

16th Annual Report 2010 - 11

16th Annual Report 2010-11



Wallfort Financial Services Ltd.

16th ANNUAL REPORT

BOARD OF DIRECTORS:

Mr. Anil Jain	Chairman & Managing Director
Mr. Deepak Lahoti	Whole time Director
Mr. Yash Golechha	Whole time Director
Mr. Manoj Bharadia	Whole time Director
Mr. Ashok Bharadia	Director
Mr. Anil Parekh	Director
Mr. Krishnagopal Biyani	Director
Mr. Vijay Gaggar	Director
Mr. Ajay Mantri	Director
Mr. Pramod Gupte	Director

COMPLIANCE OFFICER

Mr. Nishit Golechha

AUDITORS

Kochar & Associates
Chartered Accountants

CONSULTANTS

Banshi Jain & Associates
Chartered Accountants

REGISTERED OFFICE:

205, Gundecha Chambers,
Nagindas Master Road,
Fort,
Mumbai 400 001.

BANKERS

Punjab National Bank
Citi Bank
HDFC Bank Ltd
Union Bank of India
UCO Bank

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NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting Of The Members Of Wallfort Financial Services Limited will be held at its Registered Office 205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai 400 001 on Friday, 30th September 2011 at 11:00 a.m. to transact the following business: -

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as on 31st March 2011 and the Profit & Loss Account for the year ended thereon together with the report of the Director's and the Auditor's Report thereon for the year ended on 31st March 2011.
- 2) To re-appoint M/s Kochar & Associates, Chartered Accountants, Mumbai, Auditors of the company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.
- 3) To appoint a Director in place of Mr. Krishnagopal Biyani, who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint a Director in place of Mr. Ashok Bharadia who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

5) Amendment of Articles of Association

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

“RESOLVED that pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company be and are hereby altered as follows:

(I) The following new Article No. 109 A be inserted after the existing Article No. 109

109 A: The Company may use electronic mode for conducting the General Meetings, whereby all shareholders can participate in general meetings and may communicate concurrently with each other without any intermediary. For this purpose, the company shall comply with the following requirements and procedures, in addition to the normal procedures required under the Companies Act, 1956 for holding general meeting:-

- (a) The Company may provide video conferencing connectivity during such meetings at least five places in India.
- (b) The notice of the meeting must inform shareholders regarding availability of participation through video conference, and provide necessary information to enable shareholders to access the available facility of video conferencing.
- (c) The Chairman of the meeting and Secretary shall assume the following responsibilities :
 - (i) to safeguard the integrity of the meeting via video conferencing.
 - (ii) to ensure proper video conference equipment/facilities.

- (iii) to prepare the minutes of the meeting.
- (iv) to ensure that no one other than the concerned shareholder or proxy to the shareholder is attending the meeting through electronic mode.
- (v) If a statement of a participant in the meeting via video conferencing is interrupted or garbled, the Chairman of the meeting or Secretary shall request for a repeat or reiteration, and if need be, the Chairman or Secretary shall repeat what he heard the participant was saying for confirmation or correction.
- (vi) In a general meeting, where shareholders are allowed to participate through electronic mode, the quorum as required under section 174 of the Companies Act, 1956 as well as Chairman of the meeting shall have to be physically present at the place of the meeting.

(II) The following new Article No. 109 B be inserted after the Article No. 109 A

- 109B (a) The Company may pass resolutions by means of postal ballot for shareholders approval in compliance to Sec 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.
- (b) Where a company decides to pass any resolution by resorting to postal ballot, it shall send a notice to all the shareholders, along with a draft resolution explaining the reasons thereof, and requesting them to send their assent or dissent in writing on a postal ballot within a period of thirty days from the date of posting of the letter.
- (c) The Company may provide for voting by Electronic mode. If the Company is opting for providing voting by electronic mode, then notice shall clearly indicate the process and manner for voting by electronic mode provided by the agency. The Company may use electronic platform of agencies duly approved by the Ministry of Corporate Affairs (MCA), for capturing accurate electronic voting process, as per Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.
- (d) The Company may issue notices either;
- (i) under registered post acknowledgment due, or
 - (ii) through any other secured mode of posting provided by Department of Post or
 - (iii) through electronic mail provided the Company has obtained email address of its member for sending the notices through email after giving an advance opportunity to the member to register his email address and changes therein from time to time with the concerned depository.

(III) The following new Article No. 155 A be inserted after the existing Article No. 155

- 155A. The Company may use electronic mode for holding meetings of Board/Committee of directors, whereby all Directors can participate in Board/ Committee meetings and may communicate concurrently with each other without any intermediary. For this purpose, the company shall comply with the following requirements and procedures, in addition to the normal procedures required under the Companies Act, 1956 for holding meetings of Board/Committee of directors:
- (a) Every director of the Company must attend the meeting of Board/ Committee of Directors personally atleast one meeting a financial year of the Company.
 - (b) The Chairman of the meeting and Secretary shall assume the following responsibilities :
 - (i) to safeguard the integrity of the meeting via video conferencing.
 - (ii) to ensure proper video conference equipment/facilities.
 - (iii) to prepare the minutes of the meeting.

