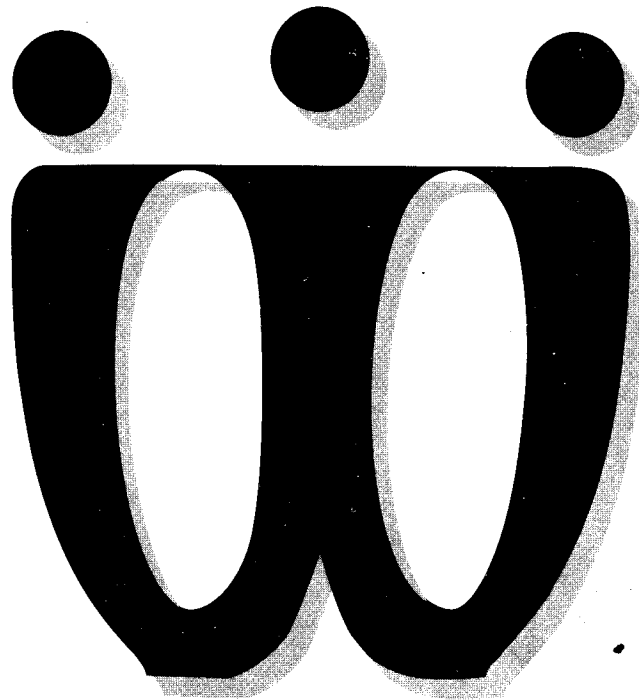


89th ANNUAL REPORT
2008 - 2009



WALCHAND
PEOPLEFIRST

WALCHAND PEOPLEFIRST LIMITED



DALE CARNEGIE®
TRAINING



PerformanSe
Now as direct participant in his own development



WALCHAND
DALE CARNEGIE
FINISHING SCHOOL

SHRM
SOCIETY FOR HUMAN
RESOURCE MANAGEMENT

BOARD OF DIRECTORS

Ms. PALLAVI JHA - CHAIRPERSON & MANAGING DIRECTOR

Mr. SANJAY JHA

Mr. M.N. BHAGWAT

Dr. S.C. JHA

Mr. V.K. VERMA

Ms. POONAM BARUA

COMPANY SECRETARY

Mr. HARSHAD MANE

COMPLIANCE OFFICER

Mr. VIVEK WADHAVKAR

AUDITORS

M/s. HARIBHAKTI & CO.,

CHARTERED ACCOUNTANTS

BANKERS

STANDARD CHARTERED BANK

BANK OF INDIA

REGISTERED OFFICE

1, CONSTRUCTION HOUSE,

5, WALCHAND HIRACHAND MARG,

BALLARD ESTATE, MUMBAI- 400 001

TEL NO: 22618095/8096, 67818181

FAX: 22617504

Email: vivek@walchandgroup.com

Website : www.walchandpeoplefirst.com

REGISTRAR & TRANSFER AGENT

M/s. COMPUTECH SHARECAP LIMITED

"COMPUTECH", 147, MAHATMA GANDHI ROAD,

FORT, MUMBAI – 400 023

TEL : 22635001 /5002

FAX: 22635005

E-MAIL : helpdesk@compu-techsharecap.com

INFORMATION FOR SHAREHOLDERS

89TH ANNUAL GENERAL MEETING

DATE : 30-09-2009 (Wednesday)

TIME : 11.00 A.M.

VENUE : WALCHAND HIRACHAND HALL
INDIAN MERCHANT CHAMBERS,
IMC MARG, CHURCHGATE,
MUMBAI - 400 020.

DATE OF BOOK : September 23, 2009 to September 30, 2009
CLOSURE (BOTH DAYS INCLUSIVE)

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and its respective due date of transfer to such fund of the Central Government, which remain unpaid.

Sr. No.	Date of Declaration	Dividend for the year	Due date of transfer to the Government
1	30 th January, 2006	Interim Dividend 2005-06	01 st March, 2013
2	31 st August, 2006	Final Dividend 2005-06	30 th September, 2013
3	27 th July, 2007	Final Dividend 2006-07	26 th August, 2014
4	30 th September, 2008	Final Dividend 2007-08	29 th October, 2015

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividend which has been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956. In view of the above, those Shareholders who have not encashed their dividend warrants are advised to send all the unclaimed dividend warrants to the Registrar & Share Transfer Agents or to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

16. Particulars of the dividend transferred to the General Revenue Account of the Central Government i.e. Investor Education & Protection Fund during the Financial Year ended 31st March, 2009 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.

Sr. No.	Date of Declaration of Dividend	Dividend for the Financial Year	Amount transferred to & Protection Fund (Rs.)	Date of transfer to Investor Education & Protection Fund
1.	28/09/2001	2000-2001	68,000	20/10/2008

17. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer Agents of the Company.
18. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.

INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE - APPOINTMENT OF DIRECTORS.

Ms. Pallavi Jha did her graduation in humanities from St Xavier's College, Mumbai and did her MBA from the Syracuse University, New York.

She was Executive Director of India's leading construction Company, HCC and erstwhile Walchand Group Company before starting off her own ventures. She also worked briefly in market research at Feedback Ventures and Proctor & Gamble. She has singularly led the India operations into the

fastest growing region for Dale Carnegie Training, winning several global awards for service and sales excellence.

She has been a vocal spokesperson for industry associations and has been Chairperson of CII, Maharashtra Council.

She has diversified exposure to various management practices in areas such as training and development, HR, consulting and business restructuring, and lobbying, covering a wide range of industries from media, entertainment, technology to the financial services sector and the engineering industry. She has been recognized by reputed institutions such as CII and FIE Foundation etc. for her outstanding contributions.

Ms. Poonam Barua is a trained Economist from the prestigious Delhi School of Economics. She is a whole-time Director of Public Affairs Management, an independent firm specializing in corporate and institutional diplomacy and public affairs, based in New Delhi.

She is also concurrently Regional Director - India, The Conference Board, New York, and also Representative for The Board's highly successful top-management forum on "Human Resources Council - India" which she launched three years ago, and the Board's "Asia Council on Business Conduct."

As Regional Director of The Conference Board, Ms. Barua has been closely involved with leading corporate debate and thought-leadership on the important issues of corporate governance for the Board of Directors and Chief Executive Officers in Indian businesses. She later launched the "Asia Council on Business Conduct" which is providing a sustained global platform for defining the roles and responsibilities of the Board and Independent Directors, and sharing challenges in the areas of transparency, financial compliance, legal standards, and enterprise risk-management.

Disclosure Pursuant to Clause 49 (IV) (E) (V) of the Listing Agreement: Shareholding of Ms. Poonam Barua (both own or held by / for other persons on a beneficial basis) as on July 31, 2009 is Nil.

DIRECTORS' REPORT

The Members of
WALCHAND PEOPLEFIRST LIMITED

Your Directors present herewith the 89th Annual Report together with the Audited Statement of Accounts and Auditors' Report thereon for the Financial Year ended March 31, 2009.

1. FINANCIAL RESULTS

(Rs. in Lacs)

	Financial Year ended 31.03.2009	Financial Year ended 31.03.2008
Profit before interest, depreciation and taxation	53.30	(87.03)
Profit on Sale of Training Business	0.00	906.44
Less: Interest	4.49	1.09
Less: Depreciation/Amortisation	19.60	37.31
Provision for Taxation - Current / earlier years	1.26	92.58
	25.35	130.98
	27.95	688.43
Deferred Tax recognised	(146.58)	(53.04)
Net Profit	(118.63)	635.39
Add: Balance brought forward	1277.13	675.07
Less: Transferred to Reserve Fund	N.A	N.A
Amount available for appropriation	1158.50	1310.46
Appropriations		
Final Dividend	0.00	28.49
Dividend Tax	0.00	4.84
Balance carried to Balance Sheet	1158.50	1277.13
Total	1158.50	1310.46

2. DIVIDEND

Your Directors have decided not to recommend any dividend for the year ended 31st March, 2009, in view of inadequate Profit.

3. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO (Section 217(1) (e) of the Companies Act, 1956)

Particulars required to be furnished by the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are as follows:-

- Rule 2(A) pertaining to Conservation of Energy and Rule 2(B) pertaining to Technology absorption are not applicable to the Company.
- Foreign exchange inflow and outflow – Rule 2(C):

(Rs. in Lacs)

(a) EXPENDITURE IN FOREIGN CURRENCY	Financial Year ended 31.03.2009	Financial Year ended 31.03.2008
Professional Fees/Franchise Fee	NIL	NIL
Royalty Remitted	NIL	41.05
Traveling Expenses	NIL	2.68
Others	NIL	NIL
(b) EARNING IN FOREIGN CURRENCY	NIL	NIL

4. MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure & Development

The Indian economy was on a roller-coaster ride in early 2008. At the beginning of the year, the overall sentiment prevalent in the economy was optimistic and backed by healthy balance sheets; companies were ploughing back a portion of their earnings into their business through capacity expansions. Employment scenario was upbeat, though the industry was facing a talent crunch. While the global economic environment started to deteriorate during the year, the Indian economy was expected to remain insulated or affected only marginally. However, with the increased integration of the Indian economy and its financial markets with the rest of the world ensured the ripple effect of the global crisis was transmitted to the domestic economy. Consequently, towards the end of 2008, corporate profits began to wither, investments started to shrink and the talent crunch situation turned into a talent galore situation owing to dearth in employment opportunities.

We witnessed a sharp decline in planned expenditures on Training in the third quarter of the year. Industry verticals that saw the sharpest decline were IT / ITES, Automotive and Manufacturing. While the Banking and Financial sectors held forth, we saw a healthy growth in Training expenditure in Telecom.

The weakening demand has driven several smaller, unorganized training outfits out of the market place while large Training organizations have survived well. Yet, with the long-term prospects of India remaining strong, we have also witnessed a larger number of organized players entering the market.

Opportunities & Challenges

With a significant slowdown in recruitment by Indian companies, the focus is now on retention and selective hiring, driven purely by critical skills matching with business needs.

According to a study carried out by Deloitte, companies have begun investing more in building a strong leadership pipeline and identifying, engaging and developing high performing employees within the organization. Most of the companies surveyed have stated that building the leadership pipeline (65%), retention of critical workforce (51%) and succession planning (51%) is their highest priority. Employee communication has taken on an even greater priority, especially to counter low employee morale. About 78% of the companies surveyed stated that the rewards structure remained relatively unchanged.

As the market dynamics and customer preferences change, companies are beginning to focus on innovative practices related to talent management and at the same time driving measures to cut overall operational costs. Companies appreciate that to remain viable and competitive both in the short and long term, they must focus on and improve their ability to attract, develop and retain top talent.

As such, long-duration Training and Executive Education

courses are now being replaced by shorter duration workshops. Your company has devised a Modular Training approach with several short programs from half-day workshops to 3-days seminars to meet this need.

At the same time, with the growing privatization of higher education, your company has been able to forge strong institutional partnerships through its Finishing School. Industry, institutions and policy makers recognize that employable skills development is the need of the hour. With recruitment becoming selective, this area has become all the more significant.

There is a growing need to enhance global capacities and soft-skills are increasingly interwoven into functional skills. There is a strong focus on revenue growth in companies and the area of sales effectiveness is expected to be a huge training opportunity. Leadership training is also a big demand area as this has now percolated down from just the top brass to middle level managers who head business units. According to a Gallup poll, only 25% employees in an organization are engaged, making this a critical need within organizations. From team building exercises, we now offer modular engagement packages in more sophisticated forms. Also, orientation training provided to newcomers is a big opportunity area. Effective communication training, ranging from business communication to media training, is a critical growth area across all levels in an organization.

However, the bar has been raised for Training organizations like never before. Corporate executives recognize that Training investments represent 0.5-1% of revenues and impact as much as 40-45% of the staff costs. As such they are becoming accountable for the money they spend. This means training providers need to ensure a direct business relevance and measurable return on investment. There is also a lot of activity on re-engineering the learning function. Focus is moving from cost generating activities to activities that impact corporate performance. Also fixed resources dedicated to Training will decrease. This will result in greater outsourcing of Training, which spells opportunities for the Dale Carnegie business.

Outlook, Risks & Concerns

While some economists predict that industry growth levels in India will pick up around the third quarter of the coming year, we expect that the Training market will grow only marginally in 2009-10. We saw a sharp decline in Training budgets in the third quarter of the year and see it continuing at least for the first half of the coming year.

The coming financial year will bring significant growth challenges for the wider economy and of course individual businesses as well. Timely and appropriate action will be the key towards managing growth at the macro level, while a keen sense of attention to cost management, process control and revenue focus will determine the success of individual businesses.

During this slow period, your company has maintained

precisely the same focus. Your company has brought about a significant cost-rationalization and improvement in process control while focusing on building the revenue pipeline. This is expected to show positive results during the coming year.

Continuing on this effort and with the change in the business model and strategy of the Finishing School initiative, your Company intends to consolidate its operations to build greater efficiencies by merging the subsidiary company, Walchand TalentFirst, with the Company during the year. The Management believes this will provide greater returns to its shareholders.

Cautionary Statement:

The statements made in this report describe the Company's objectives, expectations and projections that may be forward looking statements. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company and Management.

Segmentwise Performance:

As per the Consolidated Financial Statement, the revenue and results for the Investment Division and the Training Division for the relevant period are reported in the notes to Accounts.

Internal Control Systems and their Adequacy:

The Company has adequate and effective control systems, commensurate with its size and nature of business, to ensure that assets are efficiently used and the interest of the Company is safeguarded and the transactions are authorized, recorded and reported correctly. Checks and balances are in place to determine the accuracy and reliability of accounting data. The preventive control systems provide for well-documented policy, guidelines, and authorization and approval procedures. The Company has a full-fledged Internal Audit System to ensure that the policies and procedures laid down are adhered to. The Company has also developed a Risk Assessment policy and is reviewed by the Board of Directors/ Audit committee on a quarterly basis.

Financial Performance with respect to Operational Performance:

Total income achieved during the year under review by the Company is Rs 133.08 lakhs. After providing for taxation of Rs 1.26 Lakhs and recognition of Deferred Tax Liability of Rs 146.58 Lakhs, the Company made a Net Loss of Rs 118.63 Lakhs.

As per the Consolidated Financial Statement, Total income achieved during the year under review by the Company (and its subsidiary) is Rs 1328.38 lakhs as against Rs 1217.53 lakhs in the previous year. Training income for the Company (and its subsidiary) has increased to Rs 1168.06 lakhs as against Rs 992.21 lakhs in the previous year showing an increase of more than 17%. After providing for taxation of Rs 9.15 Lakhs and recognition of Deferred Tax Liability of Rs 146.58 Lakhs, the Consolidated results for the Company show a Net Loss

of Rs 353.13 Lakhs as against a Loss after tax of Rs 605.16 Lakhs in the previous year. The Operating Loss has been reduced from Rs.457.19 Lacs in previous year to Rs. 178.25 Lacs during the year aggregating to an improvement of 61.01%

Human Resources:

Your Company considers its intellectual capital as its most valuable asset. Personnel policies of your Company are designated to ensure fairness to and growth of all individuals in the organization and continuously strives to provide a challenging work environment. We have a strong Performance Management System and code of conduct which reinforces our work ethics.

5. SUBSIDIARY

Walchand TalentFirst Limited, subsidiary of the Company has allotted 30,00,000 Equity Shares of Rs. 10/- each at par to the Company on 18th August, 2008. Further, pursuant to the Amendment to Convertible Debenture Subscription Agreement, Walchand TalentFirst Limited has allotted 4,34,375 Equity Shares of Rs.10/- each at the price of Rs. 21.40 per share to Bennett Coleman & Company Limited on conversion of Debenture of Rs. 92,96,656/- on 27th January, 2009.

6. PARTICULARS OF EMPLOYEES

As required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars are set out in the annexure to this report.

7. INVESTMENTS

During the Financial Year under report, the outstanding position in the investment of shares and debentures of various companies were to the tune of Rs. 1518.12 lacs as compared to the last Financial Year's investment of Rs. 1229.64 lacs.

The Book value of the quoted investments for the year under review was Rs.24.87 lacs (previous year Rs. 31.59 lacs) and its market valuation was Rs. 8.05 lacs (previous year Rs.18.45 lacs).

8. FIXED DEPOSIT

The Company has not accepted any deposits from public under the Provisions of Section 58A of the Companies Act 1956 and rules framed thereunder during the Financial Year ended 31st March 2009. As at March 31, 2009, there is no outstanding liability to fixed depositors.

9. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- i) that in the preparation of the Annual Accounts for the financial year ended March 31, 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies

and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2009 and of the loss of the Company for the said year;

- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the Annual Accounts for the year ended March 31, 2009, on a going concern basis.

10. STATUTORY AUDITORS

The Statutory Auditors of the Company, M/s. Haribhakti & Co., Chartered Accountants retire at ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The Company has also received a Certificate from them to the effect that the re-appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of sub-Section (3) of Section 226 of the Companies Act, 1956, for such re-appointment. You are requested to appoint Auditors for the current year and fix their remuneration.

11. DIRECTORS

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 1956 Ms. Pallavi Jha and Ms. Poonam Barua retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

12. COMPLIANCE CERTIFICATE

As per Section 383A of the Companies Act, 1956 read with Notification No. G.S.R. 11 (E), Dated 5-1-2009 issued by the Ministry of Corporate Affairs, a Company having the paid up Share Capital of Rs. 10 Lacs or more but less than Rs. 5 Crores must obtain a Compliance Certificate from a Company Secretary in whole time practice and such Certificate must be annexed to the Report. Further as per the said Notification if the Company has employed a Company Secretary on whole time basis then the said Certificate is not required to be obtained. Since the Company has employed a Company Secretary on whole time basis the provision relating to the Compliance Certificate is not applicable to the Company.

13. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Compliance Report on Corporate Governance together with the Certificate from M/s. Pramod S. Shah & Associates - Practising Company Secretaries is annexed as a part of the Annual Report.

14. COST AUDIT

The Company is not required to undertake the cost audit as required under Section 233 B of the Companies Act, 1956.

For and on behalf of the Board of Directors

15. ACKNOWLEDGMENT

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from Clients, Vendors, Financial Institutions, Bankers, Business Associates and various Governmental, as well as Regulatory Agencies for their valuable support. Your Directors also wish to place on record their appreciation for the contribution made by the employees.

Date: July 31, 2009

PALLAVI JHA

Place: Mumbai

Chairperson & Managing Director

Registered Office:

1, Construction House,
Walchand Hirachand Marg,
Ballard Estate, Mumbai 400 001

Statement pursuant to Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 :

There are no employees who draw remuneration amounting to Rs. 24,00,000 per annum.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2008-09

(As required under clause 49 of the Listing Agreement with the Stock Exchanges)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

WALCHAND PEOPLEFIRST LIMITED believes that the essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the higher echelons of management. It is not only a pre-requisite for facing intense competition for sustainable growth in the emerging global market scenario but is also an embodiment of the parameters of fairness, accountability, disclosures and transparency to maximize value for the stakeholders. Corporate Governance at Walchand is not limited to statutory and legal compliances but is the natural and voluntary code of managing its operations, which has enabled it to continuously create value for all its stake holders.

Good Corporate Governance contributes to sustainable development by enhancing the performance of Companies. Corporate Governance is one of the pillars of WALCHAND's focus on sustainability. Better Corporate Governance allows companies to recognize and act to fulfill their environmental and social responsibilities. Accordingly, it contributes to long- term, sustainable growth.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the listing agreement of the Stock Exchanges. As a Company, which believes in implementing and adopting best-in-class corporate governance policies, WALCHAND PEOPLEFIRST LIMITED has adopted practices mandated in the revised Clause 49 and has established procedures and systems to be compliant with it.

Corporate governance is about the dilution of ethical and moral self- restraint reflecting the feeble voice of the "little inner man inside us" relaxes the urge to be clean and honest. The report on the Corporate Governance is to fulfill this commitment. An organization is able to attract investors, and enhance the trust and confidence of all stakeholders by following the best governance practices.

Our governance philosophy is based on the following:-

1. Management must have the executive freedom to drive the enterprise forward without undue restraints and Management is the trustee of the shareholders capital and not the owner. This freedom of management should be exercised within a framework of effective accountability.
2. Provide an enabling environment to harmonise the goals of maximizing stakeholder value and maintaining a customer centric focus.
3. Have a simple and transparent corporate structure driven solely by business needs.
4. Communicate externally, in a truthful manner, about how the Company is running internally.
5. Make clear distinction between personal conveniences and corporate resources.
6. Be transparent and maintain a high degree of disclosure levels in all facets of its operations.
7. Satisfy the spirit of the law and not just the letter of the law.

The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its Directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

Your Board of Directors presents the Corporate Governance Report for the year 2008- 09.

2. BOARD OF DIRECTORS

a. Size and Composition of Board

The composition and category of Directors as on March 31, 2009 are as under:-

Name of Directors	Category	No. of Directorships in other Companies		No. of Membership/Chairmanship of other Board Committees	
		Public	Private	Member	Chairman
Ms. Pallavi Jha	Chairperson and Managing Director	1	2	-	-
Mr. Sanjay Jha	Whole time	1	2	-	-
*Mr. M.N. Bhagwat	Independent Non-executive	6	-	5	3
Dr. S.C. Jha	Independent Non-executive	1	-	-	-
**Mr. V.K.Verma	Independent Non-executive	-	-	-	-
Ms. Poonam Barua	Independent Non-executive	-	-	-	-

*Mr. M. N. Bhagwat – Re-appointed as an Independent Non-executive Director of the Company at the Annual General Meeting of the Company held on September 30, 2008.

**Mr. V. K. Verma – Re-appointed as an Independent Non-executive Director of the Company at the Annual General Meeting of the Company held on September 30, 2008.

b. Attendance at Board Meeting and Annual General Meeting :-

During the accounting year 2008-09, four Board Meetings were held on April 21, 2008, July 31, 2008, October 24, 2008 and January 27, 2009.

The Annual General Meeting of the Company for the financial year 2007-2008 was held on September 30, 2008.

Attendance at Board Meeting and last Annual General Meeting:-

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Ms. Pallavi Jha	4	Present
Mr. Sanjay Jha	4	Present
Mr. M.N. Bhagwat	4	Present
Dr. S.C. Jha	3	Absent
Mr. V.K.Verma	3	Absent
Ms. Poonam Barua	4	Absent

c. Board's Functioning & Procedures: -

The Board has complete access to any information within the Company. At meetings of the Board, it welcomes the presence of Managers who can provide additional insights into the items being discussed.

The items placed at the Meeting of the Board include the following:-

- Unaudited Quarterly/Half Yearly financial results and Audited Annual Accounts of the Company, results and capital employed, for consideration and approval,
- Minutes of meetings of Audit, Shareholders Grievance Committee and Remuneration Committee,
- Abstracts of circular resolutions passed,
- General notices of interest,
- Sale and/or purchase of investments, fixed assets,
- Review compliance of all laws applicable to the Company including the requirements of the Listing Agreement with the Stock Exchanges and steps taken by the Company to rectify instances of non compliances, if any,
- Related party transactions,
- Reviewing the Company's Financial and Risk Management policies,
- Reviewing the business plan and strategy of the Company,
- Reviewing the operations of the Subsidiary Company-Walchand TalentFirst Limited,
- Financial Results of Subsidiary Company-Walchand TalentFirst Limited,
- Minutes of the Board of Directors of Subsidiary Company-Walchand TalentFirst Limited,

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial /business plans, financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

The Minutes of the Meetings of the Board are circulated through email to all Directors and confirmed at the subsequent Meeting. The Minutes of the Audit Committee, Remuneration Committee, Shareholders' Grievance Committee and the Minutes of the Board of Directors Meetings of the Subsidiary Company are also are circulated through email to all Directors and thereafter tabled for discussion at the subsequent Board Meeting.

