

# **WILLIAMSON FINANCIAL SERVICES LIMITED**

ANNUAL  
REPORT  
2011 - 2012

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## WILLIAMSON FINANCIAL SERVICES LIMITED

**BOARD OF DIRECTORS**      A. KHAITAN      *Chairman*  
D. KHAITAN  
T. R. SWAMINATHAN  
R. S. JHAWAR  
K. K. BAHETI  
C. K. PASARI  
J. HAZARIKA  
G. SARAF

**AUDIT COMMITTEE  
OF THE BOARD**      T. R. SWAMINATHAN      *Chairman*  
R. S. JHAWAR  
C. K. PASARI  
J. HAZARIKA

**SHAREHOLDERS'  
GRIEVANCE COMMITTEE**      R. S. JHAWAR      *Chairman*  
T. R. SWAMINATHAN  
K. K. BAHETI

**MANAGER**      S. R. MUNDHRA

**COMPANY SECRETARY**      P. BANDYOPADHYAY

**AUDITORS**      V. SINGHI & ASSOCIATES      *Chartered Accountants*

**BANKERS**      HDFC BANK LTD.  
STANDARD CHARTERED BANK

**REGISTERED OFFICE**      UDYAN, HOUSE NO.147, 2ND FLOOR,  
GANESHGURI, R. G. BARUAH ROAD,  
GUWAHATI - 781 005

**KOLKATA OFFICE**      FOUR MANGO LANE  
SURENDRA MOHAN GHOSH SARANI  
KOLKATA - 700 001

## WILLIAMSON FINANCIAL SERVICES LIMITED

### Report of the Board of Directors For the Financial Year ended 31st March, 2012

Your Directors have pleasure in presenting the Annual Report with the audited Accounts of your Company for the Financial Year ended 31st March, 2012.

#### ACCOUNTS

The results of the Financial Year ended 31st March, 2012 are summarised below :

	Financial Year 2011-12 (Rs.in Lakhs)	Financial Year 2010-11 (Rs.in Lakhs)
Profit/(Loss) for the Year before tax	(4604)	80
Tax Expenses - Current Tax	—	0.50
Profit/(Loss) after tax	(4604)	79.50

In view of the loss on operations no dividend is recommended for the Financial Year 2011-12.

#### OPERATIONS

During the year under review, the total revenue earned by the Company has increased to Rs. 510 Lakhs as compared to Rs.416 Lakhs earned in the previous year. The Company however incurred a higher loss of Rs. 4604 Lakhs primarily due to setting aside as provision for diminution in the value of non-current investments to the tune of Rs. 4261 Lakhs in terms of the applicable accounting standards. Increase in the cost of finance, due to increase in the rate of interest on the existing borrowings and fresh borrowings made during the year had also its impact on the loss sustained by the Company.

However, the market values of some of the long term investments held by the Company have already started appreciating during the current year.

The future performance of the investee companies and the money market conditions will play a vital role to shape the Company's prospective growth.

#### REGISTERED OFFICE

The Registered Office of the Company has been shifted with effect from 1st February , 2012 to Udayan, House No. 147, 2nd Floor, Ganeshguri, R. G. Barua Road, Guwahati – 781005 for more operational convenience.

#### DIRECTORS

Mr. Deepak Khaitan, Mr. Chandra Kant Pasari and Mr. Govind Saraf retire by rotation and being eligible offer themselves for reappointment

#### CORPORATE GOVERNANCE

A separate report on Corporate Governance along with the Auditors' Certificate on its compliance is attached.

## WILLIAMSON FINANCIAL SERVICES LIMITED

### DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 your Directors confirm and state that :-

- In the preparation of the Accounts the applicable Accounting Standards had been followed along with along with proper explanation relating to material departures, if any.
- The Directors had selected such accounting policies, applied them consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and the Profit & Loss Account of the Company for that period.
- The Directors had 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.
- The Directors had prepared the Annual Accounts on a going concern basis.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### 1. INDUSTRY STRUCTURE & DEVELOPMENT

The year 2011-12 was a year of unfulfilled expectations for the Indian economy. There has been a slowdown in the economy visible in many sectors primarily on account of falling exports due to European economic crisis, high rate of interest caused by steep inflationary trend and unprecedented high price of crude in the global market. Many sectors including the finance and investment operations have been adversely affected by both domestic and external factors. The cost of funds being very high it was a difficult year not only for the manufacturing units but also for the Companies operating in the investment and the financial sector.

The unfavourable investment climate in the country coupled with significantly low inflow of foreign investment kept the stock market weak for the major part of the year. To increase liquidity RBI reduced CRR in the recent past and also cut the Repo rate by 50 basis points, however these measures are far below the requirement. In an effort to maintain a balance between growth and inflation, RBI is seemingly more concerned about high inflation than slow rate of growth. The financial sector is eagerly waiting for the fall in inflation followed by the rate cut which is likely to help the sector regaining its lost ground.

#### 2. OPPORTUNITIES & THREATS, RISKS & CONCERNS AND BUSINESS OUTLOOK

**Opportunities :** The Company mainly invests in the Companies of the Group to which it belongs, i.e. Williamson & Magor Group which has presence in diversified areas of business, e.g., tea, battery, infrastructure, engineering, etc. This widens the Company's scope of profitable investments in varied fields.

**Threats, Risks & Concern :** The movements in the stock market greatly influences the financial health of the Company as the Company has to make provision, according to the applicable Accounting Standard. The extraneous factors like the Reserve Bank of India's fiscal measures, especially on the interest rates, etc. influence the Company's performance and invariably generate risk on the Company's operations.

## WILLIAMSON FINANCIAL SERVICES LIMITED

As the Company draws the major part of its revenue from the investments in its Group Companies, the Company has to keep watch on their performance. Presently, the prospects of Group Companies appear steady .

**Business Outlook :** The Company's investments are mainly strategic and are of long term in nature. The performances of the investee companies appear to present a satisfactory outlook.

### 3. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has sound Internal Control System ("the system") which is in tune with its volume and line of operations. Internal Audit Report on quarterly and monthly basis ensures effectiveness of the system and its applications. The Audit Committee reviews the internal operations with the Internal Auditors and lays down recommendations, as necessary.

The Fair Practices Code, K Y C Norms, Risk Management Policy, Code of Conduct for Directors and Senior Management Personnel adopted by the Board of Directors play vital roles in the internal control in the management of the Company.

### 4. HUMAN RESOURCES

There is no material development in the Human Resource front. The Company presently has two employees.

### 5. COMPLIANCE (PARTICULARS OF EMPLOYEES ) RULES, 1975

Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies ( Particulars of Employees ) Rules, 1975 as amended to date do not apply as there is no such employee qualifying for such disclosure.

### COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS ) RULES, 1988

- A. Conservation of energy : N.A.
- B. Technology absorption : N.A.
- C. Foreign Exchange earnings and outgo : Nil

### AUDITORS :

Messrs. V. Singhi & Associates will hold office up to the conclusion of the forthcoming Annual General Meeting of the Company and being eligible signified their willingness to be reappointed.

**For and on behalf of the Board**

Kolkata  
Date : 28th May, 2012

**A. Khaitan  
Chairman**

## WILLIAMSON FINANCIAL SERVICES LIMITED

### Report on Corporate Governance For the Financial Year 2011-12

#### 1. Compliance on Mandatory Requirements

##### A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company believes that good corporate governance consists of a combination of business practices which results in enhancement of the value of the Company to the shareholders and simultaneously enables the Company to fulfill its obligations to the stakeholders including employees and financiers and to the society in general. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company makes its best endeavors to uphold and nurture these core values in all aspects of its operations.

##### B. BOARD OF DIRECTORS

###### (i) Composition of Board, Directorship and Committee Membership in other Companies as at 31st March 2012:

Sl. No	Director	Executive / Non-Executive / Independent	No. of outside Directorship*	No. of outside committee membership-position held #	
				As Chairman	As Member
1.	Mr. A. Khaitan	Non-Executive Chairman	7	2	2
2.	Mr. D. Khaitan	Non-Executive	7	—	2
3.	Mr. T.R. Swaminathan	Independent	3	5	1
4.	Mr. R.S. Jhavar	Non-Executive	7	—	3
5.	Mr. K. K. Baheti	Non-Executive	8	—	2
6.	Mr. C.K. Pasari	Independent	4	—	—
7.	Mr. J. Hazarika	Independent	2	—	—
8.	Mr. G. Saraf	Independent	1	—	—

\* Excluding Foreign Companies, Private Companies and Companies under Section 25 of the Companies Act, 1956.

