executive & Promoter	None	None
4	Mr. Deepak Lahoti (Whole-time Director)	Executive & Promoter	None	None
5	Mr. Yash Golechha (Whole-time 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	Mr. 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.

Meetings of the Board:

The meetings of the Board of Directors are generally held at its Registered office of the company at 205, Gundecha Chambers, Nagindas Master Road, Mumbai-400 001. The Board met Eight times during the year with clearly defined agenda, circulated well in advance before each meeting.

The Attendance of the members of the Board at the meeting held during the year and at the last Annual general Meeting (AGM) are as follows:

Sr No.	Name Of The Directors	Meetings held during the tenure of the Director from 1/4/2012 to 31/3/2013	No of Meetings attended	Attendance at the last AGM
1	Mr. Anil Jain	8	8	Yes
2	Mr. Ashok Bharadia	8	8	Yes
3	Mr. Manoj Bharadia	8	8	Yes
4	Mr. Deepak Lahoti	8	8	Yes
5	Mr. Yash Golechha	8	8	Yes
6	Mr. Krishna Gopal Biyani	8	4	No
7	Mr. Ajay Mantri	8	5	Yes
8	Mr. Anil Parekh	8	4	No
9	Mr. Vijay Kumar Gaggar	8	4	No
10	Mr. Pramod Gupte	8	4	No

Changes in Directors

During the year under review, following were changes in the Composition of Board of Directors:

Mr. Ashok Bharadia and Mr. Vijay Gaggar retire by rotation and, being eligible, offer themselves for re-appointment.

Brief details of the Directors being reappointed have been incorporated in the Notice for the forthcoming Annual General Meeting pursuant to Clause 49(iv)(g)(i) of Listing Agreement.

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 knowledge and expertise in the areas of Account, Financial, Law, & other professional areas.

During the financial year 2012 - 2013, no commission was paid to any director of the Company.

3. BOARD COMMITTEES

The Board has constituted the following committees:

Audit Committee
Shareholders and Investor Grievance Committee
Remuneration Committee

A) AUDIT COMMITTEE

In the financial year 2012-13, the Audit Committee duly met 5 times. 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 Audit Committee is responsible for the areas specified by Clause 49 of the Listing Agreement and Section 292-A of the Companies Act, 1956, besides other roles as may be referred by the Board of Directors. The Audit Committee has reviewed the Annual financial results, half-yearly results and internal working system of the company and has held discussion with the Statutory Auditors of the company.

Role of Audit Committee

The role of the Audit committee shall include the following:

1. Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - 5A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 6. Reviewing, with the management, performance of statutory auditors, and adequacy of the internal control systems.
 7. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 8. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 9. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 10. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B) SHAREHODER AND INVESTOR GRIEVANCE COMMITTEE

In the financial year 2012-13, the Shareholder and Investor Grievance Committee duly met 2 times. The Composition of the Shareholders and Investors Grievance Committee and details of Meetings attended by the Members of the Committee 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 31st March 2013.

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

(C) 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.

Remuneration of Directors for 2012-2013

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/-

The Company does not have any stock option scheme and No Commission was paid to any Director during the year 2012-2013.

5. GENERAL BODY MEETING (held in last 3 years)

Year	Date	Time	Venue
2011-2012	28 th September 2012	11:00 a.m.	205, Gundecha Chambers, N.M.Road Fort, Mumbai 400001
2010-2011	30 th September 2011	11:00 a.m.	205, Gundecha Chambers, N.M.Road Fort, Mumbai 400001
2009-2010	30 th September 2010	11:00 a.m.	205, Gundecha Chambers, N.M.Road Fort, Mumbai 400001

Special Resolution:

- 1) Vide Special Resolution passed on 30th 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 1st October 2010
- 2) Vide Special Resolution passed on 30th September 2010, the shareholders approved increase in remuneration paid to Mr Yash Golechha, 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 1st October 2010
- 3) Vide Special Resolution passed on 30th 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 1st October 2010.
- 4) Vide Special Resolution passed on 30th September 2010 Mr Anil Jain was appointed as Managing Director of the Company w.e.f 19th September 2010 for a period of five years.
- 5) Special Resolution was passed through Postal Ballot as on 14th 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) Special Resolution passed on 30th September 2011 for Alteration of Articles of Association.

6. DISCLOSURES

- The disclosure of related party transactions has been made in Point No. 2.20 of the Notes to Accounts annexed to the Balance sheet as on March 31, 2013.
- There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to any of capital market, during the last three years.

