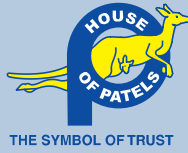


**WALL STREET  
FINANCE LTD.**<sup>®</sup>

## 20th Annual Report 2006 - 2007





## BOARD OF DIRECTORS



**Asgar S. Patel**  
Chairman



**Ariff A. Patel**  
Director



**P. S. G. Nair**  
Director



**Bhaskar Rao P.**  
Executive Director



**F. S. Broacha**  
Director



**Vinod Agnani**  
Director



**Khizer Ahmed**  
Director

**CHAIRMAN**

Mr. Asgar S. Patel

**WHOLE-TIME DIRECTOR**

Mr. Bhaskar Rao P.

**DIRECTORS**

Mr. Arif A. Patel

Mr. P.S.G. Nair

Mr. F. S. Broacha

Mr. Vinod Agnani

Mr. Khizer Ahmed

**CHIEF FINANCIAL OFFICER**

Mr. Fazal M. Shaikh

**COMPANY SECRETARY**

Mr. Haroon N. Mansuri

**AUDITORS**

M/s. Anil A. Mehta & Company  
Chartered Accountants, Mumbai

**LEGAL ADVISORS**

M/s. Crawford Bayley & Co.  
Mr. F.S. Broacha

**SUBSIDIARY COMPANIES**

Emerald Commodities Private Limited  
Goldman Securities Private Limited.

**BANKERS**

AXIS Bank Limited  
Industrial Development Bank of India 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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20th Annual General Meeting : Thursday, 27<sup>th</sup> September, 2007 at 12.30 p.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*



## 20TH ANNUAL REPORT 2006—2007

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### NOTICE

NOTICE is hereby given that the 20<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 Thursday, 27<sup>th</sup> day of September, 2007 at 12.30 p.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, 2007 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Khizer Ahmed, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vinod Agnani, 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. Arif A. Patel 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 to appoint Mr. Bhaskar Rao P. as Director to fill the casual vacancy caused by the demise of Mr. Sameer Mardolkar.

“RESOLVED THAT Mr. Bhaskar Rao P. 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”

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special 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. Bhaskar Rao P. as Whole-time Director (designated as Executive Director) for a period of three years with effect from 16<sup>th</sup> August, 2007 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. Bhaskar Rao P. 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. Bhaskar Rao P. as may be agreed between the Directors and Mr. Bhaskar Rao P. 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.”

9. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:



## **WALL STREET FINANCE LTD.**

“RESOLVED that pursuant to Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the Board of Directors for commencing or undertaking all or any of the respective businesses set out in sub-clause (23) of Part ‘B’ and sub-clause (52) of Part ‘C’ of Clause III of the Memorandum of Association of the Company, as and when the Board of Directors deems fit.”

By Order of the Board

**HAROON N. MANSURI**  
**Company Secretary**

*Registered Office :*

‘Natasha’, 52 Hill Road,  
Bandra (West),  
Mumbai-400 050.

Dated : 27<sup>th</sup> August, 2007

### **NOTES :**

1. The relevant Explanatory Statements as required by Section 173 (2) of the Companies Act, 1956 are annexed hereto, in regard to item nos. 6, 7, 8 & 9 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 21<sup>st</sup> September, 2007 to 27<sup>th</sup> September, 2007 (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.



## 20TH ANNUAL REPORT 2006—2007

### 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. Khizer Ahmed	Mr. Vinod Agnani
Age	67 years	55 years
Date of appointment	30th January, 2003	30th April, 2001
Particulars of appointment	Mr. Khizer Ahmed was appointed as an Additional Director, by the Board of Directors in their meeting held on 30th January 2003. He retires by rotation at the ensuing Annual General Meeting and is proposed to be re-appointed as a Director of the Company.	Mr. Vinod Agnani was appointed as an Additional Director, by the Board of Directors in their meeting held on 30th April, 2001. He retires by rotation at the 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. Khizer Ahmed retired as Executive Director from Reserve Bank of India (RBI), after an illustrious career wherein he handled plethora of functions like Exchange Control, Banking Supervision, Management of Public Debt and Foreign Exchange Reserves, etc. He has also served as the faculty member of Bankers' Training College at Mumbai and on the Boards of esteemed organizations like Canara Bank and Export Credit & Guarantee Corporation of India.	Mr. Vinod Agnani is a practicing Chartered Accountant, having vast experience in the fields of Finance, Accounts, Audit & Taxation laws.
Qualification	M. A. (Economics), CAIIB	B. Com, F. C. A.
Directorships held in other public companies	Patel Engineering Limited	1. Emerald Commodities Private Limited 2. Goldman Securities Private Limited 3. Karnik Productions Private Limited 4. Nine International Securities Pvt. Ltd.
Committees position held in other companies	a) Wall Street Finance Limited : i) Audit Committee - Member ii) Remuneration Committee - Member b) Patel Engineering Limited : i) Audit Committee - Member ii) Shareholder Grievance Committee - Member	Wall Street Finance Limited : i) Audit Committee - Chairman ii) Remuneration Committee - Member
No. of shares held		
a) Own	Nil	Nil
b) For other persons on a beneficial basis	Nil	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. Arif A. Patel	Mr. Bhaskar Rao P.
Age	34 Years	46 years
Date of appointment	17th August, 2007	17th August, 2007
Particulars of appointment	Mr. Arif A. Patel had been appointed as an Additional Director on 17th August, 2007, 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. Arif Patel for the office of Director.	Mr. Bhaskar Rao P. has been appointed as Whole-time Director (designated as Executive Director) on 17th August, 2007 with effect from 16th August, 2007 for a period of three years, subject to the approval of the members at the ensuing Annual General Meeting. Member's approval is sought for the appointment of Mr. Bhaskar Rao P. as the Whole-time Director at the ensuing Annual General Meeting.
Nature of expertise in specific functional areas	Mr. Arif A. Patel has more than a decade of rich and varied experience in various fields including finance, transportation of goods, logistics and construction.	Mr. Bhaskar Rao P. has more than 25 years experience in the fields of Money Management, Finance, International Banking, Foreign Exchange and Remittance business with leading banks. He has successfully handled Foreign Exchange business of the Company since last six years and out of these three years as Chief Operating Officer and Manager under Companies Act, 1956.
Qualification	B. A	B.Sc., M.A. in Economics, CAIIB, Diploma in International Banking and MBA in Banking & Finance
Directorships held in other public companies	1) Patel Integrated Logistics Limited 2) Patel Holdings Limited 3) Wall Street Construction Limited 4) Natasha Constructions Private Limited 5) Springfield Hotels Private Limited 6) Patel Real Estate Developers Private Limited 7) Natasha Homes Private Limited.	1. Emerald Commodities Private Limited 2. Goldman Securities Private Limited
Committees position held in other companies	a) Patel Integrated Logistics Limited: i) Audit Committee - Member  b) Patel Holdings Limited i) Audit Committee - Member	Nil
No. of shares held a) Own b) For other persons on a beneficial basis	800 Nil	Nil Nil



## 20TH ANNUAL REPORT 2006—2007

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### ANNEXURE TO THE NOTICE

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

#### Item No. 6

Mr. Arif A. Patel was appointed as an Additional Director of the Company at the Meeting of the Board of Directors of the Company held on 17th August 2007. 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. Arif A. Patel for the office of Director.

Mr. Arif A. Patel is a Bachelor of Arts and has more than a decade of rich and varied experience in various fields including finance, transportation of goods, logistics and construction.

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

Mr. Arif A. Patel is concerned / interested in the passing of the resolution at item no. 6 of the notice as it relates to his appointment. Mr. Asgar S. Patel, being a relative of Mr. Arif A. Patel, may be deemed concerned / interested in the passing of the said resolution. None of the other Directors is concerned / interested in the passing of the resolution at this item.

#### Item No. 7

Mr. Bhaskar Rao P. was appointed as an additional Director to fill the casual vacancy caused by the sad demise of Mr. Sameer Mardolkar, Whole-time Director of the Company at the Meeting of the Board of Directors of the Company held on 17th August 2007. 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. Bhaskar Rao P. for the office of Director.

Mr. Bhaskar Rao P. is a Graduate from the Science Faculty, M.A. in Economics, CAIIB, Diploma in International Banking from Indian Institute of Banks and also an MBA in Banking & Finance and has more than 25 years experience in the fields of Money Management, Finance, International Banking, Foreign Exchange and Remittance business with leading banks. He has successfully handled Foreign Exchange business of the Company since last six years and out of these, three years as Chief Operating Officer and Manager under the Companies Act, 1956.

Your Directors feel that his presence on the Board will be beneficial to the Company and its members and accordingly commend the passing of the resolution at item no. 7 of the Notice.

Mr. Bhaskar Rao is concerned / interested in the passing of the resolution at item no. 7 of the notice as it relates to his appointment. None of the other Directors is concerned / interested in the passing of the resolution at this item.

#### Item No. 8

As you know Mr. Bhaskar Rao P. has been serving the Company as “Manager” as per terms and conditions approved by members at the Annual General Meeting held on 25th October, 2004. Due to the sad and sudden demise of Mr. Sameer Mardolkar, the office of Whole-time Director became vacant and your Board decided to appoint Mr. Bhaskar Rao P. as Whole-time Director (designated as Executive Director) in Mr. Sameer Mardolkar’s place.

Accordingly, your Directors have, subject to the approval of the Company’s members in the Annual General Meeting, appointed Mr. Bhaskar Rao P. as a Whole-time Director (designated as Executive Director) of the Company, for a period of three years from 16th August, 2007, on the terms and subject to conditions set out in the draft agreement referred to in the resolution at item no. 8 of the Notice. The material terms, including remuneration, of the said Agreement are as follows:

- A) PERIOD : Three years i.e. from 16th August, 2007 to 15th August, 2010.
- B) REMUNERATION :
  - (i) A salary of Rs.1,28,000/- (Rupees One Lac Twenty Eight Thousand only) per month with liberty to the Board to grant or withhold increments as deemed fit;
  - (ii) House Rent Allowance (HRA) Rs. 6,400/- per month;





- (iii) Fixed Allowance of Rs.15,667/- per month;
- (iv) Medical reimbursement of Rs.1,250/- per month;
- (v) 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;
- (vi) Benefit of the Company's Provident Fund Scheme for the time being in force;
- (vii) Gratuity in accordance with the rules of the Company for the time being;
- (viii) Benefit of 10 days sick and 6 days casual leave per year as per the Company's policy for the time being and from time to time in force;
- (ix) 24 days privilege leave for each completed year of service, the said leave being accumulatable and encashable as per Company's policy;
- (x) Personal accident insurance cover (Group Policy) at the cost of the Company, premium thereof as may be determined by the Insurance Company;
- (xi) Group Mediclaim insurance for self, spouse and a child at the cost of the Company;
- (xii) Use of a fixed line telephone for the Company's business at the Whole-time Directors' 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;
- (xiii) Fees including subscription of clubs wherein the Whole-time Director is, or may become, a member of, subject to maximum of two clubs;

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

#### **C) OTHER TERMS :**

- (i) The Whole-time Director shall not, without Board's approval, engage himself in any business, occupation or employment competing with the Company's business.
- (ii) The Whole-time Director shall not divulge or disclose any confidential information or knowledge as to the business and affairs of the Company.
- (iii) 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.
- (iv) Both parties are entitled to terminate the agreement by giving 90 day's notice in writing.

Mr. Bhaskar Rao P. is a Graduate from the Science faculty, M.A. in Economics, CAIIB, Diploma in International Banking from Indian Institute of Banks and also an MBA in Banking & Finance. Mr. Bhaskar Rao P. has more than 25 years of experience in the fields of Money Management, Finance, International Banking, Foreign Exchange and Remittance business with leading banks. He has successfully handled Foreign Exchange business of the Company since last six years and out of which three years as the Chief Operating Officer and a Manager under the Companies Act, 1956.

The appointment and payment of remuneration to Mr. Bhaskar Rao P., as 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 16th August, 2007. The remuneration payable to Mr. Bhaskar Rao P. is in conformity with Part (B) of clause 1 of section II of Schedule XIII to the Companies Act, 1956.



## 20TH ANNUAL REPORT 2006—2007

### Statement / Information under Clause (B) of section II of Part II of Schedule XIII to the Companies Act, 1956

#### I GENERAL INFORMATION :

1. Nature of industry  
The Company is engaged in the business of Money Changing, Outward Remittances, Inward Remittances and other Financial Services.
2. The date of commencement of commercial services : 12th May, 1986
3. Financial performance based on given indicators as per audited financial results for the year ended 31st March, 2007.

Particulars	Amount (Rs. lacs)
Sales & other income	2731.50
Profit after tax as per profit & loss account (inclusive of extra ordinary items)	130.76
Accumulated profit	208.76
Net worth	1502.74

4. Export performance & net foreign exchange collaborations

Particulars	Amount (Rs. lacs)
Export performance (export of foreign currencies)	111714.55
Net foreign exchange collaborations	Nil

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

#### II. INFORMATION ABOUT THE APPOINTEE :

Sr. No.	Particulars	
1.	<b>Background details :</b>	
	a) Name & Designation	Mr. Bhaskar Rao P, Executive Director
	b) Age	46 years
	c) Qualifications	B. Sc., M. A. in Economics, CAIIB, Diploma in International Banking, and MBA in Banking & Finance.
	d) Expertise	Has more than 25 years of experience in the fields of Money Management, Finance, International Banking, Foreign Exchange and Remittance business with leading banks. He has successfully handled Foreign Exchange business of the Company since last six years and out of these three years as Chief Operating Officer and Manager under Companies Act, 1956.
	e) Other Directorships	i) Emerald Commodities Private Limited ii) Goldman Securities Private Limited
	f) Chairmanship(s) / Membership(s) of the Committees as on 31.03.2007	Nil
2.	Past remuneration for the financial year ended 31.03.2007	From Wall Street Finance Limited as Chief Operating Officer and Manager under Companies Act, 1956 - Rs.13,59,444/- per annum plus leave encashment of Rs. 53,833/-.
3.	Recognition of awards	Nil
4.	Job profile and his suitability	Incharge of forex operations including outward remittance, inward remittance and other affairs as the Board of Directors may time to time delegate.
5.	Remuneration proposed	Rs.1,66,667/- per month plus perquisites and benefits as mentioned above.



Sr. No.	Particulars	
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and the person	After taking into consideration the size of the Company, the profile of the appointee, the responsibilities to be shouldered by him, the remuneration proposed appears to be reasonable and at par with other companies of same size in the industry.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Nil

**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. Bhaskar Rao P. 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 may yield better results of the Company.

Your Directors are of the view that the appointment of Mr. Bhaskar Rao P. as Whole-time Director is in the interest of the Company and shareholders and accordingly, commend the resolution at item no. 8 of the Notice for the approval of members.

The draft agreement between the Company and Mr. Bhaskar Rao P., 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. Bhaskar Rao P. is concerned/interested in the passing of the resolution at item no.8 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.

An abstract of the terms of contract between the Company and Mr. Bhaskar Rao P. and memorandum of interest pursuant to section 302 of the Companies Act, 1956 is being posted along with this annual report.

