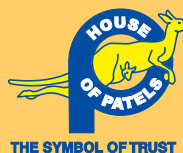


Achieving growth through  
Business Partners  
and associates



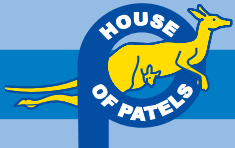
**19th Annual  
Report**

**2005-2006**



**WALL STREET  
FINANCE LTD.**

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THE SYMBOL OF TRUST

# BOARD OF DIRECTORS



Asgar S. Patel  
Chairman



Sameer Mardolkar  
Whole-time Director



P. S. G. Nair  
Director



F. S. Broacha  
Director



Vinod Agnani  
Director



Khizer Ahmed  
Director



Ashok Kapoor  
Director



**CHAIRMAN**

*Mr. Asgar S. Patel*

**WHOLE-TIME DIRECTOR**

*Mr. Sameer Mardolkar*

**DIRECTORS**

*Mr. P. S. G. Nair*

*Mr. F. S. Broacha*

*Mr. Vinod Agnani*

*Mr. Khizer Ahmed*

*Mr. Ashok Kapoor*

**MANAGER**

*Mr. Bhaskar Rao P.*

**COMPANY SECRETARY**

Mr. Haroon N. Mansuri

**AUDITORS**

M/s. Anil A. Mehta & Company

Chartered Accountants, Mumbai

**LEGAL ADVISORS**

M/s. Crawford Bayley & Company

Mr. F. S. Broacha

**BANKERS**

UTI Bank Limited

IDBI Bank Limited

Vijaya Bank

Bank of Baroda

**REGISTERED AND CORPORATE OFFICE**

“Natasha”,

52, Hill Road,

Bandra (West),

Mumbai-400 050.

**REGISTRARS AND SHARE TRANSFER AGENTS**

M/s. Computronics Financial Services (India) Limited

1, Mittal Chambers,

Nariman Point,

Mumbai 400 021.

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19th Annual General Meeting : Friday, 29<sup>th</sup> September, 2006 at 10.30 a.m.  
at the Sheila Raheja Hall, Rotary Service Centre,  
Juhu Tara Road, Santacruz (West), Mumbai 400 049.

*Members are requested to bring their copy of the Annual Report to the Annual General Meeting*



## NOTICE

NOTICE is hereby given that the 19<sup>th</sup> Annual General Meeting of the members of WALL STREET FINANCE LIMITED will be held at the Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai-400 049, on Friday, 29<sup>th</sup> day of September, 2006 at 10.30 a.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet and the Profit and Loss Account as at and for the year ended 31<sup>st</sup> March, 2006 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P. S. G. Nair, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Asgar S. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To declare dividend.
5. To appoint Auditors to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company, and to fix their remuneration.
6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :  
“RESOLVED that Mr. Ashok Kapoor, an Additional Director of the Company, who, under section 260 of the Companies Act, 1956 holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 257 and other applicable provisions, if any, of the said Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company”
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :  
“RESOLVED that consent of the members be and is hereby accorded, pursuant to the provisions of sections 269, 309, 198, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) to the appointment of Mr. Sameer Mardolkar as Whole-Time Director of the Company for a period of three years with effect from 1<sup>st</sup> April, 2006 on the terms and conditions (including remuneration and minimum remuneration payable to him in case of absence or inadequacy of profits in any year), as set out in the draft agreement between the Company and Mr. Mardolkar produced at this meeting and for the purpose of identification, initialed by the Chairman hereof;  
RESOLVED FURTHER that the Board be and is hereby authorized to execute the agreement, in terms of the said draft, with such alterations, changes and/or variations in the remuneration payable to Mr. Mardolkar as may be agreed between the Directors and Mr. Mardolkar provided that the said remuneration as altered, changed or varied shall be within the limits prescribed therefore under Schedule XIII of the Act for the time being and from time to time in force;  
AND RESOLVED FURTHER that for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to execute all such documents and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient or proper.”
8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution :  
“RESOLVED that subject to the approval of the Registrar of Companies, Maharashtra, Mumbai, under section 21 of the Companies Act, 1956 and other applicable provisions if any, the name of the Company be changed from WALL STREET FINANCE LIMITED to WALL STREET LIMITED and accordingly the name WALL STREET FINANCE LIMITED wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the name WALL STREET LIMITED.  
RESOLVED further that the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof) be and is hereby authorized to do all such acts and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution”

*Registered Office :*  
'Natasha', 52 Hill Road,  
Bandra (West),  
Mumbai-400 050.

Dated : 28<sup>th</sup> August, 2006

By order of the Board

**Haroon N. Mansuri**  
Company Secretary



NOTES :

1. The relevant Explanatory Statement as required by Section 173 (2) of the Companies Act, 1956 is annexed hereto, in regard to item nos. 6, 7 & 8 of the notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER. IN ORDER PROXIES TO BE EFFECTIVE PROXIES MUST REACH OR BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2006 to 29<sup>th</sup> September, 2006 (both days inclusive).
4. All unclaimed dividends up to the final dividend for the year 1995-96 have been transferred either to the General Revenue Account of the Central Government or to the credit of the Investor Education and Protection Fund ('the Fund'), as the case may be. Shareholders are hereby informed that the Company will be obliged to transfer any money lying in the Unpaid Dividend Accounts, for the years thereafter, to the credit of the said Fund, pursuant to Section 205C of the Companies Act, 1956 ("The Act"). In accordance with the provisions of said Section, no claim shall lie against the Company or the Fund in respect of individual amounts of dividend remaining unclaimed and unpaid for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims.
5. Members are requested to :
  - a) intimate to the Company or its present Registrar & Share Transfer Agents viz. M/s. Computronics Financial Services (India) Limited, 1 Mittal Chambers, Nariman Point, Mumbai – 400 021, changes if any, in their present address at an early date;
  - b) quote the Folio No./ Client ID & D.P ID No. in all correspondence;
  - c) members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting ;
  - d) members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.



## 19TH ANNUAL REPORT 2005-2006

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (in pursuance of clause 49 of the listing agreement)

Name of Director	Mr. P. S. G. Nair	Mr. Asgar S. Patel
Date of birth	6 <sup>th</sup> November, 1943	28 <sup>th</sup> February, 1939
Date of appointment	30 <sup>th</sup> July, 2004	25 <sup>th</sup> April, 1986
Particulars of appointment	Mr. Nair had been appointed as an additional Director on 30 <sup>th</sup> July, 2004 and his appointment was approved by the members in the Annual General Meeting held on 25 <sup>th</sup> October 2004. Mr. Nair retires by rotation at ensuing Annual General Meeting and is proposed to be re-appointed as the Director of the Company.	Mr. Asgar S. Patel the Chairman of the Company since its inception, retires by rotation at ensuing Annual General Meeting and is proposed to be re-appointed as a Director of the Company.
Nature of expertise in specific functional areas	Mr. P. S. G. Nair is a Chartered Accountant with vast experience in the fields of Accounts, Audit, Finance, Forex, Company Law and Taxation matters.	One of the pioneers of the organized transportation of goods in India with vast experience in the fields of Finance, Forex, Construction Couriers, and Logistics
Qualification	B. Sc.(Hons), A C A.	B. A.
Directorships held in other public companies	a) Patel Roadways Ltd. b) Patel Holdings Ltd. c) Wall Street Securities & Investments (India) Ltd. d) Yasmin Finance & Trading Pvt. Ltd. e) Transways Combines Pvt. Ltd. f) Patel Management Consultancy Pvt. Ltd. g) Springfield Hotels Pvt. Ltd.	a) Patel Roadways Ltd. b) Patel On-Board Couriers Ltd. c) Patel Holdings Ltd. d) Wall Street Securities & Investments (India) Ltd. e) Peninsula Financial Services Pvt. Ltd. Springfield Hotels Pvt. Ltd. g) Natasha Constructions Pvt. Ltd. h) Patel Institute of Transport Management & Research i) World Wide Instant Remittances Pvt. Ltd. j) Money Changers Association
Committees position held in other companies	a) <u>Patel Roadways Ltd.</u> : i) Audit Committee - Chairman ii) Shareholders Grievance Committee - Chairman iii) Remuneration Committee - Chairman b) <u>Patel Holdings Ltd.</u> : i) Audit Committee - Chairman ii) Remuneration Committee - Chairman	Nil
No. of shares held a) Own b) For other persons on a beneficial basis	Nil  Nil	60,95,550  Nil



Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (in pursuance of clause 49 of the listing agreement) *Contd..*

Name of Director	Mr. Ashok Kapoor	Mr. Sameer Mardolkar
Date of birth	26 <sup>th</sup> February, 1956	24 <sup>th</sup> July, 1964
Date of appointment	27 <sup>th</sup> September, 2005	1 <sup>st</sup> August, 2004
Particulars of appointment	Mr. Ashok Kapoor had been appointed as an additional Director on 27 <sup>th</sup> September, 2005, who, under section 260 of the Companies Act, 1956 holds office only up to the date of this Annual General Meeting. The Company has pursuant to section 257 of the Companies Act, 1956 received a notice along with a deposit of Rs. 500/- from a member proposing the candidature of Mr. Ashok Kapoor for the office of Director.	Mr. Mardolkar was appointed by the Board of Directors as the Whole-time Director with effect from 1 <sup>st</sup> August, 2004 for a period of one year and two hundred forty three days. His term expired on 31 <sup>st</sup> March, 2006 and the Board of Directors have subject to the approval of members in the ensuing annual general meeting re-appointed him as Whole-time Director for the period of three years commencing from 1 <sup>st</sup> April, 2006. Member's approval is sought for the re-appointment of Mr. Mardolkar as the Whole-time Director at the ensuing Annual General Meeting
Nature of expertise in specific functional areas	Mr. Ashok Kapoor has vast experience in the fields of Banking & Finance with leading banks.	Mr. Mardolkar has a vast experience in the fields of Marketing, Business Development and Strategic Planning.
Qualification	B.Sc. (Hons.) LL. B & CAIIB	B. Sc., M B A in Marketing and Diploma in Advertising
Directorships held in other public companies	Nil	a) Patel Institute of Transport Management & Research b) Transways Combines Private Ltd. c) Yasmin Finance & Trading Private Ltd. d) Peninsula Financial Services Private Ltd. e) Patel Management Consultancy Private Ltd.
Committees position held in other companies	Nil	Nil
No. of shares held a) Own b) For other persons on a beneficial basis	Nil Nil	Nil Nil



## ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956

### Item No. 6

Mr. Ashok Kapoor was appointed as an Additional Director of the Company at the Meeting of the Board of Directors of the Company held on 27<sup>th</sup> September, 2005. The Company has, pursuant to section 257 of the Companies Act, 1956, received a notice along with a deposit of Rs.500/- (Rupees five hundred only) from a member proposing the candidature of Mr. Ashok Kapoor for the office of Director.

Mr. Ashok Kapoor is an Honors Graduate from Science faculty, a Law Graduate and CAIIB. Mr. Kapoor has more than two decades of experience in the fields of Banking, Finance and general management.

Your Directors feel that his presence on the Board will be beneficial to the Company and therefore recommend the passing of the resolution at item no. 6 of the Notice.

Save and except Mr. Ashok Kapoor, none of the Directors is concerned or interested in the passing of this resolution.

### Item No. 7

Your Directors have, subject to the approval of the members in the Annual General Meeting, re-appointed Mr. Sameer Mardolkar as the Whole-time Director of the Company, for a period of three years from 1<sup>st</sup> April, 2006, on the terms and subject to conditions set out in the draft agreement referred to in the resolution at item no. 7 of the notice. The material terms, including remuneration, of the said agreement are as follows:

(A) PERIOD : Three years i.e. from 1<sup>st</sup> April, 2006 to 31<sup>st</sup> March, 2009.