- (iv) to ensure that no one other than the concerned shareholder or proxy to the shareholder is attending the meeting through electronic mode.
 - (v) If a statement of a participant in the meeting via video conferencing is interrupted or garbled, the Chairman of the meeting or Secretary shall request for a repeat or reiteration, and if need be, the Chairman or Secretary shall repeat what he heard the participant was saying for confirmation or correction.
- (c)
- (i) The notice of the meeting must inform directors regarding availability of participation through video conference, and provide necessary information to enable directors to access the available facility of video conferencing.
 - (ii) The notice of the meeting shall also seek confirmation from the director as to whether he will attend the meeting physically or through electronic mode and shall also contain the contact number(s) /e-mail addresses of the Secretary/designated officer to whom the director shall confirm in this regard.
 - (iii) In the absence of any confirmation from the Director, it will be presumed that he will physically attend the Board meeting.
- (d) At the start of the scheduled meeting through electronic mode, a roll call shall be made by the Chairman/Secretary. Every director and authorized participant shall state, for the record, the following:–
- (i) Full Name
 - (ii) Location
 - (iii) that he can completely and clearly see and communicate with each of other participants.
 - (iv) and will ensure that no one other than the concerned director or authorized participant is attending the meeting through electronic mode.
Thereafter, the Chairman/Secretary shall confirm the participation of the directors in the meeting who are not physically present. After the roll call, the Chairman or Secretary may certify the existence of a quorum.
- (e) The place where the Chairman or Secretary is sitting during the Board meeting shall be taken as place of meeting in terms of section 288 of the Act, and all recordings will be made at this place. The other statutory registers which are required to be placed in the Board meeting as per the provisions of the Act, shall be placed before the Chairman for compliance of the Act. The statutory registers required to be signed by the other directors shall be deemed to have been signed by directors participating through electronic mode if they have given their consent to this effect in that meeting.
- (f) If a motion is objected to and there is a need to vote, the Chairman/Secretary should call the roll and note the vote of each director who should identify himself.
- (g)
- (i) In the end of the meeting, Chairman of the meeting shall announce the summary of the decisions taken in that meeting in respect of each agenda item and names of the directors who have consented or dissented to those decisions. Video recording of that part of the meeting shall be preserved by the company for one year from the conclusion of that meeting.
 - (ii) In the minutes, chairman shall also confirm the mode of attendance of every director of the company during last three meetings whether personally or through electronic mode.
 - (iii) Draft minutes of the meeting shall be circulated in soft copy not later than 7 days of the meeting for comments/confirmation to the directors who attended the meeting to dispel all doubts on matters taken up during the meeting. Thereafter, the minutes shall be entered in the minute books as prescribed under section 193 of the Act. The minutes shall also disclose the particulars of the Directors who attended the meeting through electronic mode.

(IV) The existing Article 203 be replaced by the following new Article 203:

203. The Company shall comply with the requirements of Section 219 of the Act and it shall be due compliance of Section 219 even if the copies of the annual report of the Company comprising of Balance Sheet, Profit & Loss Account, Directors Report, Auditors Report etc are sent by electronic mail to its member subject to the fact that -
- (a) e-mail address of its member for sending the Notice with Balance sheet, Profit & Loss Account, Auditor's Report, Director's Report, and Explanatory Statement etc. through e-mail, after giving an advance opportunity to the member to register his e-mail address and changes therein from time to time with the company or with the concerned depository.
 - (b) The Company's website shall display full text of these documents well in advance prior to mandatory period and issue advertisement in prominent newspapers in both vernacular and English stating that the copies of aforesaid documents are available in the website and for inspection at the Registered Office of the company during office hours.
 - (c) In case where any member(s) has not registered his e-mail address for receiving the Balance Sheet etc. through e-mail, the Balance Sheet etc., will be sent by other modes of services as provided under section 53 of the Companies Act, 1956.
 - (d) In case any member(s) insist for physical copies of above documents, the same should be sent to him physically, by post free of cost.

(V) The following Article 211(3) be inserted after the following Article 211 (2):

211 (3): A document may be served or sent by the Company through electronic mode provided the company has obtained e-mail addresses of its members for sending the notice/documents through e-mail by giving an advance opportunity to every shareholders to register their e-mail address and changes therein from time to time with the company. In cases where any member has not registered his e-mail address with the company, the service of document etc. will be effected by other modes of service as provided under section 53 of the Companies Act, 1956.