**Item No. 9**

As you know, the Company is a finance Company authorized to carry on all kinds of financial and commercial business. Your Directors are now looking to secure openings for employment of capital, in India and elsewhere, by engaging in other suitable businesses including securities, commodities and real estate, as are covered under sub-clause (23) of Part 'B' and sub-clause (52) of Part 'C' of Clause III of the Memorandum of Association, so as to directly or indirectly benefit the Company.

As the businesses proposed to be commenced under the respective said sub-clauses (23) and (52) may be deemed to be not germane to the business carried on by the Company, it is deemed necessary to obtain Members' approval thereto under section 149(2-A) of the Companies Act, 1956. Hence, this special resolution which is commended for your approval.

A print of the Company's Memorandum of Association is available for inspection of members at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days except Saturdays.

None of the Directors of the Company is concerned or interested in the passing the said resolution at item 9 of the Notice."

By order of the Board

**HAROON N. MANSURI**  
Company Secretary

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

Dated : 27th August, 2007



## 20TH ANNUAL REPORT 2006—2007

### DIRECTORS' REPORT

To  
The Members of Wall Street Finance Limited

Your Directors are pleased to present the 20th Annual Report of your Company along with the Audited Statement of Accounts for the year ended 31st March, 2007.

### FINANCIAL RESULTS

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

	Year ended 31.03.2007 (Rs. lacs)	Year ended 31.03.2006 (Rs. lacs)
Profit before interest, depreciation and tax	470.64	530.86
Less : Interest	249.50	275.02
Profit before depreciation and tax	221.14	255.84
Less : Depreciation	55.38	54.59
Net profit before tax	165.76	201.25
Less : Provision for tax :		
a) Current tax	19.00	5.00
b) Wealth tax	1.00	1.00
c) Fringe benefit tax	15.00	10.03
Profit after tax	130.76	185.22
Add : Balance of profit brought forward	189.03	107.13
Profit available for appropriations	319.79	292.35
Less : a) Transfer to statutory reserve	26.15	37.04
b) Short provision of tax for earlier years	16.87	—
c) Dividend	58.13	58.13
d) Tax on dividend	9.88	8.15
Surplus carried to balance sheet	208.76	189.03

### DIVIDEND

In view of the Company's expansion plan for increasing the net work as prudent financial policy, the Board of Directors are pleased to recommend equity dividend of Rs.0.50 per share for the year ended 31st March, 2007, which if approved at the forthcoming Annual General Meeting will be paid to those equity shareholders of the Company whose names appear on the Register of Members as on date of Annual General Meeting.

### OPERATIONS

The Company continues its focus on Foreign Exchange, Inward remittance. In addition to this, the Company has received Authorised Dealer-Category-II licence from Reserve Bank of India for outward remittance business and successfully started the said line of business with the support of central treasury. The Company was able to get the competitive edge in the market because of first mover advantage and good network of branches across India. The central treasury also started for optimum utilisation of available funds as well as forward cover option in realization of export of foreign currencies. The Company has exported foreign currencies to the tune of Rs.1117 crores as against Rs. 818 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. This year the Company has been able to get the stock of American Express (AMEX) travelers cheques and discontinued Thomas Cook travelers cheques. However, Prepaid Travel Currency Cards are fast gaining ground as the preferred choice of the international traveler and your Company hopes to increase its sales volumes in this retail segment.

With the increase in outbound travel, there is a shortage of currency during the outbound travel season. Your Company this year had applied to RBI and got permission to import currencies. This may turn out to be an opportunity in the future.



## **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 25 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. In the current year, Western Union started focusing on the huge potential of gulf NRI population for growth. With effective pricing strategy the gulf transactions are increasing and in future will be main component of remittance 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. 1032 crores as against Rs. 699 crores during the previous year. The number of sub-agent locations of your Company has grown from 2966 locations in March 2006 to 3407 locations in March 2007. Your Company is also pursuing other large corporates for increasing its Western Union sub-agent network in the coming years.

Summarizing your Company is exploring 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**

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 three years. As a result, the deposit base of your Company stands at Rs.700.04 lacs as on 31st March 2007 as against Rs.879.83 lacs as on 31st March 2006, a net reduction of Rs.179.79 lacs.

We are now depending more on banking sector for our funding capital requirements. We have substantially increased working capital limits to meet the current funding requirements of the increased business.

### **FUTURE PROSPETS**

Your Company plans to expand its network by adding new branches in the current year. These branches would offer all the products of the Company namely, wholesale and retail foreign exchange, inward money remittance and outward remittance.

With A.D-Category-II licence from Reserve Bank of India permitting the Company to do the outward remittance business. Your Company will be focusing on this new activity by providing services to individuals for remittance of foreign exchange towards education, medical and visa expenses. This new line of activity is being carried out within the same set-up and without adding much cost to the Company.

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 in the remittance business and the profitability.

### **SUBSIDIARY COMPANIES**

During the year the Company has formed two subsidiary companies for dealing in securities broking and commodities broking. For the purpose of broking in commodities one of the subsidiary company has already obtained memberships of National Commodities and Derivatives Exchange Limited (NCDEX) and Multi-Commodity Exchange of India Limited (MCX). The Company has started transactions in commodities broking.

The financial statements of Emerald Commodities Private Limited and Goldman Securities Private Limited, wholly owned subsidiaries of the Company for the period ended 31st March, 2007 together with other documents as required under section 212 (1) of the Companies Act, 1956 (the Act) form part of this Annual Report. A statement of Company's interest in these subsidiary companies as required under section 212 (3) of the Act, are attached with this report.



## 20TH ANNUAL REPORT 2006—2007

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

#### **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 31st March, 2007 is 35.64%, on the basis of the returns submitted to the Reserve Bank of India, as against the requirement of 15%.

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 fixed deposit holders. Your Company has no overdue deposits other than unclaimed deposits aggregating to Rs.42.23 lacs as on 31st March 2007, 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**

We regret to inform the sad and untimely demise of Mr. Sameer Mardolkar, the Whole-time Director of the Company. His passing away was sudden and a shock to us all and our heartfelt condolences are with his family. May his soul rest in peace.

Mr. Khizer Ahmed and Mr. Vinod Agnani, 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 resigned as a Director of the Company. The Board of Directors appreciated the contribution of Mr. Ashok Kapoor during his tenure as Director of the Company.

The Board of Directors in their meeting held on 17th August, 2007, subject to the approval of the members in the ensuing Annual General Meeting, appointed Mr. Bhaskar Rao P. as Whole-time Director (designated as Executive Director) for the period of three years with effect from 16th August, 2007.

Mr. Arif A. Patel has been appointed as an additional Director of the Company by the Board of Directors at their meeting held on 17th August 2007, 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. Arif A. Patel for the office of Director under section 257 of the Companies Act, 1956.

#### **AUDITORS**

M/s Anil A. Mehta & Co., 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 Corporate Governance Report and Management Discussion and Analysis Report, and Auditors' Certificate, are included in the Annual Report.

#### **DISCLOSURES**

Disclosures required to be made under the heading "Corporate Governance" under clause (iii) (IV) (1) and (2) of the proviso under table (B) of sub section 1 of section (II) of Part II of schedule XIII of Companies Act, 1956 are made herein below :

- i) The Company does not pay any remuneration to its Non-Executive Directors except sitting fees for attending the meetings of the Board of Directors and Committees thereof and consultancy fees for the professional services rendered by the Directors. The remuneration paid to the Whole-time Director of the Company for the year under review is mentioned under the heading remuneration under corporate governance which forms part of this annual report. The elements of remuneration package payable to Mr. Bhaskar Rao P. as an Executive Director are detailed out in explanatory statement annexed to the notice calling the ensuing Annual General Meeting which has been made part of this Annual Report.
- ii) Various components of remuneration payable to Mr. Bhaskar Rao P., Executive Director are detailed out in explanatory statement annexed to the notice calling the ensuing Annual General Meeting which has been made part of this Annual Report. The Company does not pay any performance linked incentives to the Directors.

**DIRECTORS' REPORT** (Contd.)

- iii) The terms and conditions of the appointment of Mr. Bhaskar Rao P. as Executive Director including remuneration and minimum remuneration in the event of absence or inadequacy of profits are comprised in the draft agreement. Final agreement will be executed upon the approval of shareholders at the ensuing Annual General Meeting. The terms and conditions comprised in the said draft agreement are detailed out in explanatory statement annexed to the notice calling the ensuing Annual General Meeting which has been made part of this Annual Report.

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.

**Foreign Exchange Earnings and Outgo :**

	Year ended 31st March, 2007 (Rs. lacs)	Year ended 31st March 2006 (Rs. lacs)
<b>Earnings in foreign currency</b>		
Export of foreign currencies	111714.55	81,803.70
Inward money transfer services	1640.44	1242.56
Consultancy services & commission	49.92	28.96
<b>Expenditure in foreign currency</b>		
Travel expenses	22.72	3.45

**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 31st March 2007 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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- the relevant accounting policies are consistently applied and reasonable, prudent judgements and estimates are made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2007 and of the profits of the Company for the year ended on that date;
- 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;
- the Annual Accounts have been prepared on an 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.

For and on behalf of the Board

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

**Mr. Bhaskar Rao P.** - Executive Director  
**Mr. Arif A. Patel** - Director  
**Mr. Vinod Agnani** - Director  
**Mr. F. S. Broacha** - Director

Dated: 27<sup>th</sup> August, 2007



20TH ANNUAL REPORT 2006—2007

**STATEMENT PURSUANT TO SECTION 212 (3) OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANIES**

1)	Name of the subsidiary companies	<b>Emerald Commodities Pvt Ltd</b>	<b>Goldman Securities Pvt Ltd</b>
2)	The financial year of the subsidiary companies	31st March 2007	31st March 2007
3)	Shares of the subsidiary Companies held by Wall Street Finance Limited as on 31st March 2007 a) No. & Face value  b) Extent of holding	4,10,000 equity shares Rs. 10/- each fully paid (100 shares are held by Mr. Asgar S. Patel as nominee of Wall Street Finance Limited.) 2,50,000 Redeemable Preference shares Rs. 10/- each fully paid  100 %	10,000 equity shares Rs. 10/- each fully paid (100 shares are held by Mr. Asgar S. Patel as nominee of Wall Street Finance Limited.)  100%
4)	The net aggregate of Profit / (Loss) of the subsidiary companies so far as it concerns the members of Wall Street Finance Limited a) Not dealt in the accounts of Wall Street Finance Limited for the year ended 31st March 2007 amounted to - i) For the subsidiaries' financial period ended 31st March 2007 ii) For the previous financial years of the subsidiaries since they became the holding company's subsidiaries  b) Dealt in the accounts of Wall Street Finance Limited for the year ended 31st March 2007 amounted to - i) For the subsidiaries' financial period ended 31st March 2007 ii) For the previous financial years of the subsidiaries since they became the holding Company's subsidiaries	Nil  Not Applicable  Nil  Not Applicable	Nil  Not Applicable  Nil  Nil





## 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 an 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 Directors and Non-Executive Independent Directors.

The composition of the Board of Directors as at 31st March, 2007, 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 AGM	No. of other Directorships (Incl. Private Limited Companies)	Committee Memberships/ Chairmanships	
						Chairman	Member
1.	Mr. Asgar S. Patel	NEC	4	Yes	10	-	-
2.	Mr. Sameer Mardolkar (1)	WTD	8	Yes	6	-	-
3.	Mr. Bhaskar Rao P. (2)	WTD	N.A	N.A	2	-	-
4.	Mr. Arif A. Patel (3)	NED	N.A	N.A	7	-	2
5.	Mr. P. S. G. Nair	NED	8	Yes	6	5	1
6.	Mr. F. S. Broacha	NE-ID	7	No	6	4	7
7.	Mr. Vinod Agnani	NE-ID	7	Yes	4	1	1
8.	Mr. Khizer Ahmed	NE-ID	4	No	1	-	4
9.	Mr. Ashok Kapoor (4)	NE-ID	-	No	-	-	-

(1) Re-appointed as Whole-time Director w.e.f 1st April, 2006 and ceased to be a Whole-time Director w.e.f. 13th August, 2007 due to untimely and sad demise.

(2) Appointed as Whole-time Director w.e.f. 16th August, 2007.

(3) Appointed as an Additional Director w.e.f 17th August, 2007.

(4) Resigned w.e.f. 31st October, 2006

NEC - Non-Executive Chairman

WTD - Whole-time Director

NED - Non-Executive Director

NE-ID - Non-Executive Independent Director



## 20TH ANNUAL REPORT 2006—2007

### REPORT ON CORPORATE GOVERNANCE (Contd.)

b) During the financial year ended 31st March, 2007, eight Board Meetings were held as under :

Sr. No	Date of Board Meetings	Total Strength of the Board	No. of Directors present
1.	28th April, 2006	7	4
2.	03rd July, 2006	7	5
3.	28th July, 2006	7	6
4.	28th August, 2006	7	6
5.	29th September, 2006	7	4
6.	31st October, 2006	6	5
7.	31st January, 2007	6	4
8.	22nd March, 2007	6	4

### 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) Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- ii) Recommending the Board, the appointment, re-appointment and if required, replacement or removal of external auditors and fixing of their fees;
- iii) Approval of payments to the statutory auditors for any other services rendered by them;
- 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;

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

- 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) Investigating into matters specifically referred by the Board.
- b) Composition :

The Audit Committee comprises of 3 Non-Executive Directors. The Committee met 5 times during the year ended 31st March, 2007. Dates on which the Audit Committee meetings were held are 28th April, 2006, 28th July, 2006, 28th August, 2006, 31st October, 2006 and 31st January, 2007. The composition of the Audit Committee and attendance of members at meetings of the Committee are as follows:

Sr. No	Name of Member	Status	No. of Meetings Attended
1	Mr. Vinod Agnani	Chairman	4
2	Mr. F. S. Broacha	Member	5
3	Mr. Khizer Ahmed	Member	4

**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.
- 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 four times during the year ended 31st March, 2007. Dates on which the Shareholders Grievance Committee meetings were held are 28th April, 2006, 28th July, 2006, 31st October, 2006 and 31st January, 2007. Attendance of members of the Committee at their meetings was as follows:

Sr. No	Name of the Member	Status	No. of Meetings Attended
1	Mr. F. S. Broacha	Chairman	4
2	Mr. P. S. G. Nair	Member	4

- d) During the year 2006-2007, 21 complaints were received from shareholders / investors. These complaints have been replied to the satisfaction of the shareholders. There are no pending complaints as on 31st March, 2007.
- e) Name & designation of the Compliance Officer : Mr. Haroon Mansuri, Company Secretary
- f) 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 34 times during the year ended 31st March, 2007 and approved transfer of shares of the Company.
- g) All valid transfers received during the year 2006-2007 have been acted upon by the Company. Pending transfers as at 31st March, 2007 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 provisions of Companies Act, 1956.



## 20TH ANNUAL REPORT 2006—2007

### REPORT ON CORPORATE GOVERNANCE (Contd.)

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.