(B) REMUNERATION :

- i) a) A salary of Rs.1,00,000/- (Rupees One Lac only) per month with liberty to the Board to grant or withhold increments as deemed fit;
- b) Fixed Allowance of Rs. 2,121/- per month.
- ii) Medical reimbursement of Rs.1,250/- per month.
- iii) Use of a motor-car of the Company, with driver, for the Company's business. All running and maintenance expenses therefore to be borne and paid by the Company provided that the cost of petrol for personal use, if any, of the car shall be reimbursed by the Whole-time Director to the Company;
- iv) Benefit of the Company's Provident Fund Scheme and the Superannuation or Annuity Fund Scheme for the time being in force;
- v) Gratuity in accordance with the Rules of the Company for the time being;
- vi) 24 days privilege leave for each completed year of service, the said leave being accumulatable and encashable as per Company's policy;
- vii) Benefit of 10 days sick and 6 days casual leave per year as per the Company's policy;
- viii) Personal accident insurance cover (Group Policy) at the cost of the Company, premium thereof as may be determined by the Insurance Company;
- ix) Use of a fixed line telephone for the Company's business at the Whole-time Director's residence and a mobile telephone. Provided that the cost of personal long distance calls, if any, shall be reimbursed by the Whole-time Director to the Company;

Provided that the under mentioned prerequisites, namely:

- a) contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, singly or put together, are not taxable under the Income-tax Act, 1961 for the time being and from time to time in force;
- b) gratuity payable at the rate not exceeding half a month's salary for each completed year of service; and
- c) encashment of privilege leave at the end of the Whole-time Director's tenure of service, shall not be included in the computation of the prescribed limit as set out in the Schedule XIII to the Companies Act, 1956 ("the Act").

The remuneration including the prerequisites above mentioned shall, nevertheless, be paid and allowed to the Whole-time Director as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year.





(C) OTHER TERMS:

- a) The Whole-time Director shall not, without Board's approval, engage himself in any business, occupation or employment competing with the Company's business.
- b) The Whole-time Director shall not divulge or disclose any confidential information or knowledge as to the business and affairs of the Company.
- c) In the event of the death of the Whole-time Director during the term of the agreement, the Company shall pay to his legal heirs, his full salary and other emoluments for that month and for three months thereafter.
- d) Both parties are entitled to terminate the agreement by giving 90 days notice in writing.

Mr. Mardolkar is a Graduate from the Science Faculty and also has Masters degree in Marketing Management from the Mumbai University. In addition to this he has a diploma in Advertising Management from Mumbai University. Mr. Mardolkar has more than 20 years experience in the fields of Marketing, Project Planning and Co-ordination and General Management.

The appointment and payment of remuneration to Mr. Mardolkar, as the Whole-time Director of the Company, has been approved by the Remuneration Committee of the Board of Directors of the Company at their meeting held on 28<sup>th</sup> April, 2006. The Remuneration Committee, while approving the re-appointment and remuneration of Mr. Mardolkar took in to account the qualifications and experience of Mr. Mardolkar as well as the responsibilities to be shouldered by him as well as his past performance and past remuneration along with the financial position of the Company and trend in the industry. The remuneration payable to Mr. Mardolkar is in conformity with table B of clause 1 of section II of Schedule XIII to the Companies Act, 1956 and that the minimum remuneration payable to in case of loss or inadequacy of profits was also within the limits prescribed under section II of part II of the Schedule XIII to the Companies Act, 1956.

Your Directors are of the view that the appointment of Mr. Mardolkar as Whole-time Director is in the interest of the Company and shareholders and accordingly commend the resolution at item no. 7 of the Notice for the approval of members.

The draft agreement between the Company and Mr. Mardolkar, is available for the inspection of members at the Registered Office of the Company between 10.30 a.m. to 12.30 p.m. on all working days except Saturdays.

Mr. Mardolkar is concerned/interested in the passing of the resolution at item no. 7 of the Notice as it relates to his appointment and the remuneration payable to him.

None of the other Directors is concerned or interested in the passing of the resolution at this item.

The abstract of the agreement between the Company and Mr. Mardolkar pursuant to section 302 of the Companies Act, 1956 was sent to the members in May 2006.

**Item No. 8**

The Company was incorporated with the Registrar of Companies on 25<sup>th</sup> April, 1986 under the name of Wall Street Finance Limited. At the time of incorporation, the main object of the Company was financing, hire purchase and leasing and the name reflected these objects. Over the years, the Company has been diversifying its activities into Forex and Inward Remittances. Thus the change in name is recommended.

The Registrar of Companies, Maharashtra, Mumbai has confirmed that the new name is available for registration under section 20 of the Companies Act, 1956. An application will be made to the Registrar of Companies for seeking his approval to the change of name under section 21 of the Act.

None of the Directors is concerned or interested in the aforesaid resolution.

The information as required under table B of Clause 1 of section II of Part II of Schedule XIII to the Companies Act, 1956 is given below :

**I General Information :**

1. Nature of industry  
The Company is engaged in the business of Money Changing, Inward Remittances, Portfolio Management Services, Challan Discounting and other Financial Services.
2. The date of commencement of commercial production or services : 12<sup>th</sup> May, 1986



## 19TH ANNUAL REPORT 2005-2006

3. Financial performance based on given indicators, as per audited financial results for the year ended 31<sup>st</sup> March, 2006.

Particulars	Amount (Rs. lacs)
Sales & Other Income	2189.42
Profit after tax as per Profit & Loss Account (inclusive of extra ordinary items)	185.22
Accumulated Profit	189.03
Net worth	1456.86

4. Export performance & net foreign exchange collaborations

Particulars	Amount (Rs. lacs)
Export performance (export of foreign currencies)	81,803.70
Net foreign exchange collaborations	Nil

5. Foreign Investments or Collaborations, if any : Not Applicable

### II. INFORMATION ABOUT THE APPOINTEE :

Sr. No.	Particulars	
1.	Background details : a) Name & Designation b) Age c) Qualifications d) Expertise e) Other Directorships f) Chairmanship(s)/Membership(s) of the Committees as on 31.03.2006	Mr. Sameer Mardolkar, Whole-time Director 42 years B. Sc., M B A in Marketing Management and Diploma in Advertising Has more than 20 years of experience in marketing, project planning & co-ordination and General Management a) Patel Institute of Transport Management & Research – Director b) Transways Combines Private Limited – Director c) Yasmin Finance & Trading Private Limited – Director d) Peninsula Financial Services Private Limited – Director e) Patel Management Consultancy Private Limited – Director Nil
2.	Past remuneration for the financial year ended 31.03.2006	Rs. 73,333/- per month plus perquisites.
3.	Recognition of awards	Nil
4.	Job profile and his suitability	Has experience of more than twenty years in the fields of marketing, project planning & co-ordination & general management.
5.	Remuneration proposed	Rs. 1,15,371/- p.m. plus perquisites and benefits.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and the person	His remuneration commensurates with the industry and size of the Company.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Nil



**WALL STREET  
FINANCE LTD.**

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III OTHER INFORMATION :

1. Reasons for loss or inadequate profits

The Company has been making profits. However, considering the responsibilities that will be shouldered, the remuneration payable to Mr. Sameer Mardolkar falls under Schedule XIII of the Companies Act, 1956.

2. Steps taken or proposed to be taken for improvement

And

3. Expected increase in productivity and profits in measurable terms

The Company has implemented various corrective steps and cost reduction measures so as to improve its operational efficiencies. These include reduction in fixed costs, prompt and better customer service, better product mix etc. The Company has explored new service areas and added new branches which are expected to yield better results for the Company.

*Registered Office :*  
'Natasha', 52 Hill Road,  
Bandra (West),  
Mumbai-400 050.

Dated : 28<sup>th</sup> August, 2006.

By order of the Board

**Haroon N. Mansuri**  
Company Secretary



## DIRECTORS' REPORT

To

The Members of Wall Street Finance Limited

Your Directors are pleased to present the 19<sup>th</sup> Annual Report of your Company along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2006

### FINANCIAL RESULTS

The financial results of the Company for the year under review are summarised below :

	Year ended 31.03.2006 (Rs. lacs)	Year ended 31.03.2005 (Rs. lacs)
Profit before interest, depreciation and tax	530.86	427.96
Less : interest	275.02	287.66
Profit before depreciation and tax	255.84	140.30
Less : depreciation	54.59	49.14
Net profit before tax	201.25	91.16
Less : provision for taxation :		
a) Current tax	5.00	4.00
b) Wealth tax	1.00	2.50
c) Fringe benefit tax	10.03	-
Profit after tax	185.22	84.66
Add : balance of profit brought forward	107.13	40.70
Profit available for appropriation	292.35	125.36
Less : transfer to statutory reserve u/s 45 1C of RBI Act, 1934	37.04	18.23
Interim dividend	58.13	-
Tax on interim dividend	8.15	-
Surplus carried to Balance Sheet	189.03	107.13

### DIVIDEND

The Company was able to post a decent profit after tax for the year and had declared and paid a modest interim dividend of 5% for the year under review. This interim dividend has to be treated as final. With this your Company has come back in the dividend paying list after a gap of nine years. The Management is hopeful that your Company continues in the dividend paying list in future also.

### OPERATIONS

Your Company continues its focus on Foreign Exchange and Inward Remittances as its two main revenue lines. Your Company has built up a very strong Central Treasury and a network of branches, which has enabled your Company to get a competitive edge in the market. This has also helped your Company in optimum utilization of funds as well as better cover options in foreign currency exports. Your Company was able to achieve a currency export of Rs. 818 crores, as against Rs. 700 crores in the previous year.

Your Company has tied-up with UTI Bank for the supply of UTI Travel Currency Cards and Currencies to their large corporate clients. Your Company also markets the Thomas Cook brand of Travellers Cheques from Travelex. However, Prepaid Travel Currency Cards are fast gaining ground as the preferred choice of the international traveler as against Travellers Cheques and your Company hopes to increase its sales volumes in this retail segment.



## **DIRECTORS' REPORT** *(Contd...)*

The Inward Remittance business of your Company continues to grow significantly in terms of volumes and profitability. It is estimated that the size of the Inward Remittance market is around USD 23 billion per year into India. Western Union is a market leader in this industry and as their principal agent, we are growing along with them. Though Western Union is presently strong in North America and Europe, it is yet to establish itself in the Gulf market, which is huge as compared to other markets in terms of transactions. This year, Western Union has adopted a very aggressive pricing policy to penetrate this market. This will help your Company to increase its customer base and reap long-term benefits in terms of volumes and profitability. The total Inward Remittance paid out by your Company during the year was Rs. 699 crores as against Rs. 541 crores during the previous year. The number of sub-agent locations of your Company has grown from 2062 locations in March 2005 to 2966 locations in March 2006. Your Company's association with Vijaya Bank and Allahabad Bank for Western Union is expanding satisfactorily. Your Company is also pursuing other large corporates for increasing its Western Union sub-agent network in the coming years.

During the year, your Company started two new business lines namely, Mutual Fund Distribution and Portfolio Management Services. Your Company is registered with Association of Mutual Funds in India (AMFI) for distribution of Mutual Funds and has tied up with all major Mutual Funds for marketing their products to our large client base. In late 2005, your Company registered itself with SEBI as a Portfolio Manager, to offer Portfolio Management Services specially designed for NRIs and High Net worth Individuals. Both these divisions are expected to help your Company in establishing itself as a total financial services provider, apart from adding to the bottom-line of the Company, in the coming years.

Summarizing your Company is exploiting its large client base and domain knowledge in the financial sector to become a one-stop-shop for all money related matters.

### **ACCOUNTS**

Observations in the Auditors' Report read with relevant notes forming part of the accounts are self-explanatory and give the required information.

Your Company has two distinct activities namely, Foreign Exchange and Inward Remittance Services in addition to its erstwhile financial services division. In case of Foreign Exchange and Inward Remittance activities, the general accounting principles, which are considered appropriate are adopted, whereas in the case of Financial Services, prudential norms (Reserve Bank) Directions, 1998, are adopted.

### **RESOURCE MOBILISATION**

During the year under review your Company has converted its cash credit facility into working capital term loan with one of its bankers. The said term loan is repayable in 35 monthly installments of Rs. 5 lacs. The Company has paid the installments of term loan due during the year and the amount due within one year is Rs.60.00 lacs.

Our objective is to continue reducing the Public Deposits and in accordance with this policy, the Company does not accept any fresh deposits but only renews the existing deposits of minimum Rs.10,000/- at the discretion of the deposit holder and that too for a minimum period of 3 years. As a result, the deposit base of your Company stands at Rs. 879.83 lacs as on 31<sup>st</sup> March, 2006 as against Rs. 966.06 lacs as on 31<sup>st</sup> March, 2005, a net reduction of Rs. 86.23 lacs.

During the year, the Company has disposed off certain unproductive assets for a consideration of Rs. 490.00 lacs. These funds are now available to the Company for business, thereby saving interest cost to the Company.

### **FUTURE PROSPETS**

Your Company plans to expand its network by adding 10 new branches in the current year. These branches would offer all the products of the Company namely, Wholesale and Retail Foreign Exchange, Inward Money Remittances and Mutual Funds Distribution.