# For this purpose only three types of Committees viz. the Audit Committee, Shareholders' Grievance Committee and Remuneration Committee are considered.

'Independent Director' is defined as one who, apart from receiving sitting fees as a Director and Directors' Commission, does not have any other material pecuniary relationship or transactions in his/her personal capacity with the Company, its promoters, its management or its subsidiaries.

The Non-Executive Directors have no material pecuniary relationship or transactions in their personal capacities with the Company.

###### (ii) Changes in Composition of Board of Directors since last Report :

Since last Report there has been no change in the composition of the Board of Directors of the Company.

###### (iii) Inter-se relationship between Directors : Mr. D. Khaitan and Mr. A. Khaitan are related to one another.

###### (iv) Attendance of Directors in Meetings held during the Financial Year 2011-12 :

Director	Date of Board Meeting				Date of AGM
	30.05.11	11.08.11	01.11.11	30.01.12	21.09.11
Mr. A. Khaitan	P	P	P	P	A
Mr. D. Khaitan	A	P	P	P	A
Mr. T. R. Swaminathan	A	P	P	P	A
Mr. R. S. Jhavar	P	A	A	P	A
Mr. K. K. Baheti	P	P	P	P	A
Mr. C. K. Pasari	P	P	P	P	A
Mr. J. Hazarika	P	P	P	P	P
Mr. G. Saraf	P	P	P	A	A

P = Attended, A = Not Attended

## WILLIAMSON FINANCIAL SERVICES LIMITED

### C. AUDIT COMMITTEE

#### (i) Terms of Reference / Powers :

The Audit Committee was constituted on 30th January, 2001 and reconstituted on 30th December, 2005 having following terms / powers :

- (a) Overseeing of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- (c) Reviewing with the management the annual financial statements before submission to the Board focussing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting entries of judgement by management.
  - Qualification in audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards and Directors' Responsibility Statement in Directors' Report.
  - Compliance with Stock Exchanges and legal requirements concerning financial statements.
  - Any related party transactions, i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- (d) Reviewing with the management, statutory and internal auditors the adequacy of internal control systems.
- (e) Reviewing the adequacy of internal audit function including the structure of the internal audit department, if any, for the time being and staffing and seniority of the officials heading the same and reporting structure coverage and frequency of internal audit.
- (f) Discussion with internal auditors any significant finding and follow up thereon.
- (g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (h) Discussion with statutory auditors before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain any area of concern.
- (i) Reviewing the Company's financial and risk management policies.
- (j) Looking into the reasons for substantial defaults in the payment to the shareholders (in case of dividends) and creditors.

#### (ii) Composition, Names of Members and Chairman :

During the Financial Year ended 31st March, 2012 four meetings of the Committee were held on 30.05.11, 11.08.11, 01.11.11, and 30. 01.12. The composition of the Committee and the attendance of each member at these meetings are as under :

Sl. No.	Member	Meetings Attended
1.	Mr. T. R. Swaminathan - Chairman (Independent)	3
2.	Mr. R. S. Jhawar - (Non-Executive)	2
3.	Mr. C. K. Pasari - (Independent)	4
4.	Mr. J. Hazarika - (Independent)	4

#### (iii) Secretary

Mr. P. Bandyopadhyay is the Company Secretary of the Company and consequently, acting as the Compliance Officer of the Company for the requirements under the Listing Agreements with the Stock Exchanges. He is the Secretary of the Audit Committee.

#### (iv) Invitees : (Being entitled to attend as per relevant provision of applicable Laws/Rules and/or as and when felt necessary)

- (i) Statutory Auditors
- (ii) Internal Auditors



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### D. REMUNERATION COMMITTEE

The Remuneration Committee of the Board is comprising of Mr. T. R. Swaminathan ( Chairman ), Mr. R. S. Jhawar and Mr. K. K. Baheti as its Members with the following terms of reference :

To approve and recommend to the Board the remuneration package of the Managing Director / Wholtime Director / Manager as the case may be, including periodical revisions therein. The remuneration is considered and approved having regard to the applicable provisions of Schedule XIII to the Companies Act, 1956 which is subject to the approval of the Members of the Company at their General Meeting.

The details of Remuneration of the Directors during the Financial Year 2011-12 are as under :

Sl.No.	Name of Directors	Board Meeting Fees (in Rs.)	Committee Meeting Fees (in Rs.)
1.	Mr. A. Khaitan	20,000	—
2.	Mr. D. Khaitan	15,000	—
3.	Mr. T. R. Swaminathan	15,000	65,000
4.	Mr. R. S. Jhawar	10,000	50,000
5.	Mr. K. K. Baheti	20,000	55,000
6.	Mr. C. K. Pasari	20,000	20,000
7.	Mr. J. Hazarika	20,000	20,000
8.	Mr. G. Saraf	15,000	—
	<b>Total</b>	1,35,000	2,10,000

### E. SHAREHOLDERS' COMMITTEE

The Shareholders' / Investors' Grievance Committee of the Board consists of Mr. R. S. Jhawar as its Chairman, Mr. T. R. Swaminathan and Mr. K. K. Baheti as its Members. The terms of reference of the Committee are to look into the redressal of investors' complaints relating to transfer of shares, non-receipt of share certificates, issue of duplicate share certificates, issue of dividend warrants, non-receipt of dividend warrants, notices / Annual Reports and other grievances. One Committee Meeting was held during the year on 30th March, 2012.

#### (a) Shareholders' Complaints and Redressal during 2011-12 :

Number of complaints pending at the beginning of the Year	No. of Complaints received during the Year	No. of Complaints redressed during the Year	Number of complaints pending at the end of the Year
Nil	7	7	Nil

#### (b) Number of pending Share transfers as at 31.3.2012 : Nil

### F. GENERAL BODY MEETINGS

#### (i) Details of Annual General Meetings of the last three years :

AGMs	Date	Location	Time
AGM (36th)	11.09.2009	House No.37, 5th Bye Lane, Mother Teresa Road, Z00-Narengi Road, Guwahati 781 021	3.00 p.m.
AGM (37th)	16.09.2010	- do -	3.00 p.m.
AGM (38th)	21.09.2011	- do -	12.30 p.m.

No Special Resolution was passed in any of the three previous Annual General Meetings.

During the year ended 31st March, 2012 no Special Resolution was put through postal ballot.

### G. DISCLOSURES

- (i) Related party transactions have been disclosed under Note No.31 on the Financial Statements for the Year under review.
- (ii) The Company has complied with all the requirements of the Listing Agreements with the Stock Exchanges as well as regulations and guidelines of the SEBI . No penalties have been imposed or stricture has been issued by the SEBI, Stock Exchanges or any Statutory Authorities on matters relating to the Capital Markets during the last three years.

## WILLIAMSON FINANCIAL SERVICES LIMITED

### H. MEANS OF COMMUNICATION

(i) **Financial Results :**

Quarterly, half-yearly and annual results in the forms prescribed by the Stock Exchanges in Listing Agreements are published in prominent daily newspapers viz. The Sentinel and Ajir Asom.

(ii) **Management Discussion and Analysis Report (MD&A) :**

The Management Discussion and Analysis Report forms part of the Annual Report.

(iii) **Other Information**

General Information of the Company is displayed on the Company's Website [www.williamsonfinancial.in](http://www.williamsonfinancial.in)

### I. GENERAL SHAREHOLDER INFORMATION

(i) **Next Annual General Meeting :**

Date	Time	Venue
26th September, 2012	10.00 A.M.	Udyan, House No. 147, 2nd Floor Ganeshguri, R. G. Baruha Road Guwahati - 781 005

(ii) **Financial Calendar (tentative) for year 2012-13 :**

The Company's Financial Year is from April 1 to March 31 of the following year. The Calendar for 2012-13 is as follows :-

Publication of Results	Quarter / Half Year / Year ended	Time
Quarterly (Un-audited)	30.06.2012	Within 14th August, 2012
Half Yearly / Quarterly (Unaudited)	30.09.2012	Within 14th November, 2012
Quarterly (Un-audited)	31.12.2012	Within 14th February, 2013
Yearly (Audited)	31.03.2013	Within 30th May, 2013

(iii) **Dates of Book Closure :**

The Register of Members of the Company will remain closed from 19th September, 2012 to 26th September, 2012 (both days inclusive) for the purpose of the Annual General Meeting of the Company.