(Rs. in lacs)

Sr. No	Name of Member	Status	No. of Meetings Attended
1	Mr. F. S. Broacha	Chairman	1
2	Mr. Vinod Agnani	Member	-
3	Mr. Khizer Ahmed	Member	1

c) The Remuneration Committee met on 28th April, 2006 to consider the re-appointment of Mr. Sameer Mardolkar as the Whole-time Director and terms and conditions, including remuneration and minimum remuneration payable in case of absence or inadequacy of profits. The composition of the Remuneration Committee and attendance of members at meetings of the Committee are as follows:

d) Details of Directors' remuneration for the year ended 31st March, 2007

(Rs. in lacs)

Name	Salary	Sitting fess	Consultancy Fees
Mr. Asgar S. Patel	-	0.12	-
Mr. Sameer Mardolkar	13.84	-	-
Mr. P. S. G. Nair	-	0.24	4.64
Mr. F. S. Broacha	-	0.39	-
Mr. Vinod Agnani	-	0.33	-
Mr. Khizer Ahmed	-	0.27	0.72

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 31st March, 2007, except sitting fees for attending meetings of the Board of Directors and Committees thereof and consultancy fees for the professional services rendered by the Directors. Guarantee commission has been paid to the Chairman of the Company who has provided personal guarantee to the Banks for credit facilities availed by the Company.

e) Shareholding of the Directors in the Company as on 31st March, 2007 :

Mr. Asgar S. Patel, Chairman of the Company holds 60,95,550 equity shares of Rs.10/- each fully paid as on 31st March, 2007 and no other Directors hold any shares in their own name.

6) **Subsidiary Companies :**

During the year under review, the Company has formed two new 100% subsidiary companies viz. Emerald Commodities Private Limited and Goldman Securities Private Limited.

The Company does not have a material non-listed Indian subsidiary, whose turnover or networth (i.e. paid up capital & free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 7) General Body Meetings :

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

Year	Date	Time	Venue	Details of special resolutions passed
2006	29.09.2006	10.30 a.m.	Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz, (West), Mumbai 400 049.	Change in the name of the Company
2005	27.09.2005	12.30 p.m.	Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz, (West), Mumbai 400 049.	1. Commencement of new business 2. Place of keeping and inspection of registers and returns
2004	25.10.2004	11.30 am	Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz, (West), Mumbai 400 049.	No special resolution was passed

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.

### 8) Disclosures :

- During the year ended 31st March, 2007, 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 by the Company, penalties, strictures, imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years - **None**
- As required by sub clause V of the Clause 49 of the Listing Agreement with the Stock Exchange, Mr. Bhaskar Rao P, Executive Director and Mr. Fazal M. Shaikh, Chief Financial Officer have certified to the Board that for the financial year ended 31st March, 2007, the Company has complied with the requirements of the said sub clause.
- Management Discussion and Analysis Report forms part of the Annual Report.

### 9) 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 has been communicated to the Directors and Senior management of the Company and also posted on the Company's website – [www.wallstreetfinanceltd.com](http://www.wallstreetfinanceltd.com).

### 10) Means of communication :

The quarterly results along with the segmental report are generally published in Navashaki, Free Press Journal and also displayed on the website of the Company [www.wallstreetfinanceltd.com](http://www.wallstreetfinanceltd.com) shortly after its submission to the Stock Exchange.

The quarterly results and shareholding pattern are also available on SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in)



## 20TH ANNUAL REPORT 2006—2007

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

#### 11) General Shareholder Information :

##### a) Annual General Meeting :

Date	:	27th September, 2007
Time	:	12.30 p.m.
Venue	:	Sheila Raheja Hall, Rotary Service Centre, Juhu-Tara Road, Santacruz (West), Mumbai 400 049.

##### b) Financial Calendar :

Financial Year	:	April 2007 – March 2008
First Quarter Results	:	Last week of July, 2007
Second Quarter Results	:	Last week of October, 2007
Third Quarter Results	:	Last week of January, 2008
Fourth Quarter Results	:	Last week of April, 2008

c) The Book Closure : 21st September, 2007 to 27th September, 2007 (both days inclusive).

d) Dividend Payment Date : The final dividend, if declared, will be paid to shareholders on or after 30th September, 2007.

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

f) Stock Code : 511147

g) ISIN (Security Code no. granted by Depositories) : INE549D01012

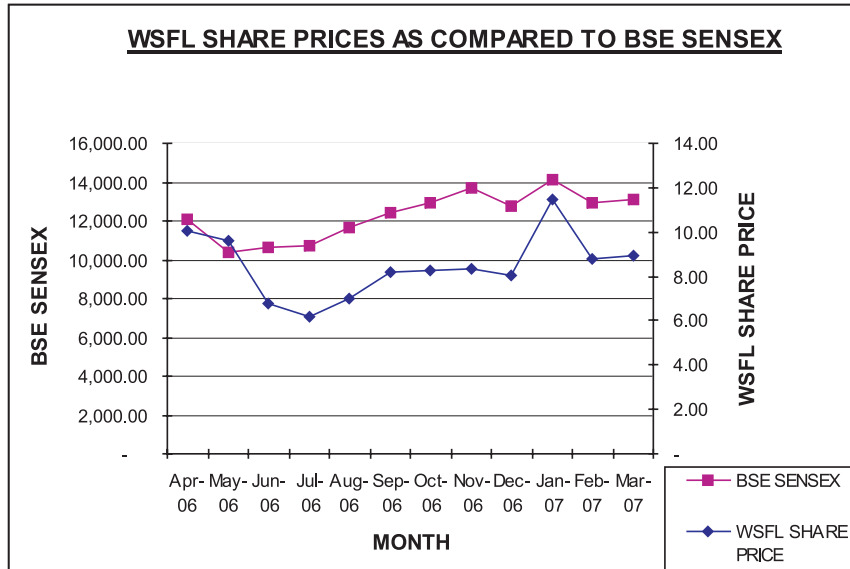
##### h) Market price data :

Month	Price (Rupees)	
	High	Low
April 2006	10.60	8.66
May 2006	12.67	9.05
June 2006	10.40	5.96
July 2006	7.30	5.10
August 2006	9.30	5.39
September 2006	9.47	6.56
October 2006	9.70	6.66
November 2006	9.58	6.45
December 2006	9.56	6.50
January 2007	14.99	7.68
February 2007	12.94	8.43
March 2007	10.60	8.01



**REPORT ON CORPORATE GOVERNANCE (Contd.)**

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



j) **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.

k) **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 and share certificates are returned to the transferee after transfer.

l) **Distribution of shareholding as on 31st March, 2007 :**

No. of Shares	No. of Shareholders	% of Shareholders	Shareholding	% of Shares held
Upto 500	6,258	80.24	13,44,357	11.56
501 - 1000	938	12.02	7,23,247	6.22
1001 - 2000	320	4.10	476,278	4.10
2001 - 3000	110	1.41	2,74,311	2.36
3001 - 4000	45	0.58	1,62,811	1.40
4001 - 5000	45	0.58	2,14,037	1.84
5001 - 10000	44	0.57	3,17,332	2.73
10001 and above	39	0.50	81,12,627	69.79
<b>Total</b>	<b>7,799</b>	<b>100.00</b>	<b>1,16,25,000</b>	<b>100.00</b>



## 20TH ANNUAL REPORT 2006—2007

### REPORT ON CORPORATE GOVERNANCE (Contd.)

m) **The shareholding pattern of the Company as on 31st March, 2007 :**

Category	No. of Shares	% Shareholding
Promoters' holding (Including Indian and NRI Promoters, Group Companies and Group O.C.Bs)	77,24,241	66.44
Scheduled Banks	400	—
Corporate Bodies (Other than Group Companies)	1,89,398	1.63
Non-Resident Indians (incl. FIIs) (Other than Promoters)	52,755	0.45
Indian Public	36,58,206	31.48
<b>Total</b>	<b>1,16,25,000</b>	<b>100.00</b>

n) **Dematerialisation of shares**

The equity shares of the Company are compulsorily traded in dematerialised form and the same are available for trading on both the depositories in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Out of the total issued capital of 116,25,000 equity shares of Rs. 10/- each, 35,52,787 shares representing 30.56% of the Company's share capital is dematerialised as on 31st March, 2007.

o) **Outstanding GDRs / ADRs etc.**

The Company has not issued any GDRs / ADRs / warrants or any convertible instruments.

p) **Plant locations :**

The Company is engaged in the foreign exchange and 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.

q) **Address for investors correspondence :**

Registered and Corporate Office	:	Wall Street Finance Limited 'Natasha', 52, Hill Road, Bandra (West), Mumbai - 400 050.  Tel Nos. : (022) 2642 3801, 2642 8804 Fax No. : (022) 2641 0911 E-mail : wsflmembers@patel-india.com Website : www.wallstreetfinanceltd.com
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

Shareholders are requested to correspond with the share transfer agent for transfer / transmission of shares, change of address and queries pertaining to their shareholding, dividend etc., at the address given above. The shareholders may send their suggestions, requests and complaints through e-mail at wsflmembers@patel-india.com.





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

Members who have not encashed their interim dividend warrants declared in October, 2005 may contact the Company and surrender their warrants for revalidation. Members are requested to note that the dividend not claimed for a period of seven years from the date they first become due for payment shall be transferred to Investor Education and Protection Fund (IEPF) in terms of Section 205 C of the Companies Act, 1956.

Shareholder holding shares in the dematerialised form should address their correspondence to their respective Depository Participants (DP).

Depositories	: National Securities Depository Ltd.	Central Depository Services (India) Ltd.
Address	: Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013	Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Mumbai 400 023
Tel	: (022) 2499 4200	(022) 2272 3333
Fax	: (022) 2497 2993 / 2491 6351	(022) 2272 3199 / 2272 2072
E-mail	: <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a>	<a href="mailto:investor@cdslindia.com">investor@cdslindia.com</a>
Website	: <a href="http://www.nsdl.co.in">www.nsdl.co.in</a>	<a href="http://www.cdslindia.com">www.cdslindia.com</a>

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

### **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 31st March, 2007.

**Bhaskar Rao P.**  
Executive Director

Mumbai, 27th August, 2007



## 20TH ANNUAL REPORT 2006—2007

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

To,  
The members  
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, 2007, as stipulated in Clause 49 of the Listing Agreement of the company with the Stock Exchange.

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 : 27th August, 2007



## 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 offers wide range of financial services such as :

- 1) Buying and selling of foreign exchange in retail and wholesale to the individual and corporate clients & export / import of currencies.
- 2) Providing outward remittance services of foreign exchange for the purposes other than commercial.
- 3) Acting as a principal agent of Western Union money transfer services for inward remittance business.

### 1) FOREIGN EXCHANGE

With the increase in outbound & inbound travels, the Foreign Exchange market is growing at a rate of approximately 25%. The entry barriers is very low in retail segment and large number of small players enter this market. At the wholesale section of the business, where, the business is highly capital incentive, there are large corporates and banks directly entering this business.

Our strength has been systems, people and product. We have strengthened our system by implementing the new software. We have also strengthened treasury by creating two separate positions of Vice President-Forex and Manager-Treasury. We now have AMEX TC stocks which will increase our retail sales of travellers cheques, card, currency etc. Our tie up with UTI Bank for delivery of currencies has increased currency sales. The plan to open more number of branches will increase our reach & we expect both retail & wholesale business to grow because of this. We have started our Mumbai export center & we expect the benefit of the same in the current year. We have got additional Bank Guarantee from Wall Street Exchange Centre, Dubai, this year to ensure success of Mumbai export center.

By the very nature of the business, we are susceptible of theft, robbery and fraud in our business. However, to mitigate this risk, we have covered ourselves with adequate insurance policy.

### 2) WESTERN UNION

Worldwide with the increase in income disparities, there is a huge growth of migration. The growth in migration is increasing the remittance business by individuals. Remittances into India is considered one of the largest and is about USD 25 billion per annum. Western Union is the market leader in the remittance business, we have the principal agency of Western Union for the business.

Last year, we had major restructuring of Western Union business by creation of separate structure. We are investing on training & motivating staffs for better results. We shall see the results of these efforts in the current year. We will continue to drive the Sub-Agency route for growth. This structure supported by the branch network. As we increase our branches, the branch transaction and revenue will increase with the overall profitability of the product.

### 3) OUTWARD REMITTANCE

With the increase in people travel for education, medical, immigration etc., Reserve Bank of India felt that the current banking facilities are not adequate to cater to the needs of growing number of customers. Accordingly, Reserve Bank of India had come out with the new category of licence holders mainly Authorised Dealer - Category II. This licence is given to FFMC's with good track record and minimum networth of Rs.10 crores. Your Company was amongst the first to get this license.

We have taken the first mover advantage out of the new Authorised Dealer - Category II licence holder. We have built up a team of marketing executives across India to source new business. We do not have the permission to open Nostro account for this business. We have written to Reserve Bank of India requesting for Nostro account and other concessions



## 20TH ANNUAL REPORT 2006—2007

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at par with banks for outward remittance. We have tied up with various Banks for this business. We are negotiating with various banks to improve the arrangements & rates to get competitive advantage.

### **4) INTERNAL CONTROL SYSTEM**

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 for the year ended 31st March, 2007.

### **5) HUMAN RESOURCE**

The relations with the employees remained cordial during the year under review. The number of people employed by the Company as on 31st March, 2007 was 321.



## AUDITORS' REPORT

To  
THE MEMBERS OF WALL STREET FINANCE LIMITED

1. We have audited the attached Balance Sheet of WALL STREET FINANCE LIMITED (The Company), as at March 31, 2007, the related Profit and Loss Account and the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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'), we enclose 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 and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet & Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - (e) On the basis of written representations received from the directors, as on March 31, 2007 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.
  - (f) Pending outcome of the High Court Order, the Company has not provided for shortfall, if any, in the recovery of the insurance claim of Rs. 20.63 lacs. Refer Note No. 4 of Schedule P. Since, the extent to which the claim, if any, remains unrecovered is not ascertainable, the resultant impact of the same on the accounts cannot be ascertained.
  - (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, 2007;
    - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (iii) in the case of the Cash Flow statement of the cash flows of the Company for the year ended on that date.

For Anil A. Mehta & Co.  
Chartered Accountants

Anil A. Mehta  
Partner

Place : Mumbai

Membership No. F-30529

Date : 27th August, 2007



## 20TH ANNUAL REPORT 2006—2007

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### ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date on the financial statements for the year ended 31st March, 2007]

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.  
(b) The company has initiated verification of assets and discrepancies, if any, will be dealt with and updation of records determined on completion of 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, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of sub-clauses 4(iii)(b), (c), & (d) of the order are not applicable.  
(b) The Company has not taken any loans from companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, provisions of sub-clauses 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) According to the information and explanations given to us, in our opinion the particulars of contracts or arrangement referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) According to information and explanation given to us, in our opinion the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs 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 Authorised Dealer – II, through independent firms of Chartered Accountants. A review of such audit reports indicate 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 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, 2007 for a period of more than six months from the date they became due with the appropriate authorities.