The Reserve Bank of India has recently announced new guidelines for upgrading a few large FFMCs to the status of Authorized Dealer - Category II. WSFL being eligible for this upgradation has applied to the Reserve Bank and we have received a favourable response from the Reserve Bank and we are hopeful of getting this new status very shortly. This will catapult your Company into a bigger league through a major expansion of its forex product portfolio. It will open up the large Outward Remittance market as well as hitherto restricted areas of foreign exchange like student quotas, forex for immigration and medical expenses.

Your Company has also invested heavily in terms of manpower and infrastructure in the Western Union business to exploit the large potential available in semi-urban and rural India. These investments are expected to substantially add to the market share of your Company.



## **DIRECTORS' REPORT** *(Contd...)*

Your Company is also installing a new software system, in line with the growing demands of the business. The new IT system uses state-of-the-art technology, is web enabled with online capability and will vastly improve efficiency and efficacy across the Organization.

### **SUBSIDIARY COMPANIES**

Two new diversification areas, which your Company is planning to enter are Securities Broking and Commodities Broking. In the current financial year, i.e., 2006-07, your Company has formed two fully owned subsidiaries for obtaining necessary memberships of the National Stock Exchange (NSE) and Multi-Commodity Exchange/NCDEX. This will be a natural extension to the Company's product line of Mutual Funds Distribution and Portfolio Management Services. On successful completion of the project, your Company will become a powerhouse of financial services spanning Foreign Exchange, Inward and Outward Remittance Services and the entire gamut of investment opportunities.

### **GENERAL**

Your Company continues to be registered as a Non-Banking Finance Company (NBFC) and is required to meet the various prudential norms of RBI. The capital adequacy ratio of your Company as on 31<sup>st</sup> March, 2006 is 39.82%, on the basis of the returns submitted to the Reserve Bank of India, as against the requirement of 12%.

Your Company is also an Authorized Money Changer, licensed by the Reserve Bank of India and the present license is valid up to 31<sup>st</sup> December 2006. Similarly, the licenses issued by RBI to your Company for Inward Money Remittance are valid. Your Company has appointed Mr. S. L. J. Gallyot as its Principal Officer (AML) and Money Laundering Reporting Officer (MLRO) as per the requirements of the Prevention of Money Laundering Act, 2002 and the Reserve Bank of India, respectively.

Your Company continues to honour all its obligations with respect to repayment of deposits and other statutory payments on due dates. Your Company continues to enjoy at par facilities for payment of interest to deposit holders. Your Company has no overdue deposits other than unclaimed deposits aggregating to Rs. 72.67 lacs as on 31<sup>st</sup> March, 2006, for which reminders have been sent to the concerned deposit holders. Your Company continues to have a minimum investment rating.

The Company does not have any unclaimed deposits, which are required to be transferred to the Investor Education and Protection Fund.

### **DIRECTORS**

Mr. P. S. G. Nair and Mr. Asgar S. Patel, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment.

Mr. Ashok Kapoor has been appointed as an additional Director of the Company by the Board of Directors at their meeting held on 27<sup>th</sup> September, 2005. It is proposed to appoint him as a Director of the Company at the ensuing Annual General Meeting. The Company has received a notice with a deposit of Rs. 500/- from a member of the Company, proposing the candidature of Mr. Kapoor for the office of Director under section 257 of the Companies Act, 1956.

The Board of Directors subject to the approval of the members in the Annual General Meeting re-appointed Mr. Sameer Mardolkar as a Whole time Director of the Company for a period of three years commencing from 1<sup>st</sup> April, 2006.

### **AUDITORS**

M/s Anil A. Mehta & Company, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

### **CORPORATE GOVERNANCE**

To comply with provisions of Corporate Governance, pursuant to clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors' Certificate, are included in the Annual Report.

### **DISCLOSURES**

Particulars under the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 on Conservation of Energy and Technology Absorption are not applicable to your Company. Earnings and outflow on account of foreign



## **DIRECTORS' REPORT** *(Contd...)*

exchange have been disclosed in the notes to the accounts. Cash flow statement pursuant to clause 32 of the listing agreement forms part of this annual report.

### **PARTICULARS OF EMPLOYEES**

There were no employees during the year under consideration, drawing remuneration as per the limits prescribed u/s 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and in respect of whom, a statement is required to be enclosed to this Report.

### **DIRECTORS RESPONSIBILITY STATEMENT**

The Directors would like to inform the members that the audited accounts for the financial year 31<sup>st</sup> March 2006 are in full conformity with the requirements of the Companies Act, 1956. The financial results are audited by the statutory auditors M/s Anil A. Mehta & Co. The Directors further confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) the accounting policies are consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2006 and of the profits of the Company for the year ended on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Annual Accounts have been prepared on a going concern basis.

### **APPRECIATION**

Your Directors would like to place on record their appreciation for the guidance and support received from the Reserve Bank of India, our bankers, shareholders, deposit holders, credit rating agency, business associates and our esteemed customers during the year under review.

*Registered Office :*  
'Natasha', 52 Hill Road,  
Bandra (West),  
Mumbai-400 050.  
Dated : 28<sup>th</sup> August, 2006.

For and on behalf of the Board

**Asgar S. Patel**  
Chairman



## REPORT ON CORPORATE GOVERNANCE

[Pursuant to clause 49(VII) of the listing agreement]

### 1) Company's Philosophy on Code of Corporate Governance :

The Company strongly believes in the values of transparency, professionalism and accountability, which are the mainstay of good corporate governance. The Company has consistently practiced good corporate governance and will endeavor to improve on it on the ongoing basis.

### 2) The Board of Directors :

a) The Board of Directors has a judicious mix of Executive and Non-Executive Directors. The Board of Directors comprises of Non-Executive Chairman, Whole-time Director, Non-Executive Director and Non-Executive Independent Directors.

The composition of the Board of Directors as at 31<sup>st</sup> March, 2006, their attendance at Board Meetings held during the year ended on that date and also at the last Annual General Meeting as also number of other directorships and chairmanships/memberships of committees held by them as at that date are as given below:

Sr. No.	Name of the Director	Category of Directorship	No. of Board Meetings Attended	Attendance at the last A.G.M.	No. of other Directorships (Incl. Private Ltd. Companies)	Committee Chairmanships/ Memberships	
						Chairman	Member
1.	Mr. Asgar S. Patel	NEC	4	Yes	10	-	-
2.	Mr. Sameer Mardolkar	WTD	11	Yes	5	-	-
3.	Mr. P. S. G. Nair	NED	10	Yes	7	5	1
4.	Mr. F. S. Broacha	NE-ID	11	Yes	6	2	6
5.	Mr. Vinod Agnani	NE-ID	9	Yes	2	1	1
6.	Mr. Khizer Ahmed	NE-ID	3	No	1	-	3
7.	Mr. Ashok Kapoor *	NE-ID	-	No	-	-	-

\* appointed w.e.f. 27th September, 2005

NEC – Non-Executive Chairman

WTD – Whole-time Director

NED – Non-Executive Director

NE - ID – Non-Executive & Independent Director

b) During the financial year ended 31<sup>st</sup> March, 2006, eleven Board Meetings were held as under :

07 <sup>th</sup> April, 2005	30 <sup>th</sup> April, 2005	09 <sup>th</sup> June, 2005	29 <sup>th</sup> July, 2005
18 <sup>th</sup> August, 2005	29 <sup>th</sup> August, 2005	27 <sup>th</sup> September, 2005	26 <sup>th</sup> October, 2005
06 <sup>th</sup> December, 2005	30 <sup>th</sup> January, 2006	10 <sup>th</sup> March, 2006	-

### 3) Audit Committee :

#### a) Terms of reference :

The scope of work of the Audit Committee includes areas prescribed by clause 49II (D) of the Listing Agreement and Section 292A of the Companies Act, 1956.

The role of the Audit Committee broadly includes the following :

i) Oversight the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;





## CORPORATE GOVERNANCE *(Contd...)*

- ii) Recommending the Board, the appointment, re-appointment and if required, replacement or removal of statutory external auditors and fixation of their fees;
- iii) Approval of payments to the statutory auditors for any other services rendered by the statutory auditors;
- iv) 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 Directors' 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 judgement by management.
  - d. Significant adjustments made in the financial statement arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statement.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft auditors' report.
- v) Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- vi) Reviewing with the management, performance of statutory and internal auditors and adequacy of internal control systems;
- vii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- viii) Discussion with internal auditors about significant findings, if any, and follow up action on the same;
- ix) Reviewing the findings of any internal investigations by the internal auditors in to matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting matter to the board;
- x) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post discussion to ascertain areas of concern;
- xi) To look in to the reasons for substantial defaults in the repayment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- xii) Reviewing the functions of progress of the concurrent audit of Forex operations;
- xiii) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### b) **Composition :**

The Audit Committee comprises of 3 Non-Executive Directors. The Committee met 5 times during the year ended 31<sup>st</sup> March, 2006. The composition of the Audit Committee and attendance of members at meetings of the Committee are as follows:

<i>Sr. No</i>	<i>Name of Member</i>	<i>Status</i>	<i>No. of Meetings Attended</i>
1	Mr. Vinod Agnani	Chairman	3
2	Mr. F. S. Broacha	Member	5
3	Mr. Khizer Ahmed	Member	3

### 4) **Shareholders' Grievance Committee :**

#### a) **Terms of reference :**

To oversee redressal of shareholders' / investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.



**CORPORATE GOVERNANCE** (Contd...)

b) Composition :

The Shareholders' Grievance Committee comprises of a two Non-Executive Directors viz. Mr. F. S. Broacha and Mr. P. S. G. Nair. Mr. F. S. Broacha is the Chairman of the Committee.

c) The Committee met three times during the year ended 31<sup>st</sup> March, 2006. Attendance of members of the Committee at their meetings was as follows:

<i>Sr. No</i>	<i>Name of Member</i>	<i>Status</i>	<i>No. of Meetings Attended</i>
1	Mr. F. S. Broacha	Chairman	3
2	Mr. P. S. G. Nair	Member	3

d) Name & designation of the Compliance Officer : Mr. Haroon N. Mansuri, Company Secretary

e) During the year 2005-2006, 17 complaints were received from shareholders/investors.

f) These complaints have been replied to the satisfaction of the shareholders.

g) There are no pending complaints as on 31<sup>st</sup> March, 2006.

h) Transfer of shares of the Company are processed by the Share Transfer Agents, Computronics Financial Services (India) Limited and are approved by the Share Transfer Committee. The Share Transfer Committee comprises of 3 Directors of the Company. The Share Transfer Committee met 39 times during the year ended 31<sup>st</sup> March, 2006 and approved transfer of shares of the Company.

i) All valid transfers received during the year 2005-2006 have been acted upon by the Company. Pending transfers as at 31<sup>st</sup> March, 2006 have since been given effect to.

5) **Remuneration Committee :**

a) Terms of reference :

To review, assess and recommend appointment of the Executive Director(s)/Manager under the Companies Act, 1956 (the Manager) from time to time, to periodically review remuneration package of the Executive and Non-Executive Directors/ the Manager and to recommend suitable revision of remuneration and compensation payable to the Non-Executive Directors in accordance with the Companies Act, 1956.

b) Composition :

A Remuneration Committee comprising of 3 Non-Executive Directors of the Company is formed for reviewing and deciding the appointment(s) of and remuneration payable to the Executive / Non-Executive Directors and/or the Manager under the Companies Act, 1956, if any, as and when required.

The Remuneration Committee comprises of Mr. F. S. Broacha, Mr. Khizer Ahmed and Mr. Vinod Agnani. Mr. F. S. Broacha is the Chairman of the Remuneration Committee.

c) During the year under review there had been no meeting of the Remuneration Committee.

d) Details of Directors' remuneration for the year ended 31<sup>st</sup> March, 2006

(Rs. lacs)

<i>Name</i>	<i>Salary</i>	<i>Sitting fess</i>	<i>Name</i>	<i>Salary</i>	<i>Sitting fess</i>
Mr. Asgar S. Patel	-	0.12	Mr. Vinod Agnani	-	0.27
Mr. Sameer Mardolkar	7.64	-	Mr. Khizer Ahmed	-	0.09
Mr. P. S. G. Nair	-	0.30	Mr. Ashok Kapoor	-	-
Mr. F. S. Broacha	-	0.33	-	-	-



## CORPORATE GOVERNANCE (Contd...)

Besides the Whole-time Director, the Company does not have any other Executive Director. The Company has not paid any remuneration to Non-Executive Directors during the year ended 31<sup>st</sup> March, 2006, except sitting fees for attending meetings of the Board of Directors and Committees thereof and consultancy charges for the professional services rendered by the Directors. No commission has been paid to any Director.