(iv) **Date of Dividend Payment :**

In view of the accumulated loss of the Company the Board does not propose any dividend in respect of the year 2011-12.

(v) **Information pertaining to the Stock Exchanges :**

(a) **Listing on Stock Exchange :**

- The Gauhati Stock Exchange Limited, Saraf Building, A. T. Road, Guwahati - 781 001.
- The Calcutta Stock Exchange Limited, 7 Lyons Range, Kolkata - 700 001.
- Bombay Stock Exchange Limited, Floor 25, P J Towers, Dalal Street, Mumbai - 400 001.

(b) **Stock Code for**

	Stock Code
The Gauhati Stock Exchange Limited	L/527
The Calcutta Stock Exchange Limited	33039
The Bombay Stock Exchange Limited	519214

The Company pays Annual Listing Fees to the Stock Exchanges in due course.

ISIN for the Company's Shares in Demat Form : INE188E01017

Depository Connectivity : NSDL and CDSL

(vi) **Stock Market Price Data :**

The Shares of the Company are sparsely traded on the Stock Exchanges. It was occasionally traded on the Stock Exchange, Mumbai. The Company's stock price data during the last financial year and their comparison to broad based indices, such as BSE Sensex are as under :

Month	Company's Shares		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2011	40.00	33.05	19,811.14	18,976.19
May, 2011	36.00	29.05	19,253.87	17,786.13
June, 2011	34.85	25.05	18,873.39	17,314.38
July, 2011	41.00	27.00	19,131.70	18,131.86

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August, 2011	37.25	25.10	18,440.07	15,765.53
September, 2011	37.45	24.75	17,211.80	15,801.01
October, 2011	35.00	26.00	17,908.13	15,745.43
November, 2011	31.00	21.65	17,702.26	15,478.69
December, 2011	23.20	17.75	17,003.71	15,135.86
January, 2012	24.40	18.45	17,258.97	15,358.02
February, 2012	26.00	20.70	18,523.78	17,061.55
March, 2012	32.40	22.70	18,040.69	16,920.61

**(vii) Registrars and Transfer Agents for Demat and Physical Shares :**

Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001.

**(viii) Share Transfer System for Physical Shares :**

The Directors' Share Transfer Committee of the Company meets regularly for approving share transfers and for other related activities. The average time taken for processing of transfers is about three to four weeks. The time taken to process dematerialisation requests is about 10 to 14 days.

**(ix) Distribution of Shareholding as on 31st March, 2012 :**

**(a) According to Category of Holding :**

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Resident Individuals	8141	97.85	22,76,991	27.24
Domestic Companies	142	1.71	34,64,567	41.45
Banks / Financial Institutions	8	0.10	1,855	0.02
Non-Resident Indian	22	0.26	1,67,006	2.00
Non-Domestic Companies	1	0.01	23,46,500	28.07
UTI, LIC, GIC etc.	6	0.07	1,02,217	1.22
<b>Total</b>	<b>8320</b>	<b>100.00</b>	<b>83,59,136</b>	<b>100.00</b>

**(b) According to number of Equity Shares held :**

No. of Shares	No. of Shareholders	% of Shareholders
1 to 500	7635	91.7668
501 to 1000	374	4.4952
1001 to 2000	145	1.7428
2001 to 3000	63	0.7572
3001 to 4000	19	0.2284
4001 to 5000	21	0.2524
5001 to 10000	33	0.3726
10001 and above	32	0.3846
<b>Total</b>	<b>8320</b>	<b>100.00</b>

**(x) Dematerialisation of Shareholding and liquidity :**

The Company entered into Agreements with both the depositories registered under the Depositories Act, 1996, i.e. **National Securities Depository Limited**, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 (**NSDL**) and **Central Depository Services Limited**, Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 001 (**CDSL**), to facilitate holding of shares in the Company in dematerialised form in accordance with the provisions of the Depositories Act, 1996.

Share Certificates of the Company were mandated by the SEBI for settlement only in dematerialised form by all investors. Upto 31st March, 2012, 58.67% of the Paid-up Capital of the Company has been dematerialised. The Company encourages the shareholders of the Company who have not as yet dematerialised their shareholding,

## WILLIAMSON FINANCIAL SERVICES LIMITED

to do so to eliminate the risk of holding securities in the physical form and thereby enjoy high liquidity and other advantages.

For further details, Members may write to the Share Department of the Company at its Kolkata Office.

**(xi) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity :** Not Applicable.

**(xii) Insider Trading :**

The Code of Internal Procedure & Conduct and Code of Corporate Disclosure Practices as per the SEBI (Prohibition of Insider Trading) Regulations, 1992 initiated by the Board at its Meeting held on 29th July, 2005 are in force and the same with the latest amendment are available in the Company's website.

**(xiii) CEO / CFO Certification**

The CEO and CFO has certified to the Board in terms of Clause 49V of the Listing Agreements regarding the authenticity of the financial reporting and adequacy of the internal control systems.

**(xiv) Code of Conduct**

The Company laid down its Code of Conduct for its Directors as well as Senior Management Personnel in terms of Clause 49.1(D) of the Listing Agreements, which was approved by the Board at its Meeting held on 28th October, 2005.

**(xv) Plant Location :**

The Company is a Financial Services Company and is not engaged in manufacturing operations. Its Registered Office earlier situated at House No.37, 5th Bye Lane, Mother Teresa Road, Zoo Narengi Road, Guwahati - 781 021 has been shifted during the Year under review to the premises at Udyan, House No.147, 2nd Floor, Ganeshguri, R.G. Baruha Road, Guwahati - 781005. Its Kolkata Office is situated at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001.

**(xvi) Whom and where to contact for share related services :**

**(a) For routine matters**

- Share Department, Williamson Financial Services Limited  
Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001.
- Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001

**(b) For Redressal of Complaints and Grievances :**

Mr. P. Bandyopadhyay Williamson Financial Services Limited Udyan, House No. 147 2nd Floor, Ganeshguri, R. G. Baruha Road Guwahati 781 005 E-mail : pb@wmg.co.in	Mr. P. Bandyopadhyay Share Department Williamson Financial Services Limited Four Mangoe Lane Surendra Mohan Ghosh Sarani Kolkata - 700 001 E-mail : pb@wmg.co.in
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**2. Non-Mandatory Requirements**

**(a) Chairman of the Board :**

The Company does not bear the expenses of the Chairman's office.

**(b) Remuneration Committee :**

The Remuneration Committee of the Board was constituted on 30th June, 2003 with Mr. T.R. Swaminathan as the Chairman and Mr. R. S. Jhavar and Mr. K. K. Baheti are other Members as stated in Item No.D above.

**(c) Shareholders' Rights :**

Half-yearly results including summary of the significant events are presently not being sent to Shareholders of the Company.

**3. Disclosure as per Part II of Schedule XIII to the Companies Act, 1956:**

**(i)** All elements of remuneration package of all the Directors : The Directors do not receive any remuneration other than fees for attending Meetings as given in this Report. Remuneration of the Manger has been given in the Explanatory Statement of the Notice convening the Annual General Meeting being circulated along with this Report.

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- (ii) Details of fixed component and performance linked incentives along with the performance criteria : There is no such fixed or performance linked incentive.
- (iii) Service contracts, notice period, severance fees : Principal terms of the Agreement re-appointing the Manager with effect from 1<sup>st</sup> April, 2012 are given in the Explanatory Statement of the Notice convening the Annual General Meeting being circulated along with this Report. There is nothing as severance fee. The appointment is terminable by three calendar months' notice from either side without any right to compensation for loss of office. The Company reserves the right to pay three months' salary in lieu of such notice.
- (iv) Stock option details : N A

On behalf of the Board of Directors

Kolkata  
28th May, 2012

A. Khaitan  
Chairman

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### DECLARATION BY CEO REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges this is to confirm that the Company has received from the Board Members and Senior Management Personnel affirmations of compliance with the Code of Conduct as applicable to them.