Notes:

1. A MEMBER ENTITLED TO ATTEND & VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. PROXIES IN ORDER TO BE VALID MUST REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 WORKING HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Book of the company will remain closed from Saturday 24th September 2011 to Friday 30th September 2011 (both the days inclusive)
4. Members are requested to notify immediately any change in their address :
 - to their Depository Participants (DPs) in respect of their electronic share accounts; and
 - to Registrar and Share Transfer Agent of the Company in respect of their physical shares folios along with Bank particulars
5. For the convenience of the Members, an Attendance Slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.

6. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready & replies will be provided at the meeting.
7. Members attending the meeting should bring their copy of Annual Report for reference at the meeting.
8. Disclosures as per Clause 49 of the Listing Agreement for appointment /reappointment of Directors. Brief particulars of Directors being appointed/re-appointed as under;

Name	Krishnagopal Biyani	Ashok Bharadia
Date of Birth	25/01/1971	13/07/1966
Date of Appointment	11/03/2002	16/11/1994
Directorship held in other Companies	1) Baleshwar Synthetics Textiles Private Limited 2) Ark Travels Private Limited	Wallfort Share And Stock Brokers Private Limited
Memberships/ Chairmanships of Committees across Public Companies	None	None
Specialized Expertise	Business Management	Broking
Qualifications	B.Com	B. Com
Shares held in the Company	NIL	150000

9. Wallfort Financial Services Limited is concerned about the environment and utilizes natural resources in a sustainable way. Recently, The Ministry of Corporate Affairs(MCA) , Government of India, has issued the following circulars in green initiative (a) Circular Nos. 17/2011 and 18/ 2011, dated April 21, 2011 and April 29,2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognising the spirit of the circular issued by the MCA, we henceforth propose to send notices/documents (i.e., physical annual report of the Company comprising of Balance Sheet, Profit & Loss Account, Directors' Report, Auditors' Report etc.) to the email address provided by you (in the format given below) with your depositories for those holding shares in demat form. Shareholders holding shares in physical form may email the details to "shekhar.more@wallfort.com"

Name of the member	Son of/ Daughter of/ Wife of	Client ID/ Ledger Folio No.	No. of Shares held	Pan No. (mandatory in case of Demat holders)	E-mail address

In this behalf, we are confident that you would appreciate the "Green Initiative" taken by MCA. We solicit your cooperation in helping the Company to implement the e-governance initiatives of the Government.

We request you to update your email address with your depository participant for demat holding of shares and with Mr Shekhar More from 'Wallfort Financial Services Limited' for physical holding of shares to ensure that the annual report and other documents reach you on your preferred email.

10. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is enclosed.

By and on behalf of the Board
for **WALLFORT FINANCIAL SERVICES LIMITED**
Sd/-
Anil Jain
Chairman & Managing Director

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

Place: Mumbai
Date: 29/06/2011

ANEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 5:

Amendment to Articles of Association of the Company.

The Ministry of Corporate Affairs (MCA) has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies.

Accordingly,

- (I) Vide its circular No. 27/2011 dated 20/05/2011 it has provided that Companies can use an electronic mode which means video conference facility whereby shareholders can participate effectively in the general meeting and communicate concurrently with each other.
- (II) Vide its Circular No. 21/2011 dated 02/05/2011 it has provided that Companies can pass resolutions by means of postal ballot for approval of shareholders whereby postal ballot includes voting by electronic mode. For this purpose the Company may use electronic platform of agencies duly approved by the MCA for capturing accurate electronic voting process.
- (iii) Vide its Circular No. 28/2011 dated 20/05/2011 it has provided that Companies can use an electronic mode which means video conference facility whereby directors can participate effectively in the Board/Committee meeting and communicate concurrently with each other.
- (iv) Vide its Circular No. 18/2011 dated 29/04/2011 it has provided that Companies can send copies of annual report of the Company comprising of Notice with Balance sheet, Profit & Loss Account, Auditor's Report, Director's Report, and Explanatory Statement etc. through e-mail to the members of the Company to their registered e-mail addresses.
- (v) Vide its Circular No 17/2011 dated 21/04/2011 it has provided that Companies can serve notices / documents through e-mail to the members of the Company to their registered e-mail addresses.

In order to reflect the Green Initiative clause, the Articles of Association is thereby amended which is set forth in the special Resolution given in the Notice.

Your Directors recommend the given Resolution for your approval.

It is proposed to pass the aforesaid resolution as Special Resolution.

None of the Directors of the Company is concerned or interested in the proposed resolution otherwise than as members.

By and on behalf of the Board
for **WALLFORT FINANCIAL SERVICES LIMITED**
Sd/-
Anil Jain
Chairman & Managing Director

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

Place: Mumbai
Date: 29/06/2011

DIRECTOR'S REPORT**To,****The Shareholders
Wallfort Financial Services Limited****Dear Shareholders,**

Your Directors present their Sixteenth Annual Report and the Audited Statements of Accounts for the financial period ended on 31st March 2011.