### 6) General Body Meetings :

Details of the last 3 Annual General Meetings of the Company are given below :

<i>Year</i>	<i>Date</i>	<i>Time</i>	<i>Venue</i>	<i>Special Resolution</i>
2005	27.09.2005	12.30 p.m.	Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz, Mumbai 400 049.	1. Commencement of new business 2. Place of keeping and inspection of registers and returns
2004	25.10.2004	11.00 a.m.	Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz, Mumbai 400 049.	No special resolution was passed
2003	29.09.2003	11.30 a.m.	Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz, Mumbai 400 049.	1. Delisting of shares from the stock exchanges – Pune, Bangalore, Cochin & Delhi. 2. Reduction of capital

No special resolutions were put through the postal ballot last year. All special resolutions moved at the above Annual General Meetings were passed with requisite majority on show of hands by the shareholders present at the meeting. No special resolutions on the matters required to be put through the postal ballot are placed for the shareholders' approval at this meeting.

### 7) Disclosures :

- During the year ended 31<sup>st</sup> March, 2006, there were no transactions of material nature entered into by the Company with the Directors of the Company or their relatives, that has potential conflict with the interest of the Company.
- Details of non-compliances on any matter related to the capital markets, during last three years - **None**
- Details of the non-compliance of mandatory requirements and adoption of non-mandatory requirements of clause 49 - **None**
- The Whole time Director and the Chief Operating Officer have certified to the Board, the compliance in respect of all matters specified in sub clause V of the Listing Agreement regarding CEO / COO certification.
- Management Discussion and Analysis forms part of the Annual Report.
- WSFL Code of Conduct :**

The WSFL Code of Conduct as adopted by the Board of Directors is applicable for all the Board members and Senior Management of the Company. The Code of Conduct is available on the website of the Company. All the Board members and the Senior Management personnel have affirmed compliance with the Code of Conduct. A Declaration by the Whole time Director of the Company to this effect has been enclosed.

### 8) Means of communication :

Quarterly results of the Company are published in the Free Press Journal (English) and Navshakti (Marathi) newspapers. They are also displayed on the web-page of the Company's group web-site having domain name [www.patel-india.com](http://www.patel-india.com). The quarterly results and shareholding pattern are also available on SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in)



## CORPORATE GOVERNANCE *(Contd...)*

### 9) General Shareholder Information :

#### a) Annual General Meeting

Date : 29<sup>th</sup> September, 2006  
Time : 10.30 a.m.  
Venue : Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road,  
Santacruz (West), Mumbai 400 049.

#### b) Financial Calendar :

Financial Year : April 2006 – March 2007  
First Quarter Results : Last week of July, 2006  
Second Quarter Results : Last week of October, 2006  
Third Quarter Results : Last week of January, 2007  
Fourth Quarter Results : Last week of April, 2007

#### c) The Book Closure will be from 23<sup>rd</sup> September, 2006 to 29<sup>th</sup> September, 2006 (both days inclusive).

#### d) Dividend :

The Company has declared an interim dividend on 26<sup>th</sup> October 2005 @ 5% on equity share capital of the Company aggregating to Rs.58.13 lacs. The said dividend had been paid through UTI Bank Limited, Bandra, Mumbai 400 050.

#### e) The equity shares of the Company are listed on The Bombay Stock Exchange Limited.

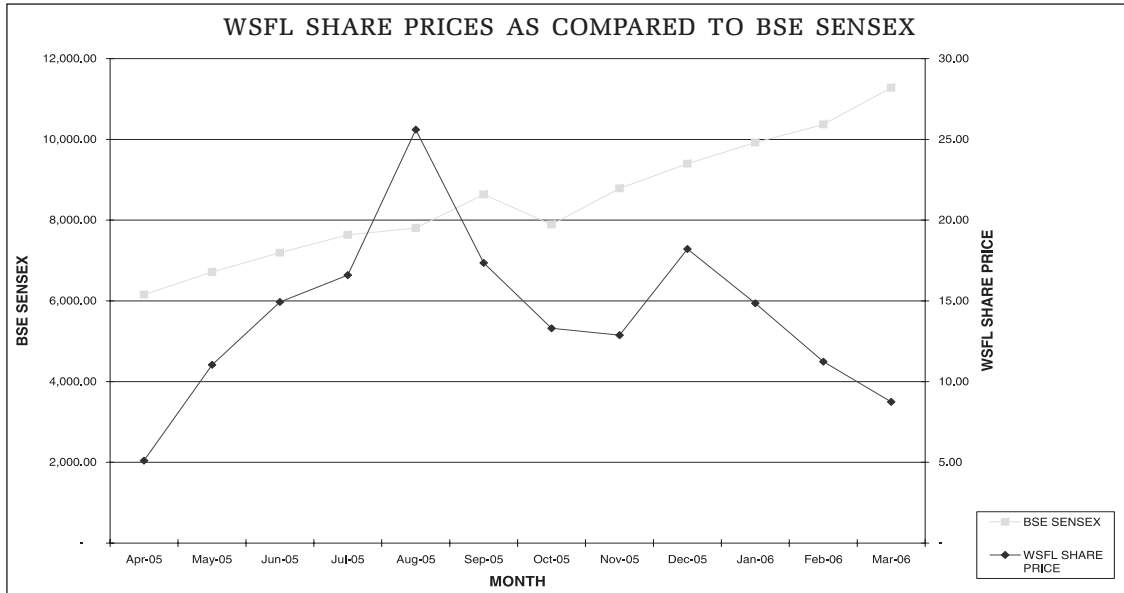
#### f) Stock Code : 511147

#### g) Market price data :

<i>Month</i>	<i>Price (Rs.)</i>	
	<i>High</i>	<i>Low</i>
April 2005	6.55	4.17
May 2005	11.04	5.00
June 2005	21.90	10.90
July 2005	19.80	14.00
August 2005	28.40	15.05
September 2005	29.80	17.35
October 2005	16.50	10.60
November 2005	15.33	12.00
December 2005	18.22	12.86
January 2006	18.70	14.70
February 2006	14.85	11.12
March 2006	11.55	7.23

**CORPORATE GOVERNANCE (Contd...)**

h) Performance of WSFL shares in comparison to broad-based index – BSE Sensex



i) Registrar and Share Transfer Agent :

The share transfer work of the Company is being looked after by the Share Transfer Agents (STA), Computronics Financial Services (India) Limited having office at 1 Mittal Chambers, Nariman Point, Mumbai - 400 021. The STA has the required infrastructure to carry out the share transfer work for the shares in the physical as well as in the dematerialised form including the necessary connectivity with depositories. The STA also accepts and deals with investors' complaints.

j) Share Transfer System :

Company's shares are traded in the Stock exchange compulsorily in the dematerialised form. Shares in the physical form which are lodged with the STA for transfer are processed subject to the option under compulsory transfer-cum-demat procedures and the share certificates are either dematted or returned to the concerned person, after transfer.

 k) Distribution of shareholding as on 31<sup>st</sup> March, 2006 :

<i>No. of shares</i>	<i>No. of share holders</i>	<i>% of share holders</i>	<i>Share holding</i>	<i>% of shares held</i>
Up to 500	6,386	81.07	1,375,344	11.83
501- 1000	929	11.79	705,478	6.07
1001- 2000	304	3.86	450,059	3.87
2001- 3000	98	1.24	242,616	2.09
3001- 4000	51	0.65	186,260	1.60
4001- 5000	30	0.38	141,673	1.22
5001- 10000	40	0.51	298,964	2.57
10001 and above	39	0.50	8,224,606	70.75
Total	7,877	100.00	1,16,25,000	100.00



**CORPORATE GOVERNANCE** (Contd...)

- l) The shareholding pattern of the Company as on 31<sup>st</sup> March, 2006 :

<i>Category</i>	<i>No. of Shares held</i>	<i>% Shareholding</i>
Promoters' holding (Including Indian and NRI Promoters, Group Companies and Group O.C.Bs)	77,24,541	66.45
Scheduled Banks	400	–
Corporate Bodies (Other than Group Companies)	2,80,290	2.41
Non-Resident Indians (incl. FIIs) (Other than Promoters)	98,359	0.85
Indian Public	35,21,410	30.29
<b>Total</b>	<b>1,16,25,000</b>	<b>100.00</b>

- m) Dematerialisation of shares as on 31<sup>st</sup> March, 2006 : ISIN No. INE549D01012

<i>Category</i>	<i>Number of shares</i>	<i>%</i>
Physical	81,49,050	70.10
Demat :		
NSDL	25,44,801	21.89
CDSL	9,31,149	8.01
	34,75,950	29.90
<b>Total</b>	<b>1,16,25,000</b>	<b>100.00</b>

- n) Plant locations :

The Company is engaged in the Foreign exchange and Inward remittance business. The same are being operated through its various branches located all over India. The Company does not have any plant, factory or workshop.

- o) Address for correspondence :

i) The Registered and Corporate Office of the Company :  
'Natasha', 52, Hill Road, Bandra (West), Mumbai - 400 050.  
Tel Nos. 022-2642 3801, 022-2642 8804 Fax No. 022-2641 0911

ii) Registrars and Share Transfer Agents of the Company :  
Computronics Financial Services (India) Limited,  
1 Mittal Chambers, Nariman Point, Mumbai - 400 021.  
Tel. No. 022-2288 2960 Fax No. 022-2287 3314

The shareholders may also send their suggestions, requests and complaints through e-mail.  
E-mail id - wsflmembers@patel-india.com

Shareholders correspondence should be addressed to the Registrars and Share Transfer Agents of the Company. Shareholder holding shares in the dematerialised form should address their correspondence to their respective Depository Participants (DP).



**CORPORATE GOVERNANCE (Contd...)**

iii) Depositories :

National Securities Depository Limited  
Trade World, 4<sup>th</sup> Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai 400 013  
Tel No. 022 – 249 4200  
Fax Nos. 022 – 2497 2993 / 2491 6351  
E-mail – info@nsdl.co.in  
Website – www.nsdl.co.in

Central Depository Services (India) Limited  
Phiroze Jijibhoy Towers,  
16<sup>th</sup> Floor,  
Dalal Street,  
Mumbai 400 023  
Tel No. 022 – 2272 3333  
Fax Nos. 022 – 2272 3199 / 2272 2072  
E-mail – investor@cdslindia.com  
Website – www.cdslindia.com

- p) The Company has adopted the following non-mandatory requirement on the Corporate Governance recommended under clause 49 of the Listing Agreement.

A Chairman's Office (CHO) with required facilities is provided and maintained at the Company's expense for the use of Non Executive Chairman of the Company

**Declaration as required under Clause 49 of the Listing Agreement**

All Directors and Senior Management of the Company have affirmed compliance with the WSFL Code of Conduct for the financial year ended 31<sup>st</sup> March, 2006.

Mumbai, 28<sup>th</sup> August, 2006

Sameer Mardolkar  
Whole-time Director

**REPORT REGARDING COMPLIANCE OF CONDITIONS OF  
CORPORATE GOVERNANCE**

The Members of  
Wall Street Finance Limited,  
Mumbai

We have examined the compliance of conditions of Corporate Governance by Wall Street Finance Limited for the year ended March 31, 2006, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange(s).

The compliance of conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to procedures & 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 explanation given to us and representation made by the Directors and Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Shareholders Grievance Committee of the Company and certified by the Registrar of the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

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

For Anil A. Mehta & Co.  
Chartered Accountants

Anil A. Mehta  
Partner  
Membership No. F-30529

Place : Mumbai  
Date : 28<sup>th</sup> August, 2006



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Within the limits set by the Company's competitive position)

Your Company belongs to a large multinational group, namely the House of Patels, which has a track record of more than four decades. The group has interests in logistics, foreign exchange and remittance business with a strong presence in India as well as in the major financial markets of the world.

Your Company was established in 1986 to exploit the large potential of the financial services industry in India and offered the entire range of financial services like fixed deposits, leasing and hire purchase to the general public. However in early nineties, your Company shifted focus to the foreign exchange and money changing business and set up large network of foreign exchange offices throughout the country. In the mid-nineties, your Company entered the Inward Remittance business and since then, Forex and Inward Remittance have become the main activities of your Company.