- The Managing Director have certified the specified matters to the Board, as required under Clause 49 V.
- The company has followed all relevant Accounting Standards notified by the Companies (Accounting Standard) Rules, 2011 while preparing the Financial Statements.

7. MEANS OF COMMUNICATION

a. Quarterly Results:

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 said results are displayed on the website of the company www.wallfort.co.in

b. Website Details

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.

8. MANAGEMENT DISCUSSION ANALYSIS REPORT

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

9. CODE OF CONDUCT

All the Directors and Senior Management personnel have affirmed Compliance with the code of conduct.

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence to Code of Conduct:

In accordance with Clause 49 (1) (D) of the listing agreement all the Directors and Senior Management personnel have affirmed compliance with the code of conduct for the year ended on 31st March 2013.

ANIL JAIN
CHAIRMAN & MANAGING DIRECTOR

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

The Annual General Meeting of the company for the year ended 31st March 2013 will be held at its Registered Office situated at 205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai 400 001 on Monday, 30th September 2013 at 11:00 a.m.

ii. Financial Calendar for 2013-2014 (Provisional)

1	Results for the Quarter ended 30 th June 2013	By 14 th August 2013
2	Results for the Quarter ended 30 th September 2013	By 15 th November 2013
3	Results for the Quarter ended 31 st December 2013	By 14 th February 2014
4	Results for the Quarter ended 31 st March 2014	By 14 th May 2014
5	Results for the Year ended 31 st March 2014	By end of August 2014
6	Annual general Meeting for the year ended 31 st March 2014	By end of September 2014

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 Tuesday 24th September 2013 to Monday 30th September 2013 (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 31/03/2013.

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 2012-2013

vii. Listing of shares on stock exchanges and Stock Code

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

11. Stock Market Price data for the year 2012-2013**BSE Prices**

Month	High (Rs.)	Low (Rs.)
April 2012	27.30	27.30
May 2012	27.30	27.30
June 2012	25.95	25.95
July 2012	27.10	25.95
August 2012	25.75	21.10
September 2012	24.15	24.15
October 2012	25.00	21.60
November 2012	26.00	21.55
December 2012	24.65	23.50
January 2013	24.65	21.50
February 2013	24.80	23.00
March 2013	24.80	23.00

(Source / BSE India.com)

12. SHARE TRANSFER AGENT

M/s. Satellite Corporate Services Pvt. Ltd, Mumbai has been appointed as a common agency for both physical and Electronic Connectivity for dematerialisation of shares.

To supplement to the prompt services given by the Registrar & Transfer Agent the Share Transfer 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 21 days of the receipt thereof.

13. INVESTOR CORRESPONDENCE

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

14. Distribution of Shareholding of the Company as on March 31, 2013 is as follows:

Share Holding of Nominal Value of	Folios		Shares	
	Number	%	No. of Shares	%
Less than 2500	1489	92.54	716327	7.39
2501 - 5000	47	2.92	217466	2.24
5001 - 10000	19	1.18	165907	1.71
10001 - 20000	15	0.93	263500	2.72
20001 - 30000	4	0.25	96800	1.00
30001 - 40000	2	0.12	70300	0.73
40001 - 50000	4	0.25	187000	1.93
50001 - 100000	14	0.87	1345700	13.89
100001 and Above	15	0.93	6624200	68.38
TOTAL	1609	100.00	96,87,200	100.00

15. The Shareholding Pattern of the Company as on March 31, 2013 is as follows:

	CATEGORY	Nos. of Equity Shares	TOTAL %
A	Share Holding Of Promoters		
	Promoters Group		
	1. Indian		
	Individuals / Hindu	7,238,100	74.12
	Undivided Family		
	Bodies Corporate	24,500	0.25
	SUB TOTAL	7,262,600	74.97
	2. Foreign	NIL	NIL
	Total shareholding of Promoter & Promoter Group (A)	7,262,600	74.97
B.	Publing Share Holding		
	1. Institutions		
	2. Non - Institutions		
	Bodies Corporate	409882	4.23
	Individuals		
	Individual shareholders holding nominal share capital up to Rs.1lakh	1068121	11.03
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	834900	8.62
	Any Other Specify		
	Non Resident Indians	250	-
	Hindu Undivided Families	111447	1.15
	Sub Total (B)(2)	2424600	25.03
	Total Publing Sharholding (B)	2,424,600	25.03
	Total (A)+(B)	9,687,200	100.00
C	Shares held by Custodians and against which Depository Receipts have been issued	-	-
	(1) Promoter and Promoter Group	-	-
	(2) Public	-	-
	Sub Total	-	-
	Total (A)+(B)+(C)	9,687,200	100.00

16. Address for Correspondence - Investor Services

For any complaints relating to non-receipt of shares after transfer, transmission, change of address, mandate etc., dematerialisation of shares, Annual Report, non-receipt of Annual Report, non-receipt of dividend etc., the complaint should be forwarded to M/s. Satellite Corporate Services Pvt. Ltd, at the following address:

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

OR

Regd. Office: 205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai 400001.