Kolkata  
28th May, 2012

For Williamson Financial Services Limited  
S. R. Mundhra  
Manager

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### AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

#### The Shareholders

We have reviewed the compliance of conditions of Corporate Governance by **Williamson Financial Services Limited** for the year ended 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges, with the relevant record and documents maintained by the Company as furnished to us.

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

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

No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges have been complied with in all material respect by the Company .

Four Mangoe Lane,  
Surendra Mohan Ghosh Sarani,  
Kolkata - 700 001  
28th May, 2012

For V. Singhi & Associates  
*Chartered Accountants*  
V. K. Singhi  
*Partner*  
Membership No. 300/50051

## WILLIAMSON FINANCIAL SERVICES LIMITED

### **Auditors' Report To The Shareholders of Williamson Financial Services Limited**

1. We have audited the attached Balance Sheet of **WILLIAMSON FINANCIAL SERVICES LIMITED** as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report, comply with the applicable Accounting Standards as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956 ;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

## WILLIAMSON FINANCIAL SERVICES LIMITED

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- b. In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report)(Amendment)Order, 2004("the Order") issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we further report on the matters specified in paragraphs 4 and 5 of the said Order as under:

- 1
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As informed to us, the fixed assets have been physically verified by the management during the year and there is regular programme of verifications which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) During the year, the Company has not disposed off any substantial/major part of fixed assets.
- 2 The Company's nature of operations does not require it to hold any item of inventories. Accordingly, clause 4(ii) (a), (b) & (c) of the Order are not applicable.
- 3
  - a) According to the information and explanations given to us, the Company has not granted loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(iii) (a), (b), (c) & (d) of the Order are not applicable.
  - b) According to the information and explanations given to us, during the year the Company has taken an unsecured loan of Rs. 66,00,000 from a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,31,00,000 and the year end balance of such loan was Rs. 1,31,00,000.
  - c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of such loan are not prima facie pre-judicial to the interest of the Company.
  - d) The interest payments are regular and the principal amount is repayable on demand.
- 4 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 for sale of services. During the course of our audit, we have

## WILLIAMSON FINANCIAL SERVICES LIMITED

neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedure.

- 5
  - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 The Company has not accepted any deposits from the public during the year within the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereon.
- 7 In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8 According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
- 9
  - a) As per records of the Company and according to the information and explanations given to us, the Company is generally regular in depositing undisputed applicable statutory dues including Provident Fund, Income-tax, Wealth-tax, Service Tax, Cess and any other statutory dues with the appropriate authorities and there are no undisputed amount payable in respect of Provident Fund, Income-tax, Wealth-tax, Service Tax and Cess which were in arrears as on 31st March, 2012 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues outstanding on account of any dispute.
- 10 In our opinion, the accumulated losses of the Company as at the end of the financial year has not exceeded fifty per cent of its net worth and the Company has incurred cash losses during the financial year covered by our audit but has not incurred cash losses in the immediately preceding financial year.
- 11 According to the information and explanations given to us, the Company has neither taken any loans from financial institutions and banks nor issued any debentures. Accordingly, clause 4(xi) of the Order is not applicable.
- 12 As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



## WILLIAMSON FINANCIAL SERVICES LIMITED

- 13 The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund /societies are not applicable to the Company. Accordingly, clause 4(xiii) of the Order is not applicable.
- 14 In respect of dealing/trading in shares 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 and other securities have been held by the Company in its own name.
- 15 According to the information and explanations given to us, except shares pledged as stated in Note 10(b), the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16 According to the information and explanations given to us and on an overall examination of the Balance Sheet, the term loans taken by the Company during the year have been applied for the purpose for which it was obtained.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have been utilised for working capital requirements.
- 18 The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 19 The Company has not issued any debentures during the year.
- 20 The Company has not raised any money by way of public issue during the year.
- 21 Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the 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.

Place : Kolkata  
Dated : 28th May, 2012

For V. SINGHI & ASSOCIATES  
*Chartered Accountants*  
V. K. Singhi  
*Partner*  
Membership No. 300/50051  
Firm Registration No.311017E

**WILLIAMSON FINANCIAL SERVICES LIMITED**

**Balance Sheet as at 31st March, 2012**

	Note	As at 31st March, 2012		As at 31st March, 2011	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	2	8,35,91,360		8,35,91,360	
Reserves and Surplus	3	<u>18,74,95,456</u>	27,10,86,816	<u>64,79,57,870</u>	73,15,49,230
<b>Non-Current Liabilities</b>					
Long-Term Borrowings	4	15,00,00,000		—	
Long-Term Provisions	5	<u>51,96,216</u>	15,51,96,216	<u>50,87,796</u>	50,87,796
<b>Current Liabilities</b>					
Short-Term Borrowings	6	46,11,00,000		10,15,00,000	
Other Current Liabilities	7	7,90,88,950		8,31,94,506	
Short-Term Provisions	8	<u>2,27,94,009</u>	56,29,82,959	<u>2,32,41,448</u>	20,79,35,954
			<u><b>98,92,65,991</b></u>	<u><b>94,45,72,980</b></u>	
<b>II. ASSETS</b>					
<b>Non-Current Assets</b>					
<b>Fixed Assets</b>					
Tangible Assets	9a	30,01,640	30,01,642	31,44,320	31,44,322
Intangible Assets	9b	<u>2</u>		<u>2</u>	
Non-Current Investments	10	89,22,77,952		89,99,20,127	
Long-Term Loans and Advances	11	<u>33,000</u>	89,23,10,952	<u>33,000</u>	89,99,53,127
<b>Current Assets</b>					
Current Investments	12	22,57,525		18,21,893	
Cash and Cash Equivalents	13	79,51,053		43,48,694	
Short-Term Loans and Advances	14	7,77,58,616		3,51,86,588	
Other Current Assets	15	<u>59,86,203</u>	9,39,53,397	<u>1,18,356</u>	4,14,75,531
			<u><b>98,92,65,991</b></u>	<u><b>94,45,72,980</b></u>	

**Significant Accounting Policies** 1

**The accompanying notes form and integral part of the Financial Statements.**

As per our report annexed  
For V. SINGHI & ASSOCIATES  
*Chartered Accountants*  
Firm Reg. No. 311017E

T.R.SWAMINATHAN *Director*

K.K.BAHETI *Director*

Kolkata  
28th May, 2012

V. K. SINGHI  
*Partner*  
Membership No.050051

P. BANDYOPADHYAY *Company Secretary*

**WILLIAMSON FINANCIAL SERVICES LIMITED**

**Statement of Profit & Loss for the year ended 31st March, 2012**

	Note	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Revenue From Operations	16		1,54,11,777		8,54,517
Other Income	17		3,56,21,945		4,07,94,427
			<u>5,10,33,722</u>		<u>4,16,48,944</u>
<b>EXPENSES</b>					
Employee Benefits Expense	18		17,17,223		27,39,373
Finance Costs	19		7,86,19,593		73,00,822
Depreciation		1,71,180		9,00,302	
Less : Withdrawn on Account of Depreciation on Amount Added on Revaluation (Refer Note 23)		<u>1,06,243</u>	64,937	<u>1,11,835</u>	7,88,467
Other Expenses	20		47,37,544		42,01,853
Provision for diminution in value of non-Current Investments			42,61,42,176		1,85,19,288
Provision for Standard Assets (Refer note 24)			1,08,420		87,796
			<u>51,13,89,893</u>		<u>3,36,37,599</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>			<b>(46,03,56,171)</b>		<b>80,11,345</b>
Tax expense					
- Current tax			—		50,000
<b>PROFIT/(LOSS) FOR THE YEAR</b>			<b>(46,03,56,171)</b>		<b>79,61,345</b>
Earnings per equity share					
- Basic and Diluted			(55.07)		0.95

**Significant Accounting Policies 1**

**The accompanying notes form an integral part of the Financial Statements.**

As per our report annexed  
For V. SINGHI & ASSOCIATES  
Chartered Accountants  
Firm Reg. No. 311017E

T.R.SWAMINATHAN *Director*

K.K.BAHETI *Director*

Kolkata  
28th May, 2012

V. K. SINGHI  
*Partner*  
Membership No.050051

P. BANDYOPADHYAY *Company Secretary*

**Notes forming part of the Financial Statements for the year ended 31st March, 2012**

**NOTE 1**

**SIGNIFICANT ACCOUNTING POLICIES**

**a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements have been prepared under the historical cost convention method on the accrual basis of accounting and in accordance with generally accepted Accounting principles in India and comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

**b) PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS**

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement policies followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The Company has also reclassified its previous years figures in accordance with the requirements applicable in the current year.