Both foreign exchange and inward remittance business are growing at a satisfactory pace. In spite of the very high growth rate in the volumes, the revenue growth has remained moderate. But with the introduction of the Anti-Money Laundering Guidelines - 2005, we foresee business to become more transparent and organized. Your Company has the competitive advantage because of a good distribution system, central management of funds through treasury, and better risk management systems. We will consolidate our position by opening more branches and installing a new state-of-the-art software to improve operational efficiencies.

RBI has come out with a new licencing policy for FFMCs meeting certain minimum criteria and will upgrade them as Authorized Dealers Category-II. We have applied for this licence which will greatly help your Company to expand its scope by offering a much larger range of services in foreign exchange.

The margins in the remittance business also are stabilizing and we do not foresee any further reduction in the margins, as seen last year. At the present pricing points, we can expect a huge increase in the transactions from the Gulf sector and that will increase the profitability substantially. Accordingly, we are planning to expand in the markets where the potential for Gulf remittances is high.

The branch network of your Company is now utilized for cross selling other financial products like Mutual Funds and your Company is on the lookout for such other products, which can be marketed through our network.

Both the forex and remittance products of your Company are exposed to normal business risks but your Company is fully protected through stringent compliance norms and adequate insurance covers including employment fidelity, storage and transit risks.

Your Company has been adopting aggressive marketing strategies in the field to increase its market share with a view to increasing profitability. The financial performance with respect to the two core products of your Company has been satisfactory during the year under review and the prospects for the year 2006-07 are encouraging.

Your Company has satisfactory internal control systems, the adequacy of which has been reported by the Auditors in their report as required under the Companies (Auditor's Report) Order, 2003. The discussion on the financial performance of the Company is covered in the Director's Report. The segment-wise performance is available in Schedule - P to the Audited Accounts of the Company. The relations with the employees remained cordial during the year under review. The number of people employed by the Company as on March 31, 2006 was 221.





## AUDITORS' REPORT

To,

The Members of Wall Street Finance Limited

1. We have audited the attached Balance Sheet of WALL STREET FINANCE LIMITED, as at March 31, 2006, and the related Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet & Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet & Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on March 31, 2006 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2006 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act; Companies Act, 1956.
  - (f) *As stated in Notes nos. 2.1 to 2.2 of Schedule "P", amounts aggregating to Rs. 74.51 lacs included under Debtors and Loans and Advances have been considered by the Management as good of recovery and have not been considered necessary for provisioning for the reasons stated therein.*
  - (g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and subject to our comments in paragraph (f) above, give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2006;
    - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow statement for the year ended on that date.

For Anil A. Mehta & Co.  
Chartered Accountants

Anil A. Mehta  
Partner

Membership No. F-30529

Place : Mumbai  
Date : 28<sup>th</sup> August, 2006



## ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date on the financial statements for the year ended 31<sup>st</sup> March, 2006]

1. (a) The Company has maintained records for most of its fixed assets giving quantitative details and situations of fixed assets. These records are in process of being updated, to tally with financial records.  
(b) The Company has planned to carry out a complete verification of assets once the records are fully updated and discrepancies, if any, will be appropriately dealt with after such verification.  
(c) The assets disposed off during the year are not significant and do not affect the going concern assumption
2. (a) The stocks of foreign currency has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks of foreign currency as compared to book records were not material and have been properly dealt with in the books of account.
3. (a) The Company has not granted any loans to Companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly paragraphs 4(iii)(b), (c), & (d) of the order are not applicable.  
(b) The Company has not taken any loans to Companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly paragraphs 4(iii)(f) & (g) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase and sale of foreign currency and fixed assets.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.  
(b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In respect of deposits accepted from public, the Company has complied with the directions issued by the Reserve Bank of India under the Non Banking Financial Companies acceptance of Public Deposits (Reserve Bank) Directions 1998. As per the information provided to us, the Company has not received any order from Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or Tribunal with regard to deposits.
7. As per the requirements of Reserve Bank of India, the Company has a system of concurrent audit for all the branches undertaking the transactions as FFMC, through independent firms of Chartered Accountants. A review of such audit reports indicates that the concurrent audit system is working satisfactorily. As regards overall Internal Audit system, except for few areas where the scope and coverage needs to be enlarged, the Company has an internal audit system to commensurate with the size and nature of Company's business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us, the Company has been generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, service tax, excise duty, cess and other material statutory dues as applicable, outstanding as at March 31, 2006 for a period of more than six months from the date they became due with the appropriate authorities.  
(b) According to the information and explanations given to us, there are no cases of disputed dues of sales tax / income tax / customs tax / wealth tax / service tax / excise duty and cess except following Income Tax demands:



Statute	Nature of dues	Amount (Rs. lacs)	Periods to which the amount relates (A.Y.)	Forum where dispute is pending
Income Tax Act, 1961	Income tax (including interest) in view of re-opening of assessment	119.20*	1995-96	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax liability	14.98*	1998-99	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax (including interest) in view of re-opening of assessment	175.53	2000-2001	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax liability	16.87	2003-2004	Commissioner of Income Tax (Appeals)

\* Disputed liability has been adjusted against refunds of various years.

10. The Company has no accumulated losses as at March 31, 2006 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as the case may be, as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments. The Company is holding government-approved securities as Investments and certain shares for which proper records have been kept.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not availed any term loans during the year and as such our reporting on application for the purpose for which they were obtained is not applicable.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, during the year there are no funds raised on a short-term basis, which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures and is accordingly not required to create securities in respect of debentures.
20. The Company has not raised any money by public issues during the year.
21. Based on our audit procedures performed and information and explanations given to us by the management, we have neither come across instances of material frauds on or by the Company, noticed or reported during the year.

For Anil A. Mehta & Co.  
Chartered Accountants

Anil A. Mehta  
Partner

Membership No. F-30529

Place : Mumbai  
Date : 28<sup>th</sup> August, 2006



## 19TH ANNUAL REPORT 2005-2006

### BALANCE SHEET AS AT 31ST MARCH, 2006

	<i>Schedules</i>	<i>(Rs. lacs)</i>	<i>As at 31.03.2006 (Rs. lacs)</i>	<i>As at 31.03.2005 (Rs. lacs)</i>
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' funds</b>				
Share capital	"A"	1,159.77		1,159.77
Reserves and surplus	"B"	297.09		178.15
			1,456.86	1,337.92
<b>Loan funds</b>				
Secured loans	"C"	1,831.72		1,527.04
Unsecured loans	"D"	958.11		1,169.51
			2,789.83	2,696.55
<b>TOTAL</b>			<b>4,246.69</b>	<b>4,034.47</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed assets</b>				
<b>"E"</b>				
Gross block		976.75		1,111.74
Less : depreciation		456.53		410.51
Net block		520.22		701.23
Capital work in progress (Including capital advances)		16.65		16.65
Less: advance recd. against sale of property		310.00		-
			226.87	717.88
<b>Investments</b>	<b>"F"</b>		226.76	327.08
<b>Deferred tax asset</b>			18.20	18.20
<b>Current assets, loans and advances</b>				
Interest accrued on investments		5.93		4.52
Inventories	"G"	520.32		713.09
Sundry debtors	"H"	1,585.78		1,056.30
Cash and bank balances	"I"	1,555.42		1,055.98
Loans and advances	"J"	1,175.59		1,104.03
		4,843.04		3,933.92
<b>Less : Current liabilities and provisions</b>	<b>"K"</b>			
Current liabilities		1,048.15		956.11
Provisions		20.03		6.50
		1,068.18		962.61
<b>Net current assets</b>			<b>3,774.86</b>	<b>2,971.31</b>
<b>TOTAL</b>			<b>4,246.69</b>	<b>4,034.47</b>

As per our report of even date

For and on behalf of

Anil A. Mehta & Co.  
Chartered Accountants

Anil A. Mehta  
Partner  
Membership No. F-30529

Mumbai, 28<sup>th</sup> August, 2006

For and on behalf of the Board

Mr. Asgar S. Patel - Chairman  
Mr. Sameer Mardolkar - Whole-time Director  
Mr. P. S. G. Nair - Director  
Mr. F. S. Broacha - Director  
Mr. Vinod Agnani - Director  
Mr. Khizer Ahmed - Director  
Mr. Bhaskar Rao P. - Manager  
Mr. Haroon N. Mansuri - Company Secretary



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006**

	<i>Schedules</i>	<i>(Rs. lacs)</i>	<i>Current Year ended 31.03.2006 (Rs. lacs)</i>	<i>Previous Year ended 31.03.2005 (Rs. lacs)</i>
INCOME	"L"		2,189.42	1,964.08
EXPENDITURES				
Payments to and provisions for employees	"M"	281.95		250.78
Administrative and other expenses	"N"	1,376.61		1,285.34
Interest	"O"	275.02		287.66
Depreciation		<u>54.59</u>		<u>49.14</u>
			1,988.17	1,872.92
<b>Profit before tax</b>			<b>201.25</b>	<b>91.16</b>
Less : Provision for taxation				
(a) Current tax		5.00		4.00
(b) Wealth tax		1.00		2.50
(c) Fringe benefit tax		<u>10.03</u>		<u>—</u>
			16.03	6.50
<b>Profit after tax</b>			<b>185.22</b>	<b>84.66</b>
Add : Balance of profit brought forward			<u>107.13</u>	<u>40.70</u>
Profit available for appropriation			292.35	125.36
APPROPRIATION				
Transfer to statutory reserve u/s. 45 1 C of RBI Act, 1934			37.04	18.23
Interim dividend			58.13	—
Tax on interim dividend			8.15	—
Surplus carried to Balance Sheet			<u>189.03</u>	<u>107.13</u>
Basic earning per share (Rupees)			1.59	0.73
Notes to accounts	"P"			

As per our report of even date

For and on behalf of

Anil A. Mehta & Co.  
Chartered Accountants

Anil A. Mehta  
Partner  
Membership No. F-30529

Mumbai, 28<sup>th</sup> August, 2006

For and on behalf of the Board

Mr. Asgar S. Patel - Chairman  
Mr. Sameer Mardolkar - Whole-time Director  
Mr. P. S. G. Nair - Director  
Mr. F. S. Broacha - Director  
Mr. Vinod Agnani - Director  
Mr. Khizer Ahmed - Director  
Mr. Bhaskar Rao P. - Manager  
Mr. Haroon N. Mansuri - Company Secretary



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT  
31ST MARCH, 2006**

	<i>(Rs. lacs)</i>	<i>As at 31.03.2006 (Rs. lacs)</i>	<i>As at 31.03.2005 (Rs. lacs)</i>
<b>SCHEDULE "A"</b>			
<b>SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
1,20,00,000 Equity shares of Rs. 10/- each (P.Y.1,20,00,000 Equity shares)		1,200.00	1,200.00
10,00,000 Cumulative convertible preference shares of Rs. 100/- each (P.Y.10,00,000)		1,000.00	1,000.00
		<u>2,200.00</u>	<u>2,200.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
1,16,25,000 (P.Y.1,16,25,000) Equity shares of Rs.10/- each (of the above 18,75,000 shares are allotted as fully paid-up by way of bonus shares)		1,162.50	1,162.50
Less : allotment money receivable		2.73	2.73
<b>TOTAL</b>		<u>1,159.77</u>	<u>1,159.77</u>
<b>SCHEDULE "B"</b>			
<b>RESERVES AND SURPLUS</b>			
<b>General reserve</b>			
As per last Balance Sheet		0.27	0.27
Statutory reserve u/s. 45 1C of RBI Act, 1934			
As per last Balance Sheet	70.75		52.52
Transferred during the year	<u>37.04</u>		<u>18.23</u>
		107.79	70.75
Balance in Profit and Loss account		189.03	107.13
<b>TOTAL</b>		<u>297.09</u>	<u>178.15</u>
<b>SCHEDULE "C"</b>			
<b>SECURED LOANS</b>			
<b>From Banks</b>			
Cash credit/overdraft		1,542.67	1,365.06
Term loan		130.17	-
(Amount due within one year Rs.60.00 lacs P.Y. Rs.60.00 lacs)			
Short term loan		146.11	147.52
Vehicle loans		12.77	14.46
(Secured by hypothecation of vehicles)			
(Amount due within one year Rs. 8.22 lacs P.Y. Rs.7.00 lacs)			
<b>TOTAL</b>		<u>1,831.72</u>	<u>1,527.04</u>



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT  
31ST MARCH, 2006 (Contd...)**

*As at*  
**31.03.2006**  
*(Rs. lacs)*

*As at*  
**31.03.2005**  
*(Rs. lacs)*

**SCHEDULE "C" (Contd...)**

**Note :**

The overdrafts/cash credits/term loan accounts are secured by hypothecation of stock of foreign currencies, export & western union receivables of the Company except to the extent of pledge of Rs. 525.71 lacs (P.Y. Rs. 48.25 lacs) and further secured by personal guarantee of the Chairman to the extent of Rs. 929.32 lacs (P.Y. Rs. 833.46 lacs).