Place: Mumbai
Date: 14/08/2013

By and on behalf of Board
For WALLFORT FINANCIAL SERVICES LIMITED
ANIL JAIN
CHAIRMAN & MANAGING DIRECTOR

CEO Certification

(Issued in accordance with provisions of Clause 49 of the Listing Agreement)

To
The Board of Directors
Wallfort Financial Services Limited
Mumbai

I have reviewed the Financial Statements read with the Cash Flow Statement of Wallfort Financial Services Limited for the year ended March 31, 2013 and to the best of my knowledge and belief, state that:

- a) i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- ii. these statement present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal control for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statement; and
 - iii. There have been no instances if significant fraud of which I have become aware.

ANIL JAIN
CHAIRMAN & MANAGING DIRECTOR

Place: Mumbai
Date: 14/08/2013

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, 2013 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
FRN No. 105256 W
P.S. Kochar
Partner
M. No. 106049**

Place: Mumbai
Date: 14/08/2013

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
WALLFORT FINANCIAL SERVICES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **WALLFORT FINANCIAL SERVICES LTD. (the Company)**, which comprise the Balance Sheet as at March 31 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013,
- (b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For Kochar & Associates
Chartered Accountants
FRN No. 105256 W**

**P.S. Kochar
Partner
M. No. 106049**

Place: Mumbai
Date: 30/5/2013

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 2013 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 2 companies and 2 other party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 451 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. 2,15,500/-, payable in respect of Income Tax, Sales Tax, Customs Duty and Excise Duty that were outstanding as on March 31, 2013 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.

For Kochar & Associates
Chartered Accountants
FRN No. 105256 W

P.S. Kochar
Partner

M. No. 106049

Place: Mumbai
Date: 30/5/2013

WALLFORT FINANCIAL SERVICES LTD.
BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
I. EQUITY AND LIABILITIES			
1) Shareholder's Funds			
a) Share Capital	A	96,872,000	96,872,000
b) Reserves and Surplus	B	472,722,601	496,678,708
c) Money received against share warrants		-	-
2) Share application money pending allotment		-	-
3) Non-Current Liabilities			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (Net)		-	-
c) Other Long term liabilities		-	-
d) Long term provisions	C	1,789,014	1,383,596
4) Current Liabilities			
a) Short-term borrowings	D	11,841,980	14,637,362
b) Trade payables	E	11,531,558	11,345,387
c) Other current liabilities	F	89,646	48,287
d) Short-term provisions	G	108,561	40,000
Total		594,955,360	621,005,340
II ASSETS			
1) Non-Current assets			
a) Fixed assets			
i) Tangible assets	H	18,133,610	18,575,927
ii) Intangible assets		-	-
iii) Capital work-in-progress		-	-
iv) Intangible assets under development		-	-
b) Non-current investments	I	267,638,364	262,118,154
c) Deferred tax assets (net)		30,404,333	11,950,325
d) Long term loans and advances	J	112,836,045	111,528,585
e) Other non-current assets		-	-
2) Current assets			
a) Current investments	K	20,514,200	75,361,765
b) Inventories		-	-
c) Trade receivables	L	2,763,444	2,342,515
d) Cash and bank balances	M	132,881,000	127,434,327
e) Short-term loans and advances	N	4,408,089	4,905,713
f) Other current assets	O	5,376,274	6,788,029
Total		594,955,360	621,005,340

Significant Accounting Policies and Notes Forming Part of the Accounts
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: 30/5/2013