**ANNEXURE TO AUDITORS' REPORT**

[Referred to in paragraph 3 of the Auditors' Report of even date on the financial statements for the year ended 31st March, 2007]

- (b) According to the information and explanations given to us, there are no cases of disputed dues of sales tax, income tax, customs duty, 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 relate (Assessment Year)	Forum where the dispute is pending
Income Tax Act, 1961	Income tax including interest and penalty, as applicable.	119.2 *	1995-96	CIT(A) restored back from ITAT
Income Tax Act, 1961	Income tax liability	7.14 *	1997-98	Assessing officer
Income Tax Act, 1961	Income tax liability	104.12	2000-2001	ACIT to verify as directed by CIT(A) to verify

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

10. The Company has no accumulated losses as at March 31, 2007 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 explanations 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

Place : Mumbai  
Date : 27th August, 2007

Membership No. F-30529



## 20TH ANNUAL REPORT 2006—2007

### BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedules	(Rs. lacs)	As at 31.03.2007 (Rs. lacs)	As at 31.03.2006 (Rs. lacs)
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' funds</b>				
Share capital	"A"	1,159.77		1,159.77
Reserves and surplus	"B"	342.97		297.09
			1,502.74	1,456.86
<b>Loan funds</b>				
Secured loans	"C"	2,168.19		1,831.72
Unsecured loans	"D"	771.46		958.11
			2,939.65	2,789.83
	<b>TOTAL</b>		<b>4,442.39</b>	<b>4,246.69</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed assets</b>				
<b>"E"</b>				
Gross block		955.65		976.75
Less : depreciation		476.67		456.53
Net block		478.98		520.22
Capital work in progress (Including capital advances)		24.19		16.65
Less: Advance recd. against sale of property		—		310.00
			503.17	226.87
<b>Investments</b>				
<b>"F"</b>				
Deferred tax asset			266.84	226.76
			18.20	18.20
<b>Current assets, loans and advances</b>				
Interest accrued on investments		1.36		5.93
Inventories	"G"	823.07		520.32
Sundry debtors	"H"	1,713.58		1,585.78
Cash and bank balances	"I"	1,641.12		1,555.42
Loans and advances	"J"	1,360.15		1,175.59
		5,539.28		4,843.04
<b>Less : Current liabilities and provisions</b>				
<b>"K"</b>				
Current liabilities		1,763.06		1,048.15
Provisions		122.04		20.03
		1,885.10		1,068.18
<b>Net current assets</b>			<b>3,654.18</b>	<b>3,774.86</b>
	<b>TOTAL</b>		<b>4,442.39</b>	<b>4,246.69</b>

As per our report of even date

For and on behalf of

**Anil A. Mehta & Co.**

Chartered Accountants

**Anil A. Mehta**

Membership No. F-30529

Mumbai, 27<sup>th</sup> August, 2007

For and on behalf of the Board

**Mr. Bhaskar Rao P.**

**Mr. Ariff A. Patel**

**Mr. Vinod Agnani**

**Mr. F. S. Broacha**

**Mr. Fazal M. Shaikh**

**Mr. Haroon Mansuri**

- Executive Director

- Director

- Director

- Director

- Chief Financial Officer

- Company Secretary





## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedules	Current year ended 31.03.2007 (Rs. lacs)	Previous year ended 31.03.2006 (Rs. lacs)
<b>INCOME</b>	“L”	<b>2,731.50</b>	2,189.42
<b>EXPENDITURES</b>			
Payments to and provisions for employees	“M”	<b>434.96</b>	281.95
Administrative and other expenses	“N”	<b>1,825.90</b>	1,376.61
Interest	“O”	<b>249.50</b>	275.02
Depreciation		<b>55.38</b>	54.59
		<b>2,565.74</b>	1,988.17
<b>Profit before tax</b>		<b>165.76</b>	201.25
Less : Provision for taxes			
(a) Current tax		<b>19.00</b>	5.00
(b) Wealth tax		<b>1.00</b>	1.00
(c) Fringe benefit tax		<b>15.00</b>	10.03
		<b>35.00</b>	16.03
<b>Profit after tax</b>		<b>130.76</b>	185.22
Add : Balance of profit brought forward		<b>189.03</b>	107.13
Profit available for appropriation		<b>319.79</b>	292.35
<b>APPROPRIATION</b>			
Transfer to statutory reserve u/s. 45 1C of RBI Act, 1934		<b>26.15</b>	37.04
Short provision of tax for earlier year		<b>16.87</b>	-
Dividend		<b>58.13</b>	58.13
Tax on dividend		<b>9.88</b>	8.15
Surplus carried to Balance Sheet		<b>208.76</b>	189.03
Basic earning per share (Rupees)		<b>1.12</b>	1.59
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**

Membership No. F-30529

Mumbai, 27<sup>th</sup> August, 2007

For and on behalf of the Board

**Mr. Bhaskar Rao P.**

**Mr. Ariff A. Patel**

**Mr. Vinod Agnani**

**Mr. F. S. Broacha**

**Mr. Fazal M. Shaikh**

**Mr. Haroon Mansuri**

- Executive Director

- Director

- Director

- Director

- Chief Financial Officer

- Company Secretary



## 20TH ANNUAL REPORT 2006—2007

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

	(Rs. lacs)	As at 31.03.2007 (Rs. lacs)	As at 31.03.2006 (Rs. lacs)
<b>SCHEDULE "A"</b>			
<b>SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
1,20,00,000	Equity shares of Rs. 10/-each	<b>1,200.00</b>	1,200.00
( P.Y.1,20,00,000	Equity shares )		
10,00,000	Cumulative convertible	<b>1,000.00</b>	1,000.00
(P.Y.10,00,000 )	preference shares of Rs. 100/-each		
		<b>2,200.00</b>	2,200.00
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
1,16,25,000	(P.Y.1,16,25,000) Equity shares of Rs.10/-each	<b>1,162.50</b>	1,162.50
	( of the above 18,75,000 shares are allotted as fully paid-up by way of bonus shares )		
Less : allotment money receivable		<b>2.73</b>	2.73
	<b>TOTAL</b>	<b>1,159.77</b>	1,159.77
<b>SCHEDULE "B"</b>			
<b>RESERVES AND SURPLUS</b>			
General reserve			
As per last Balance Sheet		<b>0.27</b>	70.75
Statutory reserve u/s. 45 1C of RBI Act, 1934			
As per last Balance Sheet	<b>107.79</b>		37.04
Transferred during the year	<b>26.15</b>		-
		<b>133.94</b>	107.79
Balance in Profit and Loss account		<b>208.76</b>	189.03
	<b>TOTAL</b>	<b>342.97</b>	297.09
<b>SCHEDULE "C"</b>			
<b>SECURED LOANS</b>			
From Banks :			
Cash credit / Overdraft		<b>1,893.44</b>	1,542.67
Term loan		<b>69.93</b>	130.17
(Amount due within one year Rs.69.93 lacs P.Y. Rs.60.00 lacs)			
Short term loan		<b>146.23</b>	146.11
Vehicle loans		<b>58.59</b>	12.77
(Secured by hypothecation of vehicles )			
(Amount due within one year Rs. 21.73 lacs P.Y. Rs.8.22 lacs)			
	<b>TOTAL</b>	<b>2,168.19</b>	1,831.72



## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 (Contd...)

As at  
**31.03.2007**  
(Rs. lacs)                      As at  
31.03.2006  
(Rs. lacs)

### SCHEDULE "C" (Contd.,)

**Note :**

The overdrafts/cash credits and 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.201.43 lacs (P.Y.Rs. 525.71 lacs) and further secured by personal guarantee of the Chairman to the extent of Rs. 873.32 lacs (P.Y. Rs. 929.32 lacs).

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

### SCHEDULE "D"

#### UNSECURED LOANS

Fixed deposits (Amount due within one year Rs. 160.26 lacs P. Y. Rs. 507.88 lacs)	<b>700.04</b>	879.83
Inter-corporate deposits	-	5.04
Security deposits	<b>71.42</b>	73.24
<b>TOTAL</b>	<b>771.46</b>	<b>958.11</b>

### SCHEDULE "E"

#### FIXED ASSETS

(Rs. lacs)

Description	Gross block			Depreciation			Net block			
	As at 1.4.2006	Additions during the year	Deductions during the year	As at 31.3.2007	As at 1.4.2006	For the year	Deductions during the year	As at 31.3.2007	As at 31.3.2007	As at 31.3.2006
Land	52.08	-	52.08	-	-	-	-	-	-	52.08
Building	124.69	-	84.53	40.16	16.27	1.42	9.84	7.85	32.31	108.42
Plant & machinery	28.77	-	28.77	-	10.27	1.37	11.64	-	-	18.50
Furniture & fixtures	282.82	15.49	1.06	297.25	141.52	17.35	1.04	157.83	139.42	141.30
Office equipments	101.78	15.65	6.27	111.16	46.28	6.13	1.38	51.03	60.13	55.50
Vehicles	113.00	76.69	19.65	170.04	45.06	10.48	8.96	46.58	123.46	67.94
Computers	242.08	23.95	3.19	262.84	192.77	14.31	2.38	204.69	58.15	49.31
Computer Software	-	38.03	-	38.03	-	3.17	-	3.17	34.86	-
Air conditioners	31.53	4.64	-	36.17	4.36	1.15	-	5.51	30.66	27.17
<b>TOTAL</b>	<b>976.75</b>	<b>174.45</b>	<b>195.55</b>	<b>955.65</b>	<b>456.53</b>	<b>55.38</b>	<b>35.24</b>	<b>476.67</b>	<b>478.98</b>	<b>520.22</b>
Previous year	1,111.74	77.85	212.84	976.75	410.51	54.59	8.57	456.53	520.22	-





## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007 (Contd...)

	As at 31.03.2007 (Rs. lacs)	As at 31.03.2006 (Rs. lacs)
<b>Subsidiaries - wholly owned</b>		
<b>Fully paid up equity shares of Rs.10/- each</b>		
410000 (Nil) Emerald Commodities Private Limited	41.00	-
10000 (Nil) Goldman Securities Private Limited	1.00	-
	42.00	-
<b>Fully paid up redeemable preference shares of Rs.10/- each</b>		
250000 (Nil) Emerald Commodities Private Limited	25.00	-
	67.00	-
<b>TOTAL</b>	<b>266.84</b>	<b>226.76</b>

**Notes :-**

1. Aggregate value of quoted investments		
Cost (net of diminution provided)	149.83	176.65
Market Value	153.94	176.65
2. Aggregate value of unquoted investments		
Cost	117.01	50.01
Break even value	74.89	50.11
3. Figures in brackets represent previous years nos.		

**SCHEDULE "G"**

**CURRENT ASSETS, LOANS AND ADVANCES**

**INVENTORIES**

Stock on hire	-	0.08
( At agreement value less installments due )		
Stock of foreign currency	817.29	520.24
Stock of foreign currency in transit	5.78	-
( As taken, valued and certified by the management )		
<b>TOTAL</b>	<b>823.07</b>	<b>520.32</b>



## 20TH ANNUAL REPORT 2006—2007

### SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

	As at 31.03.2007 (Rs. lacs)	As at 31.03.2006 (Rs. lacs)
<b>SCHEDULE "H"</b>		
<b>SUNDRY DEBTORS (Unsecured)</b>		
Outstanding for more than six months - Considered good	5.16	68.97
Other debts - Considered good	1,708.42	1,516.81
<b>TOTAL</b>	<b>1,713.58</b>	<b>1,585.78</b>
<b>SCHEDULE "I"</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on hand	233.40	95.81
Bank balances		
In current accounts	1,231.30	786.05
In deposit accounts	176.42	673.56
(Pledged for working capital & other facilities Rs. 68.15 lacs P.Y Rs.562.83 lacs)		
<b>TOTAL</b>	<b>1,641.12</b>	<b>1,555.42</b>
<b>SCHEDULE "J"</b>		
<b>LOANS AND ADVANCES</b>		
( Unsecured, considered good unless otherwise stated )		
Secured loans against fixed deposits	4.64	10.43
Unsecured loans considered good	6.00	6.00
Income tax	185.91	185.93
Premises deposits	324.46	324.46
Claims receivable	269.16	234.43
Advances recoverable in cash or in kind or for value to be received (includes due from a company under same management Wall Street Securities & Investments (India) Ltd. Rs.19.08 lacs (P.Y.18.88 lacs) maximum balance during the year Rs.20.21 lacs P.Y. 35.57 lacs)	560.53	414.34
Susidiary companies	9.45	—
<b>TOTAL</b>	<b>1,360.15</b>	<b>1,175.59</b>



# WALL STREET FINANCE LTD.

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2007

	As at 31.03.2007 (Rs. lacs)	As at 31.03.2006 (Rs. lacs)
<b>SCHEDULE "K"</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current liabilities</b>		
Sundry creditors	806.67	661.53
Advance from customers	621.75	199.99
Unpaid dividend	3.62	3.76
Other liabilities	17.28	13.81
Book overdraft	278.71	125.92
Interest accrued on fixed deposits	35.03	43.14
	<b>1,763.06</b>	1,048.15
<b>Provisions</b>		
Proposed dividend	58.13	-
Tax on dividend	9.88	-
Income tax	28.00	9.00
Wealth tax	1.00	1.00
Fringe benefit tax	25.03	10.03
	122.04	20.03
<b>TOTAL</b>	<b>1,885.10</b>	1,068.18



## 20TH ANNUAL REPORT 2006—2007

### SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Current year ended 31.03.2007 (Rs. lacs)	Previous year ended 31.03.2006 (Rs lacs)
<b>SCHEDULE "L"</b>		
<b>INCOME</b>		
Forex & remittance based income (refer note no. 1)	2,404.25	1,803.59
Fee based income (refer note no. 2)	65.07	69.16
Other income (refer note no. 3)	262.18	316.67
<b>TOTAL</b>	<b>2,731.50</b>	<b>2,189.42</b>

#### NOTES :-

- Forex & remittance based income includes foreign currency business Rs. 741.81 lacs (P.Y. Rs. 561.03 lacs) (exchange fluctuation (net) Rs. 687.62 lacs (P.Y. Rs. 461.50 lacs)), money transfer business Rs.1662.44 lacs (P.Y. Rs.1242.56 lacs).
- Fee based income includes consultancy services Rs. 52.49 lacs (P.Y. Rs. 58.88 lacs), financial allied service Rs. 12.58 lacs (P.Y.Rs.10.28 lacs).
- Other income includes interest Rs.88.98 lacs (P.Y. Rs.22.21 lacs), recovery of past dues Rs.1.30 lacs (P.Y. Rs.33.63), profit on sale of shares Rs. Nil lacs (P. Y.181.33), profit on sale of assets Rs. 166.28 lacs (P.Y. 20.43) challan discounting Rs. Nil lacs (P. Y. Rs. 1.77), dividend Rs. 0.26 lacs (P.Y. Rs.1.33 lacs), assignment of debts Rs. Nil lacs (P. Y. Rs. 55 Lacs), sundry balances written back Rs.1.20 lacs (P.Y.Rs.0.06 lacs), other miscellaneous income Rs. 4.16 lacs (P.Y.Rs.0.91 lacs).