3. AUDIT COMMITTEE

Audit committee acts as a link between the Statutory and Internal Auditors and the Board of Directors. The primary objective of the Audit Committee is to provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures.

a. Size and Composition:-

The Board constituted an Audit Committee of Directors on April 26, 2001 having Mr. Sanjay Jha, Whole-Time Director and Dr. S. C. Jha, Non-Executive Independent Director as Members and Mr. M.N. Bhagwat, Non-Executive Independent Director as Chairman of the Committee. Mr. V.K. Verma, Non-Executive Independent Director was appointed as a Member of the Audit Committee with effective from April 12, 2006 by passing a circular resolution, which was noted by the Board at their meeting, held on April 28, 2006.

The Members of the Committee are well versed in finance / accounts, legal matters and general business practices.

b. Attendance at the Audit Committee Meetings:-

During the accounting year 2008-09, four Audit Committee Meetings were held on April 21, 2008, July 31, 2008, October 24, 2008 and January 27, 2009.

Name of Members	No. of Audit Committee Meetings attended
Mr. Sanjay Jha	4
Mr. M.N. Bhagwat	4
Dr. S.C. Jha	3
Mr. V.K.Verma	3

c. The functions of the Audit Committee include the following:-

- Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure

that the financial statement is correct, sufficient and credible.

- Recommending the appointment and removal of external Auditor, fixation of Audit fee and also approval for payment for any other expenses.
- Reviewing with management the Annual/Half-yearly/ Quarterly financial statements before submission to the Board.
- Reviewing with management, external and internal Auditors, the adequacy of the internal control systems.
- Reviewing the adequacy of Internal Audit function, including reporting structure coverage and frequency of Internal Audit.
- Discussion with External Auditors before the Audit, nature and scope of Audit, any significant findings and follow up thereon as well as post-Audit discussion to ascertain any area of concern.
- Reviewing the findings of any internal investigations by Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.
- Related party transactions,
- To review the matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- To review the Management discussion and analysis of financial condition and results of operations.

All the items in the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to each Member to enable the Committee to take informed decisions.

The Minutes of the Meetings of the Committee are circulated through email to all Directors and confirmed at the subsequent Meeting.

4. **REMUNERATION COMMITTEE**

The purpose of the Committee shall be to discharge the Board's responsibilities relating to formulation of compensation plans and policies of the Company's Executive Directors.

a. **Size and Composition:-**

The Board constituted Remuneration Committee of Directors on April 29, 2004 having Mr. M.N. Bhagwat, Non-executive Independent Director and Mr. Shailesh Haribhakti, Non-executive Independent Director as Members and Dr. S. C. Jha, Non-executive Independent Director as Chairman of the Committee.

Mr. Shailesh Haribhakti resigned from the Directorship at the Board meeting held on October 27, 2005 as a result he ceased to be a member of remuneration committee.

Mr. V K Verma, Non- Executive Independent Director of the Company was appointed as a member of the Remuneration Committee with effective from April 4, 2007 by passing a circular resolution, which was noted by the Board at their meeting, held on April 26, 2007.

The broad terms of the Committee are to determine and review remuneration/compensation package of Managing Director and Whole Time Director of the Company.

b. **Attendance at the Remuneration Committee Meetings:-**

During the accounting year 2008-09, there was no change in Company's Compensation Policy laid down for its Executive Directors and hence no Meeting of the Committee was held during the accounting year 2008-2009.

c. **Disclosure of Remuneration paid :-**

At present Non-executive and Independent Directors are not paid any remuneration except sitting fees for attending Board Meetings.

Details of remuneration paid to Directors during the accounting year ended March 31, 2009 are as under:

Name Of Directors	Salary (Amt in Lacs)	Contribution to P.F. Gratuity and Superannuation Fund (Amt in Lacs)	Perquisites (Amt in Lacs)	Sitting Fees (Amt in Lacs)	Total (Amt in Lacs)
Ms. Pallavi Jha	10.35	2.59	1.65	0.00	14.59
Mr. Sanjay Jha	10.22	2.46	1.78	0.00	14.46
Mr. M.N. Bhagwat	-	-	-	0.4	0.4
Dr. S. C. Jha	-	-	-	0.3	0.3
Mr. V.K.Verma	-	-	-	0.3	0.3
Ms. Poonam Barua	-	-	-	0.4	0.4

Note: - Except Ms. Pallavi Jha who is Chairperson and Managing Director and Mr. Sanjay Jha who is Whole Time Director all other Directors are Non- Executive Directors.

5. **SHAREHOLDERS GRIEVANCE COMMITTEE**

The Committee has the mandate to review, redress shareholders' grievances, to approve all share transfers.

a. **Size and Composition:-**

The Company reconstituted Shareholders Grievance Committee in July 2001 to specifically look into the redressal of the shareholders grievances and also the share transfers and other investor related matters. The Committee consisted of Mr. Sanjay Jha - Chairman and Ms. Pallavi Jha – Member till 19th January, 2009. As per the Provisions of the Clause 49(IV)(G) of the Listing Agreement a Non – Executive Director of the Company should be the Chairman of the Shareholders' Grievance Committee. Hence, the Board of Directors in their Board Meeting dated 27th January, 2009 appointed Mr. V. K. Verma, a Non-Executive Director as the Chairman of the Shareholders' Grievance Committee in place of Mr. Sanjay Jha. Mr. Vivek Wadhavkar, Associate Vice President has been designated as the Compliance Officer.

b. **Meeting of the Shareholders' grievance committee Meetings:-**

During the accounting year 2008-09, twenty-one Shareholders' Grievance Committee Meetings were held on 02/04/2008, 16/04/2008, 03/05/2008, 17/05/2008, 04/06/2008, 18/06/2008, 04/07/2008, 18/07/2008, 04/08/2008, 20/08/2008, 05/09/2008, 18/09/2008, 17/10/2008, 04/11/2008, 05/12/2008, 19/12/2008, 02/01/2009, 19/01/2009, 03/02/2009, 02/03/2009, 17/03/2009.

c. **The functions of the Shareholders' Grievance Committee include the following:-**

- Transfer /Transmission of shares,
- Issue of duplicate share certificates,
- Review of shares dematerialized and all other related matters,
- Monitors expeditious redressal of investors' grievances,
- Non receipt of Annual report and declared dividend,
- All other matters related to shares.

d. **Investor Grievance Redressal**

Number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Type of Complaints	No. of complaints
Non Receipt of Annual Reports	0
Non Receipt of Dividend Warrants	1
Non Receipt of Interest or Redemption Warrants	0
Non Receipt of Certificates	0
TOTAL	1

During the accounting year ended March 31, 2009, one complaint was received from shareholder, which has been attended/ resolved as of date. All valid share transfers received during the accounting year ended March 31, 2009 have been acted upon. There were no share transfers pending as on March 31, 2009, for more than 30 days.

The Shareholders Grievance Committee continued to function effectively and held twenty-one Meetings during the year under review. It continued to attend the matters related to Share Transfers and redressal of Shareholders' complaints. This Committee has three Members, namely, Ms. Pallavi Jha, Chairperson & Managing Director, Mr. Sanjay Jha, Whole Time Director and Mr. V. K. Verma, Independent Non-Executive Director. Mr. Vivek Wadhavkar is designated as Compliance Officer. The complaints and grievances of shareholders received were duly attended by the Committee and as of now no complaints are pending. Ms. Pallavi Jha, Chairperson & Managing Director and Mr. Sanjay Jha, Whole time Director were present in all twenty one Meetings held during the year and Mr. V. K. Verma, Independent Non-Executive Director was present in all the three Meetings held after his appointment on January 27, 2009.

6. **SUBSIDIARY COMPANY'S MONITORING FRAMEWORK**

The Minutes of the Meetings of the Board of Subsidiary Company are circulated through email to all Directors and confirmed at the subsequent Meeting.

7. **GENERAL BODY MEETINGS**

a. **The particulars of last three Annual General Meetings are as under:-**

Financial Year	Day and Date	Location	Time
2005-2006	Friday, July 28, 2006	Walchand Hirachand Hall, Indian Merchant Chambers., IMC Marg, Churchgate, Mumbai – 400 020.	2.30 P. M.
2006-2007	Friday, July 27, 2007	Walchand Hirachand Hall, Indian Merchant Chambers , IMC Marg, Churchgate, Mumbai – 400 020.	3.00 P. M.
2007-2008	Tuesday, September 30, 2008	Walchand Hirachand Hall, Indian Merchant Chambers., IMC Marg, Churchgate, Mumbai – 400 020.	11.00 A.M.

b. **Whether any Special Resolutions were passed in the previous three AGMs? Yes.**

At the Annual General Meeting of the Shareholders held on July 27, 2007, Ms. Pallavi Jha was re-appointed as the Managing Director of the Company for a further period of 3 years with effect from July 26, 2007 and

Mr. Sanjay Jha was appointed as Whole Time Director of the Company for a period of 3 years with effect from July 27, 2007.

8. **DISCLOSURES**

- Ms. Shefali Saxena, resigned from the post of Vice President - Finance with effect from March 31, 2009.
- Mr. Harshad Mane, was appointed as the Company Secretary of the Company with effect from December 01, 2008.
- The related party transactions as per Accounting Standard 18 is set out at note no. 4 of Schedule "O" in notes forming part of accounts in the Annual Report. These transactions are not likely to have any conflict with the Company's interest except as stated in para 12 of Annexure to Auditors Report.
- The Company has complied with the requirements of the Stock Exchange (BSE), the Securities and Exchange Board of India (SEBI) and Statutory Authorities on all matters related to capital markets and no penalties / strictures were imposed on the Company during the last three years.
- During the year the following amounts were transferred to the Investor Education and protection fund :-

Particulars	Date of transfer	Amount (Rs.)
Matured Deposits	-	-
Interest on Matured Deposits	-	-
Matured Deposits	-	-
Interest on Matured Deposits	-	-
Matured Deposits	-	-
Unpaid Dividend	20/10/2008	68,000

- Adoption of non mandatory requirements under Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

9. **CODE OF CONDUCT**

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The Code is reviewed from time to time by the Board. The said Code has been communicated to the Directors and the Members of the Senior Management. The Code has also been posted on the Company's website www.walchandpeoplefirst.com.

10. **TRADING IN THE COMPANY'S SHARES BY DIRECTORS AND DESIGNATED EMPLOYEES**

In compliance with the SEBI (Prevention of Insider Trading) Regulations, 1992, our Company has appointed Mr. Vivek Wadhavkar as the Compliance Officer who is responsible for setting policies, procedures for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading.

11. **MEANS OF COMMUNICATION**

- The Quarterly and Half-Yearly results of the Company are published in English and Marathi National dailies. The Financial results are also displayed on the website of the Company www.walchandpeoplefirst.com
- The Company is complying with EDIFAR requirement as directed by SEBI. The shareholders can view entries by logging into the Website 'sebidifar.nic.in'
- The Management Discussion and Analysis Report forms a part of this Annual Report, which is sent to each member by post.
- The Company informs the Stock Exchange all price sensitive matters or such other matters which are material and of relevance to the shareholders.

12. **GENERAL SHAREHOLDER INFORMATION**

a. **Annual General Meeting**

- Date : 30th September , 2009.
- Time : 11.00 A.M.
- Venue : Walchand Hirachand Hall,
Indian Merchants' Chamber,
IMC Marg, Churchgate, Mumbai – 400 020

b. **Financial Calendar :**

- Financial Reporting for

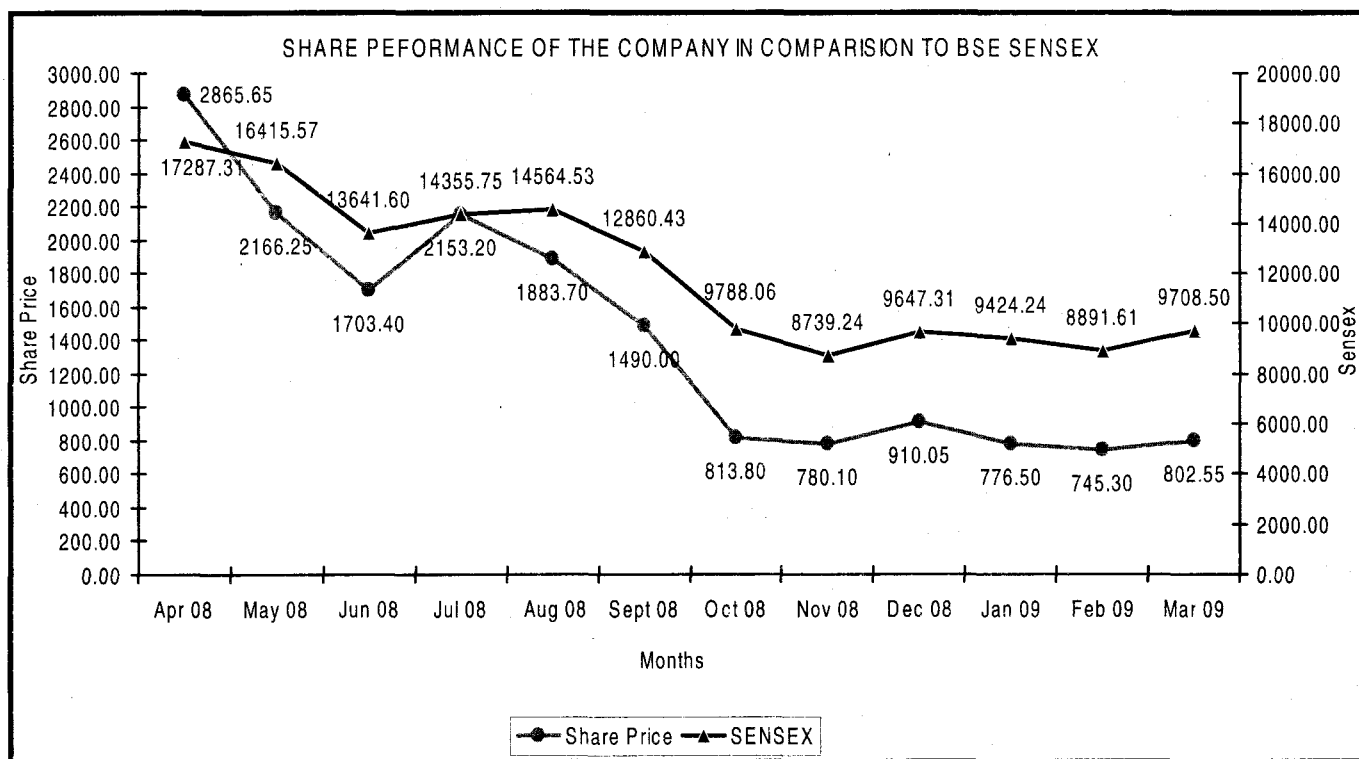
Quarter ending June 30, 2009	By end July 2009
Quarter/Half year ending Sept. 30, 2009	By end October 2009
Quarter ending December 31, 2009	By end January 2010
Quarter/Year ending March 31, 2010	By end April 2010

- Date of Book Closure : 23rd September, 2009 to 30th September, 2009 (both days inclusive).

c. Market information

- Listing on Stock Exchange : The Bombay Stock Exchange Limited
- Listing fee for the year 2008-09 has been paid to the Stock Exchange.
- Stock Code- Physical : 501370 on The Bombay Stock Exchange Limited
- ISIN No. NSDL & CDSL : INE 695DO1013
- Market Price Data : High / Low price during each month of 2008-09 on The Bombay Stock Exchange Limited and BSE Sensex are as under:

SHARE PRICES OF WALCHAND PEOPLEFIRST LIMITED								BSE SENSEX		
Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares	No. of Trades	Net T/O (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)
2008Apr	1,686.65	3,339.05	1,686.65	2,865.65	8186	1597	23,452,214.00	17378.46	15343.12	17287.31
May	3,008.00	3,072.95	2,125.00	2,166.25	6709	2029	17,309,881.00	17600.12	16275.59	16415.57
Jun	2,200.00	2,400.00	1,703.40	1,703.40	4935	1536	9,952,079.00	16063.18	13461.60	13461.60
Jul	1,641.00	2,330.00	1,515.25	2,153.20	10156	2437	20,766,355.00	14942.28	12575.80	14355.75
Aug	2,106.00	2,373.45	1,810.00	1,883.70	6663	1640	14,200,911.00	15503.92	14048.34	14564.53
Sept	1,846.00	2,040.00	1,313.00	1,490.00	3035	1178	5,283,982.00	15049.86	12595.75	12860.43
Oct	1,450.00	1,574.90	770.00	813.80	3769	1064	3,960,801.00	13055.67	8509.56	9788.06
Nov	839.00	1,032.00	737.00	780.10	2443	633	2,132,647.00	10631.12	8451.01	9092.72
Dec	772.30	1,076.90	752.00	910.05	2284	633	2,132,308.00	10099.91	8739.24	9647.31
2009Jan	869.00	1,106.50	702.65	776.50	3228	857	2,930,067.00	10335.93	8674.35	9424.24
Feb	799.90	834.75	740.00	745.30	2615	468	2,027,039.00	9647.47	8822.06	8891.61
Mar	750.00	1044.00	606.10	802.55	4387	980	3,599,076.00	10048.49	8160.40	9708.5



d. Share Transfer System and other related matters

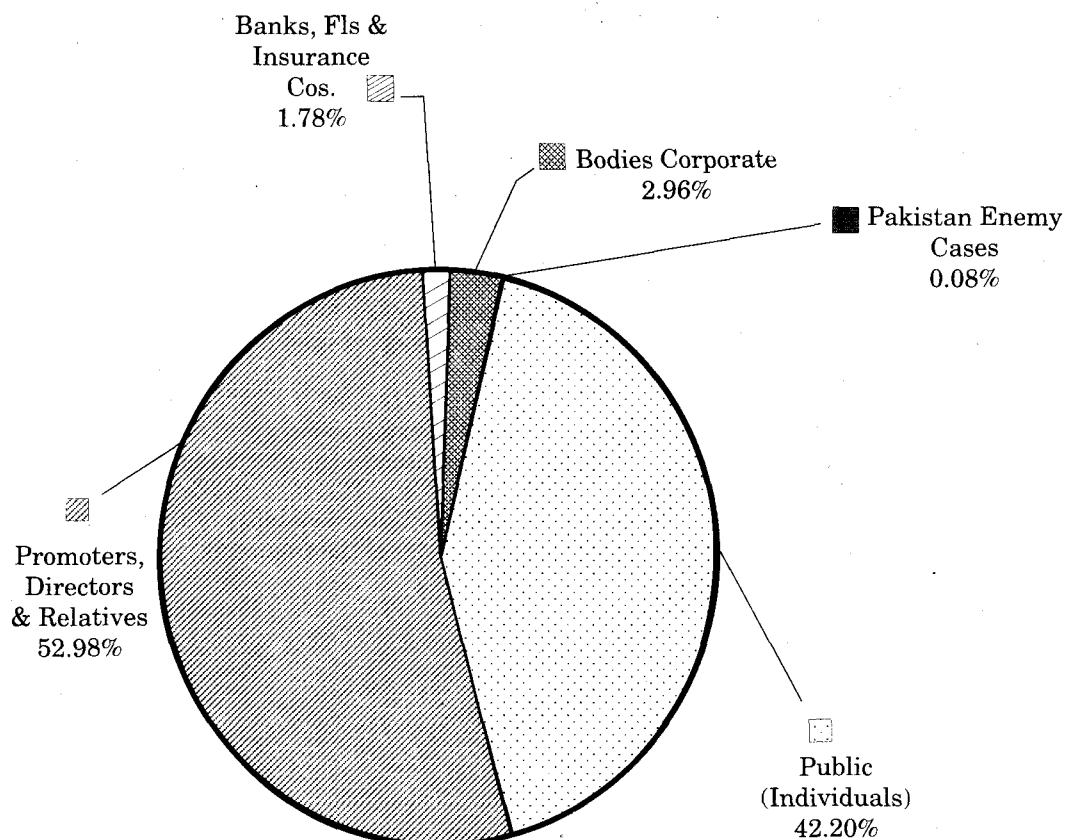
- Registrár and Share Transfer Agent : For both physical & demat segments:
M/s. Computech Sharecap Limited.
"Computech", 147, Mahatma Gandhi Road,
Fort, Mumbai – 400 023
Tel No: 22635001-2
Fax No.: 22635005
Email helpdesk@computechsharecap.com
- Share Transfer System : The shares lodged for transfer are processed by the Registrar and Transfer Agent and are approved by Shareholders Grievance Committee. Shares sent for transfer in physical form are registered and returned within a maximum period of 30 days from the date of receipt, subject to documents being valid and complete in all respects. Similarly all requests for demat are received and processed by the Registrar and Transfer Agents and confirmations given to the depositories within the prescribed time limit.
- Nomination Facility for Shareholding : As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.
- Payment of Dividend through Electronic Clearing Service : The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.
- Unclaimed Dividends : Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Vivek Wadhavkar, Compliance Officer, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205 A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
- Correspondence regarding Change in Address : Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, M/s. Computech Sharecap Limited, "Computech", 147, Mahatma Gandhi Road, Fort, Mumbai – 400 023, Tel No: 22635001-5002, Fax No.: 22635005, Email:helpdesk@computechsharecap.com
- Distribution of Share holding as on 31.3.2009

NO. OF EQUITY SHARES HELD	NO. OF SHARE-HOLDERS	% OF SHARE-HOLDERS	NO. OF SHARES HELD	% OF SHARE HOLDING
1 - 50	7997	96.23	62557	21.96
51 - 100	182	2.19	13462	4.73
101 - 200	65	0.78	9399	3.30
201 - 300	23	0.28	5645	1.98
301 - 400	17	0.20	5998	2.11
401 - 500	4	0.05	1933	0.68
501 - 1000	12	0.14	8266	2.90
1001 AND ABOVE	10	0.12	177630	62.35
TOTAL	8310	100	284890	100

• Shareholding Pattern as on 31.3.2009

Category	No. of Shares held	Percentage to total (%)
a. Promoters, Directors & Promoter group	150938	52.98
b. Mutual Funds	0	0.00
c. Banks, FIs & Insurance Cos.	5067	1.78
d. Foreign Institutional Investors (FIIs)	0	0.00
e. Bodies Corporate	8444	2.96
f. Pakistan Enemy Cases	225	0.08
g. Public (Individuals)	120216	42.20
Total	284890	100

Shareholding Pattern As On 31/03/2009



- Dematerialisation of Shares : The shares of the Company can be held and traded in electronic form 78.51 % (223669 no. of shares) of the Company's share holdings have been dematerialised as on 31.3.2009
- Outstanding GDRs/ ADRs / Warrants or any convertible Instrument, conversion date and likely impact on equity. : Nil
- Plant Location : Not Applicable.
- Address for Correspondence : WALCHAND PEOPLEFIRST LIMITED
1, Construction House
Walchand Hirachand Marg,
Ballard Estate, Mumbai – 400 001
Tel: 22618095/8096, 67818181
Fax: 22610574
Email: vivek@walchandgroup.com
www.walchandpeoplefirst.com

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members of WALCHAND PEOPLEFIRST LIMITED

I have examined the compliance of conditions of Corporate Governance by Walchand PeopleFirst Limited for the year ended 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For Pramod S. Shah & Associates
Practising Company Secretaries

Place: Mumbai
Date: July 31, 2009

Pramod S. Shah
Membership No. 334

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31st March 2009.