Financial Results

(Amt. Rs. In Lakhs)

PARTICULARS	2010 - 2011	2009 - 2010
Gross Profit (+)Loss(-) After Interest But Before Deprecation & Taxation	530.62	2597.52
Depreciation	35.27	42.78
Profit Before Income Tax After Depreciation	495.35	2554.73
Short Provision of Earlier Years	--	25.44
Prior Period Expenses	--	4.84
Provision For Taxation	106.08	546.74
Net Profit After Tax	389.27	2018.92
Balance carried forward from last year	5026.00	3007.08
Balance carried forward to Balance Sheet	5415.27	5026.00

Performance and Future Prospects

The performance of company got affected due to adverse market conditions, however the stock market for last few months has been change sound, however we expect with better monsoon & GDP growth 2011-12 should be a better year.

Dividend

To Conserve resources the Directors do not recommend any dividend for the year 2010-2011.

Directors

Mr. Krishnagopal Biyani and Mr. Ashok Bharadia who retire by rotation at the ensuing Annual General Meeting are proposed to be re-appointed.

Directors Responsibility Statement As Per Section 217 (2AA)

The Board of Directors hereby confirms that:

- i. that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with the 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 and of the profit or loss of the Company for that period;

iii. that the Directors had taken proper and sufficient care for 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 had prepared the Annual Accounts on a going concern basis.

Auditors Report

The observation made in the Auditors Report are self-explanatory and therefore no further comments are required under Section 217 (3) of the Companies Act, 1956.

Auditors

M/s. Kochar & Associates, Chartered Accountants appointed as the Auditors of the Company, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment. The Company has received their consent pursuant to Section 224 (1B) of the Companies Act, 1956.

Particulars of Employees

During the year under review there were no employees who were in receipt of the remuneration beyond the limits prescribed under Section 217 (2A) of the Companies Act, 1956 and therefore no disclosures need to be made under the said section.

Corporate Governance

The amendments to the Companies Act, 1956 and the listing agreements executed with the Stock Exchanges require compliance with specified Corporate Governance practices. A detailed Report on Corporate Governance approved by the Directors is annexed. A certificate on compliance of Corporate Governance requirements issued by the Statutory Auditors of the company in pursuance to clause 49 of the listing agreement is placed with the report on Corporate Governance.

Conservation of Energy, Technological Absorption and Foreign Exchange Earnings and Outing

The Company is not engaged in any manufacturing activity and therefore there are no particulars to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. Foreign Exchange Details are as follows:

Inflow: Rs Nil Outflow: Rs 2,32,763/-

Acknowledgement

The Directors take this opportunity to thank all the employees, shareholders, bankers to the Company, The Securities & Exchange Board of India, The Stock Exchange, Mumbai, other Government Agencies and valued clients for their support and co-operation during the year under review.

By and on behalf of the Board
for **WALLFORT FINANCIAL SERVICES LIMITED**

Sd/-
Anil Jain
Chairman & Managing Director

Place: Mumbai
Date: 29/06/2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE DEVELOPMENTS AND OUTLOOK

The Capital Markets indicates the developments occurring in the economy. Stock markets provide an avenue, which brings investors and capital seekers together and makes investments in stocks liquid, thus providing an exit route to the investors. Stock markets reflect the present and future potential of the Economy.

Stock Brokers who are members in the Stock Exchanges, not only enable buyers and sellers to carry out their transactions but also provide access to Stock market information and quality research. However the Stock markets are risky, volatile & uncertain, the ups and downs that go with it and is very much intrinsic to the stock market transactions. Hence a degree of vigilance and strong research is required at all times.

The year ended 31st March, 2011 the benchmark BSE Sensex rose 11%, as compared to the 80% growth in FY10. Market capitalization on BSE also went up 11%, from Rs 61.66 lakh crores in March 2010 to Rs 68.39 lakh crores in March 2011, buoyed by the large public issues during the year.

OPPORTUNITIES AND THREATS

In spite of all the uncertainty regarding movement of Stock markets, if one goes by the past records, the stock markets have provided good returns in the long run.

However, The growth of the markets has been bogged down by fear of decreased rate of GDP and ever increasing Inflation Levels where the risk to rewards situation looks unreal. Moreover, the monetary & fiscal changes and Budget announcements disturb the market.

High FII net inflows continued in FY11, boosting the markets to reach all-time highs in November, since 2008. Despite the FII outflows between Jan and March 2011, the inflow from March end signifies the conviction of the foreign investors in the long term potential of the Indian markets.

DII participation remained muted throughout this fiscal, with net outflows seen in FY11. The recent changes in guidelines for mutual funds hit their inflows hard. However, the recent sell-off by FIIs between Jan and March 2011 saw corresponding buying by DIIs, affirming the belief that DIIs increase their participation during market downturns, thus offering support at lower levels.