Short term loan from Abu Dhabi Commercial Bank is secured by a guarantee of an international bank

**SCHEDULE "D"**

**UNSECURED LOANS**

Fixed deposits	879.83	966.06
(Amount due within one year Rs. 507.88 lacs P. Y. Rs. 258.48 lacs)		
Inter-corporate deposits	5.04	125.65
Security deposits	73.24	77.80
<b>TOTAL</b>	<b>958.11</b>	<b>1,169.51</b>

**SCHEDULE "E"**

**FIXED ASSETS**

(Rs. lacs)

Description	Gross block				Depreciation				Net block	
	As at 1.4.2005	Additions during the year	Deductions during the year	As at 31.3.2006	As at 1.4.2005	For the year	Deductions during the year	As at 31.3.2006	As at 31.3.2006	As at 31.3.2005
Land	211.65	–	159.57	52.08	–	–	–	–	52.08	211.65
Building	124.69	–	–	124.69	14.24	2.03	–	16.27	108.42	110.45
Plant & machinery	28.77	–	–	28.77	8.90	1.37	–	10.27	18.50	19.87
Furniture & fixtures	268.11	*16.03	*1.32	282.82	125.81	20.01	4.30	141.52	141.30	142.30
Office equipments	123.22	*10.74	*32.18	101.78	40.60	6.06	0.38	46.28	55.50	82.62
Vehicles	119.52	12.56	19.08	113.00	37.24	11.63	3.81	45.06	67.94	82.28
Computers	224.79	*17.98	0.69	242.08	179.88	12.97	0.08	192.77	49.31	44.91
Air conditioners	10.99	*20.54	–	31.53	3.84	0.52	–	4.36	27.17	7.15
<b>TOTAL</b>	<b>1,111.74</b>	<b>77.85</b>	<b>212.84</b>	<b>976.75</b>	<b>410.51</b>	<b>54.59</b>	<b>8.57</b>	<b>456.53</b>	<b>520.22</b>	<b>701.23</b>
<b>Previous year</b>	<b>1,027.92</b>	<b>104.35</b>	<b>20.53</b>	<b>1,111.74</b>	<b>368.94</b>	<b>49.14</b>	<b>7.57</b>	<b>410.51</b>	<b>701.23</b>	<b>–</b>

\* Additions and deductions to gross block include minor reclassification of assets.



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT  
31ST MARCH, 2006 (Contd...)**

	<i>(Rs. lacs)</i>	<i>As at 31.03.2006 (Rs. lacs)</i>	<i>As at 31.03.2005 (Rs. lacs)</i>
<b>SCHEDULE "F"</b>			
<b>INVESTMENTS (at cost) (non-trade) (long term)</b>			
<b>Government securities-for SLR purpose</b>			
		11.00	11.00
		32.70	-
		22.00	-
		37.00	50.75
		2.00	-
Nil (57)	HPSFCL Bonds 14.50%	-	22.80
43 (43)	KBJNL Bonds 13%	43.00	43.00
Nil (40)	GIICL Bonds 12.50%	-	40.00
		<u>147.70</u>	<u>167.55</u>
<b>Quoted - fully paid up equity shares of Rs. 10/- each</b>			
45 (45)	U T I Master Share	0.01	0.01
2400 (2400)	U T I Master Gain '92	0.54	0.54
87 (58)	Tata Iron & Steel Co. Ltd.	0.07	0.07
100 (100)	Arvind Products Ltd.	0.09	0.09
71 (50)	TVS Motor Co. Ltd.	0.02	0.02
3750 (3750)	Whirlpool of India Ltd.	6.90	6.90
4400 (4400)	Auriferous Aqua Farms Ltd.	0.44	0.44
100 (352160)	Patel Roadways Ltd.	0.01	41.82
32825 (132686)	Patel On-Board Couriers Ltd.	5.34	20.84
3000 (3000)	Real Value Appliances Ltd.	0.01	0.01
1300 (1300)	United Credit Ltd.	0.13	0.13
34500 (34500)	Aditya Ispat Ltd.	8.33	8.33
14900 (14900)	Ishita Drugs and Industries Ltd.	5.95	5.95
Nil (18494)	Karnataka Bank Ltd.	-	3.70
150000 (150000)	Rane Computers Consultancy Ltd.	6.00	6.00
<b>Partly paid up equity shares</b>			
145700 (145700)	Malvika Steel Ltd.	14.57	14.57
	Less : Written off during the year	<u>14.57</u>	-
		33.84	109.42
	Less : Provision for diminution in value of shares	4.89	-
		<u>28.95</u>	<u>109.42</u>
<b>Unquoted : fully paid up equity shares of Rs. 10/- each</b>			
1000 (1000)	Development Credit Bank Ltd.	0.10	0.10
166667 (166667)	Bell Granito Ceramica Ltd.	50.00	50.00
70 (70)	Wall Street Securities & Investments ( India ) Ltd.	0.01	0.01
		<u>50.11</u>	<u>50.11</u>
		<u>226.76</u>	<u>327.08</u>

**Notes :-**

- Aggregate value of quoted investments  
Cost (net of diminution provided) 176.65 276.97  
Market value 176.65 264.68
- Aggregate value of unquoted investments  
Cost 50.11 50.11
- Figures in brackets represent previous years nos.





**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT  
31ST MARCH, 2006 (Contd...)**

	<i>As at 31.03.2006 (Rs. lacs)</i>	<i>As at 31.03.2005 (Rs. lacs)</i>
<b>SCHEDULE "G"</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>INVENTORIES</b>		
Stock on hire	0.08	0.40
(At agreement value less installments due)		
Stock of foreign currency	520.24	712.69
(As taken, valued and certified by the management)		
<b>TOTAL</b>	<u>520.32</u>	<u>713.09</u>

**SCHEDULE "H"**

**SUNDRY DEBTORS (Unsecured)**

Outstanding for more than six months

Considered good 68.97 61.26

Other debts

Considered good 1,516.81 995.04

**TOTAL**

1,585.78 1,056.30

**SCHEDULE "I"**

**CASH AND BANK BALANCES**

Cash on hand 95.81 111.59

In current accounts 786.05 675.83

In deposit accounts 673.56 268.56

(Pledged for working capital & other facilities Rs.562.83 lacs

P.Y. Rs.169.71 lacs)

**TOTAL**

1,555.42 1,055.98



**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT  
31ST MARCH, 2006 (Contd...)**

	<i>As at 31.03.2006 (Rs. lacs)</i>	<i>As at 31.03.2005 (Rs. lacs)</i>
<b>SCHEDULE "J"</b>		
<b>LOANS AND ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
Secured loans against fixed deposits	10.43	5.89
Unsecured loans considered good	6.00	6.00
Income tax	185.93	166.73
Premises deposits	324.46	430.25
Claims receivable	234.43	234.43
Advances recoverable in cash or in kind or for value to be received	414.34	260.73
<b>TOTAL</b>	<u><u>1,175.59</u></u>	<u><u>1,104.03</u></u>

**SCHEDULE "K"**

**CURRENT LIABILITIES AND PROVISIONS**

**Current liabilities**

Sundry creditors	661.53	687.18
Advance from customers	199.99	132.28
Unpaid dividend	3.76	-
Other liabilities	13.81	20.75
Book overdraft	125.92	68.52
Interest accrued on fixed deposits	43.14	47.38
	<u>1,048.15</u>	<u>956.11</u>

**Provisions**

For income tax	9.00	4.00
For wealth tax	1.00	2.50
For fringe benefit tax	10.03	-
<b>TOTAL</b>	<u><u>1,068.18</u></u>	<u><u>962.61</u></u>



**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006** (Contd...)

	<i>Current Year Ended 31.03.2006 (Rs. lacs)</i>	<i>Previous Year Ended 31.03.2005 (Rs. lacs)</i>
<b>SCHEDULE "L"</b>		
<b>INCOME</b>		
Forex & remittance based income (refer note no. 1)	1,803.59	1,692.22
Fee based income (refer note no. 2)	69.16	124.36
Other income (refer note no. 3)	316.67	147.50
<b>TOTAL</b>	<b>2,189.42</b>	<b>1,964.08</b>

**NOTES :-**

1. Forex & remittance based income includes foreign currency business Rs. 561.03 lacs (P.Y. Rs. 509.83 lacs), money transfer business Rs.1242.56 lacs (P.Y. Rs.1,182.39 lacs).
2. Fee based income includes consultancy services Rs. 58.88 lacs (P.Y. Rs. 124.36 lacs), financial allied services Rs. 10.28 lacs (P.Y.Rs.Nil).
3. Other income includes interest / rent Rs. 22.21 lacs (P.Y. Rs. 70.82 lacs), recovery of past dues Rs. 33.63 lacs (P.Y. Rs. 42.71 lacs), profit on sale of shares Rs. 181.33 lacs (P. Y. Rs. 22.34 lacs), profit on sale of assets Rs. 20.43 lacs (P.Y. Nil), challan discounting Rs. 1.77 lacs (P. Y. Rs. Nil), dividend Rs. 1.33 lacs (P.Y. Rs. 3.00 lacs), assignment of debts Rs. 55.00 lacs (P. Y. Rs. Nil), sundry balances written back Rs.0.06 lacs (P.Y.Rs.1.76 lacs), other miscellaneous income Rs. 0.91 lacs (P.Y.Rs.6.87 lacs).

**SCHEDULE "M"**

**PAYMENTS TO AND PROVISIONS FOR EMPLOYEES**

Salary, bonus, gratuity and allowances	249.19	218.12
Contribution to provident fund	23.30	23.83
Staff welfare expenses	9.46	8.83
<b>TOTAL</b>	<b>281.95</b>	<b>250.78</b>



**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2006** (Contd...)

	<i>Current Year Ended 31.03.2006 (Rs. lacs)</i>	<i>Previous Year Ended 31.03.2005 (Rs. lacs)</i>
<b>SCHEDULE "N"</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Freight and export expenses	99.50	87.23
Insurance charges	63.58	35.87
Rent, rates & taxes	60.50	67.39
Electricity	23.00	20.41
Printing, stationery and periodicals	28.49	21.10
Conveyance and travelling	77.42	71.69
Communication expenses	62.31	69.42
Brokerage and commission	669.42	667.86
Advertisement and business promotion	86.14	72.90
Legal and professional fees	54.73	46.08
Directors sitting fees	1.17	1.47
Repairs and maintenance - others	14.43	16.07
Auditors' remuneration	7.43	5.37
Bank charges	37.38	38.39
Loss on sale of assets	4.30	5.37
Exchange loss	-	10.31
Investment written off	14.57	-
Diminution in value of investments	4.89	-
Sundry balances written off	33.34	3.48
Miscellaneous expenses	34.01	44.93
<b>TOTAL</b>	<b>1,376.61</b>	<b>1,285.34</b>
<b>SCHEDULE "O"</b>		
<b>INTEREST</b>		
On bank borrowings	161.97	155.59
On fixed deposits	99.28	110.20
On others	13.77	21.87
<b>TOTAL</b>	<b>275.02</b>	<b>287.66</b>



## **SCHEDULE “P”**

### **NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2006**

#### **I SIGNIFICANT ACCOUNTING POLICIES**

##### **1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India, guidelines issued by RBI as applicable to Non-Banking Financial Companies and the provisions of the Companies Act, 1956, on the accrual basis, as adopted consistently by the Company.

##### **2. INCOME RECOGNITION**

- 2.1 Income from money changing business is reflected in the accounts, net of cost of sales of currencies.
- 2.2 Income from money transfer services is accounted on completion of transaction with the end customer.
- 2.3 Income from consultancy and commission is recognized on satisfactory completion of the contract.
- 2.4 Loss on insurance claim is recognized on settlement of claim.
- 2.5 Dividend is recognized when the right to receive dividend is established.
- 2.6 Interest on deployment of surplus funds is recognized using time-proportion method, based on interest rates implicit in the transaction.
- 2.7 Income from rentals is recognized on period basis.
- 2.8 Recovery proceeds realized from debts written off as bad debts is accounted as income in the year of receipt.
- 2.9 Profit on sale on investments is recognized on completion on sale.