#### SCHEDULE "M"

##### PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

Salary, bonus, and allowances	385.97	243.19
Contribution to provident fund	32.83	23.30
Contribution to gartuity fund	5.34	6.00
Staff welfare expenses	10.82	9.46
<b>TOTAL</b>	<b>434.96</b>	<b>281.95</b>





**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR  
ENDED 31ST MARCH, 2007 (Contd...)**

	<b>Current year ended 31.03.2007 (Rs. lacs)</b>	<b>Previous year ended 31.03.2006 (Rs lacs)</b>
<b>SCHEDULE "N"</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Freight and export expenses	151.51	99.50
Insurance charges	52.67	63.58
Rent, rates & taxes	72.92	60.50
Electricity	24.00	23.00
Printing, stationery and periodicals	37.48	28.49
Conveyance and travelling	128.50	77.42
Communication expenses	88.16	62.31
Brokerage and commission	886.79	669.42
Advertisement and business promotion	161.94	86.14
Legal and professional fees	81.09	54.73
Directors sitting fees	1.47	1.17
Repairs and maintenance - others	20.21	14.43
Auditors' remuneration	7.77	7.43
Bank charges	36.91	37.38
Loss on sale of assets	4.82	4.30
Investment written off	-	14.57
Diminution in value of investments	-	4.89
Sundry balances written off	27.48	33.34
Miscellaneous expenses	42.18	34.01
<b>TOTAL</b>	<b>1,825.90</b>	<b>1,376.61</b>
<b>SCHEDULE "O"</b>		
<b>INTEREST</b>		
On bank borrowings	176.17	161.97
On fixed deposits	69.59	99.28
On others	3.74	13.77
<b>TOTAL</b>	<b>249.50</b>	<b>275.02</b>



**SCHEDULE “P”**  
**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR**  
**ENDED MARCH 31, 2007**

**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 Receipts in terms of agreement for assignment of debts are accounted as and when received.
- 2.5 Loss on insurance claim is recognized on settlement of claim.
- 2.6 Dividend is recognized when the right to receive dividend is established.
- 2.7 Interest on deployment of surplus funds is recognized using time-proportion method, based on interest rates implicit in the transaction.
- 2.8 Income from rentals is recognized on period basis.
- 2.9 Recovery proceeds realized from debts written off as bad debts is accounted as income in the year of receipt.
- 2.10 Profit on sale on fixed assets and investments is recognized on completion on sale.

**3. FIXED ASSET & 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 except for Computer Software which is amortised over a period of three years from the day of put to use, being the economic useful life as estimated by the management. 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 31st March, 2007 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 receipt/payments of foreign currency is recognized in the Profit and Loss account.

**5. 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.

**6. 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.



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED MARCH 31, 2007 (Contd..)**

**II NOTES TO ACCOUNTS**

1. Contingent liabilities not provided for :
  - 1.1 Unpaid liability on 1,45,700 partly paid-up shares of Malvika Steels Ltd. Rs. 43.71 lacs (P.Y. Rs. 43.71 lacs) (Written off in books).
  - 1.2 Income tax demands of Rs.230.46 lacs under appeal before different authorities.
2. 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.
3. 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.
4. Loans & advances include an amount of 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 Bombay High Court against the Insurance Company. Loss if any, will be accounted for, based on the decision of the court.
5. 5.1 In respect of the robbery occurred during the year 2003-04 whereby Rs. 211.80 lacs of currency were stolen. Apart from actively pursuing the insurance claim, the company has preferred a writ petition in Mumbai High Court against the Insurance Company to retain the legal recourse. Based on the progress of the Insurance claim and the court proceedings, the company is confident of recovering such claim. Consequently, no provision is considered necessary.  
5.2 A major robbery occurred in August 2006 outside the Company's Jallandar branch, when currencies of Rs. 50.46 lacs were snatched away after the Branch Manager was shot at. On account payment of Rs.20.00 lacs have been received from the insurance company against company's insurance claim and balance is carried forward as insurance claim receivable.
6. There is diminution in the value of unquoted investments. As such diminution is considered temporary, no provision has been made for such diminution in accordance with the company's policy on accounting of long term investments.
7. 7.1 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).  
7.2 During the year, appellate proceedings under Income Tax Act, for some years were completed. The company has pursued further appeals and based on the progress of the appellate proceedings the company do not expect any demand except for demand of Rs. 16.87 lacs pertaining to Asst. Year 2003-04, which has been written off.
8. 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 of taxable income of the current financial year despite the Company having substantial past unabsorbed business losses of Rs.732.26 lacs under Income Tax Act, 1961.



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### NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007 (Contd..)

#### 9. Managerial Remuneration

(Rs. lacs)

Particulars	For the year ended 31.03.2007	For the year ended 31.03.2006
Salaries	25.17	15.81
Employer's contribution to provident fund	2.81	1.78

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 for the year April 2006 - March 2007.

#### 10. Auditors remuneration (including service tax):

(Rs. lacs)

Particulars	For the year ended 31.03.2007	For the year ended 31.03.2006
Audit fees	4.49	4.41
Tax audit fees	1.68	1.65
Certification & others services	1.57	1.31
Out-of-pocket expenses	0.03	0.06

11. There are no dues outstanding for more than 30 days in excess of Rs.1.00 lac to small scale undertakings.

12. Purchase & sale of currencies / travelers cheques

(Rs. lacs)

	Particulars	For the year ended 31.03.2007	For the year ended 31.03.2006
12.1	Purchases	2,48,896.68	1,83,552.58
12.2	Sales (including exports)	2,49,312.19	1,84,271.04

#### 13. 13.1 Earnings in Foreign Currency

(Rs. lacs)

13.1.1	Export of foreign currencies	111714.55	81,803.70
13.1.2	Inward Money transfer services	1640.45	1,242.56
13.1.3	Consultancy services & commission	49.92	28.96

#### 13.2 Expenditure in Foreign currency

(Rs. lacs)

13.2.1	Travel expenses	22.72	3.45
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Domestic sale and purchase of currency is not included

#### 14. Retirement Benefits

As required by Accounting Standard 15 (AS 15), the Company has adopted the standard for Retirement benefits with effect from 1st April 2006, resulting into following:

14.1 The transitional obligations of the Company amounted to Rs. 0.67 lacs, which have been recorded with transfer of Rs. 0.67 lacs to opening balance of Profit & Loss Account.

#### 14.2 Defined Contribution Plan

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefit.



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED MARCH 31, 2007 (Contd..)**

**14.3 Defined Benefit Plan**

The Company makes annual contributions to the Employees' Group-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees.

The present value of defined benefit obligation and the relevant current service cost were measured using Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

The following table set out the status of gratuity plan as required under AS 15. (Rs. lacs)

	Particulars	As at March 31, 2007
<b>i.</b>	<b>Changes in defined obligation</b>	
	Opening defined benefit obligation (April 1, 2006)	24.43
	Interest cost	1.83
	Current service cost	5.80
	(Benefits paid)	(5.89)
	Actuarial gains/(loss)	0.00
	<b>Closing defined benefit obligation</b>	<b>26.17</b>
<b>ii.</b>	<b>Change in plan assets</b>	
	Opening fair value of plan assets (April 1, 2006)	23.76
	Expected return	1.88
	Contributions by employer	7.37
	(Benefits paid)	(5.89)
	Actuarial gains/(loss)	0.41
	Closing fair value of plan assets	27.53
	<b>Excess of plan assets over obligation</b>	<b>1.35</b>
	<b>Prepaid benefit</b>	<b>1.35</b>
<b>iii.</b>	<b>Net gratuity cost for the year ended March 31, 2007</b>	
	Current service cost	5.80
	Interest cost on benefit obligation	1.83
	Expected return on plan assets	(1.88)
	Actuarial (gains)/loss	(0.41)
	<b>Net gratuity cost</b>	<b>5.34</b>
	Actual return on plan assets	2.29
<b>iv.</b>	<b>Category of assets as at March 31, 2007</b>	
	Insurer Managed Fund	<b>27.53</b>
<b>v.</b>	<b>Assumptions used in accounting for gratuity plan :</b>	<b>%</b>
	Discount rate	7.50
	Salary escalation rate	3.00
	Expected rate of return on plan assets	7.90

**15. 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.



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**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007 (Contd..)**

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

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

**Business segment**

**(Rs. lacs)**

Particulars	For the year ended 31.03.2007			For the year ended 31.03.2007		
	Financial & allied Services	Forex & remittance business	Total	Financial & allied Services	Forex & remittance business	Total
<b>Segment revenue</b>						
Gross income	253.83	2477.67	<b>2731.50</b>	379.84	1809.58	<b>2189.42</b>
<b>Result</b>						
Segment result	55.76	341.81	397.57	176.09	186.60	362.69
Less : Unallocable expenditure (net)			231.81			161.44
<b>Profit before tax (PBT)</b>			<b>165.76</b>			<b>201.25</b>
Less : Provision for taxation			35.00			16.03
<b>Profit after tax</b>			<b>130.76</b>			<b>185.22</b>
<b>Other information</b>						
Segment assets	507.08	5456.70	5963.78	834.02	4117.12	4951.14
Unallocable assets			363.71			363.73
<b>Total assets</b>			<b>6327.49</b>			<b>5314.87</b>
Segment liabilities	815.83	3883.26	4699.09	1016.51	2817.71	3834.22
Unallocable liabilities			125.66			23.79
<b>Total liabilities</b>			<b>4824.75</b>			<b>3858.01</b>
Cost of assets acquired during the year	0.13	174.32	174.45	1.38	76.47	77.85
Depreciation	8.83	46.55	55.38	9.81	44.78	54.59
Non-cash expenses other than depreciation (NPA provision)	-	-	-	-	-	-

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

**16. 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 :

16.1 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



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED MARCH 31, 2007 (Contd..)**

3.	Mr. Bhaskar Rao P.	Key managerial personnel
4.	Patel Holdings Ltd.	Associate
5.	Patel Integrated Logistics Ltd.	Associate
6.	Wall Street Securities & Investments (India) Ltd.	Associate
7.	Worldwide Instant Remittances Pvt. Ltd.	Associate
8.	Natasha Construction Pvt. Ltd.	Associate
9.	A. S. Patel Trust	Associate
10.	Wall Street Exchange Centre L.L.C. Dubai	Associate
11.	Emerald Commodities Pvt. Ltd.	Subsidiary
12.	Goldman Securities Pvt. Ltd.	Subsidiary

**b. Transactions during the year with related parties on aggregate basis : (Rs. lacs)**

Sr. No.	Nature of transactions	Person having significant influence		Key managerial personnel		Associates		Subsidiaries	
		06-07	05-06	06-07	05-06	06-07	05-06	06-07	05-06
1.	Directors sitting fees	0.12	0.12	-	-	-	-	-	-
2.	Rent paid	10.08	1.20	-	-	8.28	10.44	-	-
3.	Guarantee commission	12.00	-	-	-	-	-	-	-
4.	Remuneration :								
	Mr. Sameer Mardolkar	-	-	13.84	8.70	-	-	-	-
	Mr. Bhaskar Rao P.	-	-	14.13	9.19	-	-	-	-
5.	Western Union commission paid	-	-	-	-	4.32	4.24	-	-
6.	Reimbursement of expenses paid	-	-	-	-	2.28	30.86	-	-
7.	Interest paid	-	-	-	-	9.58	13.79	-	-
8.	Fees charged for portfolio management services	2.24	4.41	-	-	-	-	-	-
9.	Interest charged	-	-	-	-	0.84	0.90	-	-
10.	Reimbursement of expenses charged	-	-	-	-	68.40	102.37	-	-
11.	Consultancy fees charged	-	-	-	-	-	25.02	-	-
12.	Service charges	-	-	-	-	28.84	23.73	-	-
13.	Export sales	-	-	-	-	22093.96	16674.07	-	-
14.	Dividend paid	-	30.48	-	-	-	6.38	-	-
15.	Dividend received	-	-	-	-	0.19	0.89	-	-
16.	Assignment of debts	-	-	-	-	-	55.00	-	-
17.	Preliminary and pre-operative expenses	-	-	-	-	-	-	11.15	-
18.	Advance received against sale of properties	-	310.00	-	-	-	-	-	-
19.	Property deposit received back	-	-	-	-	-	205.79	-	-
20.	Property deposit given	-	-	-	-	-	300.00	-	-



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**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007 (Contd..)**

Sr. No.	Nature of transactions	Person having significant influence		Key managerial personnel		Associates		Subsidiaries	
		06-07	05-06	06-07	05-06	06-07	05-06	06-07	05-06
21.	Purchase of assets	-	-	-	-	-	3.98	-	-
22.	Sale of property	310.00	180.00	-	-	-	-	-	-
23.	I.C.D received	-	-	-	-	50.00	50.00	-	-
24.	I.C.D paid back	-	-	-	-	-	125.65	-	-
25.	Subscribed for capital	-	-	-	-	-	67.00	-	-
26.	Debit balance outstanding as on 31st March, 2007	-	4.41	-	-	754.98	728.89	76.45	-
27.	Credit balance outstanding as on 31st March, 2007	3.54	0.60	-	-	102.96	401.84	-	-

Mr. Asgar Patel, Chairman has given his personal guarantee in favour of Banks against credit facilities to the extent of Rs. 975.00 lacs sanctioned to the Company, for which the Company has paid Rs.12.00 lacs as guarantee commission.

**17. Earnings per share (“EPS”) computed in accordance with Accounting Standard 20: “Earnings per share”:**

Basic earning per share:

Particulars			31.03.2007	31.03.2006
Profit after tax as per accounts	(Rs.lacs)	A	<b>130.76</b>	185.22
Weighted average number of shares issued	(Nos. in lacs)	B	<b>116.25</b>	116.25
Basic EPS	(Rs.)	A/B	<b>1.12</b>	1.59

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




**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED MARCH 31, 2007 (Contd..)**

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)	216.16	—
	(d) Inter-corporate loans and borrowing	—	—
	(e) Commercial paper	—	—
	(f) Public deposits	735.07	—
	(g) Other loans (specify nature)		
	i) CC/OD from banks	1893.44	
	ii) Vehicle loans	58.59	
	iii) Security deposits	71.42	2023.45
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	735.07	—



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007 (Contd..)**

	Particulars	(Rs. lacs)	(Rs. lacs)
	Assets side :	Amount outstanding	Amount overdue
3.	<b>Break—up of loans and advances including bills receivables [other than those included In (4) below] :</b>		
	(a) Secured	4.64	
	(b) Unsecured	6.00	
	(c) Statutory payments, premises deposits and others	1349.51	
		<u>1360.51</u>	
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	—	
	(b) Repossessed assets	—	
	(iii) Hypothecation loans counting towards EL / HP activities		
	(a) Loans where assets have been repossessed	—	
	(b) Loans other than (a) above	—	
5.	<b>Break—up of investments :</b>		
	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)	—	



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED MARCH 31, 2007 (Contd..)**

	Particulars	(Rs. lacs)	(Rs. lacs)
	<b>Assets side :</b>	<b>Amount outstanding</b>	<b>Amount overdue</b>
5.	<b>Break—up of investments : (contd.)</b>		
	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	29.05	
	(b) Preference	—	
	(ii) Debentures and bonds	—	
	(iii) Units of mutual funds	—	
	(iv) Government securities	—	
	(v) Others ( please specify)	—	
	2. Unquoted :		
	(i) Shares : (a) Equity	50.01	
	(b) Preference	—	
	(ii) Debentures and bonds	—	
	(iii) Units of mutual funds	—	
	(iv) Government securities	120.78	
	(v) Others ( please specify)	—	
6.	<b>Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances : (further categorization of point 3 and 4 above)</b>		(Rs. lacs)
	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	10.64	1349.51
	<b>Total</b>	<b>10.64</b>	<b>1376.86</b>
			<b>1387.50</b>



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**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2007 (Contd..)**

7.	<b>Investors group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b>			<b>(Rs. lacs)</b>
	Category	Market value / Break up or fair value or NAV	Book value (Net of provisions)	
	1. Related parties			
	(a) Subsidiaries	67.00	67.00	
	(b) Companies in the same group	—	—	
(c) Other related parties	—	—		
2. Other than related parties	*161.83	199.84		
	<b>Total</b>	<b>228.83</b>	<b>266.84</b>	
	* Refer to I – 6 above			
8.	<b>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