Record FII flows into India saw FII participation rising in cash volumes, from 12% in FY10 to 15% in FY11. Proportion of retail participation, which touched a high last year, declined marginally to 56% in FY11, while that of proprietary reduced from 26% to 22%.

OPPORTUNITIES

Increase in more players via foreign capital flow in the country and increased penetration and reach of capital markets to common people has increased new opportunities in the market.

We are very pleased to inform you that your company is now servicing 98 Institutional Clients and look forward to become one of the premier destination for Institutions/Corporates/Banks and FIIs in years to come. With the increase in FII flows and positive outlook on DII and Mutual Funds Flows we look forward to generating more business and servicing even more institutional clients and enhancing our service capabilities and providing good quality research and efficient market information to our clients.

Strong Brand name 'Wallfort' is a well-established brand among institutional investors in India and Broking Community. Wallfort believes that its brand is associated with high quality research and advice as well as corporate values like integrity and excellence. The company needs to leverage its brand to grow its businesses, build relationships and attract and retain talented individuals.

Threats, Risks and Concerns

The company is primarily exposed to credit risk, interest rate risk, liquidity risk and operational risks. Internally, it has constituted the board to manage these risks.

Cut throat competition on brokerage and low volumes are deterrent to progress of the Stock Broking Business.

The Risk of slowdown in global liquidity flows and increasing risk of GDP slowdown also hangs over the economy affecting the outlook for the stock broking industry and economic markets overall.

Risk exposure is monitored and controlled through a variety of separate but complementary financial, credit, operational, compliance and legal reporting systems. Risk management department analyses this data in conjunction with the company's risk management policies and takes appropriate action where necessary to minimize risk.

SEGMENT WISE / PRODUCT WISE PERFORMANCE

As the company is only in one line of business i.e. stock broking segment wise or product wise disclosure of performance is not required to be made.

OUTLOOK

The overall business growth of Stock Brokers mainly hinges on the health of the Indian Stock Markets. The Stock Markets have been very buoyant and it is expected that the trend shall continue in the future. Even Primary Market which have been robust during this period is expected to gather further momentum and a lot of Companies are planning to go for a public issue in the future. Company is also focusing on growth of Institutional Brokerage Business by building new strategy to cater clients and add new clients. The overall Risk Reward ratio also looks favorable as the global liquidity into the markets are robust and the GDP of the country has relatively been less affected by the global slowdown and inflationary pressures are at its peak (which causes some concern) but the outlook remains positive in that regard. Hence with good research and vigilance of the markets and economic conditions our outlook for the forthcoming year brings a hope of good business and returns.

RISK MITIGATION

The Global markets are going through an transitional phase and the stock markets in India are not immune to the global development. Risks are assessed and ranked according to the likelihood and impact of them occurring. Existing controls are assessed and mitigation measures discussed.

Risk are assessed and reviewed regularly at top level and risk mitigation measures taken promptly to address any adverse situation. Moreover your company is essentially involved in arbitrage opportunities and with the introduction of the uniform settlement cycle the arbitrage opportunities have significantly reduced

Your Company has successfully implemented risk management framework to achieve the following objectives:

- (a) Strategic: High-Level goals, aligned with and supporting its mission.
- (b) Operations: Effective and efficient use of its resources.
- (c) Reporting: Reliability of financial reporting.
- (d) Compliance: Compliance with applicable laws and regulations.

MANAGEMENT PERCEPTION AND INITIATIVES:

Boom and Bear phase are an integral part of the Stock market cycle. Although the uniform settlement cycle has resulted in reduced arbitrage opportunities. The compant has shifted focus on growing the institutional business as with the robust growth of FIIs and DIIs inflows has become the silver lining opportunity.

Your company now servicing 97 Institutional Clients and making the same as thrust to increase the number, quality of service of and to these institutional clients and making forays to get empanelled with the FIIs.

The Management also looks forward to better risk reward scenarios in the future and hence is very upbeat on the investments made by the company through good quality research and looks forward to make healthy returns on the same.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has an in-house internal audit department which examines and ensures adequate internal checks and control procedures. It also ensures proper accounting, records authorization, control of operations and compliance with law.

The company also believes in the importance of technology and systems in improving controls at various levels and strives to enhance them on a continuous basis. Further the Company is continuously working to improve and strengthen internal check and control system to align with the expected growth in operations.

FINANCIAL PERFORMANCE

This year's performance of your company has been Positive due to positive attitude, good investments through quality research, mitigating risk through efficient and effective market information gathering and analysis and increasing the number of institutional clients to 97 that efficiently and effectively serviced. The company has gained profits from investing and trading of shares and securities and servicing of Institutional Clients.