##### **3. FIXED ASSETS & DEPRECIATION**

All fixed assets are stated at cost of acquisition, less accumulated depreciation. Depreciation is provided on Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Depreciation on additions/deletions of assets during the year is provided on pro-rata basis.

##### **4. FOREIGN CURRENCY TRANSACTIONS**

Transactions concluded during the year have been arrived at on the basis of actual rate realized. All current assets and liabilities determinable in foreign currency, including stock of foreign currency, have been valued at the rates prevailing on 31<sup>st</sup> March, 2006 in accordance with the Accounting Standard 11 (AS 11) issued by the ICAI. The exchange difference on restatement of assets/liabilities and arising out of receipts/payments of foreign currency is recognized in the Profit and Loss account.

##### **5. RETIREMENT BENEFITS**

Retirement benefits are dealt with in the following manner:

- 5.1 The Company has taken a policy with Life Insurance Corporation of India under the Group Gratuity Scheme to cover gratuity liability and the premium is accrued on yearly basis.
- 5.2 Estimated liability on account of encashment of leave to employees is provided for the year.
- 5.3 The Company’s contribution in respect of Provident fund and Gratuity fund is charged against revenue every year.

##### **6. INVESTMENTS**

Long term investments are shown at cost. However, when there is a decline, other than temporary, in the value of long term investments, the carrying amount is reduced to recognize the decline.



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2006 (Contd..)**

**7. PRUDENTIAL NORMS**

The Company carries on two distinct business activities, viz. financing and money changing. For the purpose of identifying the assets as Non Performing Assets (NPA) or otherwise, the Company follows generally accepted accounting principles in case of its money changing activities and follows the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 in case of finance activities.

**II GENERAL**

**1. Contingent liabilities not provided for :**

- 1.1 Arrears of dividend on erstwhile preference shares (since converted to equity shares) Rs.Nil lacs (P.Y. Rs. 82.76 lacs).
- 1.2 Unpaid liability on 1,45,700 partly paid-up shares of Malvika Steels Ltd. Rs.43.71 lacs (P.Y. Rs.43.71 lacs).  
The Company has already written-off these shares from its books of account and as such, the Company does not expect any payment on account of the above.
- 1.3 Income tax demands of Rs.326.58 lacs. Tax refunds of Rs. 134.18 lacs pertaining to various other years have been unilaterally adjusted by the Tax department.

**2. Debtors and loans & advances include an amount of :**

- 2.1 Rs. 53.88 lacs (P.Y. Rs.53.88 lacs) due from a party for which payment was made by them by Bank pay orders which could not be encashed as it were impounded by the Government Authorities after the same were deposited in the Company's bank account. The Company is aggressively pursuing legal action in the matter as per Court Orders; the said amount is retained in Bank fixed deposit in the name of the Company jointly with the Government authorities. As per the latest development, Honorable Mumbai High Court has passed a favourable order dated 25<sup>th</sup> April, 2006 redirecting the appeal to CESTAT to hear it afresh, on the basis of which, the Company is confident of getting the money back on completion of the legal proceedings.
- 2.2 Rs. 20.63 lacs (P.Y. Rs.20.63 lacs) being an insurance claim for loss of foreign currencies / cash by the Company under insurance policies. The Company has preferred a suit in Mumbai High Court against the Insurance Company. Loss if any, will be accounted for, based on the decision of the court.
3. In the opinion of the Board, current assets, loans and advances have value equal to the amount shown in the Balance Sheet, if realized in the ordinary course of business.
4. During the year, the Company has entered into an agreement for assignment of debts aggregating to Rs. 682.19 lacs (written off in earlier year after rigorous legal efforts) for consideration of Rs. 55.00 lacs, which is received and accounted as income for the year. The balance amount if any, recovered in terms of the agreement would be accounted as income as and when received.
5. In the terms of the Order of the High Court, Mumbai, dated 9th September, 2004, the Company has during the financial year ended 31st March, 2004 adjusted NPAs, etc. aggregating to Rs. 822.00 lacs against share premium and general reserve accounts.
6. A major robbery had occurred towards the end of 2003-04 at one of the branches, whereby Rs. 211.80 lacs comprising of Indian and foreign currencies were stolen. The Company is actively pursuing the insurance claim, which is under appraisal and is confident of recovery of such claim based on the status of the claim process and an expert legal opinion obtained in this regard.
7. Loans & advances include inter branch balances of certain branches which are under reconciliation. The management does not expect this to affect the profit for the year.



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED MARCH 31, 2006 (Contd...)**

**8. Managerial Remuneration**

	For the year ended 31.03.2006 (Rs. lacs)	For the year ended 31.03.2005 (Rs. lacs)
Salaries	15.81	15.14
Employer's contribution to provident fund	1.78	1.32
Perquisites	-	0.37

Managerial remuneration includes remuneration paid to Mr. Sameer Mardolkar as a Whole-time Director and Mr. Bhaskar Rao P. as a Manager under the Companies Act, 1956 is for the year April 2005 – March 2006.

**9. Purchase & sale of currencies / travelers cheques**

	For the year ended 31.03.2006 (Rs. lacs)	For the year ended 31.03.2005 (Rs. lacs)
8.1 Purchases	1,83,552.58	1,54,352.45
8.2 Sales (including exports)	1,84,271.04	1,54,668.46

**10. 10.1 Earnings in Foreign Currency**

10.1.1 Export of foreign currencies	81,803.70	69,996.48
10.1.2 Money transfer services	1,242.56	1,182.39
10.1.3 Consultancy services & commission	28.96	73.86

**10.2 Expenditure in foreign currency**

10.2.1 Travel expenses	3.45	13.63
10.2.2 Domestic sale and purchase of currency is not included		

**11. Segment Reporting**

The Company recognises financial & allied services and forex & remittance business as the two primary segments. Income from financial & allied services division comprise of financial and allied services, back office operations and consultancy income.

Income from forex & remittance business division comprise of purchase & sale of foreign currency, traveller cheques and money transfer services related activities.

Segment results include revenue less interest expenses, operating expenses and provisions, if any, for that segment. Segment capital employed represents the net assets in that segment. It excludes capital and tax related assets.



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2006** (Contd...)

**Business Segment**

(Rs. lacs)

Particulars	For the year ended 31.03.2006			For the year ended 31.03.2005		
	Financial & allied services	Forex & remittances	Total	Financial & allied services	Forex & remittances	Total
<b>Segment revenue</b>						
Gross income	379.84	1809.58	2189.42	252.43	1711.65	1964.08
<b>Result</b>						
Segment result	176.09	186.60	362.69	45.39	173.97	219.36
Less : Unallocable expenditure (net)			161.44			128.20
<b>Profit before tax (PBT)</b>			<b>201.25</b>			<b>91.16</b>
Less : Provision for taxation			16.03			6.50
<b>Profit after tax</b>			<b>185.22</b>			<b>84.66</b>
<b>Other information</b>						
Segment assets	834.02	4117.12	4951.14	971.00	3628.65	4599.65
Unallocable assets			363.73			397.43
<b>Total assets</b>			<b>5314.87</b>			<b>4997.08</b>
Segment liabilities	1016.51	2817.71	3834.22	1223.69	2428.97	3652.66
Unallocable liabilities			23.79			6.50
<b>Total liabilities</b>			<b>3858.01</b>			<b>3659.16</b>
Cost of assets acquired during the year	1.38	76.47	77.85	8.27	96.08	104.35
Depreciation	9.81	44.78	54.59	10.52	38.62	49.14
Non-cash expenses other than depreciation (NPA provision)	0.00	0.00	0.00	0.00	0.00	0.00

The nature of Company's activities are such that do not have separate identifiable geographical segments.

**12. Related party transactions**

As per Accounting Standard 18 (AS 18), issued by the Institute of Chartered Accountants of India (ICAI), the disclosure of transactions with the related parties as defined in AS 18 are as under :

**a. List of related parties with whom transactions have taken place and relationship with such parties :**

Sr. No.	Name of the related party	Relationship
1.	Mr. Asgar S. Patel	Person having significant influence
2.	Mr. Sameer Mardolkar	Key managerial personnel
3.	Mr. Bhaskar Rao P.	Key managerial personnel
4.	Patel Holdings Ltd.	Associate
5.	Patel On-Board Couriers Ltd.	Associate
6.	Wall Street Securities & Investments (India) Ltd.	Associate
7.	Worldwide Instant Remittances Pvt. Ltd.	Associate
8.	Springfield Hotels Pvt. Ltd.	Associate
9.	Natasha Construction Pvt. Ltd.	Associate
10.	Peninsula Financial Services Pvt. Ltd.	Associate
11.	A. S. Patel Trust	Associate
12.	ASP International Holdings Ltd.	Associate
13.	Wall Street Exchange Centre L.L.C. Dubai	Associate





**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED MARCH 31, 2006 (Contd...)**

**b. Transactions during the year with related parties :**

(Rs. lacs)

Sr. No.	Nature of transactions	Person having significant influence		Key managerial personnel		Associates	
		2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
1.	Directors sitting fees	0.12	0.03	-	-	-	-
2.	Rent paid	1.20	1.20	-	-	8.88	7.62
3.	Fees charged for Portfolio Management services	4.41	-	-	-	-	-
4.	Remuneration :						
	Mr. Sameer Mardolkar	-	-	8.55	5.13	-	-
	Mr. Bhaskar Rao P.	-	-	9.04	8.34	-	-
5.	Interest paid	-	-	-	-	13.18	21.82
6.	I.C.D. received	-	-	-	-	5.00	2.75
7.	I.C.D. paid back	-	-	-	-	125.65	-
8.	Reimbursement of expenses charged	-	-	-	-	86.46	102.51
9.	Reimbursement of expenses paid	-	-	-	-	29.75	38.70
10.	Interest charged	-	-	-	-	0.90	0.90
11.	Consultancy fees charged	-	-	-	-	25.00	62.95
12.	Export sales	-	-	-	-	16674.07	20415.82
13.	Service charges	-	-	-	-	26.15	17.95
14.	Dividend paid	30.48	-	-	-	6.38	-
15.	Dividend received	-	-	-	-	0.89	2.30
16.	Sale of property	180.00	-	-	-	-	-
17.	Advance received against sale of properties	310.00	-	-	-	-	-
18.	Property deposit given	-	-	-	-	300.00	-
19.	Property deposit recd. back	-	-	-	-	405.79	-
20.	Assignment of debts	-	-	-	-	55.00	-
21.	Personal guarantee given	1129.31	833.46	-	-	-	-
22.	Debit balance outstanding as on 31 <sup>st</sup> March 2006	4.41	-	-	-	628.55	749.13
23.	Credit balance outstanding as on 31 <sup>st</sup> March 2006	0.60	-	-	-	387.63	191.33

13. The Company does not have taxable income computed under the regular provisions of Income Tax Act, 1961. Provision for Tax has been calculated as per the provisions of Section 115JB of the Income Tax Act, 1961 (Minimum Alternate tax).

**14. Deferred Taxes**

The Company recognizes Accounting Standard 22-Accounting for Taxes on Income, according to which deferred tax asset on account of past losses could be recognized on virtual certainty of absorbing the same against taxable income of near future. As a prudent accounting policy, deferred tax asset has been recognized only to the extent



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2006 (Contd..)**

of taxable income of the current financial year despite the Company having substantial past unabsorbed business losses of Rs.730.00 lacs under Income Tax Act, 1961.

15. Earnings per share ("EPS") computed in accordance with Accounting Standard 20: "Earnings per share":

Basic earning per share:

Particulars		31-03-2006	31-03-2005
Profit after tax as per accounts	(Rs.lacs) A	185.22	84.66
Weighted average number of shares issued	(Nos. in lacs) B	116.25	116.25
Basic EPS	(Rs.) A/B	1.59	0.73

The Company has no instruments which are potentially convertible into equity. Hence no diluted EPS is calculated.