<b>Mr. Bhaskar Rao P.</b>	- Executive Director
<b>Mr. Ariff A. Patel</b>	- Director
<b>Mr. Vinod Agnani</b>	- Director
<b>Mr. F. S. Broacha</b>	- Director
<b>Mr. Fazal M. Shaikh</b>	- Chief Financial Officer
<b>Mr. Haroon Mansuri</b>	- Company Secretary

Mumbai, 27<sup>th</sup> August, 2007


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007  
(Pursuant to Clause 32 of Listing Agreement)**

	For the year ended 31.03.2007 (Rs. lacs)	For the year ended 31.03.2006 (Rs. lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items	165.76	201.25
Adjustment for:		
Profit on sale of investments	-	-181.33
Profit on sale of assets	-166.28	-20.43
Loss on sale of assets	4.82	4.30
Depreciation	55.38	54.59
Investments written off	-	14.57
Interest paid	249.50	275.02
Dividend income	-0.26	-1.33
<b>Operating profit before working capital changes</b>	<b>308.92</b>	<b>346.64</b>
Adjustment for:		
Trade and other receivables	-312.38	-581.84
Inventories	-302.75	192.77
Trade payables	748.91	95.54
	<u>133.78</u>	<u>-293.53</u>
Interest received	-88.98	-22.21
Cash generated from operations	353.72	30.90
Interest paid	-249.50	-275.02
Provision for tax (net)	-35.00	-16.03
Direct taxes paid	-16.85	-17.32
Cash flow before extraordinary items	<u>52.37</u>	<u>-277.47</u>
Extraordinary Items	-	-
<b>Net cash flow from operating activities</b>	<b><u>52.37</u></b>	<b><u>-277.47</u></b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-181.99	-77.85
Sale of fixed assets	11.77	530.40
Investments (net)	-35.51	265.67
Interest received	88.98	22.21
Dividend received	0.26	1.33
<b>Net cash used in investing activities</b>	<b><u>-116.49</u></b>	<b><u>741.76</u></b>



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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007**  
**(Pursuant to clause 32 of listing agreement) (Contd...)**

	<b>31.03.2007</b> <b>(Rs.in Lacs)</b>	<b>For the year ended</b> <b>31.03.2006</b> <b>(Rs.in Lacs)</b>	<b>For the year ended</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from additional bank borrowings		<b>336.47</b>	304.68
Dividend paid		-	-58.13
Repayment of deposits (net)		<b>-179.79</b>	-86.23
Repayment of Inter corporate deposits/ other deposits		<b>-6.86</b>	-125.17
<b>Net cash used in financing activities</b>		<b>149.82</b>	35.15
<b>Net increase in cash and cash equivalents ( A + B + C )</b>		<b>85.70</b>	499.44
Cash and cash equivalents as at 01.04.2006 (Opening balance)		<b>1555.42</b>	1055.98
Cash and cash equivalents as at 31.03.2007 (Closing balance)		<b>1641.12</b>	1555.42
		<b>85.70</b>	499.44

As per our report of even date

For and on behalf of

**Anil A. Mehta & Co.**  
Chartered Accountants

**Anil A. Mehta**  
Membership No. F-30529

Mumbai, 27<sup>th</sup> August, 2007

For and on behalf of the Board

<b>Mr. Bhaskar Rao P.</b>	- Executive Director
<b>Mr. Ariff A. Patel</b>	- Director
<b>Mr. Vinod Agnani</b>	- Director
<b>Mr. F. S. Broacha</b>	- Director
<b>Mr. Fazal M. Shaikh</b>	- Chief Financial Officer
<b>Mr. Haroon Mansuri</b>	- Company Secretary



**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         
 Earning per share in Rs. (On profit after taxes)     
 Dividend rate% Equity     
 Preference

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

Product description  
 Item Code No. (ITC Code)  i)               
 Item Code No. (ITC Code)  ii)               
 Item Code No. (ITC Code)  iii)

For and on behalf of the Board

**Mr. Bhaskar Rao P.** - Executive Director  
**Mr. Ariff A. Patel** - Director  
**Mr. Vinod Agnani** - Director  
**Mr. F. S. Broacha** - Director  
**Mr. Fazal M. Shaikh** - Chief Financial Officer  
**Mr. Haroon Mansuri** - Company Secretary

Mumbai, 27<sup>th</sup> August, 2007



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### NOTICE

NOTICE is hereby given that the First Annual General Meeting of the members of **Emerald Commodities Private Limited** will be held at 3.30 p.m. on Monday 27<sup>th</sup> August, 2007 at the Registered Office of the Company at 'Natasha', 52 Hill Road, Bandra (West), Mumbai – 400 050 to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2007 and the Reports of the Directors and Auditors thereon.
2. To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution.

“RESOLVED that Mr. Bhaskar Rao P. an Additional Director of the Company who, under Section 260 of the Companies Act, 1956, holds office only up to this Annual General Meeting and in respect of whom the Company has received a Notice from a member under Section 257 and other applicable provisions, if any, of the said Act proposing the candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company.”

3. To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution.

“RESOLVED that Mr. Vinod Agnani an Additional Director of the Company who, under Section 260 of the Companies Act, 1956, holds office only up to this Annual General Meeting and in respect of whom the Company has received a Notice from a member under Section 257 and other applicable provisions, if any, of the said Act proposing the candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company.”

4. To appoint Auditors and to fix their remuneration.

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

Place : Mumbai  
Dated : 30<sup>th</sup> July, 2007

For and on behalf of Board

**BHASKAR RAO P.**  
Director





**INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/  
RE-APPOINTED**

<b>Name</b>	<b>MR. BHASKAR RAO P.</b>	<b>MR. VINOD AGNANI</b>
<b>Age</b>	46 years	56 years
<b>Qualifications</b>	B.Sc., M.A. in Economics, CAIIB, Diploma in International Banking and MBA in Banking & Finance.	B. Com., F. C. A.
<b>Expertise</b>	Has more than 25 years experience in the fields of Money Management, Finance, International Banking, Foreign Exchange and Remittance with leading banks.	Mr. Vinod Agnani is a practicing Chartered Accountant, having vast experience in the fields of Finance, Accounts, Audit & Taxation laws.
<b>Particulars of appointment/re-appointment</b>	Mr. Bhaskar Rao P. was appointed as an Additional Director by the Board of Directors, in their meeting held on 3 <sup>rd</sup> July, 2006, holds office only up to this Annual General Meeting.	Mr. Vinod Agnani was appointed as an Additional Director by the Board of Directors, in their meeting held on 3 <sup>rd</sup> July, 2006, holds office only up to this Annual General Meeting.
<b>Other Directorships as on 31.03.2007</b>	Goldman Securities Private Limited	1. Goldman Securities Pvt Ltd. 2. Karnik Productions Pvt. Ltd 3. Nine International Securities Pvt. Ltd.
<b>Chairmanship(s)/membership(s) of committees as on 31.03.2007</b>	Nil	<u>Wall Street Finance Limited :</u> a) Audit Committee - Chairman b) Remuneration Committee - Member



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### DIRECTORS' REPORT

To,  
The Members of  
Emerald Commodities Private Limited

Your Directors are pleased to present the First Annual Report of your Company along with the Audited Statements of Account for the period ended 31<sup>st</sup> March 2007.

#### OPERATIONS AND FINANCIAL RESULTS :

	(Amount Rs.)
	<u>31.03.2007</u>
Income	51,433
Pre-operative expenses	10,14,392
Balance carried to balance sheet	962,959
Preliminary expenses	244,674

#### DIVIDEND

In view of the loss for the period, no dividend is recommended by the Directors.

#### OPERATIONS

During the period under review, the Company has earned an income of Rs.50,311/- towards interest on bank fixed deposits and Rs.1,122/- as other income.

During the period under review, the Company has obtained memberships of Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for broking in commodities. However, till 31<sup>st</sup> March 2007, the Company has not done any trading activity on any of these exchanges. The Company has incurred preliminary expenses of Rs. 244,674/- and pre-operative expenses of Rs.10,14,392/- in connection with incorporation of the Company and obtaining the membership of the exchanges respectively, these expenses are treated as pre-operative expenses and will be amortised over the period of five years.

The Company is also registered with Association of Mutual Funds of India (AMFI) to act as an advisor for the distribution of various Mutual Funds.

#### SHARE CAPITAL

During the period under review, the Company has further issued 4,00,000 equity shares of Rs.10/- each and 2,50,000 Redeemable Preference Shares of Rs.10/- each at par to the Holding Company viz. Wall Street Finance Limited.

#### FIXED DEPOSITS

No Fixed Deposits were accepted from public during the period under consideration.

#### DIRECTORS

Mr. Bhaskar Rao P. and Mr. Vinod Agnani were appointed as additional Directors of the Company in the Board meeting held on 3<sup>rd</sup> July 2006. It is proposed to appoint them as Directors at the ensuing Annual General Meeting. The Company has received a Notice with the deposit of Rs.500/- from a member for each of the Directors under Section 257 and other applicable provisions, if any, of the Companies Act, 1956 proposing the candidatures of Mr. Bhaskar Rao P. and Mr. Vinod Agnani for the office of Director of the Company.

#### ACCOUNTS

The accounts have been prepared for the period of two hundred seventy eight days as the Company was registered on 27<sup>th</sup> June 2006. There are no adverse comments by the Auditors in the their Report, hence does not require any explanation.



**AUDITORS**

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

**DISCLOSURES**

Disclosure of particulars with respect to conservation of energy and technology absorption and inflow and outflow on account of Foreign Exchange are not applicable.

There were no employees who were in receipt of remuneration for which particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended to date, are applicable.

The Company is a subsidiary of Wall Street Finance Limited by virtue of section 4 (1) (b) (ii) of the Companies Act, 1956.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirm that:

- (i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departure.
- (ii) The relevant accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2007 and of the loss for the period 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.

For and on behalf of the Board

Place : Mumbai

Date : 30<sup>th</sup> July, 2007

**Bhaskar Rao P.**

*Director*

**Vinod Agnani**

*Director*



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### AUDITOR'S REPORT

#### TO THE MEMBERS OF EMERALD COMMODITIES PRIVATE LIMITED

We have audited the attached Balance Sheet of **EMERALD COMMODITIES PRIVATE LIMITED** as at 31st March 2007 and the cash flow statement of the Company for the period ended on that date annexed thereto. The company has carried on only pre-operative activities during the period and therefore Profit and Loss A/c has not been prepared. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As indicated in Note No. 1 of Schedule A to the Accounts, the company has carried only pre-operative activities during the period and therefore in our opinion, the matters specified in the paragraph 4 of the Companies (Auditor's Report) Order, 2003 issued by the Department of Company Affairs, in terms of section 227(4A) of the Companies Act, 1956, are not applicable to the company.
2. Further to our comments in the Annexure referred to in paragraph 1 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 referred to in this Report is in agreement with the books of account;
  - d) in our opinion, Balance Sheet complies with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e) on the basis of written representations received from the directors and taken on record by the Board of Directors of the company, we report that, none of the directors of the company is, disqualified as on 31st March 2007 from being appointed as a director of the company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
    - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
    - (ii) In the case of cash flow statement of the cash flows of the Company for the period ended on that date.

For and on behalf of

**Anil A. Mehta & Co.**  
Chartered Accountants

**Anil A. Mehta**  
Partner (M. No. F-30529)

Place : Mumbai  
Date : 30th July, 2007



**COMPLIANCE CERTIFICATE**

(Under sub-section (1) of Section 383A of the Companies Act, 1956)

Company Identity No: U51219MH2006PTC162867

Authorised Capital Rs. 1,50,00,000/-

Paid Up Capital Rs. 66,00,000/-

To,

The Members,  
Emerald Commodities Private Ltd.  
Natasha, 52, Hill Road,  
Bandra (West),  
MUMBAI – 400 050.

I have examined the registers, records, books and papers of Emerald Commodities Private Ltd. as required to be maintained under the Companies Act, 1956 ('the Act') and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial period ended on 31st March, 2007. In my opinion and to the best of my information and according to the examinations carried out by me and explanation furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers / records stated in Annexure 'A' to this certificate as per applicable provisions of the Act and rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time/ by paying the additional fees as prescribed under the Act and the rules made there under.
3. The Company is a Private Limited Company and has maintained minimum prescribed paid-up capital of Rs. 1 Lac. Its maximum number of members during the said financial period under review was below fifty. The Company, during the period review:
  - i) has not invited public to subscribe for its shares or debentures; and
  - ii) has not invited or accepted any deposits other than inter corporate deposits.
4. The Board of Directors, met 8 times on 3rd July 2006, 26th October 2006, 31st October 2006, 20th November 2006, 27th November 2006, 7th December 2006, 31st January 2007 and 22nd March 2007 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the period under review.
6. This being the First Financial Year, the Company was not required to hold Annual General Meeting during the period under review.
7. An Extra Ordinary General Meeting was held on 20th November 2006 during the period under review.
8. Section 295 of the Companies Act, 1956 in respect of loan to its directors and/ or persons or firms or companies referred in the section 295 of the Act is not applicable to the Company.
9. The Company has not entered into any transactions/contracts falling within the purview of Section 297 of the Act during the financial period under review.
10. The Company has not entered into any transactions / contracts within the meaning of Section 297/299 and hence no entry was entry was required to be made in the register maintained under Section 301 of the Act during the period under review.
11. As there were no instances falling within the purview of Section 314 of the Act, the question of obtaining approvals from the Board of Directors, members or Central Government, as the case may be, does not arise.
12. The Board of Directors has not issued duplicate share certificates during the financial period under review.



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13. The Company :
  - (i) Has delivered all certificates of securities on allotment / transfer / transmission of securities during the financial period under review.
  - (ii) Has not declared any dividend during the financial period under review and hence the Company was not required to open a separate bank account.
  - (iii) Was not required to post warrants for dividend as no dividend was declared and that there is no unclaimed/unpaid dividend during the financial period under review.
  - (iv) Has no amounts in application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years during the financial period under review.
  - (v) Has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments of directors have been duly made. During the financial period under review Mr. Bhaskar Rao P. and Mr. Vinod Agnani were appointed as additional directors and no alternate director or no casual vacancy arose during the period.
15. The Company has not appointed Managing Director/Whole-time Director/Manager during the financial period under review.
16. The Company has not appointed any sole-selling agent during the financial period under review.
17. The Company was not required to obtain any approvals from the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial period under review.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has issued 410000 Equity shares and 250000 Redeemable Preference Shares during the financial period under review.
20. The Company has not bought back any shares during the financial period under review.
21. There was no redemption of preference shares or debentures during the financial period under review.
22. There was no transaction necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 of the Act during the financial period under review.
24. The Company has not made any borrowing during the financial period under review as per Section 293(1) (d) of the Act.
25. Section 372A of the Companies Act, 1956 in respect of loans and investment made in other bodies corporate or guarantees given or securities provided to other bodies corporate is not applicable to the Company.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the financial period under review.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial period under review.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial period under review.
29. The Company has altered the provisions of the Memorandum with respect to share capital of the Company during the financial period under review.



30. The Company has not altered its Articles of Association during the financial period under review.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial period under review for offences under the Act.
32. The Company has not received any money as security from its employees during the financial period under review.
33. The rules of Employees Provident Fund are not applicable to the Company as there were no employees in the Company during the financial period under review.