For WALCHAND PEOPLEFIRST LIMITED

Pallavi Jha

Chairperson & Managing Director

Place: Mumbai

Date: July 31, 2009

CHIEF EXECUTIVE OFFICER (CEO) and CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, Pallavi Jha, Chairperson & Managing Director and Suresh Jhanwar, Associate Vice President - Finance, of WALCHAND PEOPLEFIRST LIMITED, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and profit and loss account and notes on accounts, as well as the cash flow statements and the directors' report for the Financial year ended 31st march 2009;
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
3. Based on our knowledge and information, the financial statements and other financial information included in this report, fairly present in all material respects, the financial condition, results of the operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
5. The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the Company, and we have :
 - a. designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to us by others within those entities particularly during the period during which this report is being prepared; and
 - b. evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. The Company's other certifying officers and we, have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors (and persons performing equivalent functions):
 - a. all significant deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors, any material weakness in internal controls;
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls;
 - c. the Company's other certifying officers and we, have indicated in this report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness; and

- d. all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
7. In the event of any materially significant misstatements or omissions, the signing officers will return to the Company that part of any bonus or incentive or equity –based compensation, which was inflated on account of such errors, as decided by the Audit Committee;
8. We affirm that we have not denied any personnel access to the Audit Committee of the Company;
9. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

Place: Mumbai

Date: July 31, 2009

Pallavi Jha

Chairperson & Managing Director

Suresh Jhanwar

Associate Vice President - Finance

AUDITORS' REPORT

TO THE MEMBERS OF WALCHAND PEOPLE FIRST LTD.

We have audited the attached Balance Sheet of **Walchand PeopleFirst Ltd. (the Company)**, as at 31st March, 2009, the Profit & Loss Account and the Cash Flow Statement of the company for the year ended on that date annexed thereto.

Respective Responsibility of The Management and The Auditor:

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.

Basis of Opinion:

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 misstatements. 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.

Opinion:

We report as under:

- I. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us by the management, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II Further to our comments in the Annexure referred to in paragraph I above:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit & 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 & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent they are applicable to the Company.
- e) On the basis of written representations received from the Directors of the Company as on 31st March, 2009, and taken on record by the Board of Directors of the Company, we report that none of the Director is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting policies generally accepted in India:
 - i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009,
 - ii) in case of the Profit & Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in case of Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For Haribhakti & Co.,
Chartered Accountants

Rakesh Rathi
Partner

Place : Mumbai
Date : 28th April, 2009.

Membership No. 45228

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF WALCHAND PEOPLEFIRST LTD.

Fixed Assets:

1. The company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
2. The company has a regular programme of physical verification of its fixed assets, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, fixed assets were physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.
3. The Company has not disposed off substantial part of

its fixed assets during the year.

Loans & Advances with parties stated u/s 301 of the Act:

4. According to the information and explanations given to us, the company has granted unsecured loan to its subsidiary company during the previous year. The maximum amount outstanding during the year is of Rs.217.95 Lacs.
5. In our opinion, the rate of interest and other terms and conditions on which unsecured loan has been granted by the company to its subsidiary company are not prima facie prejudicial to the interest of the company.
6. According to the information and explanations given to us, the receipt of principal amount and interest are also regular.
7. According to the information and explanations given to us, as on the balance sheet date the overdue amount is not more than rupees one lakh.
8. According to the information and explanations given to us, the company has taken unsecured loan from its holding company during the year and maximum amount involved during the year is of Rs 33.50 Lacs.
9. In our opinion, the rate of interest and other terms and conditions on which unsecured loan has been taken by the company from its holding company are not prima facie prejudicial to the interest of the company.
10. According to the information and explanations given to us, the payment of principal amount and interest are also regular.

Contracts/Arrangements with parties stated u/s 301 of the Act:

11. On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions which were required to be entered in the register maintained under section 301 of the said act, have been entered.
12. In our opinion and according to the information and explanations given to us, one of the transaction with a party with whom total value of all transactions exceeding the value of rupees five lacs, is made at price which is not reasonable having regard to the prevailing market prices at the relevant time.

Internal Controls:

13. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of investments, fixed assets and the sale of goods and services. During the course of audit, no major weakness has been noticed in relation to the internal control.

Deposits:

14. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the 'public' to which the provisions of Section 58A and 58AA of the Act, and the rules framed there under apply.

Internal Audit:

15. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.

Statutory Dues:

16. According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax and other statutory dues, if any, applicable to it. As explained to us the, provisions regarding sales tax, custom duty and excise duty are presently not applicable to the Company. Dues which are stated as under were outstanding, as at the last day of the financial year for a period of more than six months from the date they become payable.

Name of the Statute	Nature of the dues	Period	Amount (Rs.in lacs)
The Payment of Bonus Act, 1965	Bonus	2006 - 07	0.37
	Bonus	2007 - 08	0.37

17. According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute except for the following:

Name of the Statute	Nature of Dues	Period to which it relates	Amount (Rs. in Lacs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1988-89, 1990-91 to 1997-98, 2003-04 to 2005-06	104.63	CIT(A)
	Penalty u/s 271(1)(c)	1986-87	0.59	CIT(A)
	Penalty u/s 271(1)(c)	2002-03	2.59	ITAT
	Income Tax	1988-89, 1992-93 & 1993-94	59.78	Mumbai High Court
Municipal Corporation of Great Mumbai (BMC)	Property Tax	2000 to 2009	110.60	Mumbai High Court
Mumbai port trust	Municipal dues	2002-03	33.99	Mumbai High Court

Accumulated / Cash losses:

18. The company does not have any accumulated losses at the year end, and has not incurred any cash losses during the financial year and in the immediately preceding financial year.

Default in repayment of dues:

19. According to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.

Loans and Advances granted on the basis of securities:

20. According to the records of the Company and according to the information and explanations provided to us, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Investment Company:

21. In respect of dealing / trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its own name except to the extent of exemption granted under section 49 of the Act.

Guarantees Given:

22. According to the information and explanations provided to us the company has not given guarantees for loans taken by others from banks or financial institutions, except for the loan taken by its holding company & subsidiary company, whereof the terms and conditions

of the guarantee given for such loan is prima facie not prejudicial to the interest of the company.

Sources and Application of Funds:

23. Based on our examination of the balance sheet of the company as at March 31, 2009 on an overall basis and as per the information and explanation given to us, we find that no funds raised on short-term basis were utilized for long-term purpose.

Preferential Allotment:

24. According to the information and explanations given to us, the company had not made preferential allotments of shares to parties listed in the register maintained under Section 301 of the Act.

Fraud:

25. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Miscellaneous:

26. The clauses (ii), (viii), (xiii), (xvi), (xix), (xx) of the paragraph 4 & 5 of the Order are not applicable to the company and hence not reported upon.

For Haribhakti & Co.,
Chartered Accountants

Rakesh Rathi
Partner

Membership No. 45228

Place : Mumbai
Date : 28th April, 2009.

BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	As At 31.03.2009 Rupees in Lacs	As At 31.03.2008 Rupees in Lacs
SOURCES OF FUNDS :			
SHAREHOLDERS' FUND			
Share Capital	A	284.89	284.89
Reserves & Surplus	B	1,838.14	1,956.77
LOAN FUNDS			
Secured Loans	C	5.43	8.41
Unsecured Loans	D	33.50	
	TOTAL	2,161.96	2,250.07
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	E	463.19	489.43
Less : Depreciation		224.17	227.45
NET BLOCK		239.02	261.98
Investments	F	1,518.12	1,229.64
Deferred Tax Assets (Net)		28.05	174.63
Current Assets, Loans And Advances			
Cash and Bank Balances	G	6.52	43.73
Other Current Assets	H	6.67	6.81
Application Money		-	251.06
Loans and Advances	I	696.31	640.75
		709.50	942.35
Less : Current Liabilities and Provisions			
Current Liabilities	J	127.92	121.41
Provisions	K	204.82	237.12
		332.74	358.53
NET CURRENT ASSETS		376.77	583.82
	TOTAL	2,161.96	2,250.07

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

O

FOR AND ON BEHALF OF THE BOARD

As per our attached report of even date

For **Haribhakti & Co.**
Chartered Accountants

RAKESH RATHI

Partner
Membership No. 45228

PALLAVI JHA

Chairperson & Managing Director

SANJAY JHA

Whole Time Director

HARSHAD MANE

Company Secretary

SURESH JHANWAR

Associate Vice President - Finance

Place : Mumbai
Date : 28.04.2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule	For the Year Ended 31.3.2009 Rupees in Lacs	For the Year Ended 31.3.2008 Rupees in Lacs
INCOME :			
Dividend & Interest	L	28.48	33.76
Profit from Sale of Investments		0.34	99.88
Dale Carnegie Training Income (Tax Deducted Rs Nil PY Rs 39.41 Lacs)		-	497.21
Other Income	M	104.26	88.86
TOTAL	TOTAL	133.08	719.71
EXPENDITURE :			
Employees' Remuneration & Other Expenses	N	76.19	801.11
Loss on Sale Of Investments		3.59	5.63
Interest		4.49	1.09
Depreciation, Amortisation & Impairment		19.60	37.31
TOTAL	TOTAL	103.87	845.14
PROFIT BEFORE EXCEPTIONAL ITEM & TAX		29.21	(125.43)
Profit on Sale of Training Business		-	906.44
PROFIT BEFORE TAX (i)		29.21	-
Profit from continuing operations before tax			
From Operating Activity			29.60
From Sale of Training Business			906.44
			936.04
Less : Provision for Tax			
Minimum Alternative Tax - Current Year		(2.58)	(81.45)
Income Tax - Earlier Year		5.21	-
Fringe Benefit Tax		(0.74)	(8.00)
Deferred Tax		(146.58)	(53.04)
Wealth Tax		(3.15)	(3.13)
Provision for Tax (ii)		(147.84)	(145.62)
(Loss)/Profit from Continuing Operation after Tax		(118.63)	790.42
(Loss)/Profit from Discontinued operations		-	(155.03)
Net Profit/(Loss) for the Year		(118.63)	635.39
Balance Brought Forward		1,277.13	675.07
AMOUNT AVAILABLE FOR APPROPRIATION		1,158.50	1,310.46
APPROPRIATIONS :			
Proposed Dividend		-	28.49
Dividend Distribution Tax		-	4.84
Balance carried to Balance Sheet		1,158.50	1,277.13
Basic & Diluted Earnings Per Share (refer Note No.6) (Face value of Rs. 100 each)		(41.64)	223.03

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

O

FOR AND ON BEHALF OF THE BOARD

As per our attached report of even date

For **Haribhakti & Co.**
Chartered Accountants

RAKESH RATHI
Partner
Membership No. 45228

PALLAVI JHA

Chairperson & Managing Director

SANJAY JHA

Whole Time Director

HARSHAD MANE

Company Secretary

SURESH JHANWAR

Associate Vice President - Finance

Place : Mumbai
Date : 28.04.2009

SCHEDULES FORMING PART OF BALANCE SHEET

As at 31.03.2009 Rupees in Lacs	As at 31.03.2008 Rupees in Lacs
---------------------------------------	---------------------------------------

SCHEDULE 'A' : SHARE CAPITAL

Authorised Capital :

8,00,000 Equity Shares of Rs. 100/- each	800.00	800.00
2,00,000 Preference Shares of Rs. 100/- each	200.00	200.00
TOTAL	1,000.00	1,000.00

Issued, Subscribed and paid up :

2,84,890 Equity Shares of Rs. 100/- each, fully paid up (150,075 Equity Shares are held by Walchand & Co. Private Limited - Holding Co.)	284.89	284.89
TOTAL	284.89	284.89

Of the above Equity Shares :

- 11,666 Shares were issued in 1961 by converting 35,000 Promoters' Shares of Rs. 3.75 each (Rs. 1,31,250) into 11,666 Shares of Rs. 11.5064 each and by utilising Rs. 2,18,730 from Capital Reserves for issue of 11,666 Shares of Rs. 18.74936 each and consolidating the two.
- 43,333 Shares of Rs. 30 each were issued in 1961 as Bonus Shares by utilising Capital Reserve of Rs. 12,99,990.
- During 1966, the face value of 1,71,675 Equity Shares was increased from Rs. 30 each to Rs. 50 each by utilising of Rs. 34,33,500 from Reserve for Investments and Advances, Further 34,335 bonus Equity Shares of Rs. 50 each were issued as fully paid by capitalisation of Rs. 17,16,750 out of General Reserve.
- During 1970, the face value of equity Shares was increased from Rs. 50 to Rs. 60 per share by capitalising Rs. 20,60,100 from General Reserve.
- During 1984, the face value of Equity Shares was increased from Rs. 60 to Rs. 100 per share by capitalising Rs. 82,40,400 from General Reserve.
- During 1994-95, 78,880 Equity Shares of Rs. 100.00 each were issued to the promoters on the preferential basis.

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31.03.2009 Rupees in Lacs	As at 31.03.2008 Rupees in Lacs
SCHEDULE B : RESERVES AND SURPLUS		
Capital Redemption Reserve	81.25	81.25
Securities Premium Account	181.42	181.42
Reserve Funds Under Section 45 - IC (1) of the Reserve Bank Of India (Amendment) Act, 1997	206.47	206.47
General Reserve	1,487.63	211.89
Add : Balance as per Profit & Loss Account	(118.63)	1,277.13
Less : Adjustment for Retirement Benefit of AS - 15	-	(1.39)
TOTAL	1,838.14	1,956.77

SCHEDULE C : SECURED LOANS

Vehicle Loan	5.43	8.41
(Secured by Hypothecation of Vehicles)		
TOTAL	5.43	8.41

SCHEDULE D : UNSECURED LOANS

Due to Walchand & Co. Pvt. Ltd. (Holding Co.)	33.50	
TOTAL	33.50	-

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 'E' : FIXED ASSETS

Rupees in Lacs														
ASSETS		GROSS BLOCK				DEPRECIATION				IMPAIRMENT			NET BLOCK	
		Cost as at		Cost as at		As at	For the	Total	As At	For the	As At	As At	As At	
		01.04.2008	Additions	Deductions	31.03.2009	01.04.2008	Period		Dedts/Adjus	31.03.2009	01.04.2008	Period	31.03.2009	31.03.2009
1	Building	331.71	0.00	0.00	331.71	117.95	10.69	0.00	128.64	-	-	-	203.07	213.76
2	Data Processing and Allied Equipments	38.27	0.00	12.76	25.51	35.56	1.03	12.56	24.02	-	-	-	1.49	2.72
3	Plant and Machinery	9.42		0.00	9.42	8.47	0.13	0.00	8.60	-	-	-	0.81	0.95
	Electric Instalations	4.85	0.00	0.00	4.85	2.38	0.34	0.00	2.72	-	-	-	2.13	2.47
4	Office Equipments	33.66	0.33	4.51	29.48	23.18	1.49	3.86	20.81	-	-	-	8.67	10.48
6	Furniture & Fixtures	39.28		7.01	32.27	25.89	2.42	5.70	22.61	-	-	-	9.66	13.38
7	Vehicles	25.24	0.00	2.29	22.95	10.28	3.50	0.77	13.01	-	-	-	9.94	14.95
8	Membership Card Capital	7.00			7.00	0.00	-	-	0.00	3.75	-	3.75	3.25	3.25
As at March 31, 2009		489.43	0.33	26.57	463.19	223.70	19.60	22.88	220.42	3.75	-	3.75	239.02	261.98
As at March 31, 2008		576.69	26.13	113.39	489.43	240.23	37.31	53.84	223.70	3.75	-	3.75	261.98	

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 'F' : INVESTMENTS

PARTIULARS	Face Value	As at March 31.2009		As at March 31.2008	
		Quantity	Rs in Lacs	Quantity	Rs in Lacs
SHARES FULLY PAID :					
INVESTMENTS - Long Term					
(1) Quoted Investments					
Aditya Birla Nuvo Ltd.	10	-	-	5	0.08
Associated Cement Company Ltd.	1	10	0.03	10	0.03
Bengal & Assam Company Ltd.	10	58			
Bharat Earth Movers Ltd.	10			8	0.09
Bharati Airtel Ltd.	10	48	0.24		
Biocon Ltd.	10	126	0.29		
Cairn India Ltd.	10	79	0.13		
Chennai Petroleum Corporation Ltd.	10			26	0.08
Corporation Bank Ltd.	10			375	1.55
Cholamadalam DBS Finance Ltd.	10	24	0.05	24	0.05
Development Credit Bank Ltd.	10			165	0.16
Financial Technologies Ltd.	2	9	0.04		
Geodesic Information Systems Ltd.	10			41	0.08
HDFC Bank Ltd.	10	13	0.11		
Hindustan Dorr - Oliver Ltd.	2	375	0.50	505	0.67
Hindustan Petroleum Corporation Ltd.	10			271	0.83
H T Media Ltd.	2	673	1.38	716	1.47
ICICI Bank Ltd.	10	123	0.35		
Idea Cellular Ltd.	10	486	0.18		
Indraprastha Gas Ltd.	10			479	0.65
Infrastructure Dev. Finance Co. Ltd.	10	295	0.14		
IRB Infrastructure Developers Ltd.	10	281	0.37	141	0.27
J K Industries Ltd.	10	750	1.41	750	1.41
Kalpataru Power Transmission Ltd.	10	84	1.34	89	1.42
KPIT Cummins Infosystems Ltd.	2	1,750	2.98	1,750	2.98
Larsen & Toubro Ltd.	2	26	0.15		
Maruti Udyog Ltd.	10			119	1.00
MIC Electronics Ltd.	2	75	0.11	-	
Mind Tree Consulting Ltd.	10			282	1.69
Netflier Finco Ltd.	10			250	
Network 18 Fincorp Ltd.	10	431	1.63	455	1.72
NIIT Ltd.	10			605	1.32
Onmobile Global Ltd.	10	44	0.23	50	0.26
Patni Computer Systems Ltd.	10	360	2.02	360	2.02
Prithvi Information Solutions Ltd.	10	300	1.03	300	1.03
PSL Holdings Ltd.	10	236	0.89	249	0.94
Punjab National Bank	10			12	0.07
Punj Lloyd Ltd.	2	61	0.09	34	0.12
Reliance Capital Ltd.	10	57	0.17		
Reliance Industries Ltd.	10	14	0.13		
Rural Electrification Corpn . Ltd.	10	448	0.44		
Sasken Communications Tech. Ltd.	10	400	1.92	400	1.92
Simplex Infrastructure Ltd.	2	185	1.24	200	1.33
State Bank of India Ltd.	10	13	0.12		
Stone India Ltd.	10			717	1.13

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 'F' : INVESTMENTS (Contd.)

PARTIULARS	Face Value	As at March 31.2009		As at March 31.2008	
		Quantity	Rs in Lacs	Quantity	Rs in Lacs
Tech Mahindra Ltd.	10	169	2.51	169	2.55
United Spirits Ltd.	10	26	0.13		
V S N L / Tata Communication Ltd.	10			20	0.10
Wire And Wireless (India) Ltd.	10	400		400	
Zee Entertainment Ltd.	1	800	2.34	800	2.34
Zee News Ltd.	10	361	0.18	361	0.18
TOTAL - A			24.86		31.54
(2) Unquoted Investments					
Bombay Mercantile Co-op Bank Ltd.	30	166	0.05	166	0.05
PSE Securities Ltd.	200000	1	2.00	1	2.00
Pune Stock Exchange Ltd.	1	5,000	0.05	5,000	0.05
Sushrusa Citizens Co-operative Hospital Ltd.	100	100	0.10	100	0.10
(3) Walchand Talentfirst Ltd. - Subsidiary Company	10	12,650,000	1,265.00	9,650,000	965.00
TOTAL - B			1,267.20		967.20
(4). Investment In Preference Shares					
Unquoted					
Walchand & Co. Pvt. Ltd.(5% Cum.Redeemable Preference Shares)	1000	13,333	133.33	13,333	133.33
Network 18_Fincap_PCCCPs	100	76	0.08	76	0.11
TOTAL - C			133.41		133.44
(5). Investment In Units					
Unquoted					
Kotak 30 - Dividend	10	39,138.336	18.42	34,326.188	17.02
Prudential ICICI Discovery Fund - Dividend	10	58,994.916	13.46	58,994.916	13.46
Reliance Equity Fund - Dividend	10	30,182.578	5.10	30,182.578	5.10
Reliance Growth Fund - Growth	10	6,888.165	32.57	6,888.165	32.57
Reliance Long Term Equity Fund - Dividend	10	99749.971	16.55	99749.971	16.55
Sundaram BNP Paribas Equity Multiplier Fund - Dividend	10	47,975.400	4.80	47,975.400	4.80
TOTAL - D			90.89		89.49
(6). Investments In Debentures					
Television Eighteen India Ltd.	150	62	0.01	62	0.06
TOTAL - E			0.01		0.06
(7). Investments In Immovable Property					
Walchand Co-op. Housing Society Ltd.	50	5	0.003	5	0.003
TOTAL - F			0.00		0.00
INVESTMENTS - Current					
Unquoted					
Investment In Units					
K Liquid - Growth	10			1331.393	0.21
Kotak Floaters Long Term - Growth	10	15614.541	2.14		
Tata Liquid Fund - Dividned	10	5.591	0.06	4.946	0.06

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 'F' : INVESTMENTS (Contd.)