There has been a net profit of Rs. **389.27** Lacs during the year against the net profit of Rs. 2018.92 Lacs during last year.

DEVELOPMENTS IN HUMAN RESOURCES

Our employees continue to be our biggest source of strength. Past success of Wallfort Financial Services Limited have come as much because of the soundness of its strategies as due to the determination and commitment of all its employees – who turned these strategies into action. Going forward, the Company's ability to enhance its human resource competencies will be even more critical. It is challenge that is being addressed through several structured initiatives.

During the year, the Company implemented several human resource and organizational development initiatives, including in areas such as job induction, job definition, policies and reward management. The Company has also instituted a well-structured variable pay plan and Performance Management System (PMS). Training and constant enhancement of skill-levels continued during the year.

By and on behalf of the Board
for **WALLFORT FINANCIAL SERVICES LIMITED**

Sd/-
Anil Jain
Chairman & Managing Director

Place: Mumbai
Date: 29/06/2011

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Wallfort Financial Services Limited believes that "Corporate Governance" refers to the processes and structure by which the business and affairs of the Company are directed and managed, in order to enhance long term shareholder value through enhancing corporate performance and accountability, whilst taking into account the interests of all stakeholders. Good corporate governance, therefore, embodies both enterprise (performance) and accountability (conformance).

The company strives to adopt the best governance and disclosure practices with the following principles in mind:

- (a) Satisfaction of the spirit of the law through ethical business conduct.
- (b) Transparency and a high degree of disclosure levels.
- (c) Truthful communication about how the company is run internally.
- (d) A simple and transparent corporate structure driven solely by the business needs.
- (e) Strict compliance with Clause 49 of the Listing Agreement as amended from time to time.
- (f) Establishment of an efficient Corporate Structure for the management of the Company's affairs.
- (g) Management is the trustee of the shareholders' capital and not the owner.

2. COMPOSITION OF BOARD OF DIRECTORS

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Non-Executive Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberations and decisions of the Board.

The composition of the Board is in accordance with the requirements of the Corporate Governance code of Listing Agreement with the stock exchanges. The Board is headed by the Executive Chairman. The Board of Directors presently comprises of 10 members.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement), across all the Companies in which he is a Director. The composition of the Board in detail is as follows:

Sr No.	Name Of The Directors	Category	*No. of Other Directorships	Membership of other committees
1	Mr. Anil Jain (Chairman & Managing Director)	Executive & Promoter	None	None
2	Mr. Ashok Bharadia	Non executive & Promoter	None	None
3	Mr. Manoj Bharadia (Whole-time Director)	Executive & Promoter	None	None
4	Mr. Deepak Lahoti (Whole-time Director)	Executive & Promoter	None	None
5	Mr. Yash Golechha (Whole-time Director)	Executive & Promoter	None	None
6	Mr. Anil Parekh	Non-executive and Independent	None	None
7	Mr. Krishan Gopal Biyani	Non Executive and Independent	None	None
8	Mr. Ajay Mantri	Non Executive and Independent	None	None
9	Mr. Vijay Kumar Gaggar	Non Executive and Independent	None	None
10	Pramod Gupte	Non Executive and Independent	None	None

* Directorships of Public Limited Companies only

The Directors furnish Notice of Disclosure of Interest as specified in Section 299(3) of the Company Act 1956.

Responsibilities Of The Boards:

The Board discharges the duties responsibilities as required under the applicable statute (s) including the Companies Act, 1956, Guidelines issued by SEBI and other regularities bodies from time to time. The Board of Directors ensures that other responsibilities do not have any material impact on their responsibilities as Directors of the company.

Role Of The Independent Directors:

The independent directors play an important role & participate in all the deliberation of the Board and contribute to the decision making process with their rich knowledge and expertise in the areas of Account, Financial, Law, & other professional areas.

Meetings Of The Board:

Normally the meetings of the Board are held at Mumbai, dates of which are decided in advance. The members of the Boards have access to all information and records of the Company. Senior officials are invited to attend the meeting and provide clarification as and when required. The Board met 6 times during the year.

Attendance:

Sr No.	Name Of The Directors	Meetings held during the tenure of the Director from 1/4/2010 to 31/3/2011	No of Meetings attended	Attendance at the last AGM
1	Mr. Anil Jain	6	6	Yes
2	Mr. Ashok Bharadia	6	6	Yes
3	Mr. Manoj Bharadia	6	6	Yes
4	Mr. Deepak Lahoti	6	6	Yes
5	Mr. Yash Golechha	6	6	Yes
6	Mr. Krishna Gopal Biyani	6	5	No
7	Mr. Ajay Mantri	6	6	Yes
8	Mr. Anil Parekh	6	6	No
9	Mr. Vijay Kumar Gaggar	6	5	Yes
10	Mr. Pramod Gupte	6	5	Yes

Changes in Directors

During the year under review, following were changes in the Composition of Board of Directors: Mr. Krishna Gopal Biyani and Mr. Ashok Bharadia who retire by rotation at the ensuing Annual General meeting are proposed to be re-appointed.