**For and on behalf of the Board
Sd/- ASHOK BHARADIA
Director**

**Sd/- MANOJ BHARADIA
DIRECTOR**

**Sd/- YASH GOLECHHA
DIRECTOR**

WALLFORT FINANCIAL SERVICES LTD.
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of Previous reporting period
Revenue:			
Revenue from operations	P	9,539,718	19,398,600
Other Income	Q	12,128,850	11,060,929
Total Revenue		21,668,568	30,459,528
Expenses:			
Employee benefit expense	R	17,877,856	20,502,579
Financial costs	S	2,830,913	4,847,381
Depreciation		3,224,832	3,486,572
Other expenses	T	39,814,475	63,448,386
Total Expenses		63,748,076	92,284,918
Profit before exceptional and extraordinary items and tax		(42,079,508)	(61,825,389)
Exceptional Items			
Loss on Sale of Assets		276,607	141,126
Excess Provision written back		-	-
Profit before extraordinary items and tax		(42,356,115)	(61,966,515)
Extraordinary Items			
Extraordinary Items		-	-
Profit before tax			
Tax expense:			
1) Current tax		(18,454,008)	(13,088,128)
2) Deferred tax		54,000	40,000
3) Wealth Tax		-	-
4) Short/(Excess) Provision for tax for earlier years		-	-
Profit(Loss) for the period from continuing operations		(23,956,107)	(48,918,388)
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Net Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the period		(23,956,107)	(48,918,388)
Earning per equity share:			
(1) Basic		(2.47)	(5.05)
(2) Diluted		(2.47)	(5.05)
Significant Accounting Policies and Notes Forming Part of the Accounts			

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: 30/5/2013

For and on behalf of the Board
Sd/- ASHOK BHARADIA
Director

Sd/- MANOJ BHARADIA
DIRECTOR

Sd/- YASH GOLECHHA
DIRECTOR

WALLFORT FINANCIAL SERVICES LTD.
CASH STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2013.

	31ST MARCH 2013 (Amt. in Rs.)	31ST MARCH 2012 (Amt. in Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before extra ordinary items	-42,356,115	-61,966,515
<u>Adjustment for:</u>		
Loss on sale of Assets	276,607	141,126
Interest Received	-11,440,773	-10,450,539
Provision for Gratuity	459,979	-26,771
Dividend Received	-7,281,477	-9,259,429
Interest Paid	1,791,322	1,896,439
Depreciation	3,224,832	3,486,572
Operating Profit before working capital changes	-55,325,625	-76,179,118
<u>Adjustment for :</u>		
Trade payable	187,530	376,745
Trade & Other receivable	180,990	67,391,550
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	-54,957,105	-8,410,823
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of fixed Asset	1,056,000	775,000
Purchase of fixed assets	-4,115,123	-2,531,504
Sale / Purchase of Investments	49,327,355	-1,973,111
Interest Received	11,440,773	10,450,539
Dividend Received	7,281,477	9,259,429
NET CASH USED IN INVESTING ACTIVITIES (B)	64,990,482	15,980,353
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Loans Received	-	14,637,362
Loans Repaid	-2,795,382	-17,500,000
Interest Paid	-1,791,322	-1,896,439
NET CASH USED IN FINANCIAL ACTIVITIES (C)	-4,586,704	-4,759,077
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	5,446,673	2,810,453
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	127,434,327	124,623,874
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	132,881,000	127,434,327

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

CA. Piyush Kochar
Partner
M. No. 106049

Place: Mumbai
Date: 30/5/2013

For and on behalf of the Board
Sd/- ASHOK BHARADIA
Director

Sd/- MANOJ BHARADIA
DIRECTOR

Sd/- YASH GOLECHHA
DIRECTOR

WALLFORT FINANCIAL SERVICES LTD.
NOTES FORMING PART
OF THE BALANCE SHEET AS AT 31ST MARCH 2013

PARTICULARS	31/3/2013	31/3/2012
NOTES : A SHARE CAPITAL		
AUTHORISED		
1,10,00,000 Equity Shares of Rs. 10 Each	110,000,000	110,000,000
ISSUED		
1,05,01,200 Equity Shares of Rs. 10 Each fully paid- up	105,012,000	105,012,000.00
Less: 814000 Equity Shares of Rs. 10 Each forfeited	8,140,000	8,140,000
SUBSCRIBED AND PAID-UP		
96,87,200 Equity Shares of Rs. 10 Each fully paid up	96,872,000	96,872,000
TOTAL	96,872,000	96,872,000
Authorised Shares		
Number	11,000,000	11,000,000
Amount	110,000,000	110,000,000
Number of Shares		
Issued	9,687,200	9,687,200
Subscribed and fully paid	9,687,200	9,687,200
Subscribed but not fully paid	-	-
Par Value Per Share	10	10
Reconciliation		
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
<u>Rights, preferences and restrictions including restrictions on the distribution of</u>		
The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of directors is subject to the approval of the shareholders in the ensuing AGM, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.		
<u>Shares held by the holding company or the ultimate holding company Shares in the company held by each shareholder holding more than 5% specifying the number of shares held</u>		
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