PARTIULARS	Face Value	As at March 31.2009		As at March 31.2008	
		Quantity	Rs in Lacs	Quantity	Rs in Lacs
Unit Trust of India Units 64	10			8,091.000	8.09
TOTAL - G			2.21		8.36
TOTAL OF (A to G)			1,518.58		1,230.09
NOTES :		As at	As at	As at	As at
Aggregate of Investments:-		31.03.2009	31.03.2009	31.03.2008	31.03.2008
		Cost	Market Value	Cost	Market Value
1. Quoted Investments		24.87	8.05	31.59	18.45
2. Unquoted Investments		1,493.71	-	1,198.51	-
		1,518.58	8.05	1,230.10	18.45
Less:- Provision for Diminution in value of shares		0.46		0.46	
		1,518.12		1,229.64	

Note : Aggregate NAV of the Unquoted Mutual Fund Units is Rs. 2.23 Lacs (Rs.8.15Lacs)

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31.03.2009 Rupees in Lacs	As at 31.03.2008 Rupees in Lacs
SCHEDULE G : CASH AND BANK BALANCES		
Cash on hand	0.29	0.26
Balance with Scheduled Banks :		
In Current Accounts	1.11	39.11
In Unpaid Dividend Accounts	5.12	4.36
TOTAL	6.52	43.73

SCHEDULE 'H' : OTHER CURRENT ASSETS

Dividend Receivable	6.67	6.67
Interest Accrued but not Due	-	0.14
TOTAL	6.67	6.81

SCHEDULE 'I' : LOANS AND ADVANCES

(Unsecured & Considered Good, Unless Otherwise Stated)

Considered Good :		
- InterCorporate Deposits (Walchand & Co. Pvt. Ltd. - Holding Company)	-	52.00
- Advance Recoverable in Cash or in Kind For Value to be Received Subsidiary (WTFL)	41.17	8.48
Others	15.34	9.31
- Loan given to Walchand TalentFirst Limited (Subsidiary Company)	217.95	173.42
Interest Accrued but not due (WTFL)	14.09	-
- Security and other Deposits	33.35	33.39
- Advance Payment of Taxes	374.41	364.15
	696.31	640.75
Considered Doubtful :		
- Advance Recoverable in Cash or in Kind or for Value to be Received	1.27	1.30
	697.58	642.05
Less : Provision for Doubtful Loans and Advances	1.27	1.30
TOTAL	696.31	640.75

SCHEDULES FORMING PART OF BALANCE SHEET

As at 31.03.2009 Rupees in Lacs	As at 31.03.2008 Rupees in Lacs
--	--

SCHEDULE 'J': CURRENT LIABILITIES

Security and Earnest Money Deposits	45.15	47.43
Supplier Bills Liability (total outstanding dues of creditors other than micro enterprises & small enterprises)	7.22	19.90
Other Liability	61.12	41.21
Intrest accrued but not due	0.80	
Preference Share Holders unclaimed Liability	8.50	8.51
Investor Education & Protection Fund A/c. (as & when due*)		
- Unclaimed Dividends	5.12	4.36
TOTAL	127.92	121.41

(*These figures do not include any amount due & outstanding to be credited to Investor Education & Protection Fund)

SCHEDULE 'K': PROVISIONS

Proposed Dividend	-	28.49
Dividend Distribution Tax	-	4.84
Provision for Taxation, Wealth Tax & Fringe Benefit Tax	204.82	203.79
TOTAL	204.82	237.12

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	As at 31.03.2009 Rupees in Lacs	As at 31.03.2008 Rupees in Lacs
--	--	---------------------------------------

SCHEDULE 'L': DIVIDENDS AND INTEREST

Dividends (From Investment other than Trade)	9.01	25.93
INTEREST		
On Loans and Intercompany Deposits	19.47	7.83
(Tax deducted Rs 4.36 Lacs, PY Rs 1.55 Lacs)		
TOTAL	28.48	33.76

SCHEDULE 'M': OTHER INCOME

Income from Property	68.41	51.87
(Tax deducted Rs 20.45 Lacs, PY Rs 11.57 Lacs)		
Miscellaneous Income	3.31	8.79
Interest on Income Tax refund	19.94	-
Provision for Doubtful Debtors Written Back	-	25.00
Recovery of Administrative & Management Charges (Holding Co.)	-	2.50
Prior Period Income (Refer Note no. 9 of notes to accounts)	9.49	-
Provision for Expenses Written-back	1.26	0.11
Profit on Sale of Assets	1.85	0.59
TOTAL	104.26	88.86

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

As at 31.03.2009 Rupees in Lacs	As at 31.03.2008 Rupees in Lacs
---------------------------------------	---------------------------------------

SCHEDULE 'N' : EMPLOYEES' REMUNERATION AND OTHER EXPENSES

Salary, Bonus and Commission	31.86	365.88
Contribution to Provident Fund and Other Funds	6.26	23.43
Welfare Expenses	4.59	26.67
Repairs to Other Assets	2.71	10.07
Electricity Charges	0.97	5.99
Insurance Charges	1.00	1.72
Rent	0.27	25.05
Rates and Taxes	0.57	2.38
Advertisement and Publicity	0.97	44.28
Traveling and Conveyance Charges	2.26	22.02
Legal and Professional Expenses	4.89	11.50
Printing and Stationery Charges	2.17	4.75
Telephone Charges	1.00	14.80
Internet /Technology Expenses	0.01	13.26
Office Expenses	2.52	12.08
Prior Period Expenses (Refer Note no. 9 of Notes to accounts)	0.30	1.20
Office Cleaning Expenses	0.61	4.79
Security Expenses	0.61	4.86
Water Charges	0.07	0.17
Entertainment Expenses	0.07	3.35
Brokerage Paid	-	1.55
Miscellaneous Expenses	3.72	5.04
Dale Carnegie Training Expenses	-	92.27
Royalty	-	65.28
Bad Debts/ Doubtful Assets Written Off	-	12.50
Loss on Sale of Assets	-	0.10
Fixed Assets Written Off	1.95	-
Provision for Diminution in Value of Investments	-	0.31
Directors' Sitting Fees	1.40	1.88
Directors' Traveling	3.79	13.41
Auditors' Remuneration and Other Expenses (excluding Service Tax)		
Statutory Audit Fees	1.00	1.50
Tax Audit Fees	0.20	0.60
Statutory Certification Fees incl Ltd Review	0.35	8.40
Expenses Reimbursed	0.06	0.03
TOTAL	76.19	801.11

**SCHEDULE 'O': ACCOUNTING POLICIES AND NOTES FORMING
PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009**

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation:

The financial statements are prepared under Historical Cost Convention, in accordance with the Notified Accounting Standard by Companies Accounting Standard Rules, 2006, statutory enactments and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial Statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimate and assumption that affect the reported amount of asset and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operation during the reporting period end.

3. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment, if any, Cost include all expenses incurred to bringing the asset to its present location and condition till the asset is ready for its intended use.

4. Depreciation:

Depreciation on Assets is provided on Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956. In respect of additions and deletions during the year such Depreciation is calculated on pro-rata basis.

5. Revenue Recognition:

- (a) Dividend is recognized when right to receive the same is established.
- (b) Interest and Other Income are recognised on an accrual basis.

6. Investments:

- (a) Long term Investments are stated at cost. Only where it is concluded that the decline in the value of investments is other than temporary, the carrying amount is reduced to recognize the decline.
- (b) Current investments are stated at cost or fair value which ever is lower, determined on individual Investment basis. Cost is determined on the weighted average basis.

7. Employee Benefits:

The company makes annual contribution to the Employees' Group – cum – life Assurance Scheme of the Life insurance Corporation of India for gratuity, a funded defined Benefit plan for qualifying Employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

All other employee benefits fall under defined contribution method.

8. Foreign Currency Transactions:

Foreign currency transactions are accounted at the rate prevailing on the date of transaction. Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the Balance Sheet Date. Exchange differences arising at the time of settlement of the transactions are recognised in the Profit and Loss account.

9. Deferred Tax:

The deferred tax for the timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet Date. Deferred Tax Asset, if any, arising from timing differences are recognised to the extent there is virtual certainty that these would be realised in future. Deferred Tax assets/liabilities are reviewed as at each balance sheet date based on developments during the year.

10. Leases

Leases where the lessor effectively retains substantially all risk and reward of ownership of the leasehold assets are

classified as operating lease. Operating lease payments are recognized as an expense in the profit and loss account on straight-line basis over the lease term.

11. **Provisions and Contingencies**

A provision is recognised when a company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to the present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

Contingent assets are not provided.

12. **Impairment**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Companies fixed assets.

B. **OTHER NOTES**

1. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The provisions for all known Liabilities are adequate.

2. **Contingent Liabilities:**

- The Income Tax assessment of the Company is completed upto Assessment Year 2006-2007. The total disputed amount under appeals, amounts to the extent of Rs.418.63 lacs (Rs.664.57 lacs), tax liability on which is not ascertainable which are pending before the Income Tax authorities. Management does not foresee any tax liability Materializing from the same.
- Corporate Guarantee given to a Bank on behalf of Walchand & Company Pvt Ltd is Rs. 240 lacs (Rs. 240 lacs).
- Corporate Guarantee given to a Bank on behalf of Walchand TalentFirst Ltd is Rs. 250 lacs (Rs.Nil)
- In relation to payment of Rates & Taxes payable to Municipal Corporation of Great Mumbai (B M C) for the period from 1st April 2000 to 31st March 2009 the demand amounting to Rs. 110.60 lacs (Rs. 33.62 lacs) is disputed, and Appeal is pending before the High Court.
- In relation to Lease rental payable to Mumbai Port Trust the disputed amount of Rs 33.39 lacs (Rs.33.39 lacs) has been challenged by the Company in the High Court.

3. The Company has created the collateral security of Sterling Heritage property to HDFC Bank Ltd. Towards the loan of Rs.250 lacs of Walchand TalentFirst Ltd, being the subsidiary company.

4. **Related Party Disclosures:**

A) **Description of Companies: -**

Name of the Related Party	Nature of Relationship
i) Walchand & Co. Pvt. Ltd.	Holding Company
ii) Walchand Netsoft Pvt Ltd (Formerly WalchandCricketnext.com Private Limited)	Controlled Company
iii) Walchand Talent First Ltd	Current Year 96.68%, Previous Year 100% Subsidiary.

B) **Key Management Personnel: -**

Name of the Related Party	Nature of Relationship
Mrs. Pallavi Jha	Chairperson & Managing Director
Mr. Sanjay Jha	Whole Time Director

C) **Relative of Key Management Personnel: -**

Name of the Related Party	Nature of Relationship
Mrs. Kamalini Bahubali	Mother of Ms.Pallavi Jha

D) Related Parties transactions in accordance with Accounting Standard - 18

(Rupees in Lacs)

Sr. No	Nature of Transactions	2008-2009	2007-2008
i)	Recovery of Administration and Mgmt. Charges (RAM)		
	- Walchand & Company Private Limited	-	2.50
ii)	Interest Received on Inter Corporate Deposit /Loans		
	- Walchand & Company Private Limited	0.83	6.84
	- Walchand TalentFirst Private Limited	18.22	-
iii)	Interest Paid on Inter Corporate Deposit		
	- Walchand & Company Private Limited	1.01	-
iv)	Dividend on Preference shares received		
	- Walchand & Company Private Limited	6.67	6.67
v)	Dividend Paid		
	- Walchand & Company Private Limited	15.01	15.01
	- Mrs. Kamalini Bahubali	0.05	0.05
	- Ms. Pallavi Jha	0.02	0.02
vi)	Inter Corporate Deposits Liquidated during the year		
	- Walchand & Company Private Limited	52.00	25.00
vii)	Inter Corporate Deposits Accepted during the year		
	- Walchand & Company Private Limited	33.50	-
viii)	Rent received		
	- Walchand & Company Private Limited	0.51	0.51
	- Ms. Pallavi Jha	2.07	4.65
ix)	Amount Paid for Expenses		
	- Walchand Netsoft Private Limited	-	9.00
x)	Investment		
	- Walchand TalentFirst Limited	300.00	965.00
xi)	Profit on sale of Business		
	- Walchand TalentFirst Limited	-	906.44
xii)	Share Application Money - Pending Allotments		
	- Walchand TalentFirst Limited	-	251.04
xiii)	Loan Given		
	- Walchand TalentFirst Limited	160.48	286.18
xiv)	Loan Received back		
	- Walchand TalentFirst Limited	107.47	121.25
xv)	Sitting Fees paid to Relatives of Key Management Personnel:		
	- Mrs. Kamalini Bahubali	-	0.08
xvi)	Transactions with Key Management Personnel		
	- Managing Director's Remuneration (Ref.Note No. 13)	14.03	36.42
	- Whole time Directors Remuneration (Ref Note No. 13)	14.46	21.72
	- Sitting fees paid to Mr. Sanjay Jha	-	0.08
xvii)	Reimbursement of Expenses		
	- Walchand TalentFirst Limited	32.69	8.48
xviii)	Premise used by *		
	Walchand TalentFirst Limited (Subsidiary Company)	0.00	0.00
xix)	Balances as on 31.03.2009		
	- Inter Corporate Deposits Kept		
	- Walchand & Company Private Limited	-	52.00
	- Advances		
	- Share Application Money – Pending Allotments	-	251.04
	- Inter Corporate Deposits Accepted		
	- Walchand & Company Private Limited	33.50	-
	- Loan		
	- Walchand TalentFirst Limited	217.95	173.41
	- Investment		
	- Walchand TalentFirst Limited	1265.00	965.00
	- Walchand & Co. Pvt. Ltd. – Preference Shares	133.33	133.33

* Premises is given for use to Walchand TalentFirst Ltd without charging for Rentals for next few years

5. Employee benefit disclosure – AS – 15

The Company has classified various employee benefits as under;

(A) Defined contribution plans

- a. Provident Fund
- b. Superannuation Fund

The Provident Fund are operated by the Regional Provident Fund Commissioner and Trustee of Construction Employees Provident Fund and the superannuation fund is administered by the Life Insurance Corporation of India. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income Tax authorities. The Company has recognized the following amounts in the Profit and Loss Account for the year

	Year ended 31st March 2009 (Rs. In Lacs)	Year ended 31st March 2008 (Rs. In Lacs)
i) Contribution to Provident Fund	0.91	0.94
ii) Contribution to Employee's Superannuation Fund	2.67	5.79
iii) Contribution to Construction Employees Provident Fund	2.28	11.58

(B) Defined Benefit Plan: Gratuity

Valuations in respect of Gratuity have been carried out by LIC actuary, as at the Balance Sheet date, based on the following assumptions;

(Rupees In Lacs)		
1. Assumptions	As on 31/03/2009	As on 31/03/2008
Discount Rate	8%	8%
Salary Escalation	4%	4%
(Rupees In Lacs)		
2. Changes in present value of obligations	As on 31/03/2009	As on 31/03/2008
Present value of obligations as at beginning of year	3.38	6.76
Interest cost	0.27	0.54
Current Service Cost	0.36	1.24
Benefits Paid	0.33	0.82
Actuarial (gain)/Loss on obligations	0.26	(4.64)
Present value of obligations as at end of year	3.94	3.08
(Rupees In Lacs)		
3. Changes in the fair value of plan assets	As on 31/03/2009	As on 31/03/2008
Fair value of plan assets at beginning of year	6.88	4.53
Expected return on plan assets	0.61	0.54
Contributions	0.07	2.59
Benefits paid	0.33	0.82
Actuarial Gain / (Loss) on Plan assets	Nil	NIL
Fair value of plan assets at the end of year	7.24	6.84
(Rupees In Lacs)		
4. Fair value of plan assets	As on 31/03/2009	As on 31/03/2008
Fair value of plan assets at beginning of year	6.88	4.53
Expected return on plan assets	0.61	0.53
Contributions	0.07	2.59
Benefits paid	0.33	0.82
Fair value of plan assets at the end of year	7.24	6.84
Funded status	3.30	3.75
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	Nil	NIL
(Rupees In Lacs)		
5. Actuarial Gain/Loss recognized	As on 31/03/2009	As on 31/03/2008
Actuarial gain/(Loss) for the year -Obligation	(0.26)	4.64
Actuarial (gain)/Loss for the year - plan assets	Nil	NIL
Total (gain)/Loss for the year	0.26	(4.64)
Actuarial (gain)/Loss recognized in the year	0.26	(4.64)

(Rupees In Lacs)		
6. The amounts to be recognized in the balance sheet and statements of profit and loss	As on 31/03/2009	As on 31/03/2008
Present value of obligations as at the end of year	3.94	3.08
Fair value of plan assets as at the end of the year	7.24	6.84
Funded status	3.30	3.75
Net Asset/(liability) recognized in balance sheet	(3.30)	(3.75)
(Rupees In Lacs)		
7. Expenses Recognised in statement of Profit & loss	As on 31/03/2009	As on 31/03/2008
Current Service cost	0.36	1.24
Interest Cost	0.27	0.54
Expected return on plan assets	0.61	0.53
Net Actuarial (gain)/Loss recognised in the year	0.26	(4.64)
Expenses recognised in statement of Profit & loss	0.28	(3.40)

6. Earning Per Share (EPS)

(Rupees in Lacs)		
Particulars	2008-2009	2007-2008
I Profit After Tax available for Equity Shareholders	(118.63)	635.39
II Weighted average number of equity shares for Earnings Per Share @ Rs. 100 Each	284,890	284,890
III Basic & diluted E.P.S. (in Rs.)	(41.64)	223.03

*EPS during the last year has been increased due to one time activity "Profit on sale of Training Business." If this has not been occur during the last year, then the EPS in that case will be Rs (95.14)

7. Obligations on Long-term, Non cancelable operating leases

A) Lease Taken

The lease rentals charged during the year and maximum obligations on long-term, non-cancelable, operating leases payable as per the rentals stated in the respective agreements :

(Rupees in Lacs)		
	2008 - 09	2007-08
Lease rentals recognized during the year	—	17.07

B) Lease Provided

The Company has non-cancelable operating leases on equipped premises leases.

(Rs.in Lacs)		
	2008-09	2007-08
Lease rentals received during the year	68.44	51.87

(Rs.in Lacs)		
* Lease rentals	2008-09	2007-08
Within one year of the balance sheet date	69.09	32.28
Due in a period between 1 year and 5 years	8.59	12.02
Due after five years	1.70	2.21

3) Details of assets given on lease

(Rs. in Lacs)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at			Cost as at	As at	For the	Dedts / Adjus	As At	As At	Total
	01.04.2008	Additions	Deductions	31.03.2009	01.04.2008	Period		31.03.2009	31.03.2009	31.03.2008
Building	2.78			2.78	2.38	0.02		2.40	0.38	0.40

- * In the absence of availability of lease agreement entered with Asst. Collector of Central Excise, Anuditi investment Pvt Ltd & Mrs. Pallavi Jha amount pertaining to future year of these parties is not disclosable
- * There are no restrictions on further sub lease. Some Assets are given on further sub lease by lessee.
- * Additional amount of Service Tax will be collected on these rentals as per the applicable rates existing at the time of payment
- * After the completion of 1 year from their respective dates of inception, lease rent will get escalated as per the agreement.

8. In accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has recognised in its financial statements the Deferred Tax Asset amounting to Rs. 28.05 lakhs.

(Rupees in Lacs)

Particulars	As at 31.03.2009	As at 31.03.2008
A. Deferred Tax Assets		
Unabsorbed Business Loss	0.00	144.80
Unabsorbed Depreciation	48.24	50.30
Others	2.60	2.33
Total - A	50.84	197.43
B. Deferred Tax Liabilities		
Difference in Book and Tax WDV of Fixed Assets	22.79	21.84
Expenses allowable in future years	—	0.96
Total - B	22.79	22.80
Net Deferred Tax Assets - (A-B)	28.05	174.63

9. Details of Prior Period Items :

a) Prior Period Income

(Rs. In Lacs)

Particulars	2008-09	2007-08
1) Interest received on Income Tax Refund	9.49	—

b) Prior Period Expenses

(Rs. In Lacs)

Particulars	2008-09	2007-08
1) Professional Fees	0.12	0.29
2) Subscription	0.05	—
3) Companies contribution to super annuation fund	—	0.91
4) Printing & Stationery Expenses	0.03	—
5) Telephone Expenses	0.02	—
6) Courier Charges	0.01	—
7) Entertainment Expenses	0.07	—
Total	0.30	1.20

10. Statement showing Disclosure of Units purchased and sold during the year:

(Rs. In Lacs)

Name of the Equity Mutual Fund	Purchased during the year*		Sold during the year	
	Quantity	Value (Rs)	Quantity	Value (Rs)
Kotak 30 Dividend	36,255.801	1.40	-	-
			(Rs. In Lacs)	
Name of the Debt Mutual Fund	Purchased during the year*		Sold during the year	
	Quantity	Value (Rs)	Quantity	Value (Rs)
K Gilt Savings Plan - (G)	31,455.623	6.36	31,455.623	6.36
K Liquid (Growth)	35,597.636	5.80	36,929.031	6.01
Kotak Floaters Long Term (G)	22,354.713	3.07	6,740.172	0.93
Tata Liquid Fund - Fortnightly Dividend	0.645	.01		
Unit Trust Of India			8,091.00	8.09
	89,408.615	15.24	83,215.82	21.39

* Purchases include dividend reinvested.

Statement showing Disclosure of Shares purchased and sold during the year

(Rs. In Lacs)

Name of the Company	Purchased during the year		Sold during the year	
	Quantity	Value (Rs)	Quantity	Value (Rs)
Walchand TalentFirst Ltd	3,000,000	300.00		
Aditya Birla Nuvo Ltd			5	0.08
Aurobindo Pharma Ltd	70	0.23	70	0.23
Balrampur Chini Mills Ltd	325	0.30	325	0.30
Bharat Earth Movers Ltd	7	0.08	15	0.17
Bharati Airtel Limited	48	0.24		
Biocon Ltd	63	0.29		
Cairn India Ltd	79	0.13		
Chennai Petroleum Corporation Ltd			26	0.08
Corporation Bank Ltd			375	1.55
Development Credit Bank Ltd	794	0.48	959	0.64
Divi's Laboratories Ltd.	21	0.29	21	0.29
Financial Technologies Ltd.	9	0.04		
Geodesic Information Systems Ltd			41	0.08
HDFC Bank Ltd	13	0.11		
Hindustan Dorr - Oliver Ltd			130	0.17
Hindustan Petroleum Corporation Ltd			271	0.83
H T Media Ltd			43	0.09
ICICI bank Ltd	123	0.35		
Idea Cellular Ltd	486	0.18		
Indraprastha Gas Ltd			479	0.65
Infrastructure Development Finance Co.Ltd.	295	0.14		
IRB Infrastructure Developers Ltd.	140	0.10		
Kalpataru Power Transmission Ltd.			5	0.08
Larsen & Toubro Ltd. (0)	26	0.15		
Maruti Udyog Ltd.(850)			119	1.00
MIC Electronics Ltd.	25	0.19	10	0.08
Mind Tree Consulting Ltd.	50	0.17	332	1.86
Network 18 Fincap			24	0.09
Network 18_Fincap - (Preference Shares)	76	0.08	76	0.11
NIIT Ltd. (150)	85	0.10	1333	1.42
Onmobile Global Ltd.	1	0.01	7	0.04
PSL Holdings Ltd.			13	0.05
Punjab National Bank (235)			12	0.07
Punj Lloyd Ltd.	61	0.09	34	0.12
Rashtriya Chemical & Fertilizers Ltd.	130	0.09	130	0.09
Reliance Capital Ltd.	94	0.67	37	0.50
Reliance Industries Ltd.(3375)	14	0.13		
Rural Electrification Corp'n. Ltd.	448	0.44		
Simplex Infrastructures Limited			15	0.10
State Bank of India Ltd.	13	0.12		
Stone India Ltd.			717	1.14
Tech Mahindra Ltd.	6	0.05	6	0.09
United Spirits Ltd.	26	0.13		
Videsh Sanchar Nigam Ltd.(850)	18	0.09	38	0.19
	30,03,546	305.45	5,668	12.19

11. Statement showing purchase and sale and opening and closing securities giving breakup in respect of each class of securities traded in by the company and the individual quantity of the same.

(Rupees in Lacs)

Particulars	Opening		Purchases during the Year		Sold during the Year		Closing	
	Qty	Amt	Qty	Amt	Qty	Amt	Qty	Amt
Investment in Equity Mutual Fund	278117.218	89.49	4,812.148	1.40	—	—	282929.366	90.89
Investment in Debt Mutual Fund	9,427.339	8.36	89,408.62	15.24	83,215.82	21.39	15,620.13	2.21
Investment in Equity Shares	16,405.01	33.75	4,370.00	5.45	5,918.00	12.19	14,857.01	27.02
Investment in Subsidiaries Shares	9,650,000.00	965.00	3000000	300.00	—	—	12650000.00	1265.00
Investment in Preference Shares	13,409.00	133.34	—	—	—	—	13409.00	133.44
Investment in Debentures	62.00	0.06	1.00	0.99	1.00	1.04	62.00	0.02
Total	9,967,420.56	1230.10	30,98,591.77	323.09	89,134.82	34.62	12976877.50	1518.58

12. Loans & Advances includes due from the companies under the same management within the meaning of sub- section (1B) of Sec- 370:

(Rupees in Lacs)

Name of the Company	Amount Outstanding		Maximum Outstanding	
	2008-09	2007-08	2008-09	2007-08
Walchand & Co. Pvt Ltd.	—	52.00	52.00	77.00
Walchand TalentFirst Ltd	217.95	164.93	217.95	164.93

13. Managerial Remuneration :

(Rupees in Lacs)

Particulars	2008-09	2007-08
Chairperson and Managing Director		
(i) Salary	10.35	23.24
(ii) Contribution to Provident Fund	1.24	2.78
(iii) Contribution to Superannuation Fund	1.35	3.02
(iv) Perquisites	1.65	7.38
Total	14.59	36.42

Particulars	2008-09	2007-08
Whole- Time Director		
(i) Salary	10.22	14.69
(ii) Contribution to Provident Fund	1.13	1.76
(iii) Contribution to Superannuation Fund	1.33	1.91
(v) Perquisites	1.78	3.36
Total	14.46	21.72

14. Expenditure in Foreign Currency

(Rupees in Lacs)

Particulars	2008-09	2007-08
- Royalty Remitted	-	41.05
- Travelling Expenses	-	2.68
Total	-	43.73

15. During the Year, there is no impairment in Fixed Assets.

16. Company has forwarded letters to creditors for confirming of their status under "The Micro, Small and Medium Enterprises Development Act, 2006". On the basis of information received no party has confirmed their status under MSME.
17. Previous year's figures have been regrouped/ rearranged wherever found necessary.
18. Figures in bracket reflect the figures for previous year.
19. The Company has transferred its training business to Walchand TalentFirst Ltd (Subsidiary Company) on 24th October 2007 hence previous year figures are not comparable.