Place : Mumbai

**DINESH KUMAR DEORA**

Date : 30th July, 2007

Company Secretary  
ACS and CP: 10169

## **ANNEXURE A**

Registers as maintained by the Company

1. Register of Members & Index u/s. 150(1).
2. Register of Share Transfer.
3. Register of Contracts in which Directors are interested u/s. 301 (1) & (3).
4. Register of Directors u/s. 303 (1).
5. Register of Directors Shareholding u/s 307 (1)
6. Books of Accounts u/s. 209.
7. Minutes of General Meetings & Board Meeting u/s. 193 (1).
8. Register u/s 372A.

## **ANNEXURE B**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial period ending on 31st March 2007.

1. e Form 23 in respect of EGM held on 20th November, 2006, as required u/s 192 of the Companies Act, 1956, was filed with the Registrar of Companies, Maharashtra on 28th November, 2006.
2. e Form 2 as required u/s 75 of the Companies Act, 1956, was filed with the Registrar of Companies, Maharashtra on 14th December, 2006
3. e Form 32 as required u/s 302 of the Companies Act, 1956, was filed with the Registrar of Companies, Maharashtra on 22nd July, 2006.
4. e Form DIN 3 as required u/s 266E of the Companies Act, 1956, was filed with the Registrar of Companies, Maharashtra on 2nd January 2007.



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**BALANCE SHEET AS AT 31ST MARCH, 2007**

	SCHEDULES	As at 31.03.2007 (Amount Rs.)
<b>SOURCES OF FUNDS</b>		
<b>Shareholders Funds</b>		
<b>Share Capital</b>		
<b>Authorised capital</b>		
10,00,000	Equity shares of Rs. 10/- each	10,000,000
5,00,000	Redeemable Preference shares of Rs.10/- each	5,000,000
		<u>15,000,000</u>
<b>Issued, subscribed &amp; paid up capital</b>		
4,10,000	Equity shares of Rs. 10/- each	4,100,000
2,50,000	Redeemable Preference shares of Rs. 10/- each redeemable not later than five years	2,500,000
		<u>6,600,000</u>
(The entire share capital is held by Wall Street Finance Limited, the Holding company and its nominee.)		
	<b>TOTAL</b>	<u><u>6,600,000</u></u>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed assets</b>		
	Gross block	15,700
	Less : depreciation	170
		<u>15,530</u>
<b>Current Assets, Loans and Advances</b>		
	Cash & bank balance	2,439,352
	Loans and advances	3,816,290
		6,255,642
Less : Current liabilities and provisions		
	Sundry creditors	875,439
	Other liabilities	3,366
		<u>878,805</u>
	Net Current assets	5,376,837
<b>Misc. expenditure</b>		
(to the extent not written off /adjusted)		
	Preliminary expenses	244,674
	Pre-operative expenses	962,959
		<u>1,207,633</u>
	<b>TOTAL</b>	<u><u>6,600,000</u></u>

As per our report of even date

For and on behalf of

For and on behalf of the Board

**Anil A Mehta & Co.**  
Chartered Accountants

**Anil A. Mehta**  
Partner  
Membership No. F-30529

**Bhaskar Rao P.**  
Director

**Vinod Agnani**  
Director

Place : Mumbai  
Date : 30<sup>th</sup> July, 2007





**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

AS AT  
**31.03.2007**  
 (Amount Rs.)

**SCHEDULE 1**

**CASH & BANK BALANCES**

Balance with schedule bank	177,814
Fixed deposits with bank (pledged with MCX & NCDEX)	2,261,538

**TOTAL** 2,439,352

**SCHEDULE 2**

**LOANS & ADVANCES**

Deposits	2,255,000
TDS on interest	11,290
Advances recoverable in cash or kind	1,550,000

**TOTAL** 3,816,290

**SCHEDULE 3**

**PRE-OPERATIVE EXPENSES**

**Income**

Interest on FDs with bank and other income	51,433
--	--------

**Expenses**

Salaries and allowances	260,340	
Conveyance and vehicle expenses		32,686
Bank charges	1,601	
Insurance charges	14,030	
Audit fees	6,742	
Directors sitting fees	9,500	
Telephone charges	27,473	
Office expenses	160	
Membership fees	651,000	
Printing and stationery	6,690	
Seminar expenses	4,000	
Depreciation	170	1,014,392

**TOTAL** 962,959



## 20TH ANNUAL REPORT 2006—2007

### SCHEDULE FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2007

#### SCHEDULE "A" – NOTES TO ACCOUNTS

##### 1. BUSINESS :

The Company was incorporated on 27<sup>th</sup> June 2006 and the first accounts are for the period ended on 31<sup>st</sup> March 2007 (for a period of two hundred seventy eight days). The Company is incorporated to carry out business of broking in commodities. As the business of commodity broking had not commenced prior to 31<sup>st</sup> March 2007, no Profit & Loss account is prepared.

##### 2. ACCOUNTING POLICY :

###### 2.1 SYSTEM OF ACCOUNTING

- i. The Company follows accrual system of accounting.
- ii. Expenses relating to incorporation of the Company have been accounted as preliminary expenses to be amortized equally over five years.

###### 2.2 FIXED ASSETS & DEPRECIATION

Assets are recorded at Cost less accumulated depreciation. Depreciation is provided on straight line method at the rates prescribed under Schedule XIV to the Companies Act 1956.

###### 2.3 DEPOSITS

Deposits to Commodity Exchanges and membership fees of such exchanges which are transferable are accounted under Current Assets. Membership fees of National Commodity and Derivatives Exchange Limited being non-refundable and non-transferable has been accounted as pre-operative expenses.

###### 2.4 PRE-OPERATIVE EXPENSES

After completion of all formalities relating to setting up of the Commodity broking business, the business has started on 7<sup>th</sup> July 2007 and all expenses incurred up to date amounting to Rs. 962,959/- (net of income) are recorded as pre-operative expenses which will be amortized over a period of five years.

##### 3. CURRENT ASSETS, LOANS & ADVANCES AND LIABILITIES

In the opinion of the Board, the current assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of the business. The provisions for all known liabilities are adequate and not in excess of the amount necessary.

##### 4. RELATED PARTY TRANSACTIONS (AS 18)

Name of related party	Relationship
Wall Street Finance Ltd	Holding Company

Transactions during of the period

Sr. No	Nature of transaction	2006-2007 (Amount Rs)
1	On account payment received	8,93,204
2.	Issue of shares	66,00,000
3.	Credit balance outstanding as on 31.03.2007	8,75,439

**EMERALD COMMODITIES PRIVATE LIMITED**  
*(wholly owned subsidiary of Wall Street Finance Limited)*



**WALL STREET  
FINANCE LTD.**

**5. EVENTS OCCURRING AFTER BALANCE SHEET DATE :**

Material events occurring after the Balance Sheet are taken into cognizance.

6. Additional information required to be furnished under para 4C and 4D of part II of Schedule VI to the Companies Act, 1956 are not applicable to the present activities of the Company.

**7. AUDITORS REMUNERATION FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2007 :**

Audit fees (including service tax) Rs. 6,742/-

8. This being the first accounting period, previous year figures are not available.

**For and on behalf of the Board**

Place : Mumbai

Date : 30<sup>th</sup> July, 2007

**Bhaskar Rao P.**

*Director*

**Vinod Agnani**

*Director*



## 20TH ANNUAL REPORT 2006—2007

### CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2007

		For the period ended 31.03.2007 (Amount Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items		—
Operating profit before working capital changes		—
Adjustment for:		
Loans & advances	-38,16,290	
Sundry creditors	8,75,439	
Other liabilities	<u>3,366</u>	
<b>Cash flows after working capital changes</b>		<b>-29,37,485</b>
<b>Miscellaneous expenditure</b>		
Preliminary expenses	-2,44,674	
Pre-operative expenses	<u>-9,62,959</u>	<u><b>-12,07,633</b></u>
<b>Net cash used in operating activities</b>		<u><b>-41,45,118</b></u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets		-15,700
Net cash used in investing activities		<u><b>-15,700</b></u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of equity shares		41,00,000
Proceeds from issuance of redeemable preference shares		25,00,000
<b>Net cash from financing activities</b>		<u><b>66,00,000</b></u>
<b>Net increase in cash and cash equivalents ( A + B + C )</b>		<u><b>24,39,182</b></u>
Cash and cash equivalents as at 27.06.2006		—
<b>(Date of incorporation)</b>		
Cash and cash equivalents as at 31.03.2007		<u><b>24,39,182</b></u>
<b>(Closing balance)</b>		<u><b>24,39,182</b></u>

For and on behalf of the Board

Place : Mumbai  
Date : 30<sup>th</sup> July, 2007

**Bhaskar Rao P.**  
*Director*

**Vinod Agnani**  
*Director*



**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   
Right 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   
Net Current assets   
Miscellaneous expenditure   
Accumulated losses

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

Turnover/Income   
Total expenditure   
Profit/(Loss) before tax   
Profit/(Loss) after tax   
Earning per share in Rs. (on profit after taxes)   
Dividend rate % Equity Preference

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

Item Code No. (ITC Code)  Product description   
Item Code No. (ITC Code)

For and on behalf of the Board

Place : Mumbai  
Date : 30<sup>th</sup> July, 2007

**Bhaskar Rao P.**  
Director

**Vinod Agnani**  
Director



## 20TH ANNUAL REPORT 2006—2007

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### NOTICE

NOTICE is hereby given that the First Annual General Meeting of the members of **Goldman Securities Private Limited** will be held at 4.00 p.m. on Monday 27<sup>th</sup> August 2007 at the Registered Office of the Company at “Natasha”, 52 Hill Road, Bandra (West), Mumbai – 400 050 to transact the following business:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2007 and the Reports of the Directors and Auditors thereon.
2. To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution.

“RESOLVED that Mr. Bhaskar Rao P. an Additional Director of the Company who, under Section 260 of the Companies Act, 1956, holds office only up to this Annual General Meeting and in respect of whom the Company has received a Notice from a member under Section 257 and other applicable provisions, if any, of the said Act proposing the candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company.”

3. To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution.

“RESOLVED that Mr. Vinod Agnani an Additional Director of the Company who, under Section 260 of the Companies Act, 1956, holds office only up to this Annual General Meeting and in respect of whom the Company has received a Notice from a member under Section 257 and other applicable provisions, if any, of the said Act proposing the candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company.”

4. To appoint Auditors and to fix their remuneration.

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

Place : Mumbai  
Dated : 30<sup>th</sup> July, 2007

For and on behalf of the Board

**BHASKAR RAO P.**

Director



**INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/  
RE-APPOINTED**

<b>Name</b>	<b>MR. BHASKAR RAO P.</b>	<b>MR. VINOD AGNANI</b>
<b>Age</b>	46 years	55 years
<b>Qualifications</b>	B.Sc., M.A. in Economics, CAIIB, Diploma in International Banking and MBA in Banking & Finance.	B. Com., F. C. A.
<b>Expertise</b>	Has more than 25 years experience in the fields of Money Management, Finance, International Banking, Foreign Exchange and Remittance with leading banks.	Mr. Vinod Agnani is a practicing Chartered Accountant, having vast experience in the fields of Finance, Accounts, Audit & Taxation laws.
<b>Particulars of appointment/ re-appointment</b>	Mr. Bhaskar Rao P. was appointed as an Additional Director by the Board of Directors, in their meeting held on 3 <sup>rd</sup> July, 2006, holds office only up to this Annual General Meeting.	Mr. Vinod Agnani was appointed as an Additional Director by the Board of Directors, in their meeting held on 3 <sup>rd</sup> July, 2006, holds office only up to this Annual General Meeting.
<b>Other Directorships as on 31.03.2007</b>	Emerald Commodities Private Limited	1. Emerald Commodities Pvt. Ltd 2. Karnik Productions Pvt. Ltd 3. Nine International Securities Pvt Ltd.
<b>Chairmanship(s)/ membership(s) of committees as on 31.03.2007</b>	Nil	<u>Wall Street Finance Limited :</u> a) Audit Committee - Chairman b) Remuneration Committee - Member



## 20TH ANNUAL REPORT 2006—2007

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### DIRECTORS' REPORT

To,  
The Members of  
Goldman Securities Private Limited

Your Directors are pleased to present the First Annual Report of your Company along with the Audited Statements of Account for the period ended 31<sup>st</sup> March 2007.

#### OPERATIONS AND FINANCIAL RESULTS :

	(Amount Rs.)
	<u>31.03.2007</u>
Income	Nil
Pre-operative expenses	10,907
Preliminary expenses	221,663
Balance carried to balance sheet	232,570

#### DIVIDEND

In the absence of any income for the period, no dividend is recommended by the Directors.

#### OPERATIONS

During the period under review the Company has not earned any income.

#### SHARE CAPITAL

During the period under review the Company has issued 10,000 equity shares of Rs.10/- each the Wall Street Finance Limited.

#### FIXED DEPOSITS

No Fixed Deposits were accepted from public during the year under consideration.

#### DIRECTORS

Mr. Bhaskar Rao P. and Mr. Vinod Agnani were appointed as additional Directors of the Company in the Board meeting held on 3<sup>rd</sup> July 2006. It is proposed to appoint them as Directors at the ensuing Annual General Meeting. The Company has received a Notice with the deposit of Rs.500/- from a member for each of the Directors under Section 257 and other applicable provisions, if any, of the said Act proposing the candidatures of Mr. Bhaskar Rao P. and Mr. Vinod Agnani for the office of Director of the Company.

#### ACCOUNTS

The accounts have been prepared for the period of two hundred seventy eight days as the Company was registered on 27<sup>th</sup> June 2006. There are no adverse comments by the Auditors in the their Report, hence does not require any explanation.

#### AUDITORS

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

#### DISCLOSURES

Disclosure of particulars with respect to conservation of energy and technology absorption and inflow and outflow on account of foreign exchange are not applicable.





There were no employees who were in receipt of remuneration for which particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended to date, are applicable.

The Company is a subsidiary of Wall Street Finance Limited by virtue of section 4 (1) (b) (ii) of the Companies Act, 1956.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of the Company confirm that:

- (i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departure.
- (ii) The relevant accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2007 and of the loss for the period 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.

For and on behalf of the Board

Place : Mumbai

Date : 30<sup>th</sup> July, 2007

**Bhaskar Rao P.**

*Director*

**Vinod Agnani**

*Director*



## 20TH ANNUAL REPORT 2006—2007

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### AUDITOR'S REPORT

#### TO THE MEMBERS OF GOLDMAN SECURITIES PRIVATE LIMITED

We have audited the attached Balance Sheet of **GOLDMAN SECURITIES PRIVATE LIMITED** as at 31<sup>st</sup> March 2007 and the cash flow statement of the Company for the period ended on that date annexed thereto. The company has carried on only pre-operative activities during the period and therefore Profit and Loss Account has not been prepared. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit

We are informed that the accounts of the Company are prepared on a going concern basis on the assumption of continuous financial support from its holding Company, Wall Street Finance Limited.