PARTICULARS	31/3/2013	31/3/2012
<u>Shares reserved for issue under options and contracts / commitments for the sale of For a period of five years immediatiately preceding the date as at which the balance sheet is prepared</u>	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.
<u>Terms of securities convertible into equity / preference shares issued along with the Calls unpaid (showing aggregate value of calls unpaid by directors and officers) Forfeited shares (amount originally paid up)</u>	4,070,000	4,070,000
Note B:		
<u>Reserves & Surplus</u>		
<u>Reserves</u>		
<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
<u>Surplus</u>		
<u>Profit & Loss Account</u>		
Balance as per the previous Balance Sheet	492,608,708	541,527,096
Add: Profit during the year	(23,956,107)	(48,918,388)
Balance as at the end of the period	468,652,601	492,608,708
TOTAL	472,722,601	496,678,708
Note C:		
<u>Long Term Provisions</u>		
<u>Provision for Employee Benefits</u>		
Provision for Gravity	1,789,014	1,383,596
TOTAL	1,789,014	1,383,596
Note D:		
<u>Short Term Borrowings</u>		
<u>Secured</u>		
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)	11,841,980	14,637,362
TOTAL	11,841,980	14,637,362

PARTICULARS	31/3/2013	31/3/2012
Note E:		
Trade Payables		
Trade Payable	11,531,558	11,345,387
TOTAL	11,531,558	11,345,387
Note F:		
Other Current Liabilities		
Other Payables	89,646	48,287
TOTAL	89,646	48,287
Note G:		
Short Term Provisions		
Provision for Income Tax - Current Year	-	-
Provision for Wealth Tax - Current Year	54,000	40,000
Provision for Gratuity	54,561	-
TOTAL	108,561	40,000
Note I:		
Non-Current investments		
(At Cost, Long Term)		
Unquoted		
Others		
Equity Shares	21,447,500	21,447,500
Units of Mutual Fund	1,000,000	500,000
Quoted		
Trade		
Equity Shares	245,190,864	240,170,654
(Aggregate amount of Unquoted Investments Rs. 224.47 lakhs)		
(Aggregate amount of Unquoted Investments Rs.245.19 lakhs)		
(Market Value of Quoted Investments is Rs. 224.25 lakhs)		
TOTAL	267,638,364	262,118,154
Note J :		
Long Term Loans and Advances		
Unsecured Considered Good		
Deposits		
(Includes deposit with Associate Enterprises Rs. 3.35 lakhs and with Directors relatives Rs 400 lakhs)	103,831,683	103,466,683
Staff Loans	357,364	250,000
Other Loans and Advances		
Advance recoverable in cash or in kind or for the value to be received	605,812	705,812
Prepaid Expenses	-	168,982
Advance Tax & TDS (net of provisions)	8,041,186	6,937,108
TOTAL	112,836,045	111,528,585

WALLFORT FINANCIAL SERVICES LTD.

NOTE H : FIXED ASSET SCHEDULE FOR THE PERIOD ENDED 31ST MARCH 2013

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 1-4-2012	ADDITION	DEDN. 31-03-2013	AS ON 31-03-2013	UP TO 1-04-2012	DURING THE YEAR	DEDN. ADJ.	TOTAL	AS ON 31-03-13	AS ON 1-4-2012
Computers	14,009,190	454,308	—	14,463,498	12,035,783	955,975	-	12,991,758	1,471,740	1,973,407
Vehicles	18,209,319	2,545,342	2,413,292	18,341,369	5,015,919	1,735,204	1,080,685	5,670,438	12,670,931	13,193,400
Plant	956,234	26,550	-	982,784	380,642	45,449	-	426,091	556,693	575,592
& Machinery										
Furniture	5,595,494	1,088,923	-	6,684,417	3,368,148	420,730	-	3,788,878	2,895,539	2,227,347
& Fixture										
Office	1,065,935	-	-	1,065,935	459,753	67,474	-	527,227	538,708	606,182
Equipment										
TOTAL	39,836,172	4,115,123	2,413,292	41,538,003	21,260,246	3,224,832	1,080,685	23,404,393	18,133,610	18,575,927
Previous Year	38,974,473	2,531,504	1,669,805	39,836,172	18,527,352	3,486,572	753,679	21,260,245	18,575,927	20,447,120