**c) USE OF ESTIMATES**

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumption and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

Management believes that the estimates used in the presentation of financial statements are prudent and reasonable. Actual result could differ from these estimates.

**d) RECONGNITION OF INCOME AND EXPENDITURE**

Items of income and expenditure are recognised on accrual and prudent basis with due compliance of the Guidelines of the Reserve Bank of India on Prudential Norms for income recognition and provisioning for non-performing assets.

**e) FIXED ASSETS AND DEPRECIATION**

- i) All the Fixed Assets have been stated at cost of acquisition with the resultant write-up due to revaluation, as there may be.
- ii) Depreciation on all fixed assets have been provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

**f) INVESTMENTS**

Investments have been classified into long-term investments and current investments in accordance with the Accounting Standard 13 issued by the Institute of Chartered Accountants of India. Long Term Investments are stated at cost. Current investments are valued at lower of cost and market/ fair value determined by category of investments. Provisions in respect of diminution other than temporary, in

**Notes forming part of the Financial Statements for the year ended 31st March, 2012**

**NOTE 1 (Contd.)**

the value of long term quoted investments are recognized on a prudent basis. Gains/losses on disposal of investments are recognized as income/expenditure. Dividends are accounted for when the right to receive the payment is established.

**g) RETIREMENT BENEFITS**

The Company contributes to Provident Fund and Superannuation Fund which are administered by duly constituted and approved independent Trust/Government and such defined contributions are charged against revenues every year.

Accrued liability in respect of retirement gratuities are actuarially ascertained at the year end. The Company has created a Gratuity Fund under Group Gratuity Scheme under which yearly premium is being paid to take care of current as well as past liability. The annual premium for the year is charged to the financial statement.

Accrued liability in respect of leave encashment benefits on retirement is actuarially ascertained at the year end and provided for in the financial statements.

**h) IMPAIRMENT**

Impairment loss is recognized wherever the carrying amount of the Fixed Assets exceeds the recoverable amount i.e. the higher of the assets net selling price and value in use.

**i) ACCOUNTING FOR TAXES ON INCOME**

Tax expense comprises current and deferred Tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess realisability thereof.

**j) EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

**k) PROVISIONS, CONTINGENT LIABILITIES CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be outflow of resources.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognise a contingent liability but discloses its existence in the financial statements by way of Notes.

Contingent assets are neither recognised nor disclosed in financial statements.

## WILLIAMSON FINANCIAL SERVICES LIMITED

### Notes forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

	As at 31st March, 2012	As at 31st March, 2011		
	Number	Rs.	Number	Rs.

#### NOTE 2

#### SHARE CAPITAL

##### a) AUTHORISED

Equity Shares of Rs. 10/- each	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
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##### ISSUED, PAID UP SUBSCRIBED

Equity Shares of Rs. 10/- each fully paid up	83,59,136	8,35,91,360	83,59,136	8,35,91,360
	83,59,136	8,35,91,360	83,59,136	8,35,91,360

- b) i) 4,78,793 Shares out of the issued and subscribed share capital were allotted pursuant to a contract without payment received in cash.
- ii) 46,76,103 Shares out of the issued and subscribed share capital were allotted pursuant to the schemes of Amalgamation without payment received in cash.
- iii) 2,07,88,25 Shares out of the issued and subscribed share capital were allotted as Bouns Shares by capitalisation of General Reserve.
- c) The shareholders have the right to declare and approve dividends, as proposed by the Board of Directors for any financial year, to be paid to the members according to their rights and interest in the profits. However, no larger dividend shall be declared than is recommended by the Board of Directors.
- d) In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

##### e) Name of the Shareholders holding more than 5% shares

Name of Shareholders	As at 31st March, 2012		As at 31st March, 2011	
	Number	% of Holding	Number	% of Holding
Mcleod Russel India Limited	1,666,953	19.94%	1,666,953	19.94%
Williamson Magor & Co. Limited	576,250	6.89%	576,250	6.89%
Metals Centre Limited	857,498	10.26%	857,498	10.26%
Williamson Maknam Limited	2,346,500	28.07%	2,346,500	28.07%

As per records of the Company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

## WILLIAMSON FINANCIAL SERVICES LIMITED

### Notes forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

	As at 31st March, 2012		As at 31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 3</b>				
<b>RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>				
As per last Financial Statement		42,63,70,924		42,63,70,924
<b>Revaluation Reserve</b>				
As per last Financial Statement	21,24,860		22,36,695	
Less : Withdrawal on account of depreciation on amount added on revaluation	<u>1,06,243</u>	20,18,617	<u>1,11,835</u>	21,24,860
<b>Securities Premium Reserve</b>				
As per last Financial Statement		11,80,44,960		11,80,44,960
<b>General Reserve</b>				
		63,34,00,000		63,34,00,000
<b>Statutory Reserve* (Refer note below)</b>				
As per last Financial Statement		4,48,00,000		4,48,00,000
<b>Surplus</b>				
As per last Financial Statement	(57,67,82,874)		(58,47,44,220)	
Add : Profit/(Loss) as per Statement of Profit and Loss for the year	<u>(46,03,56,171)</u>		<u>79,61,345</u>	
		(1,03,71,39,045)		(57,67,82,874)
		<u><b>18,74,95,456</b></u>		<u><b>64,79,57,870</b></u>

\*Note : Created in accordance with Reserve Bank of India (Amendment) Act, 1997 as applicable to Non-Banking Financial Companies.

### NOTE 4

#### LONG TERM BORROWINGS

##### SECURED TERM LOANS

IL & FS Financial Services Limited (Secured by pledge of certain investments of its own and other Companies)	15,00,00,000	—
(Secured by pledge of shares of Mceod Russel India Limited (MIRL) and Mcnally Bharat Engineering Company Limited (MBECL) at the margin of 50% held by the own)		
(Repayable in 8 equal quarterly instalments commencing at the end of August, 2014 from date of disbursement facilities)		
	<u><b>15,00,00,000</b></u>	<u><b>—</b></u>

**WILLIAMSON FINANCIAL SERVICES LIMITED**

**Notes forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)**

	As at 31st March, 2012		As at 31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 5</b>				
<b>LONG TERM PROVISIONS</b>				
<b>For Non Performing Assets</b>				
As per last Financial Statement		50,00,000		50,00,000
<b>For Standard Assets</b>				
As per last Financial Statement	87,796		—	
Add : For the year	1,08,420	1,96,216	87,796	87,796
		<u>51,96,216</u>		<u>50,87,796</u>
<b>NOTE 6</b>				
<b>SHORT TERM BORROWINGS</b>				
<b>Secured</b>				
<b>Short Term Loans</b>				
IL & FS Financial Services Limited (Secured by pledge of certain investments of its own and other Companies)		20,00,00,000		—
<b>Unsecured</b>				
From - Bodies Corporate		24,80,00,000		9,50,00,000
From - Related Party		1,31,00,000		65,00,000
		<u>46,11,00,000</u>		<u>10,15,00,000</u>
<b>NOTE 7</b>				
<b>OTHER CURRENT LIABILITIES</b>				
Interest accrued but not due		42,40,565		22,67,624
<b>Other Liabilities</b>				
- Advance from customers	1,77,472		1,77,472	
- Other payables	7,05,21,189		8,04,73,669	
- Payable to statutory authorities	41,49,724	7,48,48,385	2,75,741	8,09,26,882
		<u>7,90,88,950</u>		<u>8,31,94,506</u>
<b>NOTE 8</b>				
<b>SHORT TERM PROVISIONS</b>				
For Income Tax (Net of Advance Tax of Rs.10,32,142/-) (Previous year Rs.6,10,833/-)		2,27,14,059		2,31,35,368
Wealth Tax (Net of Advance Tax of Rs.26,130/-) (Previous year Rs.Nil)		79,950		1,06,080
		<u>2,27,94,009</u>		<u>2,32,41,448</u>