3. COMMITTEES OF THE BOARD

With a view to enable more focused and timely attention on the affairs of the company, the Board has constituted the following committees with delegation in particular areas.

Audit Committee:

Audit Committee of the Board was constituted in compliance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Composition of the Audit Committee and the details of meetings attended by the members of the Audit Committee are given below:-

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. Ajay Mantri (Chairman)	Non Executive and Independent	5	5
Mr. Ashok Bharadia	Non Executive and Promoter	5	5
Mr. Manoj Bharadia	Executive and Promoter	5	4
Mr. Krishna Gopal Biyani	Non Executive and Independent	5	4

The Committee consists of experienced Directors having knowledge in accounts, law and other related subjects. The Quorum of the meeting is two independent Directors.

The following areas are referred to the Audit Committee

- (a) Overall assessment of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending the appointment of external auditor, fixation of audit fees and also approval for payment for any other services.
- (c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
 - (i) Changes, if any, in accounting policies and practices.
 - (ii) Major accounting entries based on exercise of judgment by management.
 - (iii) Observations, if any, in draft audit report.
 - (iv) Significant changes/amendments, if any, arising out of audit.
 - (v) The going concern assumption.
 - (vi) Compliance with accounting standards.
 - (vii) Compliance with Stock Exchanges and Legal requirements concerning financial statements.
 - (viii) 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 company at large.
- (d) Reviewing with the management, external and internal auditors and adequacy of internal control systems.
- (e) Reviewing the adequacy of internal audit function, coverage and frequency of internal audit.
- (f) Discussion with internal auditors any significant findings and follow up there on.

- (g) Reviewing the findings, if any, 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) Discussions with external auditors before the audit commencement nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- (I) Reviewing the company's financial and risk management policies.
- (j) To look into the reasons for substantial defaults, if any, in the payments to the creditors etc.

The Audit Committee shall exercise the following additional powers;

- (a) To investigate any activity within its terms of reference;
- (b) To seek information from any employee;
- (c) To obtain outside legal or other professional advice; and
- (d) To secure attendance of outsiders with relevant expertise, if any, if it considers necessary.

Shareholders and Investor Grievances Committee:

The Composition of the Shareholders/Investors Grievance Committee and details of Meetings attended by the Directors are given below:

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. Ashok Bharadia (Chairman)	Non Executive and Promoter	2	2
Mr. Deepak Lahoti	Executive and Promoter	2	2
Mr. Yash Golecha	Executive and Promoter	2	2
Mr. Anil Parekh	Non Executive and Independent	2	2

The Committee has been delegated authority by the Board to approve transfers/transmission of shares, issue of share certificates etc. The committee meets as and when there transfers/transmission of shares, or any complaints/ queries of the shareholders need to be attended.

The committee also reviews the queries and complaints received from the shareholders and the steps taken for their redressal. There were no complaints pending as on 31st March 2011.

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

Remuneration committee

The Composition of the Remuneration committee and details of Meetings attended by the Directors are given below:

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. Ajay Mantri (Chairman)	Non Executive and Independent	1	1
Mr. Krishnagopal Biyani	Non Executive and Independent	1	1
Mr. Anil Parekh	Non Executive and Independent	1	1

The Remuneration Committee is authorized to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.

Directors Remuneration:

Sr No.	Name Of The Directors	Designation	Salary per month	Bonus
1.	Mr. Anil Jain	Managing Director	Rs. 50,000/-	2,00,000
2.	Mr. Deepak Lahoti	Wholetime Director	Rs. 35,000/-	1,40,000
3.	Mr. Yash Golechha	Wholetime Director	Rs. 40,000/-	1,60,000
4.	Mr. Manoj Bharadia	Wholetime Director	Rs. 25,000/-	1,00,000

4. ANNUAL GENERAL MEETING (AGMS):

The particulars of Annual General Meeting held during the last three years are as follows:

Year	Date	Time	Venue
2007-2008	30 th September 2008	11:00 a.m.	205, Gundecha Chambers, N.M. Road Fort, Mumbai 400001
2008-2009	30 th September 2009	11:00 a.m.	205, Gundecha Chambers, N.M. Road Fort, Mumbai 400001
2009-2010	30 th September 2010	11:00 a.m.	205, Gundecha Chambers, N.M. Road Fort, Mumbai 400001

Special resolution:

- 1) Vide Special Resolution passed on 30th September 2010, the shareholders approved increase in remuneration to be paid to Mr Deepak Lahoti, Wholetime Director of the Company, whereby he shall be paid salary ranging between Rs. 50,000/- to Rs. 2,00,000/- per month and bonus equivalent to four months salary paid w.e.f 1st October 2010.
- 2) Vide Special Resolution passed on 30th September 2010, the shareholders approved increase in remuneration paid to Mr Yash Golecha, Wholetime Director of the Company, whereby he shall be paid salary ranging

between Rs. 50,000/- to Rs. 2,00,000/- per month and bonus equivalent to four months salary paid w.e.f. 1st October 2010.