FOR AND ON BEHALF OF THE BOARD

As per our attached report of even date

For **Haribhakti & Co.**
Chartered Accountants

RAKESH RATHI
Partner
Membership No. 45228

Place : Mumbai
Date : 28.04.2009

PALLAVI JHA	Chairperson & Managing Director
SANJAY JHA	Whole Time Director
HARSHAD MANE	Company Secretary
SURESH JHANWAR	Associate Vice President - Finance

SCHEDULE P : STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary	<u>Walchand TalentFirst Ltd.</u> March 31, 2009	<u>Walchand TalentFirst Ltd.</u> March 31, 2008
1 The financial year of the subsidiary Company ended on		
2 a) Number of Shares held by holding Company as on the above date	126,50,000 Equity Shares of Rs. 10/- each fully paid	96,50,000 Equity Shares of Rs. 10/- each fully paid
b) Extent of interest of the holding Company as the end of the financial year of the subsidiary.	96.68%	100.00%
3 Date from which it became a subsidiary	25.10.2007	25.10.2007
4 The net aggregate amount of Profits/(Losses) of the subsidiary so far as they concern the members of the holding Company :		
a) not dealt with in the holding Company's accounts;		
i) for the current financial year of the subsidiary	-333.28	-334.11
ii) for the previous financial year of the subsidiary since it became the holding Company's subsidiary	-334.11	NA
b) dealt with in the holding Company's accounts;		
i) for the current financial year of the subsidiary	NIL	NIL
ii) for the previous financial years of the subsidiary since it became the holding Company's subsidiary	NIL	N.A.

FOR AND ON BEHALF OF THE BOARD

As per our attached report of even date

For **Haribhakti & Co.**
Chartered Accountants

CHETAN DESAI
Partner
Membership No. 45228

PALLAVI JHA

Chairperson & Managing Director

SANJAY JHA

Whole Time Director

HARSHAD MANE

Company Secretary

SURESH JHANWAR

Associate Vice President - Finance

Place : Mumbai
Date : 28.04.2009

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	:	791
State Code	:	11
Balance Sheet Date	:	31.03.2009

II. Capital Raised During The Year

Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

III. Position Of Mobilisation And

(Rupees in Lacs)

Deployment Of Funds

Total Liabilities (includes current liabilities & provisions) :	2,494.68
Total Assets (excludes current liabilities & provisions) :	2,494.68

Sources of Funds

Paid up capital	:	284.89
Reserve & Surplus	:	1,838.13
Secured Loans	:	5.43
Unsecured Loans	:	NIL

Application of Funds

Net Fixed Assets	:	239.02
Investments	:	1,518.12
Net Current Assets	:	376.76
Deferred Tax Asset	:	28.05
Accumulated Losses	:	NIL

IV. PERFORMANCE OF COMPANY

(Rupees in Lacs)

Turnover (includes other income)	:	133.08
Total Expenditure	:	103.87
Profit / (Loss) Before Tax	:	29.21
Profit / (Loss) After Tax	:	(118.63)
Earning Per Share (Rs.)	:	(41.64)
Divided Rate %	:	0

V. Generic Names Of Three Principle Services Of The Company (As Per Monetary Terms)

ITC Code No. (ITC Code)	NIL
Product Description	Investment
ITC Code No. (ITC Code)	NIL
Product Description	NIL
ITC Code No. (ITC Code)	NIL

As per our attached report of even date

For **Haribhakti & Co.**
Chartered Accountants

RAKESH RATHI

Partner
Membership No. 45228
Place : Mumbai
Date : 28.04.2009

FOR AND ON BEHALF OF THE BOARD

PALLAVI JHA	Chairperson & Managing Director
SANJAY JHA	Whole Time Director
HARSHAD MANE	Company Secretary
SURESH JHANWAR	Associate Vice President - Finance

CASH FLOW STATEMENT

Annexed to the Balance Sheet for the Year Ended 31st March ,2009

	2008-2009	Rupees in Lacs 2007-2008
A. Cash Flow From Operating Activities :		
Net Profit Before Tax and after	29.21	781.01
Extraordinary items		
Adjustments for :-		
Provision W/back(Aris Agro)		
Depreciation/Impairment	19.60	37.31
Profit on Sale of Investments	(0.34)	(99.88)
Dividend Income (Reced.)	(9.01)	(25.93)
Interest Income (Reced.)	(19.47)	(7.83)
Profit on sale of Training Business	-	(906.44)
Interest Expenses	4.49	1.09
Provision no longer required (investment)		
Profit on sale of Fixed Asset	(1.85)	(0.59)
Loss on sale of Assets	-	0.10
Fixed Assets Written Off	1.95	
Bad Debts Written Off	-	12.50
Provision for Doubtful Advances Written Back	-	(25.00)
Provision for diminution in value of Investments	-	0.31
Loss on sale of Investments	3.59	5.63
Excess Provision for expense Written Back	(1.26)	(0.11)
	(2.31)	(1,008.84)
	26.90	(227.83)
Adjustment for :-		
Trade Receivables	(52.50)	(350.89)
Trade Payables	6.74	264.18
	(45.76)	(86.71)
Cash Generated from Operations	(18.86)	(314.54)
Direct Taxes Paid	(10.49)	(75.99)
Net Cash Flow From Operating Activities	(29.35)	(390.53)
B. Cash Flow From Investing Activities :		
Purchase of Fixed Assets	(0.33)	(26.28)
Sale of Fixed Assets	3.57	2.55
Purchase of Investments	(23.09)	(1,501.08)
Purchase of Investments- Subsidiary	(300.00)	
Sale of Investments	31.37	2119.39
Repayment of Intercompany Deposits	52.00	25.00
Loan given to Subsidiary Company	(44.53)	
Application Money Pending Allotment	251.06	(251.06)
Dividend Income (Reced.)	9.01	26.11
Interest Income (Reced.)	19.61	7.83
Net Cash Flows From Investing Activities	(1.31)	402.46
C. Cash Flow From Financing Activities		
Borrowing - inter company	33.50	-
Repayments of Borrowings	(2.98)	(3.24)
Interest paid	(4.49)	(1.09)
Payment to Preference share holders	(0.01)	(0.01)
Dividend Paid	(27.73)	(29.79)
Dividend Tax Paid	(4.84)	(4.84)
Net Cash Used in Financing Activities	(6.55)	(38.97)
Net Decrease in Cash & Cash Equivalents	(37.21)	(27.04)
Cash & Cash Equivalents as at 01.04.2008		
Cash on Hand	0.26	0.47
Bank Balances	43.47	70.30
	43.73	70.77
Cash & Cash Equivalents as at 31.03.2009		
Cash on Hand	0.29	0.26
Bank Balances	6.23	43.47
	6.52	43.73

As per our attached report of even date

For **Haribhakti & Co.**
Chartered Accountants

RAKESH RATHI
Partner
Membership No. 45228

Place : Mumbai
Date : 28.04.2009

FOR AND ON BEHALF OF THE BOARD

PALLAVI JHA	Chairperson & Managing Director
SANJAY JHA	Whole Time Director
HARSHAD MANE	Company Secretary
SURESH JHANWAR	Associate Vice President - Finance

AUDITORS' REPORT

TO THE MEMBERS OF WALCHAND PEOPLE FIRST LTD.

1. We have audited the attached consolidated balance sheet of **Walchand People First Ltd. ('the Company')**, its subsidiary, Walchand Talent First Ltd (collectively referred to as **"the Group"**), as at March 31, 2009, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto (collectively referred to as **'consolidated financial statements'**). These consolidated financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain a reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial statements issued by the

Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the Company and of its subsidiary included in the consolidated financial statements.

4. On the basis of the information and explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the consolidated balance sheet, of the consolidated state of affairs of the Group as at March 31, 2009,
 - b. in the case of the consolidated profit and loss account, of the consolidated loss of the Group for the year ended on that date; and
 - c. in the case of the consolidated cash flow statement, of the consolidated cash flows of the Group for the year ended on that date.

For Haribhakti & Co.,
Chartered Accountants

Rakesh Rathi
Partner
Membership No. 45228

Place : Mumbai
Date : 28th April, 2009

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	As at 31.03.2009	Rupees in Lacs As at 31.03.2008
SOURCES OF FUNDS :			
SHAREHOLDERS' FUND			
Share Capital	A	284.89	284.89
Reserves & Surplus	B	518.67	716.22
		803.56	1,001.11
Minority Interest		41.49	-
LOAN FUNDS			
Secured Loans	D	150.56	13.11
Unsecured loan	E	33.50	2,500.00
TOTAL		1,029.11	3,514.22
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	F	697.58	712.76
Less : Depreciation		281.17	245.02
NET BLOCK		416.41	467.74
Investments	G	253.13	264.65
Deferred Tax Assets (Net)		28.05	174.63
Current Assets, Loans And Advances			
Sundry Debtors	H	136.48	202.81
Cash and Bank Balances	I	45.68	56.59
Other Current Assets	J	6.67	6.81
Loans and Advances	K	730.85	3,049.67
		919.68	3,315.88
Less : Current Liabilities and Provisions			
Current Liabilities	L	478.55	470.56
Provisions	M	213.72	238.13
		692.27	708.69
NET CURRENT ASSETS		227.41	2,607.20
Profit & Loss account	C	104.11	-
TOTAL		1,029.11	3,514.22

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Q

FOR AND ON BEHALF OF THE BOARD

As per our attached report of even date

For **Haribhakti & Co.**
Chartered Accountants

Rakesh Rathi
Partner
Membership No. 45228

PALLAVI JHA

Chairperson & Managing Director

SANJAY JHA

Whole Time Director

HARSHAD MANE

Company Secretary

SURESH JHANWAR

Associate Vice President - Finance

Place : Mumbai
Date : 28.04.2009

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Schedule		For the Year Ended 31.03.2009	Rupees in Lacs For the Year Ended 31.03.2008
INCOME :			
Dividend & Interest	N	10.26	33.76
Profit from Sale of Investments		0.34	99.88
Training Income		1,168.06	992.21
Other Income	O	149.71	91.68
TOTAL		1,328.38	1,217.53
EXPENDITURE :			
Employees' Remuneration & Other Expenses	P	1,442.34	1,614.21
Loss on Sale Of Investments		3.59	5.63
Interest		19.15	1.35
Depreciation, Amortisation & Impairment		60.69	54.88
TOTAL		1,525.78	1,676.07
PROFIT/(LOSS) BEFORE TAX		(197.40)	(458.54)
Provision for Tax			
Minimum Alternative Tax - Current Year		(2.58)	(81.45)
Income Tax - Earlier Year		5.21	-
Fringe Benefit Tax		(8.63)	(9.00)
Deferred Tax		(146.58)	(53.04)
Wealth Tax		(3.15)	(3.13)
PROFIT / (LOSS) After Taxes (i)		(353.13)	(605.16)
Minority Interest (ii)		(1.95)	-
(I)+(ii)		(351.18)	-
Balance Brought Forward		36.58	675.07
AMOUNT AVAILABLE FOR APPROPRIATION		(314.60)	69.91
APPROPRIATIONS :			
Proposed Dividend		-	28.49
Dividend Distribution Tax		-	4.84
		-	33.33
Balance carried to Balance Sheet		(314.60)	36.58
Basic & Diluted Earnings Per Share in Rs. (Refer Note No. B (6) of Notes to Accounts) (Face Value of Rs. 100 each)		(123.95)	(212.42)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Q

FOR AND ON BEHALF OF THE BOARD

As per our attached report of even date

For **Haribhakti & Co.**
Chartered Accountants

Rakesh Rathi
Partner
Membership No. 45228

PALLAVI JHA

Chairperson & Managing Director

SANJAY JHA

Whole Time Director

HARSHAD MANE

Company Secretary

SURESH JHANWAR

Associate Vice President - Finance

Place : Mumbai
Date : 28.04.2009

Schedules forming part of Consolidated Balance Sheet as at March 31, 2009

	as at 31.03.2009	Rupees in Lacs as at 31.03.2008
SCHEDULE A : SHARE CAPITAL		
Authorised Capital :		
8,00,000 Equity Shares of Rs. 100/- each	800.00	800.00
2,00,000 Preference Shares of Rs. 100/- each	200.00	200.00
TOTAL	1,000.00	1,000.00
Issued, Subscribed and paid up :		
2,84,890 Equity Shares of Rs. 100/- each , fully paid up (150,075, Equity Shares are held by Walchand & Co. Private Limited - Holding Co.)	284.89	284.89
TOTAL	284.89	284.89

Of the above Equity Shares :

- 11,666 Shares were issued in 1961 by converting 35,000 Promoters' Shares of Rs. 3.75 each (Rs. 1,31,250) into 11,666 Shares of Rs.11.5064 each and by utilising Rs. 2,18,730 from Capital Reserves for issue of 11,666 Shares of Rs. 18.74936 each and consolidating the two.
- 43,333 Shares of Rs. 30 each were issued in 1961 as Bonus Shares by utilising Capital Reserve of Rs. 12,99,990/-
- During 1966, the face value of 1,71,675 Equity Shares was increased from Rs. 30 each to Rs. 50 each by utilising of Rs. 34,33,500 from Reserve for Investments and Advances, Further 34,335 bonus Equity Shares of Rs. 50 each were issued as fully paid by capitalisation of Rs. 17,16,750 out of General Reserve
- During 1970, the face value of equity Shares was increased from Rs. 50 to Rs. 60 per share by capitalising Rs. 20,60,100 from General Reserve
- During 1984, the face value of Equity Shares was increased from Rs. 60 to Rs. 100 per share by capitalising Rs. 82,40,400 from General Reserve.
- During 1994-95, 78,880 Equity Shares of Rs. 100.00 each were issued to the promoters on the preferential basis.

CONSOLIDATED SCHEDULES FORMING PART OF BALANCE SHEET

as at 31.03.2009

Rupees in Lacs

as at 31.03.2008

SCHEDULE B : RESERVES AND SURPLUS

Capital Redemption Reserve	81.25	81.25
Securities Premium Account	230.95	181.42
Reserve Funds Under Section 45 - IC (1) of the Reserve Bank Of India (Amendment) Act, 1997	206.47	206.47
General Reserve	-	211.89
Add : Balance as per Profit & Loss Account	-	36.58
Less : Adjustment for Retirement Benefit of AS - 15	-	(1.39)
	<u>-</u>	<u>247.08</u>
	<u>518.67</u>	<u>716.22</u>

SCHEDULE C : PROFIT & LOSS ACCOUNT

General Reserve	247.08	-
Add : Balance as per Profit & Loss Account	(351.19)	-
TOTAL	<u>(104.11)</u>	<u>-</u>

SCHEDULE D : SECURED LOANS

Term Loan from HDFC Bank	98.31	-
Cash Credit from HDFC Bank	46.82	-
Term Loan and Cash Credit are Secured by.		
- Hypothecation of Book Debts and Fixed Assets		
- Personal Guarantee of Executive Chairperson		
- Mortgage of Sterling Hertige, Mumbai, an asset of Walchand PeopleFirst Ltd (Holding Co.)		
Vehicle Loan	5.43	13.11
(Secured by Hypothecation of Vehicles)		
TOTAL	<u>150.56</u>	<u>13.11</u>

SCHEDULE E : UNSECURED LOANS

Short Term Loan		
0% Fully Convertible Unsecured Debentures	-	2,500.00
Walchand and Company	33.50	-
TOTAL	<u>33.50</u>	<u>2,500.00</u>

CONSOLIDATED SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 'F' : FIXED ASSETS

Rupees in Lacs												
ASSETS	GROSS BLOCK			DEPRECIATION			IMPAIRMENT			NET BLOCK		
	Cost as at	Additions	Deductions	Cost as at	As at	For the	Total	As At	For the	As At	As At	As At
	01.04.2008			31.03.2009	01.04.2008	Period	Dedts/Adjus	31.03.2009	01.04.2008	Period	31.03.2009	31.03.2009
1 Building	331.71	-	-	331.71	117.95	10.69	-	128.64			203.07	213.76
Leasehold Building												
Improvement	40.26	8.50	-	48.76	0.88	2.24	-	3.12			45.64	39.38
2 Data Processing and												
Allied Equipments	59.15	0.03	12.77	46.41	39.18	7.95	12.56	34.57			11.84	19.97
3 Plant and Machinery	9.42	-	-	9.42	8.47	0.13	-	8.60			0.81	0.94
Electric Instalations	46.52	0.79	0.36	46.96	4.03	5.97	0.07	9.94			37.02	42.49
4 Office Equipments	40.96	1.17	4.51	37.63	23.70	2.60	3.87	22.43			15.20	17.27
5 Furniture & Fixtures	112.26	5.38	9.69	107.95	30.89	15.31	6.38	39.82			68.14	81.38
6 Vehicles	31.48	-	8.53	22.95	10.99	3.74	1.72	13.01			9.94	20.49
7 Membership Card Capital	7.00	-	-	7.00	-	-	-	-	3.75		3.75	3.25
Intangible Assets												
8 Franchise Fee	34.01	-	-	34.01	5.23	11.12	-	16.34			17.67	28.78
9 Software - Customised (HR)	-	4.80	0.00	4.80	0.00	0.96	0.00	0.96			3.84	0.00
As at March 31, 2009	712.76	20.67	35.86	697.58	241.31	60.70	24.60	277.42	3.75	-	3.75	416.41
As at March 31, 2008	576.69	249.46	113.39	712.76	240.23	54.88	53.84	241.27	3.75		3.75	467.74

CONSOLIDATED SCHEDULES FORMING PART OF BALANCE SHEET

Schedule G : INVESTMENTS

PARTICULARS	Face Value	As at March 31.2009		As at March 31.2008	
		Quantity	Rs in Lacs	Quantity	Rs in Lacs
SHARES FULLY PAID :					
INVESTMENTS - Long Term					
(1) Quoted Investments					
Aditya Birla Nuvo Ltd.	10	-	-	5	0.08
Associated Cement Company Ltd.	1	10	0.03	10	0.03
Bengal & Assam Company Ltd.	10	58			
Bharat Earth Movers Ltd.	10			8	0.09
Bharati Airtel Ltd.	10	48	0.24		
Biocon Ltd.	10	126	0.29		
Cairn India Ltd.	10	79	0.13		
Chennai Petroleum Corporation Ltd.	10			26	0.08
Corporation Bank Ltd.	10			375	1.55
Cholamadalam DBS Finance Ltd.	10	24	0.05	24	0.05
Development Credit Bank Ltd.	10			165	0.16
Divi's Laboratories Ltd.	10			-	-
Financial Technologies Ltd.	2	9	0.04		
Geodesic Information Systems Ltd.	10			41	0.08
HDFC Bank Ltd.	10	13	0.11		
Hindustan Dorr - Oliver Ltd.	2	375	0.50	505	0.67
Hindustan Petroleum Corporation Ltd.	10			271	0.83
H T Media Ltd.	2	673	1.38	716	1.47
ICICI Bank Ltd.	10	123	0.35		
Idea Cellular Ltd.	10	486	0.18		
Indraprastha Gas Ltd.	10			479	0.65
Infrastructure Dev. Finance Co. Ltd.	10	295	0.14		
IRB Infrastructure Developers Ltd.	10	281	0.37	141	0.27
J K Industries Ltd.	10	750	1.41	750	1.41
Kalpataru Power Transmission Ltd.	10	84	1.34	89	1.42
KPIT Cummins Infosystems Ltd.	2	1,750	2.98	1,750	2.98
Larsen & Toubro Ltd.	2	26	0.15		
Maruti Udyog Ltd.	10			119	1.00
MIC Electronics Ltd.	2	75	0.11	-	(0.00)
Mind Tree Consulting Ltd.	10			282	1.69
Netflir Finco Ltd.	10			250	
Network 18 Fincorp Ltd.	10	431	1.63	455	1.72
NIIT Ltd.	10			605	1.32
Onmobile Global Ltd.	10	44	0.23	50	0.26
Patni Computer Systems Ltd.	10	360	2.02	360	2.02
Prithvi Information Solutions Ltd.	10	300	1.03	300	1.03
PSL Holdings Ltd.	10	236	0.89	249	0.94
Punjab National Bank	10			12	0.07
Punj Lloyd Ltd.	2	61	0.09	34	0.12
Rashtriya Chemical & Fertilizer Ltd.	10				
Reliance Capital Ltd.	10	57	0.17		
Reliance Industries Ltd.	10	14	0.13		
Rural Electrification Corpn . Ltd.	10	448	0.44		
Sasken Communications Tech. Ltd.	10	400	1.92	400	1.92
Simplex Infrastructure Ltd.	2	185	1.24	200	1.33
State Bank of India Ltd.	10	13	0.12		
Stone India Ltd.	10			717	1.13
Tech Mahindra Ltd.	10	169	2.51	169	2.55
United Spirits Ltd.	10	26	0.13		
V S N L / Tata Communication Ltd.	10			20	0.10
Wire And Wireless (India) Ltd.	10	400		400	
Zee Entertainment Ltd.	1	800	2.34	800	2.34
Zee News Ltd.	10	361	0.18	361	0.18
TOTAL - A			24.86		31.54

CONSOLIDATED SCHEDULES FORMING PART OF BALANCE SHEET

Schedule G : INVESTMENTS

PARTICULARS	Face Value	As at March 31.2009		As at March 31.2008	
		Quantity	Rs in Lacs	Quantity	Rs in Lacs
(2) Unquoted Investments					
Bombay Mercantile Co-op Bank Ltd.	30	166	0.05	166	0.05
PSE Securities Ltd.	200000	1	2.00	1	2.00
Pune Stock Exchange Ltd.	1	5,000	0.05	5,000	0.05
Sushrusa Citizens Co-operative Hospital Ltd.	100	100	0.10	100	0.10
TOTAL - B			2.20		2.20
(3) Investment In Preference Shares					
Unquoted					
Walchand & Co. Pvt. Ltd.(5% Cum.Redemable Preference Shares)	1000	13,333	133.33	13,333	133.33
Network 18_Fincap_PCCCPS	100	76	0.08	76	0.11
TOTAL - C			133.41		133.44
(4) Investment In Units					
Unquoted					
Kotak 30 - Dividend	10	39,138.34	18.42	34,326.19	17.02
Prudential ICICI Discovery Fund - Dividend	10	58,994.92	13.46	58,994.92	13.46
Reliance Equity Fund - Dividend	10	30,182.58	5.10	30,182.58	5.10
Reliance Growth Fund - Growth	10	6,888.17	32.57	6,888.17	32.57
Reliance Long Term Equity Fund - Dividend	10	99,749.97	16.55	99,749.97	16.55
Sundaram BNP Paribas Equity Multiplier Fund - Dividend	10	47,975.40	4.80	47,975.40	4.80
TOTAL - D			90.89		89.49
(5) Investments In Debentures					
Television Eighteen India Ltd.	150	62	0.01	62	0.06
TOTAL - E			0.01		0.06
(6) Investments In Immovable Property					
Walchand Co-op. Housing Society Ltd.	50	5	0.00	5	0.00
TOTAL - F			0.00		0.00
INVESTMENTS - Current					
Unquoted					
Investment In Units					
K Liquid - Growth	10			1,331.39	0.21
Kotak Floaters Long Term - Growth	10	15,614.54	2.14		
Tata Liquid Fund - Dividned	10	5.59	0.06	4.95	0.06
Unit Trust of India Units 64	10			8,091	8.09
TOTAL - G			2.21		8.36
TOTAL OF (A to G)			253.58		265.09
NOTES :					
Aggregate of Investments:-		As at 31.03.2009	As at 31.03.2009	As at 31.03.2008	As at 31.03.2008
		Cost	Market Value	Cost	Market Value
1. Quoted Investments		24.87	8.05	31.60	18.45
2. Unquoted Investments		228.72	-	233.50	-
		253.59	8.05	265.10	18.45
Less:- Provision for Diminution in value of shares		0.46		0.46	
		253.13		264.65	

Note : Aggregate NAV of the Unquoted Mutual Fund Units is Rs. 2.23 Lacs (Rs.8.15 Lacs)