WILLIAMSON FINANCIAL SERVICES LIMITED

Notes forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

FIXED ASSETS

NOTE 9(a) - TANGIBLE ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 01.04.2011	Addition during the year	Sale/ Adjustments during the year	Cost as at 31.03.2012	Upto 31.03.2011	For the year	On Disposals/ Adjustments	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Buildings (refer Note:- below)	1,16,98,435	—	—	1,16,98,435	86,62,265	1,51,809	—	88,14,074	28,84,361	30,36,170
Plant and equipment	4,67,097	—	—	4,67,097	4,58,791	1,155	—	4,59,946	7,151	8,306
Furniture & fittings	8,33,208	28,500	—	8,61,708	7,33,364	18,216	—	7,51,580	1,10,128	99,844
<b>Total</b>	<b>1,29,98,740</b>	<b>28,500</b>	<b>—</b>	<b>1,30,27,240</b>	<b>98,54,420</b>	<b>1,71,180</b>	<b>—</b>	<b>1,00,25,600</b>	<b>30,01,640</b>	<b>31,44,320</b>
Previous Year	9,04,03,304	82,990	7,74,87,554	1,29,98,740	8,04,00,403	9,00,302	7,14,46,282	98,54,420	31,44,320	

NOTE 9(b) - INTANGIBLE ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as on 01.04.2011	Addition during the year	Sale/ Adjustments during the year	Cost as at 31.03.2012	Upto 31.03.2011	For the year	On Disposals/ Adjustments	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Goodwill	2	—	—	2	—	—	—	—	2	2
<b>Total</b>	<b>2</b>	<b>—</b>	<b>—</b>	<b>2</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2</b>	<b>2</b>
Previous Year	2	—	—	—	—	—	—	—	2	

Note : Note : Based on Valuation Report submitted by Professional Valuer appointed for the purpose, a building had been revalued as at 1st April, 1997 on current cost basis and adjusted for depreciation element as applicable. The resultant increase in the net book value on such revaluation amounting to Rs. 42,81,094 ( earlier revalued on 31st March, 1992) were transferred to Revaluation Reserve in that year.

## WILLIAMSON FINANCIAL SERVICES LIMITED

### Notes forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

	Face Value	As at 31st March, 2012		As at 31st March, 2011	
	Rs.	No. of Shares/ Debentures	Rs.	No. of Shares/ Debentures	Rs.
<b>NOTE 10</b>					
<b>NON-CURRENT INVESTMENTS</b>					
<b>LONG TERM</b>					
<b>QUOTED</b>					
<b>INVESTMENT IN EQUITY INSTRUMENTS</b>					
In Equity Shares (fully paid-up)					
Eveready Industries India Limited	5	51,60,988	51,55,36,491	51,60,988	51,55,36,491
McLeod Russel India Limited	5	58,98,725	58,92,06,787	58,98,725	58,92,06,787
McNally Bharat Engineering Company Limited	10	15,51,000	41,87,10,753	1,000	2,10,753
<b>UNQUOTED</b>					
In Equity Shares (fully paid-up)					
ABC Tea Workers' Welfare Services Limited	10	500	2	500	2
Babcock Borsig Limited	10	10,26,000	5,34,85,380	10,26,000	5,34,85,380
Woodlands Multispeciality Hospitals Limited	10	1,250	1	1,250	1
<b>DEBENTURES</b>					
5% Debentures of Shillong Club Limited	5300	—	1	—	1
			<b>1,57,69,39,415</b>		<b>1,15,84,39,415</b>
Less : Provision for diminution			68,46,61,464		25,85,19,288
<b>Net Value of Investments</b>			<b>89,22,77,952</b>		<b>89,99,20,127</b>

**Note : (a)**

	31st March, 2012		31st March, 2011	
	Book Value Rs.	Market Value Rs.	Book Value Rs.	Market Value Rs.
<b>Shares</b>				
Quoted	1,52,34,54,031	1,85,02,04,809	1,10,49,54,031	1,74,70,35,137
Unquoted	5,34,85,383		5,34,85,383	
Debenture	1		1	
	<b>1,57,69,39,415</b>		<b>1,15,84,39,415</b>	

**Note : (b) :** Particulars relating to Equity Shares pledged against loan availed by the Company and another Companies.

	31st March, 2012 No. of Shares	31st March, 2011 No. of Shares
McLeod Russel India Limited	14,50,000	4,50,000
McNally Bharat Engineering Company Limited	15,00,000	—

**WILLIAMSON FINANCIAL SERVICES LIMITED**

**Notes forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)**

	As at 31st March, 2012		As at 31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 11</b>				
<b>LONG TERM LOANS AND ADVANCES</b>				
<b>Unsecured, considered good</b>				
Security and Other Deposits		33,000		33,000
		<u>33,000</u>		<u>33,000</u>

	As at 31st March, 2012		As at 31st March, 2011		
	Face Value Rs.	No. of Shares	Rs.	No. of Shares	Rs.
<b>NOTE 12</b>					
<b>CURRENT INVESTMENTS</b>					
<b>At the lower of cost and market/fair value determined by category of investment</b>					
<b>QUOTED</b>					
<b>INVESTMENT IN EQUITY INSTRUMENT</b>					
In Equity Shares (fully paid-up)					
Marigold Glass Industries Limited	10	22,500	1,12,600	22,500	1,12,600
Mint Investments Ltd.	10	2,40,000	14,40,000	2,40,000	14,40,000
The Standard Batteries Limited	1	41,775	3,34,200	41,775	2,923
J J Financial Corporation Limited	10	—	—	1,000	100
Nucent Estate Limited	2	47,000	62,980	47,000	94,000
State Bank of Bikaner & Jaipur	10	1,200	3,02,250	850	1,65,750
Uniworth Limited	10	4,050	5,495	4,050	6,520
			<u>22,57,525</u>		<u>18,21,893</u>

<b>NOTE 13</b>				
<b>CASH AND CASH EQUIVALENTS</b>				
<b>Balances with Banks</b>				
- In Current Accounts		7,951,053		4,348,694
		<u>7,951,053</u>		<u>4,348,694</u>

<b>NOTE 14</b>				
<b>SHORT TERM LOANS AND ADVANCES</b>				
<b>Unsecured, considered good</b>				
<b>a) Loans</b>				
- to Corporates		7,75,00,000		2,50,00,000
- to Others		—		10,000,000
<b>b) Advances</b>				
Other advances		2,43,616		171,588
Advance Fringe Benefit Tax (Net of Provision of Rs 15,000/-) (Previous Year Rs 15,000/-)		15,000		15,000
		<u>7,77,58,616</u>		<u>3,51,86,588</u>

**WILLIAMSON FINANCIAL SERVICES LIMITED**

**Notes forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)**

	As at 31st March, 2012		As at 31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 15</b>				
<b>OTHER CURRENT ASSETS</b>				
Interest accrued on loans and deposits		5,986,203		118,356
		<u>5,986,203</u>		<u>118,356</u>

	For the year ended		For the year ended	
	31st March, 2012		31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 16</b>				
<b>REVENUE FROM OPERATIONS</b>				
Leasing / Hire Purchase		—		705,948
Interest Income (Tax Deducted at Source of Rs. 9,53,353/-) (Previous Year Rs. 13,151/-)		15,411,777		148,569
		<u>15,411,777</u>		<u>854,517</u>

	For the year ended		For the year ended	
	31st March, 2012		31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 17</b>				
<b>OTHER INCOME</b>				
Dividend Income				
- On Long Term Investment	35,176,119		26,175,394	
- On Current Investment	<u>131,040</u>	35,307,159	<u>138,360</u>	26,313,754
Interest on Tax Refunds		655		820
Profit on Sale of Investments (Net)		14,900		13,311,927
Profit on Sale of Assets		—		935,574
Liabilities Written Back		—		231,935
Provision for diminution in value of Current Investment written back (Net)		299,231		417
		<u>35,621,945</u>		<u>40,794,427</u>