PARTICULARS	31/3/2013	31/3/2012
Note K:		
Current Investments		
(Lower of Cost and Market Value)		
Quoted		
Trade		
Equity Shares	23,685,505	86,166,672
Less : Provisions for Diminution in value of Investment	3,171,305	10,804,907
(Aggregate amount of Quoted Investments Rs 236.85 lakhs)		
(Market Value of Quoted Investments is Rs. 205.24 lakhs)		
TOTAL	20,514,200	75,361,765
Note L:		
Trade Receivables		
Unsecured Considered Good	2,763,444	2,342,515
TOTAL	2,763,444	2,342,515
Note M:		
Cash & Bank Balances		
Cash & Cash Equivalent		
Cash in Hand	130,554	381,365
Cheques in Hand		
Bank Balance		
In Current Account	7,469,337	5,537,599
Short Term Highly Liquid Investments/Deposits with maturity of less than 3 months	10,000,000	22,500,000
Other Bank Balances		
FD with Scheduled Banks		
Deposits with maturity more than 3 months and less than 12 months	58,021,631	72,118,602
Deposits with maturity more than 12 months	57,259,478	26,896,762
TOTAL	132,881,000	127,434,327
Note N:		
Short Term Loans and Advances		
Unsecured Considered Good		
Staff Loans	762,508	1,342,308
Other Loans and Advances		
Advance recoverable in cash or in kind or for the value to be received	2,982,552	1,571,805
Prepaid Expenses	663,029	1,991,601
TOTAL	4,408,089	4,905,713.11
Note O:		
Other Current Assets		
Interest Accrued on Fixed Deposits	5,376,274	6,788,029
TOTAL	5,376,274	6,788,029

PARTICULARS	31/3/2013	31/3/2012
Note P:		
Revenue from Operation		
Income from Sale of Investments	11,366,996	(7,433,980)
Business Income	(38,938,778)	(15,831,254)
Income from Brokerage	29,825,502	33,396,898
Dividend	7,281,477	9,259,429
Income from DP Operations	4,521	7,506
TOTAL	9,539,718	19,398,600
Note Q		
Other Income		
<u>Interest Income</u>		
Interest on Bank Fixed Deposits	11,440,773	10,450,539
<u>Other Non Operating Income</u>		
Income from Mutual Fund Distribution	669,769	563,503
Other Income	18,309	46,887
TOTAL	12,128,850	11,060,929
Note R		
Employee Benefit Expenses		
Directors Remuneration	1,800,000	1,800,000
Salaries and Employee Benefits	14,190,108	16,222,289
Employers Contribution to Provident and Other Funds	343,698	329,704
PF Administration Charges	21,101	20,939
Gratuity	459,979	(26,771)
Staff Mediclaim	234,647	258,515
Staff Welfare	828,324	1,897,903
TOTAL	17,877,856	20,502,579
Note S:		
Financial Costs		
Bank Guarantee & Processing Charges	1,039,591	2,950,942
Bank Interest	1,397,021	454,707
Interest on Loans	394,301	1,441,732
TOTAL	2,830,913	4,847,381
Note T:		
Other Expenses		
Annual Subscription	80,000	130,000
Audit Fees	216,000	216,000
Bad Debts	-	380,466
Computer Expenses	893,142	915,603
Consultancy & Professional Charges	991,437	926,501
Data Subscription	2,997,846	2,425,234
Electricity	2,064,881	1,586,800
Insurance	27,842	30,000
Interest on Statutory Dues	-	3,435
Misc Expenses	1,338,782	1,232,016
Membership Fees	610,000	108,500

PARTICULARS	31/3/2013	31/3/2012
Office Expenses	2,561,204	3,351,462
Loss / (Gain) on Revaluation of Current Investments	(7,633,602)	10,804,907
Printing and Stationery	327,034	1,444,797
Rent	7,484,591	8,209,262
Repairs and Maintainance	484,483	132,674
Securities Transaction Tax	12,932,195	16,286,947
Service Tax	85,782	14,090
Stamp Duty	4,148,037	4,490,808
Stock Exchange Expenses	4,400,552	4,826,846
Telecommunication Expenses	1,682,070	1,959,714
Travelling Expenses	1,966,696	1,818,056
Vechile Expenses	2,155,504	2,154,270
TOTAL	39,814,475	63,448,386

For and on behalf of the Board
Sd/- ASHOK BHARADIA
Director

Sd/- MANOJ BHARADIA
DIRECTOR

Sd/- YASH GOLECHHA
DIRECTOR

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. 1,84,54,008/- (Previous year - Rs. 1,30,88,128/-) 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, 2013, deferred tax on account of timing difference on depreciation of fixed assets and provision for gratuity was Rs. 3,04,04,333/- (Previous year – Asset Rs. 1,19,50,325/-).

2. As of March 31, 2013, 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) Current Year NIL (Previous year - Data Subscription – Rs.67,499/-)

9. Employee Benefits

Defined Benefit Plans as per Actuarial Valuation as at March 31, 2013.