16. Auditors remuneration (including service tax):

(Rs. lacs)

Particulars	31-03-2006	31-03-2005
Audit fees	4.41	2.81
Tax audit fees	1.65	1.12
Certification & others services	1.30	1.18
Out-of-pocket expenses	0.07	0.26

17. There are no dues outstanding for more than 30 days in excess of Rs.1.00 lac to small scale undertakings.  
 18. Schedule to the Balance Sheet of a Non-Banking Financial Company as required in terms of paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

Particulars		(Rs. lacs)
<b>Liabilities side :</b>		
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :	Amount Outstanding	Amount overdue
(a) Debentures : Secured	-	-
: Unsecured	-	-
(other than falling within the meaning of public deposits*)		
(b) Deferred credits	-	-
(c) Term loans (including short term loans)	276.28	-
(d) Inter-corporate loans and borrowing	5.04	-
(e) Commercial paper	-	-
(f) Public deposits	922.97	-
(g) Other loans (specify nature)		
i) CC/OD from banks	1542.67	
ii) Vehicle loan	12.77	
iii) Security deposits	73.24	
	1628.68	



NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED MARCH 31, 2006 (Contd..)

Particulars		(Rs. lacs)	
Liabilities side :		Amount Outstanding	Amount overdue
2.	<b>Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
	(a) In the form of unsecured debentures	-	
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	
	(c) Other public deposits	922.97	-
<b>Assets side :</b>		<b>Amount outstanding</b>	
3.	<b>Break-up of loans and advances including bills receivables [other than those included in (4) below] :</b>		
	(a) Secured	10.43	
	(b) Unsecured	6.00	
	(c) Statutory payments, premises deposits and others	<u>1159.16</u>	
		1175.59	
4.	<b>Break-up of leased assets and stock on hire and hypothecation loans counting towards EL / HP activities :</b>		
	(i) Lease assets including lease rentals under Sundry debtors :		
	(a) Financial lease	-	
	(b) Operating lease	-	
	(ii) Stock on hire including hire charges under Sundry debtors :		
	(a) Assets on hire	0.08	
	(b) Repossessed assets	-	
	(iii) Hypothecation loans counting towards EL / HP activities :		
	(a) Loans where assets have been repossessed	-	
	(b) Loans other than (a) above	-	



NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED MARCH 31, 2006 (Contd...)

Particulars		(Rs. lacs)	
Asset side :		Amount Outstanding	Amount overdue
5.	Break-up of investments :		
	Current investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	
	(b) Preference	-	
	(ii) Debentures and bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government securities	-	
	(v) Others (please specify)	-	
	2. Unquoted :		
	(i) Shares : (a) Equity	-	
	(b) Preference	-	
	(ii) Debentures and bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government securities	-	
	(v) Others (please specify)	-	
	Long term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	28.95	
	(b) Preference	-	
	(ii) Debentures and bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government securities	-	
	(v) Others ( please specify)	-	
	2. Unquoted :		
	(i) Shares : (a) Equity	50.11	
	(b) Preference	-	
	(ii) Debentures and bonds	-	
	(iii) Units of mutual funds	-	
	(iv) Government securities	147.70	
	(v) Others (please specify)	-	



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED MARCH 31, 2006 (Contd..)**

(Rs. lacs)

<b>6. Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances : (further categorization of point 3 and 4 above)</b>			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	–	–	–
(b) Companies in the same group	–	–	–
(c) Other related parties	–	–	–
2. Other than related parties	10.43	1165.16	1175.59
<b>Total</b>	<b>10.43</b>	<b>1165.16</b>	<b>1175.59</b>
<b>7. Investors group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b>			
Category	Market value / Break up or fair value or NAV		Book value (Net of provisions)
1. Related parties			
(a) Subsidiaries	–		
(b) Companies in the same group	–		
(c) Other related parties	–		
2. Other than related parties	*220.28		226.76
<b>Total</b>	<b>220.28</b>		<b>226.76</b>
* Refer to I – 6 above			
<b>8. Other information</b>			
Particulars			Amount
(i) Gross non-performing assets			
(a) Related parties			–
(b) Other than related parties			
(ii) Net non-performing assets			
(a) Related parties			–
(b) Other than related parties			
(iii) Assets acquired in satisfaction of debt			–

19. Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with that of current year.

For and on behalf of the Board

Mr. Asgar S. Patel - Chairman  
 Mr. Sameer Mardolkar - Whole-time Director  
 Mr. P. S. G. Nair - Director  
 Mr. F. S. Broacha - Director  
 Mr. Vinod Agnani - Director  
 Mr. Khizer Ahmed - Director  
 Mr. Bhaskar Rao P. - Manager  
 Mr. Haroon N. Mansuri - Company Secretary

Mumbai, 28<sup>th</sup> August, 2006



**Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration details**

Registration No.      State Code

Balance Sheet Date

Date      Month      Year

**II. Capital raised during the year (Amount in Rs. Thousands)**

Public issue

Bonus issue

**III. Position of mobilisation and deployment of funds (Amount in Rs. Thousands)**

Total liabilities

Total assets

**Sources of funds**

Paid-up-capital

Reserves & surplus

Secured loans

Unsecured loans

**Application of funds**

Net fixed assets

Investments

Deferred tax asset

Net current assets

Miscellaneous expenditure

Accumulated losses

**IV. Performance of Company (Amount in Rs. Thousands)**

Turnover

Total expenditure

+ - Profit before tax

+ - Profit after tax

(Please tick appropriate box (+) for profit, (-) for loss)

Earning per share in Rs.

Dividend rate %   %

Equity (Interim)   %

Preference   %

**V. Generic names of three principal products/services of Company (As per monetary terms)**

Item code	Product description
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For and on behalf of the Board

Mr. Asgar S. Patel - Chairman

Mr. Sameer Mardolkar - Whole-time Director

Mr. P. S. G. Nair - Director

Mr. F. S. Broacha - Director

Mr. Vinod Agnani - Director

Mr. Khizer Ahmed - Director

Mr. Bhaskar Rao P. - Manager

Mr. Haroon N. Mansuri - Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2006**  
(Pursuant to clause 32 of the listing agreement)

	For the year ended 31.03.2006 (Rs. lacs)	For the year ended 31.03.2005 (Rs. lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	201.25	91.16
Adjustment for:		
Profit on sale of investments	-181.33	-22.34
Profit on sale of assets	-20.43	0.00
Loss on sale of assets	4.30	5.37
Depreciation	54.59	49.14
Investments written off	14.57	0.00
Interest paid	275.02	287.66
Dividend income	-1.33	-3.00
<b>Operating profit before working capital changes</b>	<b>346.64</b>	<b>407.99</b>
Adjustment for:		
Trade and other receivables	-581.84	-778.07
Inventories	192.77	-187.71
Trade payables	95.54	84.72
	<b>-293.53</b>	<b>-881.06</b>
Interest received	-22.21	-70.82
Cash generated from operations	30.90	-543.89
Interest paid	-275.02	-287.66
Provision for tax (net)	-16.03	-6.50
Direct taxes paid	-17.32	-15.08
Cash flow before extraordinary items	-277.47	-853.13
Extraordinary items	0.00	0.00
<b>Net cash flow from operating activities</b>	<b>-277.47</b>	<b>-853.13</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-77.85	-104.35
Sale of fixed assets	530.40	221.75
Investments (net)	265.67	53.31
Interest received	22.21	70.82
Dividend received	1.33	3.00
<b>Net Cash used in investing activities</b>	<b>741.76</b>	<b>244.53</b>



## 19TH ANNUAL REPORT 2005—2006

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2006

(Pursuant to clause 32 of the listing agreement) *(Contd..)*

	For the year ended 31.03.2006 (Rs. lacs)	For the year ended 31.03.2005 (Rs. lacs)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from additional bank borrowings	304.68	805.16
Dividend paid	-58.13	0.00
Repayment of deposits (net)	-86.23	-98.62
Adjustment of inter corporate deposits/ other deposits	-125.17	10.38
<b>Net cash used in financing activities</b>	<u>35.15</u>	<u>716.92</u>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	499.44	108.32
Cash and cash equivalents as at 01.04.2005 (Opening balance)	1055.98	947.66
Cash and cash equivalents as at 31.03.2006 (Closing balance)	1555.42	1055.98
	<u>499.44</u>	<u>108.32</u>

As per our report of even date

For and on behalf of

**Anil A. Mehta & Co.**

Chartered Accountants

**Anil A. Mehta**

Partner

Membership No. F-30529

Mumbai, 28<sup>th</sup> August, 2006

For and on behalf of the Board

Mr. Asgar S. Patel - Chairman  
Mr. Sameer Mardolkar - Whole-time Director  
Mr. P. S. G. Nair - Director  
Mr. F. S. Broacha - Director  
Mr. Vinod Agnani - Director  
Mr. Khizer Ahmed - Director  
Mr. Bhaskar Rao P. - Manager  
Mr. Haroon N. Mansuri - Company Secretary





# WALL STREET FINANCE LTD.

SM

Regd. Office : 'Natasha', 52 Hill Road, Bandra (West), Mumbai - 400 050.

Client ID	
DP ID	
L. F. No.	
No. of shares held	

## ATTENDANCE SLIP

I/We hereby record my/our presence at the Nineteenth Annual General Meeting of the Company held at the Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai - 400 049 on Friday, 29th September, 2006 at 10.30 a.m.

Name of the Shareholder (In Block Letters)	
Signature of the Shareholder	
Name of the Proxy (In Block Letters)	
Signature of the Proxy	

### NOTES :

1. You are requested to sign and hand over this slip at the entrance of the meeting venue.
2. If you intend to appoint proxy to attend the meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding meeting.
3. Members are requested to bring their copy of the annual report with them to the meeting as additional copies of the same will not be made available at the meeting.

..... TEAR HERE .....



# WALL STREET FINANCE LTD.

SM

Regd. Office : 'Natasha', 52 Hill Road, Bandra (West), Mumbai - 400 050.

Client ID	
DP ID	
L. F. No.	
No. of shares held	

## FORM OF PROXY

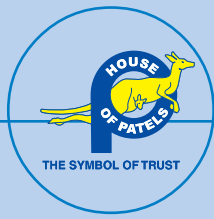
I/We \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ being a member/members of the above named  
Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ or failing him \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for  
me / us on my / our behalf at the Nineteenth Annual General Meeting of the Company to be held on Friday,  
29th September, 2006 at 10.30 a.m. and at any adjournment or adjournments thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2006.

Please  
affix 1 rupee  
Revenue  
Stamp

Signature

Note : This form in order to be effective shall be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.



# THE HOUSE OF PATELS

## Wall Street Finance Ltd.

Wall Street Finance Ltd. (WSFL) is a premier financial services company with Forex and Inward Money Remittance as its core activities. WSFL was the first private sector company to get an Authorised Money Changers license from the Reserve Bank of India (RBI). Today WSFL operates 26 branches and more than 150 Forex Franchisees across the country. The Company is also registered with the RBI as a Non-Banking Finance Company. In the mid-nineties WSFL entered the Inward Money Remittance Business and has been able to capture a substantial market share in this industry, through a network of over 2900 sub-agents.

WSFL is an AMFI registered “Mutual Fund Advisor” and has tied-up with all Blue Chip AMC’s for distribution of various Mutual Fund Schemes. WSFL is also a SEBI Certified “Portfolio Manager” and offers Portfolio Management Services to NRIs and High Networth Individuals.

## Wall Street Finance LLC (USA) (Affiliate)

Wall Street Finance LLC., a company registered in the USA and part of the House of Patels, holds two remittance licences respectively in New York and New Jersey. These licences give the Group, direct access to the vast potential available in the region, especially in the US to India corridor. Indians living in the US can now avail of reliable yet economical remittance services to India.

## Patel Integrated Logistics Ltd.

Patel Integrated Logistics Limited is the merged company of Patel Roadways Limited and Patel On-Board Couriers Limited. Patel Integrated Logistics Limited provides unified solutions through surface, air and sea transportation, besides offering services in warehousing and secondary distribution.

It’s flagship division Patel Roadways was set up in 1959 and is a leading surface transport operator with a network that spans 500 stations countrywide, employing over 1000 people. Cargo worth Rs.120 billion is moved annually, for more than 75,000 satisfied customers, which include multinationals, public / private sector organizations, small-scale industries as well as the trading community. Investment in IT and state-of-the art tracking systems, coupled with containerization of its entire fleet, helps Patel Roadways to maintain distinctive edge over competition and at the same time offer enhanced and value-added services to the industry. With a new product, Patel Retail, Patel Roadways is forging ahead into door pick and door delivery services on scheduled time lines at more than 150 stations countrywide.

POBC is a leader in co-loading business and operates 300 flights and carries 1,00,000 kgs of courier materials everyday. Through tie-ups with the world’s leading wholesale couriers, its network spans the Indian sub-continent as well as Europe, North America, the Middle-East and South–East Asia. Its IATA approved division, Patel Airfreight offers domestic / international air cargo and related services.

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