	For the year ended		For the year ended	
	31st March, 2012		31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 18</b>				
<b>EMPLOYEE BENEFITS EXPENSES</b>				
Salaries		1,281,000		2,349,555
Contributions to Provident and Other Funds		343,054		343,126
Staff welfare Expenses		93,169		46,692
		<u>1,717,223</u>		<u>2,739,373</u>

**WILLIAMSON FINANCIAL SERVICES LIMITED**

**Notes forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)**

	As at 31st March, 2012		As at 31st March, 2011	
	Rs.	Rs.	Rs.	Rs.
<b>NOTE 19</b>				
<b>FINANCE COSTS</b>				
Interest Expense		77,744,671		7,088,181
Other Borrowing Cost		874,922		212,641
		<u>78,619,593</u>		<u>7,300,822</u>
<b>NOTE 20</b>				
<b>OTHER EXPENSES</b>				
Power and Fuel		106,727		94,115
Repairs - to Buildings		126,528		1,693,170
- to Others		1,250		850
Rates and taxes		311,881		133,068
Insurance		42,450		36,041
Professional and Consultancy Charges		2,531,531		458,325
Travelling and Conveyance Expenses		310,856		376,997
Printing and Stationery		174,586		167,252
Postage, Telegram and Telephone		127,473		145,546
Directors Fees		345,000		390,000
Miscellaneous Expenses		659,262		706,488
		<u>4,737,544</u>		<u>4,201,853</u>

## WILLIAMSON FINANCIAL SERVICES LIMITED

### Notes forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

21. Contingent Liabilities not provided for in respect of pledge of certain shares held by the Company in respect of loan availed by third party amounting to Rs. 5225.32 Lacs.
22. The Company has been registered as a Non-Banking Financial Company with the Reserve Bank of India.
23. In respect of items of Fixed Assets (covered by Revaluation as mentioned in Note 9a) depreciation has been calculated on their respective revalued amounts and includes additional charge of Rs.1,06,243 (previous year Rs.1,11,835) which has been transferred from Revaluation Reserve, such transfer according to an authoritative professional view, being acceptable for the purpose of the Company's Accounts.
24. The Reserve Bank of India (RBI) vide its Notification No. DNBS. 223/CGM (US) - 2011 dated 17th January 2011 has issued direction to all NBFCs to make provision of 0.25% against standard assets with immediate effect. Accordingly, the Company has made provision of Rs. 1,08,420 for the year against standard assets which has been charged to Statement of Profit and Loss.
25. Provision for diminution in the value of Long Term Investment for unquoted shares is not made in the financial statement as it is not permanent in nature.
26. Provisions for Non-Performing Assets in Note 5 to the Balance Sheet includes the following :

	2011-12 Rs.	2010-11 Rs.
For certain Loans - Inter-corporate	50,00,000	50,00,000
	<u>50,00,000</u>	<u>50,00,000</u>

27. Manager's Remuneration :

The total amount of Manager's Remuneration charged in these accounts under various heads is set out below :

	2011-12 Rs.	2010-11 Rs.
a) Salary	5,58,000	8,54,000
b) Contribution to Provident Fund	66,960	71,280
c) Other Benefits & Allowances	3,23,135	4,36,434
	<u>9,49,535</u>	<u>13,61,714</u>

**WILLIAMSON FINANCIAL SERVICES LIMITED**

**Notes forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)**

28. Disclosure as required under Accounting Standard (AS) 15 (Revised)

	For the Year Ended 31st March 2012		For the Year Ended 31st March 2011		
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	
	(FUNDED) Rs.	(Unfunded) Rs.	(FUNDED) Rs.	(Unfunded) Rs.	
<b>A. Expenses recognised in Statement of Profit and Loss</b>					
1. Current Service Cost	46,228	40,096	44,977	54,637	
2. Interest cost	14,243	19,904	9,685	8,398	
3. Expected return on Plan Assets	27,132	—	27,055	—	
4. Actuarial gain/loss recognised in the year	(28,889)	(13,488)	25,074	72,319	
5. Expenses recognised in the Statement of Profit & Loss	4,450	46,512	52,654	1,35,355	
<b>B. Net Assets / (Liability) recognised in the Balance Sheet</b>					
1. Present value of obligation at the end of the year	2,23,982	2,80,671	1,67,559	2,34,159	
2. Fair value of plan assets at the end of the year	3,91,120	—	3,39,147	—	
3. Funded status	1,67,138	—	1,71,588	—	
4. Net asset/(liability) recognised in Balance Sheet	1,67,138	(2,80,671)	1,71,588	(2,34,159)	
<b>C. Changes in present value of obligation</b>					
1. Present value of obligation as at the beginning of the year	1,67,559	2,34,159	1,13,941	98,804	
2. Interest cost	14,243	19,904	9,685	8,398	
3. Current service cost	46,228	40,096	44,977	36,174	
4. Actuarial Gain / (Loss) on obligation	(4,048)	(13,488)	(1,044)	72,319	
5. Present value of obligation as at the end of the year	2,23,982	2,80,671	1,67,559	2,34,159	
<b>D. Changes in Fair Value of Plan Assets :-</b>					
1. Fair value of Plan Assets at beginning of the Year	3,39,147	—	3,38,183	—	
2. Expected Return on Plan Assets	27,132	—	27,055	—	
3. Actuarial gain/(loss) on plan assets	24,841	—	(26,091)	—	
4. Fair value of Plan assets as at the end of the year	3,91,120	—	3,39,147	—	
<b>Actuarial assumptions :</b>					
1. Discount rate (p.a.)	8.5%	—	8.5%	—	
2. Expected rate of return (p.a)	8%	—	8%	—	
3. Salary escalation (p.a.)	5%	—	5%	—	
<b>E. The experience adjustment on account of actuarial assumptions of the Gratuity Scheme is as follows:</b>					
<b>Experience History</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>
		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
1. Defined Benefit Obligation at end of the period	2,23,982	1,67,559	1,13,941	61,592	39,498
2. Plan Assets at the end of the Year	3,91,120	3,39,147	3,38,183	66,561	39,300
3. Surplus / (Deficit)	1,67,138	1,71,588	2,24,242	4,969	(198)
4. Experience adjustments on Plan Liabilities	24,841	(26,091)	2,66,297	24,117	14,110
5. Experience Adjustments on Plan Assets	4,048	1,044	(5,746)	(3,536)	(1,025)

## WILLIAMSON FINANCIAL SERVICES LIMITED

### Notes forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

29. Miscellaneous Expenses includes Auditors' Remuneration as follows :

	2011-12 Rs.	2010-11 Rs.
As Auditors (includes Tax Audit Fee of Rs.25,000/-) (Previous Year Rs.25,000/-)	1,25,000	1,00,000
For Taxation Matters (Includes service tax of Rs.17,852/-) (Previous Year Rs.29,465/-)	1,73,319	1,45,443
For Company Law Matter (Includes service tax of Rs.10,017/-)	97,256	—
For Corporate Governance & Limited Review	75,000	75,000
For Reimbursement of expenses (Includes service tax of Rs.1,621/-)	15,739	
	<u>4,86,314</u>	<u>3,20,443</u>

30. The Company is engaged in the business of financial services, which as per Accounting Standard 17 is considered the only reportable business Segment. The geographical segmentation is not relevant, as the Company did not have any overseas operations during the year.

	2011-12	2010-11
31. In calculating Basic and Diluted Earnings per Share :		
a) Numerator used :		
Profit/(Loss) after tax (Rs. in lakh)	(4,603.56)	79.61
b) Denominator used :		
Number of Equity Shares	83,59,136	83,59,136
c) Earning per share (Rs.)	(55.07)	0.95

32. Information given in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures issued by the Institute of Chartered Accountants of India :

A) List of Related Parties

i) Names of the Key Management Personnel of the Company

- a) Non Executive Directors - Mr. A. Khaitan  
Mr. D. Khaitan  
Mr. T. R. Swaminathan  
Mr. R. S. Jhawar  
Mr. K. K. Baheti  
Mr. C. K. Pasari  
Mr. J. Hazarika  
Mr. G. Saraf

b) Manager - Mr. S. R. Mundhra

c) Relative of Key Management Personnel - Mrs. Krishna Mundhra

d) Enterprise Exercising Significant Influence - Williamson Makran Limited

ii) Names of the Company in which Key Management Personnel is interested  
Kanta Management Services Private Limited

B) Disclosure of transactions with Key Management Personnel and the Company in which Key Management Personnel is having substantial interest and the status of outstanding amount.