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

Particulars	2012-2013	2011-2012
Liability at the Beginning of the year	13,83,596	14,10,367
Interest Cost	1,21,065	1,16,355
Current Service cost	2,70,838	2,70,838
Actuarial (gains)/losses on obligation	68,076	(4,13,964)
Liability at the end of the year	18,43,575	13,83,596

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

Particulars	2012-2013	2011-2012
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	68,076	(4,13,964)

c. Amounts recognized in the Balance Sheet

Particulars	2012-2013	2011-2012
Liability at the end of the year	18,43,575	13,83,596
Fair Value of plan assets at the end of the year	—	—
Difference	18,43,575	13,83,596
Amount recognized in the Balance Sheet	18,43,575	13,83,596

d. Amounts recognized in the Profit and Loss Account

Particulars	2012-2013	2011-2012
Current service cost	2,70,838	2,70,838
Interest cost	1,21,065	1,16,355
Expected return on plans assets	—	—
Net Actuarial (gain)/ loss recognised in the year	68,076	(4,13,964)
Net benefit expense	4,59,979	(26,771)

e. Actual Assumptions

Particulars	2012-2013	2011-2012
Discount rate	8.25%	8.75%
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
Daxa Golechha
Rashmi Lahoti
Deepa Bharadia
Shobha Golechha
Kamladevi Bharadia
Sangeeta Bharadia
Kishnidevi Bharadia
Shrivallabh Bharadia
Manidevi Bharadia
Shyamsunder Bharadia
Megraj Golechha
Taradevi Jain
Pradeep Jain
Puspha P. Jain
Vandana Bharadia
Priya Jain
Vijay Bharadia
Pankaj Lahoti

Transactions

(Rs. In Lakhs)

Particulars	Associate Enterprises		Key Management Personnel		Relatives	
	2013 (Rs.)	2012 (Rs.)	2013 (Rs.)	2012 (Rs.)	2013 (Rs.)	2012 (Rs.)
Brokerage	5.11	7.64	-	-	2.14	1.47
Loans Received	524.5	1878.00	773.94	3326.91	60.00	-
Loans Repaid	524.5	1878.00	773.94	3151.91	60.00	-
Advances Refunded	3.35	660.00	-	80.00	-	170.00
Advances	-	250.00	-	-	-	400.00
Rent	0.96	0.96	7.92	12.42	36.39	40.39
Repairs	3.74	-	-	-	-	-
Salary	-	-	18.00	18.00	4.92	4.80
Interest	-	-	3.94	14.41	-	-

Outstanding Balances

(Rs. In Lakhs)

Particulars	Associate Enterprises		Key Management Personnel		Relatives	
	2013 (Rs.)	2012 (Rs.)	2013 (Rs.)	2012 (Rs.)	2013 (Rs.)	2012 (Rs.)
Investments	147.00	147.00	-	-	-	-
Deposit	-	3.35	-	-	-	-
Advances	-	-	-	-	400.00	400.00

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
Total	216000	216000

12. Contingent liabilities

- a. Unexpired Bank Guarantees – NIL

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 2013	FY 2012
Amount used as numerator – Profit after tax	2,39,56,107	48,918,388
No. Of Shares	9,687,200	9,687,200
Basic & diluted earning per share	(2.47)	(5.05)

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, 2013 comprises of

Particulars	Opening Balances as on 1/4/2012	Provided on 31/3/2013	Provisions regrouped reversed / paid during the year ended 31/3/2013	Closing balance as of 31/3/2013
Income Tax	40000	54000	40000	54000
Gratuity	1383596	459979	-	1843575

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.

For Kochar & Associates
Chartered Accountants
FRN No.105256W

P.S. Kochar
Partner
M. No. 106049

Place: Mumbai
Date: 30/5/2013

For and on behalf of the Board
Sd/- ASHOK BHARADIA
Director

Sd/- MANOJ BHARADIA
DIRECTOR

Sd/- YASH GOLECHHA
DIRECTOR

M/S Wallfort Financial Services Ltd.
Annexure "A" Statement of Investments as on March 31, 2013