CONSOLIDATED SCHEDULES FORMING PART OF BALANCE SHEET

Rupees in Lacs
As at 31.03.2009 As at 31.03.2008

SCHEDULE H : SUNDRY DEBTORS (Unsecured, & Considered Good, Unless Otherwise Stated)

Over Six Months	21.50	-
Others	114.98	202.81
TOTAL	136.48	202.81

SCHEDULE I : CASH AND BANK BALANCES

Cash on hand	0.40	0.60
Balance with Scheduled Banks :		
In Current Accounts	40.16	51.67
In Unpaid Dividend Accounts	5.12	4.32
TOTAL	45.68	56.59

SCHEDULE J : OTHER CURRENT ASSETS

Dividend Receivable	6.67	6.67
Interest Accrued but not Due	-	0.14
TOTAL	6.67	6.81

SCHEDULE K : LOANS AND ADVANCES (Unsecured & Considered Good, Unless Otherwise Stated)

Considered Good :		
- InterCorporate Deposits (Walchand & Co. Pvt. Ltd. - Holding Company)	0.00	52.00
- Advance Recoverable in Cash or in Kind For Value to be Received	39.77	2,467.89
- Security and other Deposits	114.11	112.75
- Advance Payment of Taxes	576.97	417.03
	730.85	3,049.67
Considered Doubtful		
- Advance Recoverable in Cash or in Kind or for Value to be Received	1.27	1.30
	732.12	3,050.97
Less : Provision for Doubtful Loans and Advances	1.27	1.30
TOTAL	730.85	3,049.67

CONSOLIDATED SCHEDULES FORMING PART OF BALANCE SHEET

As at 31.03.2009 Rupees in Lacs
As at 31.03.2008

SCHEDULE L: CURRENT LIABILITIES

Security and Earnest Money Deposits	45.18	47.44
Supplier Bills Liability - Others	73.79	118.11
Supplier Bills Liability - MSME	0.07	
Other Liability	345.09	292.14
Interest Accrued but not due	0.80	
Preference Share Holders unclaimed Liability	8.50	8.51
Investor Education & Protection Fund A/c. (as & when due*)		
- Unclaimed Dividends	5.12	4.36
TOTAL	478.55	470.56

(*These figures do not include any amount due & outstanding to be credited to Investor Education & Protection Fund)

SCHEDULE M : PROVISIONS

Proposed Dividend	-	28.49
Proposed Dividend Tax	-	4.84
Provision for Taxation, Wealth Tax & Fringe Benefit Tax	213.72	204.79
TOTAL	213.72	238.12

CONSOLIDATED SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

SCHEDULE N : DIVIDENDS AND INTEREST

Dividends (Other than trade investment)	9.01	25.93
Interest		
On Loans and Intercompany Deposits	1.25	7.83
TOTAL	10.26	33.76

SCHEDULE O : OTHER INCOME

Income from Property	68.41	51.87
Miscellaneous Income	11.75	11.61
Interest	-	0.03
Interest on Income Tax refund	19.94	24.97
Recovery of Administrative & Management Charges (From Walchand & Co.)	-	2.50
Prior Period Income	13.53	
Provision for Expenses Written-back	34.23	0.11
Profit on Sale of Assets	1.85	0.59
TOTAL	149.71	91.68

CONSOLIDATED SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

Rupees in Lacs
As at 31.03.2009 As at 31.03.2008

SCHEDULE P : EMPLOYEES' REMUNERATION AND OTHER EXPENSES

Salary, Bonus and Commission	633.92	620.15
Contribution to Provident Fund and Other Funds	35.86	53.66
Welfare Expenses	50.97	42.80
Repairs to Other Assets	7.71	13.31
Electricity Charges	22.12	12.42
Insurance Charges	2.22	2.09
Rent	180.88	114.16
Vodafone Learning Centre Expenses		
Rent	39.10	-
Others	19.34	-
Rates and Taxes	3.75	3.06
Advertisement and Publicity	37.34	151.64
Traveling and Conveyance Charges	34.30	51.49
Legal and Professional Expenses	11.73	37.52
Printing and Stationery Charges	6.82	9.10
Telephone Charges	22.83	24.70
Internet /Technology Expenses	24.20	25.52
Office Expenses	16.06	17.95
Prior Period Expenses	3.86	1.20
Office Cleaning Expenses	10.32	9.31
Security Expenses	8.57	7.87
Water Charges	0.68	0.62
Entertainment Expenses	4.94	5.45
Brokerage Paid	0.61	11.15
Miscellaneous Expenses	7.69	5.31
Training Expenses	87.79	167.72
Royalty	145.22	140.58
Bad Debts/ Doubtful Assets Written Off	0.46	12.50
Loss on Sale of Assets	1.50	0.10
Fixed Assets Written Off	4.26	-
Provision for Diminution in Value of Investments	-	0.31
Directors' Sitting Fees	2.20	2.18
Directors' Traveling	10.38	15.69
Auditors' Remuneration and Other Expenses (excluding Service Tax)		
Statutory Audit Fees	3.00	1.50
Tax Audit Fees	0.60	0.60
Statutory Certification Fees incl. Ltd. Review	1.05	8.40
Expenses Reimbursed	0.07	0.03
TOTAL	1,442.34	1,614.21

SCHEDULE 'Q': NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT OF THE COMPANY AND ITS SUBSIDIARY FOR THE FINANCIAL YEAR 2008-09

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation:

The consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) -21 on Consolidated Financial Statements issued by Institute of Chartered Accountants of India. The Consolidated Financial statements comprise of financial Statements of Walchand PeopleFirst Ltd (the Company) and its subsidiary Walchand TalentFirst Ltd.

Consolidated Financial Statements have been prepared on following basis:

The financial statements are prepared under Historical Cost Convention, in accordance with the Notified Accounting Standard by Companies Accounting Standard Rules, 2006, statutory enactments and the relevant provisions of the Companies Act, 1956.

Financial Statements of the subsidiary company in consolidation are drawn up to the same reporting date as that of the Company.

The Financial Statements of the company and its subsidiary have been combined on line-by-line basis adding together the book value like items of assets, liabilities, income and expenses. Inter- company balances and transactions and unrealized profits or losses have been fully eliminated.

The Consolidated financial Statements have been prepared using uniform accounting policies and other events in similar circumstances and presented, to the extent possible, in the same manner as the Companies Separate Financial Statements.

Minority interest in consolidated financial consist of the amount of equity capital at the date on which investment in subsidiary is made and share of profit and loss attributable to minority interest.

2. Use of Estimates

The preparation of financial Statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimate and assumption that affect the reported amount of asset and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operation during the reporting period end.

3. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment, if any, cost include all expenses incurred to bringing the asset to its present location and condition till the asset is ready for its intended use.

4. Depreciation:

Depreciation on assets is provided on Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956. In respect of additions and deletions during the year such Depreciation is calculated on pro-rata basis.

Leasehold improvements are amortized over the period of lease.

5. Intangible Assets:

Amount paid as franchisee rights and HR Software is treated as an intangible asset and is amortized over a period of 5 years from the date of incurring such expenditure on pro-rata basis.

Goodwill is amortized over a period of 9 years beginning 1st April 2008.

6. Revenue Recognition:

- (a) In case of Open Program, income is recognised at the commencement of the program.
- (b) In case of Corporate Program, appropriate revenue is recognised when confirmed order is received and there is reasonable certainty of completion of the program.
- (c) Dividend is recognized when right to receive the same is established.
- (d) Interest and Other Income are recognised on an accrual basis.
- (e) In case of Long term course (i.e. courses more than 6 weeks duration) , revenue is accrued over the period of the course.

7. Investments:

- (a) Long term Investments are stated at cost. Only where it is concluded that the decline in the value of investments is other than temporary, the carrying amount is reduced to recognize the decline.
- (b) Current investments are stated at cost or fair value which ever is lower, determined on individual Investment basis. Cost is determined on the weighted average basis.

8. Employee Benefit :

The company makes annual contribution to the Employees' Group – cum – life Assurance Scheme of the Life insurance Corporation of India for gratuity, a funded defined Benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

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

All other employee benefits fall under defined contribution method.

9. Foreign Currency Transactions:

Foreign currency transactions are accounted at the rate prevailing on the date of transaction. Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the Balance Sheet Date. Exchange differences arising at the time of settlement of the transactions are recognised in the Profit and Loss account.

10. Deferred Tax:

The deferred tax for the timing differences between the book and tax profits for the year is accounted for , using the tax rates and laws that have been substantively enacted as of the Balance Sheet Date. Deferred Tax Asset, if any, arising from timing differences are recognised to the extent there is virtual certainty that these would be realised in future. Deferred Tax assets/liabilities are reviewed as at each balance sheet date based on developments during the year.

11. Leases

Leases where the lessor effectively retains substantially all risk and reward of ownership of the leasehold assets are classified as operating lease. Operating lease payments are recognized as an expense in the profit and loss account on straight-line basis over the lease term.

12. Provisions and Contingencies

A provision is recognised when a company has a present obligation as a result of past event. it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to the present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. This are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

Contingent assets are not provided.

13. Impairment

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the csmpanies fixed assets.

B. OTHER NOTES

1. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The provisions for all known liabilities are adequate.

2. Contingent Liabilities:

a. The Income Tax assessment of the Company is completed upto Assessment Year 2006-2007. The total disputed amount under appeals, amounts to the extent of Rs. 418.63 (Rs.664.57 lacs), tax liability on which is not ascertainable which are pending before the Income Tax authorities. Management does not foresee any tax liability materializing from the same.

b. Corporate Guarantee given to a Bank on behalf of Walchand & Company Pvt Ltd is Rs 240 lacs (Rs. 240 lacs)

c. Corporate Guarantee given to a Bank on behalf of Walchand TalentFirst Ltd is Rs. 250 lacs (Rs.Nil)

d. In relation to payment of Rates & Taxes payable to Municipal Corporation of Great Mumbai (B M C) for the period from 1st April 2000 to 31st March 2009 the demand amounting to Rs 110.60 (Rs. 33.62 lacs) is disputed, and Appeal is pending before the High Court.

e. In relation to Lease rental payable to Mumbai Port Trust the disputed amount of Rs 33.39 (Rs.33.39 lacs) has been challenged by the Company in the High Court.

3. During the year Walchand TalentFirst Ltd (Subsidiary company) has partially converted One 0% fully convertible unsecured debenture having a face value of Rs.25 Crs allotted to Bennett, Coleman & Co. Ltd. in to

4,34,375 number of equity shares of face value of Rs 10 each at a Rs 21.40 Per share for Rs 92.97 lacs, which has been approved by the Board of Directors at the meeting held on 27th January 2009.

Balance portion to a extend of Rs 24.07Cr has been adjusted against the prepaid advance paid to Bennett, Coleman & Co. Ltd. under the partial redemption option available by virtue of Amendment to Convertible Debenture Subscription Agreement entered on 27th January 2009

4. Related Party Disclosures:

a. Description of Companies: -

Name of the Related Party	Nature of Relationship
i) Walchand & Co. Pvt. Ltd.	Holding Company
ii) Walchand TalentFirst Ltd.	Subsidiary Company
iii) Walchand Netsoft Pvt Ltd (Formerly WalchandCricketnext.com Private Limited)	Controlled Company

B. Key Management Personnel: -

Name of the Related Party	Nature of Relationship
Mrs. Pallavi Jha	Chairperson & Managing Director
Mr. Sanjay Jha	Whole Time Director

C. Relative of Key Management Personnel: -

Name of the Related Party	Nature of Relationship
Mrs. Kamalini Bahubali	Mother of Ms. Pallavi Jha

D. Related Parties transactions in accordance with Accounting Standard - 18 in case of holding company: (Rupees in Lacs)

Sr. No	Nature of Transactions	2008-2009	2007-2008
i)	Recovery of Administration and Mgmt. Charges (RAM)		
	- Walchand & Company Private Limited	—	2.50
ii)	Interest Received on Inter Corporate Deposit/Loans		
	- Walchand & Company Private Limited	0.83	6.84
	- Walchand TalentFirst Ltd.	18.22	
iii)	Interest Paid on Inter Corporate Deposit		
	- Walchand & Company Private Limited	1.01	-
iv)	Dividend on Preference shares received		
	- Walchand & Company Private Limited	6.67	6.67
v)	Dividend Paid During the Year		
	- Walchand & Company Private Limited	15.01	15.01
	- Mrs. Kamalini Bahubali	0.05	0.05
	- Ms. Pallavi Jha	0.02	0.02
vi)	Inter Corporate Deposits Liquidated during the year.		
	- Walchand & Company Private Limited	52.00	25.00
vii)	Inter Corporate Deposits Accepted during the year		
	- Walchand & Company Private Limited	33.50	-
viii)	Rent received		
	- Walchand & Company Private Limited	0.51	0.51
	- Ms. Pallavi Jha	2.07	4.65
ix)	Amount Paid for Expenses		
	-Walchand TalentFirst Ltd.	32.69	8.48
	- Walchand Netsoft Private Limited	18.00	9.00
x)	Investment		
	- Walchand TalentFirst Limited	300.00	965.00
xi)	Profit on Sale of Business		
	- Walchand TalentFirst Limited	-	906.44
xii)	Share Application Money - Pending Allotments		
	- Walchand TalentFirst Limited	-	251.04
xiii)	Loan Given		
	- Walchand TalentFirst Limited	160.48	286.18

xiv)	Loan Received back		
	- Walchand TalentFirst Limited	107.47	121.25
xv)	Sitting Fees paid to Relatives of Key Management Personnel:		
	- Mrs. Kamalini Bahubali	—	0.08
xvii)	Transactions with Key Management Personnel		
	- Managing Director's Remuneration	35.56	36.43
	- Whole time Directors Remuneration	35.99	21.72
	- Sitting Fees paid to Mr. Sanjay Jha	—	0.08
xviii)	Premises used by*		
	-Walchand TalentFirst Ltd. (Subsidiary Company)	0.00	0.00
xviii)	Balances as on 31.03.2009		
	- Inter Corporate Deposits		
	- Walchand & Company Private Limited	—	52.00
	- Investment		
	-Walchand TalentFirst Ltd.	1265.00	965.00
	- Walchand & Co. Pvt. Ltd. – Preference Shares	133.33	133.33
	* Premise is given for use to Walchand TalentFirst Ltd. without charging for Rentals for next few years.		

5. Employee benefit disclosure – AS – 15

The Company has classified various employee benefits as under;

(A) Defined contribution plans

a. Provident Fund

b. Superannuation Fund

The Provident Fund are operated by the Regional Provident Fund Commissioner and Trustee of Construction Employees Provident Fund and the superannuation fund is administered by the Life Insurance Corporation of India. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income Tax authorities.

The Company has recognized the following amounts in the Profit and Loss Account for the year

	Year ended 31st March 2009	Year ended 31st March 2008 (Rs. In Lacs)
(i) Contribution to Provident Fund	23.94	0.94
(ii) Contribution to Employee's Superannuation Fund	6.85	5.79
(iii) Contribution to Construction Employees Provident Fund	2.28	11.58

(B) Defined Benefit Plan: Gratuity

Valuations in respect of Gratuity have been carried out as at the Balance Sheet date, based on the following assumptions;
(Rupees in Lacs)

1. Assumptions	As on 31/03/2009	As on 31/03/2008
Discount Rate	8%	8%
Salary Escalation	4%	4%
		(Rupees in Lacs)
2. Changes in present value of obligations	As on 31/03/2009	As on 31/03/2008
Present value of obligations as at beginning of year	8.80	6.76
Interest cost	0.70	0.54
Current Service Cost	6.41	1.24
Benefits Paid	0.33	0.82
Actuarial (gain)/Loss on obligations	(2.76)	(4.64)
Present value of obligations as at end of year	12.83	3.08
		(Rupees in Lacs)
3. Changes in the fair value of plan assets	As on 31/03/2009	As on 31/03/2008
Fair value of plan assets at beginning of year	6.88	4.53
Expected return on plan assets	0.65	0.54
Contributions	0.87	2.59
Benefits paid	0.33	0.82
Actuarial Gain / (Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	8.08	6.84

			(Rupees in Lacs)
4.	Fair value of plan assets	As on 31/03/2009	As on 31/03/2008
	Fair value of plan assets at beginning of year	6.88	4.53
	Expected return on plan assets	0.65	0.53
	Contributions	0.87	2.59
	Benefits paid	0.33	0.82
	Fair value of plan assets at the end of year	8.08	6.84
	Funded status		3.75
	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	NIL	NIL
			(Rupees in Lacs)
5.	Actuarial Gain/Loss recognized	As on 31/03/2009	As on 31/03/2008
	Actuarial gain/(Loss) for the year -Obligation	2.76	4.64
	Actuarial (gain)/Loss for the year - plan assets	NIL	NIL
	Total (gain)/Loss for the year	(2.76)	(4.64)
	Actuarial (gain)/Loss recognized in the year	(2.76)	(4.64)
			(Rupees in Lacs)
6.	The amounts to be recognized in the balance sheet and statements of profit and loss	As on 31/03/2009	As on 31/03/2008
	Present value of obligations as at the end of year	4.75	3.08
	Fair value of plan assets as at the end of the year	8.08	6.84
	Funded status	(4.75)	3.75
	Net Asset/(liability) recognized in balance sheet	4.75	(3.75)
			(Rupees in Lacs)
7.	Expenses Recognised in statement of Profit & loss	As on 31/03/2009	As on 31/03/2008
	Current Service cost	6.41	1.24
	Interest Cost	0.70	0.54
	Expected return on plan assets	0.65	0.53
	Net Actuarial (gain)/Loss recognised in the year	(2.76)	(4.64)
	Expenses recognised in statement of Profit & loss	3.71	(3.40)

6. Earning Per Share (EPS)

(Rupees in Lacs)			
	Particulars	2008-2009	2007-2008
I	Profit After Tax available for Equity Shareholders	(351.18)	(605.16)
II	Weighted average number of equity shares for Earnings Per Share @ Rs. 100 Each	284,890	284,890
III	Basic & diluted E.P.S. (in Rs.)	(123.95)	(212.42)

7. During the year Walchand TalentFirst Ltd has changed accounting policy of Revenue recognition related to Open Program from completion of training program to commencement of training program. There is no impact on revenue due to change in the policy.

8. Segment Reporting

(Rupees in Lacs)

	Investment		Training		Others		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Revenues	9.35	125.80	1168.06	992.21			1,177.41	1118.02
Unallocated Revenue					149.71	91.68	149.71	91.68
Results (PBIT)	(83.24)	(38.68)	(236.42)	(491.65)	149.71	91.68	(169.94)	(438.65)
Unallocated Expenses					(8.30)	(18.54)	(8.30)	(18.54)
Total Results							(178.24)	(457.19)
Operating Profit							(178.24)	(457.19)
Interest Income							1.25	7.83
Interest Expenses							(19.15)	(1.35)
Net Profit/ (Loss) before tax							(197.40)	(458.54)
Tax Expenses							(155.73)	(146.62)
Net Profit/ (Loss) after tax							(353.13)	(605.16)
Other Information :								
Segment Assets	553.60	679.88	458.21	2,950.88			1,011.81	3,630.75
Unallocated Assets					605.47	592.13	605.47	592.13
Total Assets	553.60	679.88	458.21	2,950.88	605.47	592.13	1,617.28	4,222.88
Segment Liability	121.70	121.41	495.74	2,854.83			617.44	2,976.24
Unallocated Corporate Liabilities					258.89	252.23	258.89	252.23
Total Liabilities	121.70	121.41	495.74	2,854.83	258.89	252.23	876.33	3,228.47
Capital Expenditure	0.33	26.13	20.34	223.33			20.67	249.46
Depreciation/Amortisation/ Impairment	19.60	23.11	41.09	31.78			60.69	54.89
Non cash Expenses - other than depreciation	5.54	18.54	2.76				8.30	8.54

9. Obligations on Long-term, Non cancelable operating leases

a. Lease Rental on Premises (Lease Taken)

The lease rentals charged during the year and maximum obligations on long-term, non-cancelable, operating leases payable as per the rentals stated in the respective agreements :

(Rupees in Lacs)

	2008-09	2007 - 08
Lease rentals recognized during the period	168.22 *	80.72
(Rupees in Lacs)		
	2008-09	2007-08
Lease Obligations		
Within one year of the balance sheet date	246.78	144.26
Due in a period between 1 year and 5 years	583.30	403.35
Due after five years	261.39	—

Other Terms

ii) Additional amount of Service Tax will be paid on these rentals as per the applicable rates existing at the time of payment

- Rs.39.10 lacs has been grouped under Vodafone Learning Centre Related expenses in Profit and Loss Account .
- After the completion of 1 year from their respective dates of inception, lease rent will get escalated as per the agreement.

b. Operating Lease of Equipments

The lease rentals charged during the period in the profit and loss account and maximum obligations on long-term, non-cancelable, operating leases payable as per the rental agreements is :

(Rupees in Lacs)

	2008-09	2007 - 08
Lease rentals recognized during the period	51.49	25.46
(Rupees in Lacs)		
	2008-09	2007-08
Lease Obligations		
Within one year of the balance sheet date	31.50	54.42
Due in a period between 1 year and 5 years	83.58	95.23
Due after five years	—	—

Other Terms

- i) The Operating lease arrangements extend for a maximum of 3 years from their respective dates of inception and relate to rented premises.
- ii) Additional amount of Service Tax will be paid on these rentals as per the applicable rates existing at the time of payment
- iii) After the completion of 1 year from their respective dates of inception, lease rent will get escalated as per the agreement.

c. Lease Provided

The Company has non-cancelable operating leases on equipped premises leases. The leases extend for periods between 1 year and 12 years from the date of inception.

1) (Rupees in Lacs)

	2008-09	2007-08
Lease rentals received during the year	68.44	51.87
2) (Rupees in Lacs)		
* Lease rentals	2008-09	2007-08
Within one year of the balance sheet date	69.39	32.28
Due in a period between 1 year and 5 years	8.59	12.02
Due after five years	1.70	2.21

3) Details of assets given on lease (Rupees in Lacs)

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2008	Additions	Deductions	Cost as at 31.03.2009	As at 01.04.2008	For the Period	Dedts / Adjus	Total 31.03.2009	As At 31.03.2009	As At 31.03.2008
Building	2.78			2.78	2.38	0.02		2.40	0.38	0.40

- * In the absence of availability of lease agreement entered with asst collector of central excise, anuditi investment Pvt Ltd & Mrs. Pallavi Jha amount pertaining to future year of these parties is not disclosable
- * There are no restrictions on further sub lease. Some Assets are given on further sub lease by lessee.
- * Additional amount of Service Tax will be collected on these rentals as per the applicable rates existing at the time of payment
- * After the completion of 1 year from their respective dates of inception, lease rent will get escalated as per the agreement.

10. In accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the holding Company has recognised in its financial statements the Deferred Tax Asset amounting to Rs.28.05 lakhs.

Particulars	As at 31.03.2009	As at 31.03.2008
A. Deferred Tax Assets		
Unabsorbed Business Loss	—	144.80
Unabsorbed Depreciation	48.24	50.30
Others	2.60	2.33
Total - A	50.84	197.43
B. Deferred Tax Liabilities		
Difference in Book and Tax WDV of Fixed Assets	22.79	21.84
Expenses allowable in future years	-	0.96
Total - B	22.79	22.80
Net Deferred Tax Assets - (A-B)	28.05	174.63

11. Details of Prior Period Items :**a) Prior Period Income****(Rs. In Lacs)**

Particulars	2008-09	2007-08
1) Interest received on Income Tax Refund	9.49	—
2) Training Course Manual Charges	0.34	—
3) Training Course Material Charges	3.70	—
	13.53	—

b) Prior Period Expenses**(Rs. In Lacs)**

Particulars	2008-09	2007-08
1) Professional Fees	0.35	0.29
2) Subscription	0.05	—
3) Companies contribution to super annuation fund		0.91
4) Printing & Stationery Expenses	0.14	—
5) Telephone Expenses	0.25	—
6) Courier Charges	0.02	—
7) Entertainment Expenses	0.34	—
8) Travelling Inland	0.02	—
9) Sales Incentive	1.00	—
10) Rent	0.15	—
11) Dale Carnegie Motorola Charges	0.91	—
Total	3.86	1.20

12. Statement showing Disclosure of Units purchased and sold during the year

Name of the Equity Mutual Fund	Purchased during the year*		Sold during the year	
	Quantity	Value (Rs)	Quantity	Value (Rs)
Kotak 30 Dividend	36,255.801	1.40	-	-
Name of the Debt Mutual Fund	Purchased during the year*		Sold during the year	
	Quantity	Value (Rs)	Quantity	Value (Rs)
K Gilt Savings Plan – (G)	31,455.623	6.36	31,455.623	6.36
K Liquid (Growth)	35,597.636	5.80	36,929.031	6.01
Kotak Floaters Long Term (G)	22,354.713	3.07	6,740.172	0.93
Tata Liquid Fund – Fortnightly Dividend	0.645	0.01		
Unit Trust Of India			8,091.00	8.09
	89,408.62	15.24	83,215.82	21.39

* Purchases include dividend reinvested.