## WILLIAMSON FINANCIAL SERVICES LIMITED

### Notes forming part of the Financial Statements for the year ended 31st March, 2012 (Contd.)

#### NOTE 32 (Contd.)

i) Transactions during the year with

Particulars	2011-12		2010-11	
	Company in which key management personnel is Interested	Key Management Personnel	Company in which key management personnel is interested	Key Management Personnel
Directors Fees				
Mr. A. Khaitan		20,000		20,000
Mr. D. Khaitan		15,000		5,000
Mr. T.R. Swaminathan		80,000		1,00,000
Mr. R.s. Jhawar		60,000		1,05,000
Mr. K.K. Baheti		75,000		85,000
Mr. C.K. Pasari		40,000		20,000
Mr. J. Hazarika		40,000		40,000
Mr. G. Saraf		15,000		15,000

#### Interest Expenses

Kanta Management Service Private Ltd.	14,15,228	—	9,01,630	—
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#### Loan Borrowed

Kanta Management Service Private Ltd.	66,00,000	—	60,00,000	—
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ii) Balance as at 31st March

Kanta Management Service Private Ltd.				
Loan outstanding	1,31,00,000	—	65,00,000	—
Interest Payable	—	—	8,11,468	—

iii) Details of remuneration to Manager is disclosed in Note 27.

iv) Amount paid to relative of Key Management Personnel amounting to Rs.165,000/- (Previous year Rs.1,81,286/-)

33. The timing difference relating mainly to depreciation and unabsorbed losses results in net deferred credit as per Accounting Standards 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. As a prudent measure the net deferred tax asset relating to the above has not been recognized in the Accounts.

34. Previous years' figures have been regrouped / rearranged wherever necessary.

Signatures to Notes 1 to 34

As per our report annexed  
For V. SINGHI & ASSOCIATES  
Chartered Accountants

T.R.SWAMINATHAN Director

K.K.BAHETI Director

V. K. SINGHI  
Partner

P. BANDYOPADHYAY Company Secretary

Kolkata  
Dated : 28th May, 2012

Membership No.050051  
Firm Regn. No.311017E

**WILLIAMSON FINANCIAL SERVICES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	For the year ended 31st March, 2012 Rs.	For the year ended 31st March, 2011 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax and extraordinary items [After adjustment of lease equalisation Rs.Nil (Previous Year Rs.7,05,948/-)]	(46,03,56,171)	72,55,397
Adjustments for		
Tax Provision	—	50,000
Provision For Standard Assets	1,08,420	87,796
Diminution in value of Investments	42,61,42,176	1,85,19,288
Depreciation	64,937	7,88,467
Interest expenditure	7,77,44,671	70,88,181
Provision no longer required	(2,99,231)	(417)
Wealth Tax	—	35,360
Profit on sale of Assets	—	(9,35,574)
Profit on sale of Investments	(14,900)	(1,33,11,927)
Liability Written Back	—	(2,31,935)
Dividend	(3,53,07,159)	(2,63,13,754)
Operating Profit before Working Capital Changes	80,82,742	(69,69,118)
Adjustments for		
Trade & other receivables	(4,93,34,751)	(3,00,05,111)
Trade payables	(21,32,616)	(6,72,96,447)
Cash generated from operations	(4,33,84,625)	(10,42,70,676)
Taxes paid	4,47,438	10,999
Net Cash from operating activities	(A) <u>(4,29,37,187)</u>	<u>(10,42,59,677)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(28,500)	(82,993)
Sales of Fixed Assets	—	9,75,555
Purchase of Investments	(41,86,36,500)	(5,36,96,132)
Sales of investments	15,000	13,62,76,371
Dividend Income on investments	3,53,07,159	2,63,13,754
	(B) <u>(38,33,42,841)</u>	<u>(10,97,86,556)</u>

**WILLIAMSON FINANCIAL SERVICES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)**

	For the year ended 31st March, 2012 Rs.	For the year ended 31st March, 2011 Rs.
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	15,00,00,000	15,45,00,000
Repayment of Term Loans	—	—
Proceeds from Short Term Borrowings	1,16,56,00,000	—
Repayment of Short Term Borrowings	(80,60,00,000)	(13,97,00,000)
Interest paid	(7,97,17,612)	(1,71,02,461)
Net cash used in Financing Activities	(C) 42,98,82,388	(23,02,461)
Net increase in cash and cash equivalents	(A+B+C) 36,02,360	32,24,418
Opening Cash and cash equivalents	43,48,693	11,24,276
Closing Cash and cash equivalents	79,51,053	43,48,694
	<u>(36,02,360)</u>	<u>(32,24,418)</u>

Notes :

1. The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2. Previous year's figures have been rearranged wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For V. SINGHI & ASSOCIATES  
Chartered Accountants

T.R. SWAMINATHAN *Director*

K.K. BAHETI *Director*

V. K. SINGHI  
*Partner*

P. BANDYOPADHYAY *Company Secretary*

Kolkata  
28th May, 2012

Membership No.50051  
Firm Reg No.311017E

## WILLIAMSON FINANCIAL SERVICES LIMITED

### Financial Year 2011-12

#### Note to the Balance Sheet of a non-deposit taking non-banking financial company

(As required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

#### Liabilities side :

(Rs. in lakh)  
Amount outstanding

(1) **Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :**

(a)	Debentures : Secured	Nil
	: Unsecured	Nil
	(other than falling within the meaning of public deposits*)	
(b)	Deferred Credits	Nil
(c)	Term Loans	3500.00
(d)	Inter-corporate loans and borrowings	2653.41
(e)	Commercial Paper	Nil
(f)	Other Loans (specify nature)	Nil

\*Please see Note 1 below

#### Assets side :

(2) **Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :**

(a)	Secured	Nil
(b)	Unsecured	837.30

(3) **Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities**

(i)	Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	Nil
	(b) Operating lease	Nil
(ii)	Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	Nil
	(b) Repossessed Assets	Nil
(iii)	Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	Nil
	(b) loans other than (a) above	Nil

## WILLIAMSON FINANCIAL SERVICES LIMITED

	(Rs. in lakh)
	Amount outstanding
<b>(4) Break-up of Investments :</b>	
Current Investments :	
1. Quoted :	
(i) Shares : (a) Equity	22.58
(b) Preference	—
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil
2. Unquoted :	
(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil
Long Term Investments :	
1. Quoted :	
(i) Shares : (a) Equity	8,387.93
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil
2. Unquoted :	
(i) Shares : (a) Equity	534.85
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

## WILLIAMSON FINANCIAL SERVICES LIMITED

(5) **Borrower group-wise classification of assets financed as in (2) and (3) above**

Please see Note 2 below

Category	(Rs. in Lakh)		
	Amount net of provision		Total
	Secured	Unsecured	
1. Related Parties **			
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	—	—
(c) Other related parties	—	—	—
2. Other than related parties	—	837.30	837.30
<b>TOTAL</b>	<b>—</b>	<b>837.30</b>	<b>837.30</b>

(6) **Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted) :**

Category	Market Value Break-up or fair value or NAV	Book Value (Net of Provision)
1. Related Parties**		
(a) Subsidiaries	—	—
(b) Companies in the same group	—	—
(c) Other related parties	—	—
2. Other than related parties	18528.77	8945.35
<b>Total</b>	<b>18528.77</b>	<b>8945.35</b>

\*\*As per Accounting Standard of ICAI (Please see Note 3)

(7) **Other Information**

Particulars	Amount
(i) Gross Non-Performing Assets	50.00
(a) Related parties	—
(b) Other than related parties	50.00
(ii) Net Non-Performing Assets	—
(a) Related parties	—
(b) Other than related parties	—
(iii) Assets acquired in satisfaction of debt	—

**Notes :**

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