Quantity	Scrip		Amount	
			Non Current	Current
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 Pvt. Ltd. of Rs10 each fully paid		2,450,000	
175000	Equity Shares of Wallfort Share & Stock Brokers P.Ltd Rs 10 each fully paid up		12,250,000	
			21,447,500	
Units of Mutual Funds				
42211.9	Units of Principal Emerging Blue Chip Fund		1,000,000	
			1,000,000	
Quoted Trade Equity Shares				
Fully Paid up				
Qty.	Security	Face Value	Amount	
50,000	AARTI DRUGS	10	4,528,252	4,528,252
25,000	ACCELYAKALE SOLUTIONS	10	2,634,774	-
50,000	AARTI INDUSTRIES	5	-	4,680,172
100,000	ASAHI SONGWON COLORS	10	9,100,008	-
5,000	BHARAT ELECTRONICS	10	-	6,340,728
400	BHOR WAVELOCK INDUSTRIES	10	7,820	-
150,000	BOMBAY BURMAH TRADING CORPORATION	2	17,258,521	-
250,000	BHILWARA TECHNICAL TEXTILES LTD.	1	1,004,056	-
14,700	CALADENIO LTD.	10	147,000	-
10,000	GLOSTER LTD.	10	3,517,338	-
125,000	GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD.	10	11,732,575	-
20,000	IL&FS TRANSPORTATION NETWORKS LTD.	10	4,139,523	-
350,000	JAYSHREE TEA & INDUSTRIES LTD.	5	38,809,755	-
25,000	MCLEAD RUSSEL INDIA LTD.	5	8,816,365	-
200,000	MIRZA INTERNATIONAL LTD.	2	4,517,923	-
25,000	NATCO PHARMA LTD.	10	9,249,216	-
10,000	NATIONAL BUILDINGS CONSTRUCTIONS CORPORATION LTD.	10	-	1,211,000
25,000	NITTA GELATIN INDIA LTD.	10	5,360,920	-
125,000	PRATIBHA INDUSTRIES LTD.	2	6,381,316	-
100,000	PREMIER EXPLOSIVES LTD.	10	7,209,264	-
80,000	PVR LTD.	10	11,342,068	-
10,000	RESPONSE INFO. LTD.	10	31,000	-
100,000	RSWM LTD.	10	15,795,470	-
100,000	SRF LTD.	10	27,994,193	-
20,000	STEEL STRIPS WHEELS LTD.	10	-	4,147,953

150,000	UNITY INFRAPROJECTS LTD.	2	6,327,472	-
25,000	VADILAL ENTERPRISES LTD.	10	3,929,323	-
75,000	VADILAL INDUSTRIES	10	12,370,944	-
50,000	VARDHMAN TEXTILES LTD.	10	13,244,156	-
25,000	VENKY'S INDIA LTD.	10	11,826,980	-
15,000	VATECH WABAG LTD.	2	7,914,635	-
18,000	ZUARI AGRO CHEMICALS LTD.	10	-	2,777,400
			245,190,864	23,685,505
		TOTAL	267,638,364	23,685,505

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

Quantity	Scrip		Amount	
			Non Current	Current
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	
175000	Equity shares of Wallfort Share & Stock Brokers P. Ltd. Rs 10 each fully paid up		12,250,000	
			21,447,500.00	
Units Of Mutual Funds				
50000	Units of DBS Chola Mutual Fund		5,00,000.00	
			5,00,000.00	
Quoted Trade Equity Shares				
Fully Paid up				
Qty.	Security	Face Value	Amount	
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	1,47,000	-
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	-	6,743,155
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	-

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
			240,170,654	86,166,672
		TOTAL	262,118,154	86,166,672

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 31st 2013 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.

Place: Mumbai
Date: 30/5/2013.

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

P.S. Kochar
Partner
M. No. 106049

WALLFORT FINANCIAL SERVICES LIMITED

Regd Off 205, Gundecha Chambers ,Nagindas Master Road, Fort, Mumbai – 400001.

PROXY FORM

I/We _____
Of _____

Being a member/members of above named Company hereby appoint of _____
_____ or failing him / her _____ of

_____ as may / our proxy to attend and
vote on my/our behalf at the 18th Annual General Meeting of the Company to be held on Monday,
30th September 2013 or at any adjournment thereof.

Signed this _____ day of _____ 2013.



Note : This instrument of proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

WALLFORT FINANCIAL SERVICES LIMITED

Regd Off.: 205, Gundecha Chambers ,Nagindas Master Road, Fort, Mumbai – 400001.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Name of the attending Member _____

Member's Folio Number _____

DP ID _____

Client ID _____

Name of the Proxy (In Block Letters) _____

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

(No. of Shares held: _____)

I hereby record my presence at the 18th Annual General Meeting at the registered Office of the Company at 205, Gundecha Chambers ,Nagindas Master Road, Fort, Mumbai – 400001 to be held on Monday, 30th September 2013 or at any adjournment thereof.

Member's / Proxy Signature