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

1. As indicated in Note No. 1 of Schedule A to the Accounts, the company has carried only pre-operative activities during the period and therefore in our opinion, the matters specified in the paragraph 4 of the Companies (Auditor's Report) Order, 2003 issued by the Department of Company Affairs, in terms of section 227(4A) of the Companies Act, 1956, are not applicable to the company.
2. Further to our comments in the Annexure referred to in paragraph 1 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 referred to in this Report is in agreement with the books of account;
  - d) in our opinion, Balance Sheet complies with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e) on the basis of written representations received from the directors and taken on record by the Board of Directors of the company, we report that, none of the Directors of the Company is, disqualified as on 31<sup>st</sup> March 2007 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India :
    - (i) In the case of balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2007
    - (ii) In the case of cash flow statement of the cash flows of the Company for the period ended on that date.

For and on behalf of

**Anil A. Mehta & Co.**  
Chartered Accountants

**Anil A. Mehta**  
Partner (M. No. F-30529)

Place : Mumbai  
Date : 30th July, 2007



**BALANCE SHEET AS AT 31ST MARCH, 2007**

AS AT  
31.03.2007  
(Amount Rs.)

**SOURCES OF FUNDS**

**Shareholders Funds**

**Share Capital**

Authorised capital

15,00,000 Equity shares of Rs. 10/- each 15,00,000

Issued, subscribed & paid up capital

10,000 Equity shares of Rs. 10/- each fully paid

(The entire share capital is held by Wall Street Finance Limited, the Holding Company and its nominee.)

100,000

**TOTAL**

**100,000**

**APPLICATION OF FUNDS**

**Current assets, loans and advances**

Bank Balance with Schedule Bank 14,500

Less : Current liabilities and provisions

Sundry creditors 136,828

Other liabilities 10,242

147,070

Net current assets

(132,570)

**Misc. expenditure**

(to the extent not written off / adjusted)

Preliminary expense 221,663

Pre-operative expenses 10,907 232,570

**TOTAL**

**100,000**

As per our report of even date

For and on behalf of

For and on behalf of the Board

**Anil A Mehta & Co.**

Chartered Accountants

**Anil A. Mehta**

Partner

Membership No. F-30529

**Bhaskar Rao P.**

Director

**Vinod Agnani**

Director

Place : Mumbai

Date : 30<sup>th</sup> July, 2007



## 20TH ANNUAL REPORT 2006—2007

### SCHEDULE FORMING PART OF ACCOUNTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2007

#### SCHEDULE "A" – NOTES TO ACCOUNTS

##### 1. BUSINESS :

- i. The Company was incorporated on 27<sup>th</sup> June 2006 and the first accounts are for period ended on 31<sup>st</sup> March 2007 (for a period of two hundred seventy eight days). The Company is incorporated to carry out business of broking in securities. As the business of broking in securities has not commenced prior to 31<sup>st</sup> March 2007, no Profit & Loss account is prepared.
- ii. The accounts are prepared on a going concern basis on the assumption that being a wholly owned subsidiary of Wall Street Finance Limited, the Company will be financially supported from time to time.

##### 2. ACCOUNTING POLICY :

###### 2.1 SYSTEM OF ACCOUNTING

- i. The company follows accrual system of accounting.
- ii. Expenses relating to incorporation of the company have been accounted as preliminary expenses to be amortized equally over a period of five years

###### 2.2 PRE-OPERATIVE EXPENSES :

The company has not commenced his business activities and hence the expenses incurred till the period ended 31st March 2007, are recorded as pre-operative expenses which will be amortized over a period of five years

##### 3. CURRENT LIABILITIES

The provisions for all known liabilities are adequate and not in excess of the amount necessary

##### 4. RELATED PARTY TRANSACTIONS (AS 18)

Name of related party	Relationship
Wall Street Finance Ltd	Holding Company

Transaction during of the period

Sr. No	Nature of transaction	2006-2007 (Amt Rs)
1	On account payment received	2,21,828
2.	Issue of shares	1,00,000
3.	Credit balance outstanding as on 31.03.2007	1,36,828

**GOLDMAN SECURITIES PRIVATE LIMITED**  
*(wholly owned subsidiary of Wall Street Finance Limited)*



**WALL STREET  
FINANCE LTD.**

**5. EVENTS OCCURRING AFTER BALANCE SHEET DATE :**

Material events occurring after the Balance Sheet are taken into cognizance.

6. Additional information required to be furnished under para 4C and 4D of part II of Schedule VI to The Companies Act, 1956 are not applicable to the present activities of the company

**7. AUDITORS REMUNERATION FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2007 :**

Audit Fees (including Service tax) Rs. 6,742/-

8. This being the first accounting period, previous year figures are not available.

For and on behalf of the Board

Place : Mumbai

Date : 30<sup>th</sup> July, 2007

**Bhaskar Rao P.**  
*Director*

**Vinod Agnani**  
*Director*



20TH ANNUAL REPORT 2006—2007

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2007**

		<b>For the period ended 31.03.2007 (Amount Rs.)</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax & extraordinary items		—
<b>Operating profit before working capital changes</b>		—
Adjustment for:		
Sundry creditors	1,36,828	
Other liabilities	<u>10,242</u>	
<b>Cash flows after working capital changes</b>		<b>1,47,070</b>
<b>Miscellaneous expenditure</b>		
Preliminary expenses	-2,21,663	
Pre-operative expenses	<u>-10,907</u>	
<b>Net cash used in operating activities</b>		<b><u>-85,500</u></b>
<b>B. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of equity shares		<u>100,000</u>
<b>Net cash from financing activities</b>		<b><u>100,000</u></b>
<b>Net increase in cash and cash equivalents ( A + B )</b>		<b><u>14,500</u></b>
Cash and cash equivalents as at 27.06.2006 <b>(Date of incorporation)</b>		—
Cash and cash equivalents as at 31.03.2007		<u>14,500</u>
<b>(Closing balance)</b>		<b><u>0.14500</u></b>

For and on behalf of Board

Place : Mumbai  
Date : 30<sup>th</sup> July, 2007

**Bhaskar Rao P.**  
*Director*

**Vinod Agnani**  
*Director*



**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     
Right 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       
Current assets      
Current liabilities       
Miscellaneous expenditure     
Accumulated losses

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

Turnover/Income       
Total expenditure       
Profit/(Loss) before tax       
Profit/(Loss) after tax       
Earning per share in Rs. (on profit after taxes)       
Dividend rate % Equity Preference

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

Item Code No. (ITC Code)  Product description

For and on behalf of the Board

Place : Mumbai  
Date : 30<sup>th</sup> July, 2007

**Bhaskar Rao P.**  
Director

**Vinod Agnani**  
Director



## 20TH ANNUAL REPORT 2006—2007

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August 27, 2007

Dear Shareholder(s)

**RE: ECS Mandate / Bank account details to be submitted by shareholders.**

Securities and Exchange Board of India (SEBI) has directed the Companies to remit the dividend to their shareholders by way of Electronic Clearing Service (ECS). If a shareholder does not opt for the ECS then the Company is required to print the bank account details of the shareholder on the dividend warrant.

We have the ECS facility for our shareholders and the coverage of the facility depends upon the response of shareholders.

The dividend of shareholders who have decided to opt for the ECS facility, will be directly credited to their bank account of which details are submitted by them. An intimation will be separately sent to shareholders giving the details of the credit of dividend, after the same is credited to their bank accounts.

If you decide to avail of the ECS facility, you are requested to fill up the enclosed '**ECS Mandate form**' and send the same on or before 17th September, 2007, to your Depository Participant (DP) in case you hold the shares of the Company in the dematerialized form AND to the Share Transfer Agents of the Company if you hold the shares of the Company in the physical form.

Even if you decide not to avail of the ECS facility to be extended by the Company, you are still requested to fill up the enclosed '**Bank Account Details Mandate form**' and send the same on or before 17th September, 2007, to the Share Transfer Agents of the Company, so that your bank account details can be printed on your dividend warrant to avoid fraudulent encashment.

Thanking you,

Yours' faithfully,  
**For Wall Street Finance Limited**

**HAROON MANSURI**  
Company Secretary





**WALL STREET  
FINANCE LTD.**

**ELECTRONIC CLEARING SERVICE (ECS) - MANDATE FORM**

To,  
Computronics Financial Services (I) Ltd.  
Mittal Chambers,  
Nariman Point,  
Mumbai - 400 021.

Dear Sirs,

**Re : Members authorization to receive dividend through Electronic Credit Clearing mechanism**

I / We hereby give my / our mandate to credit my/our Dividend on the shares held by me / us under the below mentioned folio, directly to my/ our bank account through the Electronic Clearing Service (ECS).

The details of my / our bank account for direct credit under ECS are give below

1. Name of the First / Sole Member \_\_\_\_\_  
(in Block letters) \_\_\_\_\_
2. Folio No. / DP ID No. and Client ID No. \_\_\_\_\_
3. Particulars of bank account of first / sole Member
  - a) Name of the Bank \_\_\_\_\_
  - b) Address of the Bank \_\_\_\_\_  
\_\_\_\_\_
  - Telephone no. of the Bank \_\_\_\_\_
  - c) 9 - Digit code no. of the Bank and Branch as  
appearing on the MICR cheque issued by the Bank 

--	--	--	--	--	--	--	--	--	--
  - d) Account Number  
(as appearing on the cheque book / passbook) \_\_\_\_\_
  - e) Account type  
(S.B account / current account or cash credit) \_\_\_\_\_
  - f) Ledger No./ Ledger folio no.  
(if appearing on the cheque book / passbook) \_\_\_\_\_

I / We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I / We will not hold Wall Street Finance Limited responsible. I / We agree to discharge the responsibility expected of me as a participant under the scheme.

Place :

Date :

\_\_\_\_\_  
(Signature of the First / Sole Member)



## 20TH ANNUAL REPORT 2006—2007

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### Notes :

- 1) Please attach a blank cancelled cheque or photocopy of a cheque. Alternatively, the above particulars may be attested by your Bank Manager.
- 2) In case of more than one folio / demat account please complete the details on separate sheets for each folio / demat account.
- 3) The information provided would be utilized only for the purpose of effecting the dividend payments meant for you. You also have the right to withdraw from this mode of payment by providing the Company with an advance notice of one month.
- 4) Members of the Company holding the shares electronically are requested to inform to their respective depository participant with regard to the following :
  - i. Change of Bank mandate particulars / Address.
  - ii. Correction in Name, if any.

These changes as updated by the respective depository participants are automatically registered with the NSDL / CDSL, from whom the Company obtains data of its members.
- 5) Please send the duly filled in Mandate Form to the Depository Participant who is maintaining your demat account, in case you hold shares electronically.



**WALL STREET  
FINANCE LTD.**

**BANK ACCOUNT DETAILS MANDATE FORM  
(for shareholders who do not wish to avail of the ECS facility)**

To,  
Computronics Financial Services (I) Ltd.  
Mittal Chambers,  
Nariman Point,  
Mumbai - 400 021.

Dear Sirs,

Re : Bank account details for printing of details on the dividend warrants

I / We hereby give details of my / our bank account of which may be printed on my / our dividend warrant / other payment instrument for dividend, as we wish our dividend to be deposited in / credited to the said account.

1. Name of the First / Sole member  
(in Block letters) \_\_\_\_\_
2. Folio No. / DP ID No. and Client ID No.  
(Use separate form for each folio) \_\_\_\_\_
3. Name of the Bank (full) \_\_\_\_\_
4. Bank Branch identification \_\_\_\_\_
5. Address of the Bank  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. Type of Account  
(Saving / Current / Cash Credit) \_\_\_\_\_
7. Bank account no.  
(as appearing on the cheque book) \_\_\_\_\_

I / We hereby declare that the particulars given hereinabove are correct and complete. If any transactions is delayed or is not effected at all because of incomplete or incorrect information. I / We will not hold the Company or the bank responsible for the same. I / We undertake to inform any subsequent changes in the above particulars before the relevant book closure date(s).

Place :

Date :

\_\_\_\_\_  
(Signature of the First / Sole Member)



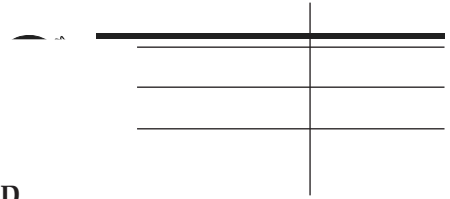
20TH ANNUAL REPORT 2006—2007

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# WALL STREET FINANCE LTD.



## WALL STREET FINANCE LIMITED

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

### ATTENDANCE SLIP

**20th Annual General Meeting – 27th September, 2007**

Folio No./ DP ID / Client ID : \_\_\_\_\_ No. of shares held \_\_\_\_\_

I certify that I am a member / proxy for the member of the Company. I hereby record my presence at the Twentieth Annual General Meeting of the Company at Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai – 400 049 at 12.30 p.m. on Thursday, September 27, 2007.

.....  
Name of the member / proxy  
(in BLOCK letters)

.....  
Signature of member / proxy

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Shareholders are informed that no duplicate attendance slips will be issued at the venue of meeting. Members are requested to bring their copies of the Annual Report to the meeting.



## WALL STREET FINANCE LIMITED

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

### PROXY FORM

**20th Annual General Meeting – 27th September, 2007**

Folio No./ DP ID / Client ID : \_\_\_\_\_ No. of shares held \_\_\_\_\_

I/We.....of.....  
being member(s) of the above named Company, hereby appoint the following as my/our proxy to attend and vote for me/us on my/our behalf at the Twentieth Annual General Meeting of the Company, to be held on Thursday, the September 27, 2007 at 12.30 p.m. and at any adjournment(s) thereof :

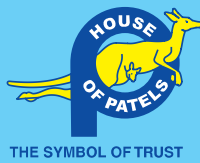
1. Mr./Ms.....of .....in the district of.....  
or failing him / her

2. Mr./Ms.....of .....in the district of.....  
Signed this .....day of .....2007.



Signature of members .....

Note : This form in order to be effective shall be duly stamped, completed and 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 Money Remittance as its core activities. WSFL was the first private sector company to get an Authroised Money Changers license from the Reserve Bank of India (RBI). Today WSFL operates 34 branches and more than 300 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 3500 sub-agents.

WSFL has also been upgraded to the status of Authorized Dealer - II by the Reserve Bank of India. This prestigious licence has opened a large market for the Company, in the field of foreign exchange, which was earlier, restricted to banks. WSFL is also a SEBI certified "Portfolio Manager" and offers Portfolio Management Services.

With its vast network, experience and sound track record, the Company is now offering commodities broking services through Emerald Commodities Pvt. Ltd. (a wholly owned subsidiary of Wall Street Finance Ltd.) members of NCDEX and MCX.

## Wall Street Finance LLC (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 Ltd. Provides unified solutions through surface, air and sea transportation.

Established in 1959, Patel Roadways, the company's flagship division, is one of the leading surface logistics and transportation providers in the country having an extensive network of over 500 stations across the country, employing over 1,000 people. It moves cargo worth Rs. 120 billion annually for more than 75,000 satisfied customers.

Investment in IT and state-of-the-art tracking systems coupled with containerisation of its entire fleet enable Patel Roadways to maintain its distinctive edge over competitors. It continues to offer value added services to its customers.

Patel Retail is the flagship product of Patel Roadways. Patel Retail offers a Premium Door-to-Door Express Cargo Service with over 200 branches serving more than 400 delivery stations covering the length and breadth of the country.

Through it's POBC divisions the company provides On Board Courier Services across India, Air Cargo Consolidation Services for Domestic and International Courier Services and Air Freight Services across India. 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.