Statement showing Disclosure of Shares purchased and sold during the year

Name of the Company	Purchased during the year		Sold during the year	
	Quantity	Value (Rs)	Quantity	Value (Rs)
Aditya Birla Nuvo Ltd			5	0.08
Aurobindo Pharma Ltd	70	0.23	70	0.23
Balrampur Chini Mills Ltd	325	0.30	325	0.30
Bharat Earth Movers Ltd	7	0.08	15	0.17
Bharati Airtel Limited	48	0.24		
Biocon Ltd	63	0.29		
Cairn India Ltd	79	0.13		
Chennai Petroleum Corporation Ltd			26	0.08
Corporation Bank Ltd			375	1.55
Development Credit Bank Ltd	794	0.48	959	0.64
Divi's Laboratories Ltd.	21	0.29	21	0.29
Financial Technologies Ltd.	9	0.04		
Geodesic Information Systems Ltd			41	0.08
HDFC Bank Ltd	13	0.11		
Hindustan Dorr - Oliver Ltd			130	0.17
Hindustan Petroleum Corporation Ltd			271	0.83
H T Media Ltd			43	0.09
ICICI bank Ltd	123	0.35		
Idea Cellular Ltd	486	0.18		
Indraprastha Gas Ltd			479	0.65
Infrastructure Development Finance Co.Ltd.	295	0.14		
IRB Infrastructure Developers Ltd.	140	0.10		
Kalpataru Power Transmission Ltd.			5	0.08
Larsen & Toubro Ltd.	26	0.15		
Maruti Udyog Ltd.			119	1.00
MIC Electronics Ltd.	25	0.19	10	0.08
Mind Tree Consulting Ltd.	50	0.17	332	1.86
Network 18 Fincap			24	0.09
Network 18 Fincap - (Preference Shares)	76	0.08	76	0.11
NIIT Ltd.	0.10	1333	1.42	
Onmobile Global Ltd.	1	0.01	7	0.04
PSL Holdings Ltd.			13	0.05
Punjab National Bank			12	0.07
Punj Lloyd Ltd.	61	0.09	34	0.12
Rashtriya Chemical & Fertilizers Ltd.	130	0.09	130	0.09
Reliance Capital Ltd.	94	0.67	37	0.50
Reliance Industries Ltd.	14	0.13		
Rural Electrification Corpn. Ltd.	448	0.44		
Simplex Infrastructures Limited			15	0.10
State Bank of India Ltd.	13	0.12		
Stone India Ltd.			717	1.14
Tech Mahindra Ltd.	6	0.05	6	0.09
United Spirits Ltd.	26	0.13		
Videsh Sanchar Nigam Ltd.	18	0.09	38	0.19
	3,546	5.45	5,668	12.19

B. Statement showing purchase and sale and opening and closing securities giving breakup in respect of each class of securities traded in by the company and the individual quantity of the same.

(Rupees in Lacs)

Particulars	Opening		Purchases during the Year		Sold during the Year		Closing	
	Qty	Amt	Qty	Amt	Qty	Amt	Qty	Amt
Investment in Equity Mutual Fund	2,78,117.218	89.49	4,812.148	1.40	—	—	2,82,929.366	90.89
Investment in Debt Mutual Fund	9,427.339	8.36	89,408.62	15.24	83,215.82	21.39	15,620.13	2.21
Investment in Equity Shares	16,405.01	33.75	4,370.00	5.45	5,918.00	12.19	14,857.01	27.02
Investment in Preference Shares	13,409.00	133.34	—	—	—	—	13409.00	133.44
Investment in Debentures	62.00	0.06	1.00	0.99	1.00	1.04	62.00	0.02
Total	3,17,420.56	265.10	98,591.77	23.09	89,134.82	34.62	3,26,877.50	253.58

C. Loans & Advances includes due from the companies under the same management within the meaning of sub- section (1B) of Sec- 370:

(Rupees in Lacs)

Name of the Company	Amount Outstanding		Maximum Outstanding	
	2008-09	2007-08	2008-09	2007-08
Walchand & Co. Pvt Ltd.	—	52.00	52.00	77.00

D. Managerial Remuneration :

(Rupees in Lacs)

Particulars	2008-09	2007-08
Chairperson and Managing Director		
(i) Salary	24.21	23.24
(ii) Contribution to Provident Fund	2.97	2.79
(iii) Contribution to Superannuating Fund	3.15	3.02
(iv) Perquisites	5.23	7.38
Total	35.56	36.43

(Rupees in Lacs)

Particulars	2008-09	2007-08
Whole- Time Director		
(i) Salary	24.08	14.69
(ii) Contribution to Provident Fund	2.86	1.76
(iii) Contribution to Superannuation Fund	3.13	1.91
(iv) Perquisites	5.92	3.36
Total	35.99	21.72

13. During the year, there is no impairment of Fixed Assets.

14. Previous year's figures have been regrouped/ rearranged wherever found necessary.

15. Figures in bracket reflect the figures for previous year.

FOR AND ON BEHALF OF THE BOARD

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants

Rakesh Rathi
Partner
Membership No. 45228

PALLAVI JHA

SANJAY JHA

HARSHAD MANE

SURESH JHANWAR

Chairperson & Managing Director

Whole Time Director

Company Secretary

Associate Vice President - Finance

Date : 28.04.2009

Place : Mumbai

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended 31st March 2009

	Rs in Lacs	2008- 2009 Rs in Lacs	Rs in Lacs	(Rs. in Lakhs) 2007- 2008 Rs in Lacs
A. Cash Flow From Operating Activities :				
Net Profit Before Tax and after		(197.40)		(458.55)
Extraordinary items				
Adjustments for :-				
Depreciation/Impairment	60.69		54.88	
Profit on Sale of Investments	(0.34)		(99.88)	
Dividend Income (Reced.)	(9.01)		(25.93)	
Interest Income (Reced.)	(1.25)		(7.86)	
Profit on sale of Training Business	-		-	
Interest Expenses	19.15		1.35	
Provision for Expenses Written-back	(32.97)		-	
Profit on sale of Fixed Asset	(1.85)		(0.59)	
Loss on sale of Assets	1.50		0.10	
Fixed Assets Written Off	4.26		-	
Bad Debts Written off	-		12.50	
Provision for Doubtful Advances Written Back	-		(25.00)	
Provision for diminution in value of Investments	-		0.31	
Loss on sale of Investments	3.59		5.63	
Excess Provision for expense Written Back	(1.26)		(0.08)	
		<u>42.51</u>		<u>(84.57)</u>
		(154.89)		(543.12)
Adjustment for :-				
Trade Receivables	2,437.83		(22.38)	
Trade Payables	100.88		256.48	
		<u>2,538.71</u>		<u>234.10</u>
Cash flow from Operations		2,383.81		(309.02)
Direct Taxes Paid		(164.33)		(128.86)
Net Cash Flow From Operating Activities		2,219.48		(437.88)
B. Cash Flow From Investing Activities :				
Purchase of Fixed Assets	(20.65)		(191.96)	
Sale of Fixed Assets	7.37		2.55	
Purchase of Investments	(23.09)		(1,501.08)	
Purchase of Investments- Subsidiary	-		-	
Sale of Investments	31.37		2,119.39	
Deposit Made	-		(79.37)	
Repayment of Intercompany Deposits	52.00		25.00	
Profit on slump sale	-		-	
Loan given to Subsidiary Company	-		-	
Application Money Pending Allotment	-		-	
Dividend Income (Reced.)	9.01		26.11	
Interest Income (Reced.)	19.61		7.86	
Net Cash Flow From Investing Activities		75.63		408.50
C. Cash Flow From Financing Activities				
Borrowing - Intercompany	(2,466.50)		(3.24)	
Borrowing - Banks	145.13		-	
Payment of Advances	-		(2,450.09)	
Debt Issued	-		2,500.00	
Repayments of Borrowings	(2.98)		4.70	
Repayment of Loan	(4.70)		(5.19)	
Unclaimed Fixed Deposit Repaid	-		-	
Shares Issued	92.97		5.00	
Application Money Pending Allotment	-		-	
Interest paid	(37.37)		(1.35)	
Payment to Preference share holders	(0.01)		(0.01)	
Dividend Paid	(27.73)		(29.79)	
Dividend Tax Paid	(4.84)		(4.84)	
Net Cash Flow From Financing Activities		(2,306.04)		15.19
Net Decrease in Cash & Cash Equivalents		(10.91)		(14.18)
Cash & Cash Equivalents as at 01.04.2008				
Cash on Hand	0.60		0.47	
Bank Balances	55.99		70.30	
In Current Accounts	-		-	
In Unpaid Dividend Accounts	-	56.59		70.77
Cash & Cash Equivalents as at 31.03.2009				
Cash on Hand	0.40		0.60	
Bank Balances	40.16		51.67	
In Current Accounts	5.12	45.68	4.32	56.59

As per our attached report of even date

For **Haribhakti & Co.**
Chartered Accountants

RAKESH RATHI
Partner
Membership No. 45228
Place : Mumbai
Date : 28.04.2009

PALLAVI JHA
SANJAY JHA
HARSHAD MANE
SURESH JHANWAR

Chairperson & Managing Director
Whole Time Director
Company Secretary
Associate Vice President - Finance

FOR AND ON BEHALF OF THE BOARD

DIRECTORS' REPORT OF WALCHAND TALENTFIRST LIMITED

The Members of
WALCHAND TALENTFIRST LIMITED

Your Directors present herewith the 2nd Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2009.

1. FINANCIAL RESULTS

	(Rs. In Lacs)	
	2008-09	2007-08
Profit/(Loss) before interest, depreciation and taxation	(152.64)	(315.27)
Less/Add: Interest	(32.88)	(0.26)
Depreciation/Amortisation/Impairment	(141.81)	(17.58)
Provision for Taxation-current/earlier years	(7.90)	(1.00)
Net Profit / (Loss)	(335.23)	(334.11)
Add: Balance brought forward	(334.11)	Nil
Less: Transferred to Reserve Fund	-	Nil
Balance Carried Forward	(669.34)	(334.11)

2. COST AUDIT

The company is not required to undertake the cost audit as required under Section 233 B of the Companies Act, 1956.

3. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- that in the preparation of the Annual Accounts for the year ended March 31, 2009, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any.
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2009 and of the loss of the Company for that year.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the Directors have prepared the Annual Accounts for the year ended March 31, 2009, on a going concern basis.

4. DIRECTORS

In accordance with the Articles of Association of the Company and provisions of the Companies Act, 1956, Ms. Pallavi Jha and Mr. Madhukar Bhagwat retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

5. STATUTORY AUDITORS

You are requested to appoint Auditors for the current year and fix their remuneration. The Auditors of the Company, M/s. Haribhakti & Co., Chartered Accountants retire at ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The Company has also received a certificate from them under section 224(1B) of the Companies Act, 1956.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable.

During the year under review, the Company utilized foreign exchange amounting to Rs. 105.47 lacs and earned foreign exchange amounting to Rs. 5 lacs.

7. ALLOTMENT OF 4,34,375 EQUITY SHARES TO BENNETT COLEMAN & COMPANY PRIVATE LIMITED PURSUANT TO CONVERSION OF DEBENTURE.

The Company had entered into a Convertible Debenture Subscription Agreement with Bennett Coleman & Company Limited ("BCCL") and Walchand PeopleFirst Limited on October 30, 2007. The Board of Directors have made amendments to the Convertible Debenture Subscription Agreement. Pursuant to the said amendments and the provisions of Section 81(1A) of the Companies Act, 1956, the Company converted the Debenture to the extent of value Rs. 92, 96,656/- (Rupees Ninety Two Lacs Ninety Six Thousand Six Hundred and Fifty Six only) into 4, 34,375 (Four Lacs Thirty Four Thousand Three Hundred and Seventy Five) Equity Shares of Rs. 10 each at a price of Rs. 21.40/- per share and allotted such shares to Bennett Coleman & Company Limited ("BCCL") on January 27, 2009.

8. EMPLOYEES

Employee relations with the management were cordial throughout the year under review. Your Directors place on record their sincere appreciation in respect of the services rendered by the employees of the Company across all levels.

The Statement in accordance with provisions of section



217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is not enclosed because the Company does not have any employees covered by this Section.

For and on behalf of the Board of Directors

PALLAVI JHA
EXECUTIVE CHAIRMAN

Place: Mumbai.

Date: April 28, 2009

Registered Office

1, Construction House,
Walchand Hirachand Marg,
Ballard Estate, Mumbai 400 001

AUDITORS' REPORT

TO THE MEMBERS OF WALCHAND TALENT FIRST LTD.

We have audited the attached Balance Sheet of Walchand Talent First Ltd. (the Company), as at 31st March, 2009, the Profit & Loss Account and the Cash Flow Statement of the company for the year ended on that date annexed thereto.

Respective Responsibility Of The Management And The Auditor:

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.

Basis of Opinion:

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 misstatements. 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.

Opinion:

We report as under:

- I. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us by the management, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- II Further to our comments in the Annexure referred to in paragraph I above:
 - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with Accounting Standards referred to in sub-section (3C) of Section

211 of the Companies Act, 1956 to the extent they are applicable to the Company.

- e) On the basis of written representations received from the Directors of the Company as on 31st March, 2009, and taken on record by the Board of Directors of the Company, we report that none of the Director is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- f) In our opinion and to the best of information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting policies generally accepted in India:
 - i) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009,
 - ii) in case of the Profit & Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in case of Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For Haribhakti & Co.,
Chartered Accountants

Rakesh Rathi
Partner
Membership No. 45228

Place: Mumbai
Date: 28th April, 2009.

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF WALCHAND TALENT FIRST LTD.

Fixed Assets:

1. The company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
2. The company has a regular program of physical verification of its fixed assets, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. In accordance with this program, fixed assets were physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification.
3. During the year, the Company has not disposed off major part of its fixed assets.

Loans & Advances with parties stated u/s 301 of the Act:

4. According to the information and explanations given to us, the company has not granted loans during the year to parties covered in the register maintained under section 301 of the Act.
5. According to the information and explanations given to us, the company has taken unsecured loan from its holding company during the previous year and maximum

- amount involved during the year is of Rs.217.69 lacs.
6. In our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken by the company from the parties listed in the register maintained under section 301 of the Act are, prima facie not prejudicial to the interest of the company.
 7. According to the information and explanations given to us, the payment of principal amount and interest are also regular.

Contracts/Arrangements with parties stated u/s 301 of the Act:

8. On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, we are of the opinion that, the transactions which were required to be entered in the register maintained under section 301 of the said act, have been entered.
9. According to the information and explanations given to us, each of these transactions exceeding the value of rupees five lacs in respect of any party during the year, are made at price which are reasonable having regard to the prevailing market prices at the relevant time.

Internal Controls:

10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and the sale of goods and services. During the course of audit, no major weakness which has been noticed in relation to the internal control.

Deposits:

11. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the "public" to which the provisions of Section 58A and 58AA of the Act, and the rules framed there under apply.

Internal Audit:

12. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.

Statutory Dues:

13. According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service-tax and other undisputed statutory dues, if any, applicable from the date they become payable. As explained to us, the provisions regarding sales tax, custom duty and excise duty are presently not applicable to the Company. Dues which are stated as under were outstanding, as at the last day of the financial year for a period of more than six months from the date they become payable.

Name of the Statute	Nature of the dues	Amount (Rs. in lacs)
Bonus Act	Bonus	0.22

14. According to the information and explanation given to us, there are no dues of income tax, wealth tax, service tax which have not been deposited on account of any dispute.

Default in repayment of dues:

15. According to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.

Loans and Advances granted on the basis of securities:

16. According to the records of the Company and according to the information and explanations provided to us, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Guarantees Given:

17. According to the information and explanations provided to us the company has not given guarantees for loans taken by others from banks or financial institutions.

Term Loan

18. According to the information and explanations given to us the term loan taken by the company during the year have been utilized for the purpose for which loan has been sanctioned.

Sources and Application of Funds:

19. Based on our examination of the balance sheet of the company as at March 31, 2009 on an overall basis and as per the information and explanation given to us, we find that no funds raised on short-term basis were utilized for long-term purpose.

Preferential Allotment:

20. According to the information and explanations given to us, the company had made preferential allotments of equity shares to party covered in the register maintained under Section 301 of the Act. In our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.

Fraud:

21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Miscellaneous:

22. The clauses (ii), (iii) (b) (c) & (d), (viii), (x), (xiii), (xiv), (xix), (xx) of the paragraph 4 & 5 of the Order are not applicable to the company and hence not reported upon.

For Haribhakti & Co.,
Chartered Accountants

Rakesh Rathi
Partner
Membership No.45228

Place : Mumbai
Date : 28th April, 2009.

WALCHAND TALENTFIRST LIMITED
BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	<u>Rupees in Lacs</u> AS at 31.03.2009	<u>Rupees in Lacs</u> AS at 31.03.2008
SOURCES OF FUNDS :			
SHAREHOLDERS' FUND			
Share Capital	A	1,308.44	965.00
Reserves & Surplus	B	49.53	
Share Application Money		-	251.06
LOAN FUNDS			
Secured Loans	C	145.13	4.70
Unsecured Loans	D	217.95	2673.42
TOTAL		<u>1,721.05</u>	<u>3,894.18</u>
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	E	1,140.84	1129.77
Less : Depreciation		157.72	17.57
NET BLOCK		<u>983.12</u>	<u>1,112.20</u>
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	F	136.48	202.81
Cash and Bank Balances	G	39.15	12.86
Loans and Advances	H	311.88	2582.33
		<u>487.51</u>	<u>2,798.00</u>
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	I	410.02	349.13
Provision	J	8.90	1.00
		<u>418.92</u>	<u>350.13</u>
NET CURRENT ASSETS		<u>68.59</u>	<u>2,447.87</u>
Profit and Loss Account		<u>669.34</u>	<u>334.11</u>
TOTAL		<u>1,721.05</u>	<u>3,894.18</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS			
	M		

As per our attached report of even date

For **Haribhakti & Co.**
Chartered Accountants

Rakesh Rathi
Partner
Membership No. 45228

Mumbai
Date : 28.04.2009

FOR AND ON BEHALF OF THE BOARD

PALLAVI JHA Executive Chairman

SANJAY JHA Executive Director

SURESH JHANWAR Associate Vice President - Finance



WALCHAND TALENTFIRST LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2009

	Schedule	<u>Rupees in Lacs</u> For the Year Ended 31.03.2009	<u>Rupees in Lacs</u> For the Period Ended 31.03.2008
INCOME :			
Income from Operations -Training & Consulting Income (Tax Deducted Rs.140.05 Lacs Previous Year Rs 51.80. Lacs)		1,168.06	495.00
Other Income	K	45.45	2.82
	TOTAL	1,213.51	497.82
EXPENDITURE :			
Employees Remuneration & Other Expenses	L	1,366.15	813.09
Interest		32.88	0.26
Depreciation		141.81	17.58
	TOTAL	1,540.84	830.93
PROFIT / (LOSS) BEFORE TAXATION		(327.33)	(333.11)
Provision for Fringe Benefit Tax		(7.90)	(1.00)
PROFIT / (LOSS) AFTER TAX FOR THE YEAR		(335.23)	(334.11)
Balance Brought Forward		(334.11)	(334.11)
		(669.34)	(334.11)
NET PROFIT / (LOSS)		(669.34)	(334.11)
AMOUNT AVAILABLE FOR APPROPRIATION		(669.34)	(334.11)
APPROPRIATIONS :			
Balance carried to Balance Sheet		(669.34)	(334.11)
Basic & Diluted Earnings Per Share in Rs. (Refer Note No. 6 of Notes to Accounts) (Face value of Rs. 10 each)		(2.89)	(10.99)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

M

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants

Rakesh Rath
Partner
Membership No. 45228

Mumbai
Date : 28.04.2009

FOR AND ON BEHALF OF THE BOARD

PALLAVI JHA Executive Chairman

SANJAY JHA Executive Director

SURESH JHANWAR Associate Vice President - Finance

WALCHAND TALENTFIRST LIMITED

Schedules forming part of Balance Sheet as at March 31, 2009

SCHEDULE A : SHARE CAPITAL

	Rupees In Lac As at 31.03.2009	Rupees In Lacs As at 31.03.2008
Authorised Capital :		
1,50,00,000 Equity Shares of Rs. 10/- each	1,500.00	1,500.00
TOTAL	<u>1,500.00</u>	<u>1,500.00</u>
Issued, Subscribed and paid up :		
1,30,84,375 Equity Shares of Rs. 10/- each, fully paid up	1,308.44	965.00
(96.68% Shares are held by Walchand PeopleFirst Limited - Holding Co.)	TOTAL	965.00
	<u>1,308.44</u>	<u>965.00</u>

SCHEDULE B : RESERVES & SURPLUS

Security Premium	49.53	
TOTAL	<u>49.53</u>	<u>-</u>

SCHEDULE C : SECURED LOANS

Term Loan from HDFC Bank	98.31	
Cash Credit from HDFC Bank	46.82	-
Term Loan and Cash Credit is Secured by.		
- Hypothecation of Book Debts and Fixed Assets		
- Personnal Guarantee of Executive Chairman		
- Mortgage of Sterling Hertige, Mumbai, an asset of Walchand PeopleFirst Ltd (Holding Co.)		
Vehicle Loan	-	4.70
TOTAL	<u>145.13</u>	<u>4.70</u>

SCHEDULE D : UNSECURED LOANS

Due to Walchand PeopleFirst Ltd. (Holding Co.)	217.95	173.42
Others	-	
0% Fully Convertible Unsecured Debentures	-	2,500.00
TOTAL	<u>217.95</u>	<u>2,673.42</u>

WALCHAND TALENTFIRST LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 'E' : FIXED ASSETS

ASSETS	Rupees In Lacs								NET BLOCK	
	GROSS BLOCK				DEPRECIATION / IMPAIRMENT					
	Cost as at 01.04.2008	Additions	Deductions	Cost as at 31.03.2009	Opening Balance	For the Period	Dedts/Adjus	Total 31.03.2009	As At 31.03.2009	As At 31.03.2008
1 Data Processing and Allied Equipments	20.88	0.03	0.00	20.91	3.62	6.93	0.00	10.55	10.36	17.26
2 Leasehold Building Improvement	40.26	8.50	0.00	48.76	0.88	2.24	0.00	3.12	45.64	39.38
3 Plant and Machinery Electric Instalations	41.66	0.80	0.36	42.10	1.65	5.63	0.07	7.21	34.89	40.01
4 Office Equipments	7.30	0.85	0.00	8.15	0.51	1.11	0.00	1.62	6.53	6.79
5 Furniture & Fixtures	72.98	5.38	2.69	75.67	4.99	12.88	0.67	17.20	58.47	67.99
6 Vehicles	6.24	0.00	6.24	0.00	0.70	0.22	0.92	0.00	(0.00)	5.54
Intangible Assets										
7 Franchise Fee	34.01	0.00	0.00	34.01	5.22	11.12	0.00	16.34	17.67	28.79
8 Goodwill	906.44	0.00	0.00	906.44	0.00	100.72	0.00	100.72	805.72	906.44
9 Software - Customised (HR)	-	4.80	0.00	4.80	0.00	0.96	0.00	0.96	3.84	0.00
As at March 31, 2009	1,129.77	20.35	9.29	1140.84	17.57	141.81	1.66	157.72	983.12	1112.20
As at March 31, 2008		1129.77	0.00	1129.77		17.57	0.00	17.57	1112.20	

WALCHAND TALENTFIRST LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET

Rupees in Lacs
As at 31.03.2009

Rupees in Lacs
As at 31.03.2008

SCHEDULE F : SUNDRY DEBTORS
(Unsecured, & Considered Good)

Over Six Months	21.50	-
Others	114.98	202.81
TOTAL	136.48	202.81

SCHEDULE G : CASH AND BANK BALANCES

Cash on hand	0.11	0.34
Balance with Scheduled Banks :		
In Current Accounts	39.04	12.52
TOTAL	39.15	12.86

SCHEDULE 'H' : LOANS AND ADVANCES
(Unsecured & Considered Good, Unless Otherwise Stated)

Considered Good :		
- Advance Recoverable in Cash or in Kind		
For Value to be Received	24.42	2450.09
- Security and other Deposits	80.75	79.37
- Advance Payment of Taxes	206.71	52.87
TOTAL	311.88	2582.33

SCHEDULE 'T': CURRENT LIABILITIES

Security and Earnest Money Deposits	0.03	0.00
Supplier Bills Liability - Others	66.56	98.20
- MSME	0.07	0.00
Other Liability	325.14	250.93
Intrest accrued but not due	18.22	0.00
TOTAL	410.02	349.13

SCHEDULE 'J': PROVISIONS

Provision for Fringe Benefit Tax	8.90.	1.00
TOTAL	8.90	1.00

WALCHAND TALENTFIRST LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

For the Year Ended For the Period Ended
31.03.2009 31.03.2008

SCHEDULE 'K': OTHER INCOME

Miscellaneous Income	8.45	2.82
Prior Period Income (Refer Note No. 8a of Notes to Accounts)	4.04	-
Interest	0.00	0.03
Provision for Expenses Written-back	32.96	(0.03)
TOTAL	45.45	2.82

SCHEDULE 'L': EMPLOYEES' REMUNERATION AND OTHER EXPENSES

Employee's Remuneration		
Salary, Bonus and Commission	602.06	298.38
Contribution to Provident Fund and Other Funds	29.60	30.23
Welfare Expenses	46.38	16.13
Repairs	5.00	3.25
Electricity Charges	21.15	6.44
Insurance Charges	1.22	0.37
Rent	180.61	89.11
Rates and Taxes	3.17	0.69
Advertisement and Publicity	36.37	107.35
Traveling and Conveyance Charges	32.04	29.46
Legal and Professional Expenses	6.83	26.01
Printing and Stationery Charges	4.65	4.35
Telephone Charges	21.84	9.90
Internet /Technology Expenses	24.19	12.26
Office Expenses	13.54	5.87
Prior Period Expenses (Refer Note No. 8b of Notes to Accounts)	3.56	-
Office Cleaning Expenses	9.70	4.52
Security Expenses	7.96	3.01
Water Charges	0.61	0.45
Entertainment Expenses	4.87	2.10
Brokerage Paid	0.61	9.60
Miscellaneous Expenses	3.97	0.27
Training Expenses	87.79	75.45
Royalty	145.22	75.30
Bad Debts/ Doubtful Assets Written Off	0.46	-
Vodafone Learning Centre Related Expenses	58.44	-
Loss on sale of Assets	1.50	-
Fixed Assets Written off	2.31	-
Directors' Sitting Fees	0.80	0.30
Directors' Traveling	6.58	2.29
Auditors' Remuneration and Other Expenses (excluding Service Tax)	-	-
Statutory Audit Fees	2.00	-
Tax Audit Fees	0.40	-
Statutory Certification Fees incl. Ltd. Review	0.70	-
Expenses Reimbursed	0.01	-
TOTAL	1,366.15	813.09

WALCHAND TALENTFIRST LIMITED

SCHEDULE 'M': ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2009

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation:

The financial statements are prepared under Historical Cost Convention, in accordance with the Notified Accounting Standard by Companies Accounting Standard Rules, 2006, statutory enactments and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial Statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimate and assumption that affect the reported amount of asset and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operation during the reporting period end.

3. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment, if any, cost include all expenses incurred to bringing the asset to its present location and condition till the asset is ready for its intended use.

4. Depreciation:

Depreciation on Assets is provided on Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956. In respect of additions and deletions during the year such Depreciation is calculated on pro-rata basis.

Leasehold improvements are amortized over the period of lease.

5. Intangible Assets:

Amount paid as franchisee rights & HR Software is treated as an intangible asset and is amortized over a period of 5 years from the date of incurring such expenditure on pro-rata basis.

Goodwill is amortized over a period of 9 years beginning 1st April 2008.

6. Revenue Recognition:

(a) In case of Open Program, income is recognised at the commencement of the program and for Time Space program on a pro – rata basis.

(b) In case of Corporate Program, appropriate revenue is recognised when confirmed order is received and there is reasonable certainty of completion of the program.

(c) In case of Long term course (i.e. courses more than 6 weeks duration) , revenue is accrued over the period of the course.

7. Employee Benefit :

The company makes annual contribution to the Employees' Group – cum – life Assurance Scheme of the Life insurance Corporation of India, a funded defined Benefit plan for qualifying Employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

All other employee benefits fall under defined contribution method.

8. Foreign Currency Transactions:

Foreign currency transactions are accounted at the rate prevailing on the date of transaction. Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the Balance Sheet Date. Exchange differences arising at the time of settlement of the transactions are recognised in the Profit and Loss account.

9. Deferred Tax:

The deferred tax for the timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet Date. Deferred Tax Asset, if any,

arising from timing differences are recognised to the extent there is virtual certainty that these would be realised in future. Deferred Tax assets/liabilities are reviewed as at each balance sheet date based on developments during the year.

10. **Leases**

Leases where the lessor effectively retains substantially all risk and reward of ownership of the leasehold assets are classified as operating lease. Operating lease payments are recognized as an expense in the profit and loss account on straight-line basis over the lease term.

11. **Provisions and Contingencies**

A provision is recognised when a company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to the present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

Contingent assets are not provided.

12. **Impairment**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Companies fixed assets.

B. **OTHER NOTES**

1. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The provisions for all known Liabilities are adequate.

2. **Employee benefit disclosure – AS – 15**

The Company has classified various employee benefits as under;

(A) Defined contribution plans

a. **Provident Fund**

b. **Superannuation Fund**

The Provident Funds are operated by the Regional Provident Fund Commissioner and the superannuation fund is administered by the Life Insurance Corporation of India. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income Tax authorities.

The Company has recognized the following amounts in the Profit and Loss Account for the year

Year ended
31st March 2009
(Rs. In Lacs)

(i) Contribution to Provident Fund	23.03
(ii) Contribution to Employee's Superannuation Fund	4.18

(B) Defined Benefit Plan: **Gratuity**

Valuations in respect of Gratuity have been carried out by LIC actuary, as at the Balance Sheet date, based on the following assumptions;

(Rupees In Lacs)

1. Assumptions	As on 31/03/2009
Discount Rate	8%
Salary Escalation	4%
	(Rupees In Lacs)
2. Changes in present value of obligations	As on 31/03/2009
Present value of obligations as at beginning of year	5.42
Interest cost	0.43
Current Service Cost	6.05
Benefits Paid	—
Actuarial (gain)/Loss on obligations	(3.02)
Present value of obligations as at end of year	8.89

(Rupees In Lacs)

3. Changes in the fair value of plan assets	As on 31/03/2009
Fair value of plan assets at beginning of year	—
Expected return on plan assets	0.04
Contributions	0.80
Benefits paid	—
Actuarial Gain / (Loss) on Plan assets	Nil
Fair value of plan assets at the end of year	0.84
	(Rupees In Lacs)
4. Fair value of plan assets	As on 31/03/2009
Fair value of plan assets at beginning of year	—
Expected return on plan assets	0.04
Contributions	0.80
Benefits paid	—
Fair value of plan assets at the end of year	0.84
Funded status	(8.05)
Excess of Actual over estimated return on plan assets	
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)	Nil
	(Rupees In Lacs)
5. Actuarial Gain/Loss recognized	As on 31/03/2009
Actuarial gain/(Loss) for the year -Obligation	3.02
Actuarial (gain)/Loss for the year - plan assets	Nil
Total (gain)/Loss for the year	(3.02)
Actuarial (gain)/Loss recognized in the year	(3.02)
	(Rupees In Lacs)
6. The amounts to be recognized in the balance sheet and statements of profit and loss	As on 31/03/2009
Present value of obligations as at the end of year	8.89
Fair value of plan assets as at the end of the year	0.84
Funded status	(8.05)
Net Asset/(liability) recognized in balance sheet	8.05
	(Rupees In Lacs)
7. Expenses Recognized in statement of Profit & loss	As on 31/03/2009
Current Service cost	6.05
Interest Cost	0.43
Expected return on plan assets	0.04
Net Actuarial (gain)/Loss recognized in the year	(3.02)
Expenses recognized in statement of Profit & loss	3.43

The company has formed the Trust with L I C during the current year.

3. Fully Convertible Debentures

During the year One 0% fully convertible unsecured debenture having a face value of Rs.25 Crs allotted to Bennett, Coleman & Co. Ltd. for a total consideration at face value, has been partially converted in to 4,34,375 number of equity shares of face value of Rs 10 each at a Rs 21.40 Per share for Rs 92.97 lacs, which has been approved by the Board of Directors at the meeting held on 27th January 2009.

Balance portion to a extend of Rs 24.07Crs has been adjusted against the prepaid advance paid to Bennett, Coleman & Co. Ltd. under the partial redemption option available by virtue of Amendment to Convertible Debenture Subscription Agreement entered on 27th January 2009.

4. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 0.57 lacs (Rs. Nil)

5. Related Party Disclosures:

A) Description of Companies: -

Name of the Related Party	Nature of Relationship
i) Walchand & Co. Pvt. Ltd.	Holding Company's holding company
ii) Walchand People First Ltd	Holding Company
iii) Walchand Netsoft Pvt.Ltd.	Controlled Company of Holding Company

B) Key Management Personnel: -

Name of the Related Party	Nature of Relationship
i) Mrs. Pallavi Jha	Executive Chairman
ii) Mr. Sanjay Jha	Whole Time Director

C) Related party Transaction in accordance with AS - 18

(Rupees in Lacs)

Sr. No	Nature of Transactions	2008-09	2007-2008
i)	Interest Paid on Inter Corporate Deposit /Loans		
	- Walchand PeopleFirst Limited	18.22	—
ii)	Transactions with Key Management Personnel		
	- Managing Director's Remuneration (Ref. Note No. 10)	21.53	—
	- Whole time Directors Remuneration (Ref. Note No. 10)	21.53	—
iii)	Technology Expenses		
	Walchand Netsoft Pvt.Ltd.	18.00	9.00
iii)	Holding Company		
	Shares Allotted	300.00	965.00
	Share Application Money	—	251.04
	Unsecured Loans Taken	160.48	286.18
	Unsecured Loans Repaid	107.47	221.25
	Reimbursement of Expenses	32.69	8.48
	Acquisition of Business	—	906.44
	Use of Premises *	0.00	0.00
iv)	Balances as on 31.03.2009		
	Holding Company		
	Share Capital	1265.00	965.00
	Share Application Money – Pending Allotments	—	251.04
	Unsecured Loans Taken	217.95	173.41

* Walchand PeopleFirst Ltd has given the premises for use to the company without charging for rentals for next few years

6. Earning Per Share (EPS)

(Rupees in Lacs)

Particulars	2008-09	2007-08
I) Profit After Tax available for Equity Shareholders	(335.23)	(334.12)
II) Number of equity shares @ Rs. 10/- Each	1,30,84,375	96,50,000
III) Weighted average number of Equity Shares for		
Earnings Per Share @ Rs. 10/- Each	1,15,83,699	30,40,164
IV) Basic & diluted E.P.S. (in Rs.)	(2.89)	(10.99)

7. Obligations on Long-term, Non-cancelable operating leases**a. Lease Rental on Premises**

The lease rentals charged during the period in the profit and loss account and maximum obligations on long-term, non-cancelable, operating leases payable as per the rental agreements is:

(Rupees in Lacs)

	2008-09	2007 - 08
Lease rentals recognized during the period	168.22 *	63.65
(Rupees in Lacs)		
Lease Obligations	2008-09	2007-08
Within one year of the balance sheet date	246.78	144.26
Due in a period between 1 year and 5 years	583.30	403.35
Due after five years	261.39	—

Other Terms

- After the completion of 1 year from their respective dates of inception, lease rent will get escalated as per the agreement.
- Additional amount of Service Tax will be paid on these rentals as per the applicable rates existing at the time of payment.

* Rs.39.10 lacs has been grouped under Vodafone Learning Centre Related expenses in Profit and Loss Account .

b. Operating Lease of Equipments

The lease rentals charged during the period in the profit and loss account and maximum obligations on long-term, non-cancelable, operating leases payable as per the rental agreements is:

(Rs.in Lacs)

	2008-09	2007 - 08
Lease rentals recognized during the period	51.49	25.46
(Rs.in Lacs)		
Lease Obligations	2008-09	2007-08
Within one year of the balance sheet date	31.50	54.42
Due in a period between 1 year and 5 years	83.58	95.23
Due after five years	—	—

Other Terms

- The Operating lease arrangements extend for a maximum of 3 years from their respective dates of Inception and relate to rented premises.
- Additional amount of Service Tax will be paid on these rentals as per the applicable rates existing at the time of payment

8. In accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has not recognised in its financial statements the Deferred Tax Asset amounting to Rs 166.50 lacs (Previous year- Rs.113.23 lacs) for want of virtual certainty of realization of such assets.

9. During the year the Company has changed accounting policy of Revenue recognition related to Open Program from completion of training program to commencement of training program. There is no impact on revenue due to change in the policy.

10. Details of Prior Period Items :**a) Prior Period Income**

(Rs. In Lacs)

Particulars	2008-09	2007-08
1) Training Course Manual Charges	0.34	—
2) Training Course Material Charges	3.70	—
Total	4.04	—

b) Prior Period Expenses

		(Rs. In Lacs)	
Particulars	2008-09	2007-08	
1) Professional Fees	0.23	—	
2) Traveling Inland	0.02	—	
3) Printing & Stationery Expenses	0.11	—	
4) Sales Incentive	1.00	—	
5) Rent	0.15	—	
6) Dale Carnegie Motorola Charges	0.91	—	
7) General Repairs	0.63	—	
4) Telephone Expenses	0.23	—	
5) Courier Charges	0.01	—	
6) Entertainment Expenses	0.27	—	
Total	3.56	—	

11. Managerial Remuneration :

		(Rupees in Lacs)	
Particulars	2008-09	2007-08	
Executive Chairman			
(i) Salary	13.86	—	
(ii) Contribution to Provident Fund	1.73	—	
(iii) Contribution to Superannuation Fund	1.80	—	
(iv) Perquisites	4.14	—	
Total	21.53	—	
Particulars	2008-09	2007-08	
Whole- Time Director			
(i) Salary	13.86	—	
(ii) Contribution to Provident Fund	1.73	—	
(iii) Contribution to Superannuation Fund	1.80	—	
(iv) Perquisites	4.14	—	
Total	21.53	—	

12. Foreign Currency Transactions

		(Rupees in Lacs)	
(a) Expenditure in Foreign Currency	2008-09	2007-08	
- Professional Fees/Franchise Fee	—	8.38	
- Royalty Remitted	103.87	56.38	
- Traveling Expenses	1.59	4.71	
- Others	0.01	1.13	
Total	105.47	70.60	
		(Rupees in Lacs)	
(b) Earning in Foreign Currency	2008-09	2007-08	
- Training Income	—	1.60	
- Others	5.00	2.79	

13. During the Year, there is no impairment in Fixed Assets.

14. Company has forwarded letters to creditors for confirming of their status under "The Micro, Small and Medium Enterprises Development Act, 2006". On the basis of information received one party has confirmed their status as MSME. Interest liability has been provided under the provision under MSMED Act., as the amount is less than rupees hundred rupees, hence not separately disclosed.

15. Previous year's figures have been regrouped/ rearranged wherever found necessary. Figures of previous year are reported for the period starting from 10th October 2007 to 31st March 2008 hence not comparable.

16. Figures in bracket reflect the figures for previous year.

For Haribhakti & Co.
Chartered Accountants

RAKESH RATHI
Partner
Membership No. 45228

Mumbai
Date : 28.04.2009

PALLAVI JHA

SANJAY JHA

SURESH JHANWAR

Executive Chairman

Executive Director

Associate Vice President - Finance

WALCHAND TALENTFIRST LIMITED

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	:	174898
State Code	:	11
Balance Sheet Date	:	31.03.2009

II. Capital Raised During The Year

Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	343.44

III. Position Of Mobilisation And

(Rupees in Lacs)

Deployment Of Funds

Total Liabilities

(includes current liabilities & provisions)	:	2,139.97
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Total Assets

(excludes current liabilities & provisions)	:	2,139.97
---	---	----------

Sources of Funds

Paid up capital	:	1,308.44
Share Application Money	:	-
Reserve & Surplus	:	-
Secured Loans	:	145.13
Unsecured Loans	:	217.95

Application of Funds

Net Fixed Assets	:	983.12
Investments	:	-
Net Current Assets	:	68.59
Deferred Tax Asset	:	-
Accumulated Losses	:	669.34

IV. PERFORMANCE OF COMPANY

(Rupees in Lacs)

Turnover (includes other income)	:	1,213.51
Total Expenditure	:	1,540.84
Profit / (Loss) Before Tax	:	(327.33)
Profit / (Loss) After Tax and Other Adjustments	:	(335.23)
Earning Per Share (Rs.)	:	(2.89)
Divided Rate %	:	NIL

V. Generic Names Of Three Principle Services Of The Company (As Per Monetary Terms)

ITC Code No. (ITC Code)	:	NIL
Product Description	:	Training & Coaching
ITC Code No. (ITC Code)	:	NIL
Product Description	:	NIL
ITC Code No. (ITC Code)	:	NIL

As per our attached report of even date

For **Haribhakti & Co.**
Chartered Accountants

Rakesh Rathi

Partner
Membership No. 45228
Place : Mumbai
Date : 28.04.2009

For and on behalf of the Board

PALLAVI JHA	Executive Chairman
SANJAY JHA	Executive Director
SURESH JHANWAR	Associate Vice President - Finance

WALCHAND TALENTFIRST LIMITED

CASH FLOW STATEMENT

	2008-2009	(Rs. in Lakhs) 2007-2008
A. Cash Flow From Operating Activities :		
Net Profit Before Tax and after Extraordinary items	(327.33)	(333.11)
Adjustments for :-		
Depreciation/Impairment	141.81	17.58
Profit on Sale of Investments	-	-
Dividend Income (Reced.)	-	-
Interest Income (Reced.)	-	(0.03)
Profit on sale of Training Business	-	-
Interest Expenses	32.88	0.26
Provision for Expenses Written-back	(32.97)	0.03
Loss on sale of Assets	1.50	-
Fixed Assets Written Off	2.31	-
Bad Debts Written Off	-	-
Provision for Doubtful Advances Written Back	-	-
Provision for diminution in value of Investments	-	-
Loss on sale of Investments	-	-
Excess Provision for expense Written Back	-	-
	<u>145.53</u>	<u>17.84</u>
	(181.80)	(315.27)
Adjustment for :-		
Trade Receivables	2,490.60	155.09
Trade Payables	<u>93.86</u>	<u>(87.07)</u>
	<u>2,584.46</u>	<u>68.02</u>
Cash Generated from Operations	2,402.66	(247.25)
Direct Taxes Paid	(153.84)	(52.87)
Cash Flow Before Extraordinary Items	2,248.83	(300.12)
Net Cash Flow From Operating Activities	2,248.83	(300.12)
B. Cash Flow From Investing Activities :		
Purchase of Fixed Assets	(20.32)	(165.69)
Sale of Fixed Assets	3.80	-
Security and other Deposit Paid	-	-
Purchase of Investments- Subsidiary	-	-
Repayment of Intercompany Deposits	-	-
Loan given to Subsidiary Company	-	-
Sale of Investments	-	-
Application Money Pending Allotment	-	-
Dividend Income (Reced.)	-	-
Interest Income (Reced.)	-	0.03
Net Cash Flows From Investing Activities	(16.52)	(165.66)
C. Cash Flow From Financing Activities		
Borrowing from banks	145.13	-
Borrowing from Holding Company	(2,455.47)	173.42
Advances Paid	-	(2,450.09)
Debt issued	-	2,500.00
Vehicle Loan Paid	(4.70)	4.70
Interest Expenses	(32.88)	(0.26)
Loan	-	(5.19)
Application Money Pending Allotment	(251.06)	251.06
Share issued	<u>392.97</u>	<u>5.00</u>
Net Cash Used in Financing Activities	(2,206.01)	478.64
Net Decrease in Cash & Cash Equivalents	26.30	12.86
Cash & Cash Equivalents as at 01.04.2008		
Cash on Hand	0.34	-
Bank Balances	<u>12.52</u>	<u>-</u>
Cash & Cash Equivalents as at 31.03.2009		
Cash on Hand	0.11	0.34
Bank Balances	<u>39.04</u>	<u>12.52</u>
	<u>39.15</u>	<u>12.86</u>

For Haribhakti & Co.
Chartered Accountants

RAKESH RATHI
Partner
Membership No. 45228
Mumbai
Date : 28.04.2009

FOR AND ON BEHALF OF THE BOARD

PALLAVI JHA

Chairperson & Managing Director

SANJAY JHA

Whole Time Director

SURESH JHANWAR

Associate Vice President - Finance



WALCHAND PEOPLEFIRST LIMITED

Registered Office : 1, Construction House, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

Attendance Slip

Please complete this Attendance Slip and hand it over at the meeting hall. It helps us to make proper arrangements. Failure to bring this Attendance Slip will cause unnecessary inconvenience to you.

Please write below

Registered

Share

Folio No.

held

Client ID No.

DP ID No.

(Please write your name in BLOCK Letters)

I hereby record my presence at the 89th ANNUAL GENERAL MEETING of the Company Scheduled to be held at Walchand Hirachand Hall, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai – 400 020 on Wednesday, September 30, 2009 at 11.00 A.M.

Members/Proxy's Signature

(To be signed at the time of handing over this slip)

NOTES :

1. Members/Proxy holders are requested to bring their copy of the Annual Report with them at the meeting.
2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the meeting hall.

✂ CUT HERE



WALCHAND PEOPLEFIRST LIMITED

Registered Office : 1, Construction House, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

Proxy Form

Registered

Shares

Folio No.

held

Client ID No.

DP ID No.

I/We of in the district of being a Member/Members of the above-named Company, hereby appoint of in the district of or failing him of in the district of as my/our proxy to vote for me/us on my/our behalf at the 89th Annual General Meeting of the Company Scheduled to be held at Walchand Hirachand Hall, Indian Merchant Chambers, IMC Marg, Churchgate, Mumbai – 400 020 on Wednesday, September 30, 2009 at 11.00 A.M. or at any adjourned Annual General Meeting.

Signed by the said day of 2009.

Signed this

Affix a
Re. 1/-
Revenue
Stamp

NOTE : The Proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

Book Post



WALCHAND PEOPLEFIRST LIMITED

Registered office : 1, Construction House, 5, Walchand Hirachand Marg, Ballard Estate, Mumbai - 400 001.