- 3) Vide Special Resolution passed on 30th September 2010, the shareholders approved increase in remuneration paid to Mr Manoj Bharadia, Wholetime Director of the Company, whereby he shall be paid salary ranging between Rs. 50,000/- to Rs 2,00,000/- per month and bonus equivalent to four months salary paid w.e.f. 1st October 2010.
- 4) Vide Special Resolution passed on 30th September 2010 Mr Anil Jain was appointed as Managing Director of the Company w.e.f. 19th September 2010 for a period of five years.
- 5) Vide Special Resolution passed on 30th September 2008, Mr Manoj Bharadia was appointed as Whole Time Director of the Company w.e.f. 1st November 2007 for period of five years.
- 6) Special Resolution was passed through Postal Ballot as on 14th February, 2011 for alteration of Object Clause of the Memorandum of Association of the Company by inserting the following Clause (1A) after the Clause (1) in the Main Object Clause III (A) of the Memorandum of Association;

(1A) To act as Depository Participant of NSDL, CDSL, or any other depository and provide various services of acting as intermediaries between the depository and the investors, Dematerialisation /Rematerialisation of Shares, Transfer of securities, Change of beneficial ownership, Settlement of trades done on exchange connected to the Depository and such other services as may be required to be provided by Depository Participant.

5. DISCLOSURES

The disclosure of related party transactions has been made in the Point No. 11 of Part B (Notes Forming Part of the Accounts) of the Schedule N to the Balance sheet as on 31st March 2011.

No penalties or strictures have been imposed on the company on any matter relating to the capital market by any regulatory authority for non-compliance for any laws during the last three years.

6. COMMUNICATION TO SHAREHOLDERS

The main source of the information to the Shareholder is the Annual Reports, which include, inter alia, the Director's Report, the report of Board of Directors on Corporate Governance, Management Discussion and analysis Report and the auditor's financial results. The unaudited quarterly/Audited results, notices of general Meetings are published for the information of the Shareholders in leading national and regional daily newspapers and intimation to the Stock Exchanges as required under the Listing Agreements.

7. MANAGEMENT DISCUSSION ANALYSIS REPORT

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

8. CODE OF CONDUCT

The Board members have confirmed compliance with code of conduct and ethics for the period ended March 31st, 2011 as provided under clause 49 of the listing agreement with the stock exchange.

Sd/-
Anil Jain
Chairman & Managing Director

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

The Annual General Meeting of the company for the year ended 31st March 2011 will be held at its Registered Office situated at 205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai 400 001 on Friday, 30th September 2011 at 11:00 a.m.

ii. Financial Calendar for 2011-2012(Provisional)

1	Results for the Quarter ended 30 th June 2011	By 15th August 2011
2	Results for the Quarter ended 30 th September 2011	By 15th November 2011
3	Results for the Quarter ended 31 st December 2011	By 15th February 2012
4	Results for the Quarter ended 31 st March 2012	By 15th May 2012
5	Results for the Year ended 31 st March 2012	By end of August 2012
6	Annual general Meeting for the year ended 31 st March 2012	By end of September 2012

iii. Book Closure

The Register of members and Share Transfer books are closed keeping in view the proposed dates of annual general meeting. For the year reference the above registers/books would be closed from Saturday 24th September 2011 to Friday 30th September 2011 (both days inclusive) and was notified accordingly.

iv. Listing Of Shares:

The equity shares issued by the company are listed on the following Stock Exchanges,

Bombay Stock Exchange
Phiroze Jeejeebhoy Towers,
Dalal Street.
Mumbai 400 001

v. Dematerialization Of Shares:

The Equity Shares of the Company are to be traded compulsorily in Dematerialised form. About 82.14% of paid-up Equity Capital has been dematerialised as on 31/03/2011.

The Company has entered in to agreements with the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for the purpose.

ISIN number for NSDL & CDSL: INE121B01014

vi. Dividend Payment:

No dividend has been recommended for the year 2010-2011

vii. Listing of shares on stock exchanges and Stock Code

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

viii. Stock Market Price data

Month	High	Low
April 2010	57.00	45.15
May 2010	47.00	37.30
June 2010	46.55	37.15
July 2010	43.95	35.35
August 2010	44.95	37.50
September 2010	51.80	37.65
October 2010	60.00	47.20
November 2010	60.50	48.50
December 2010	63.80	42.25
January 2011	46.90	38.05
February 2011	46.10	33.50
March 2011	39.95	32.95

ix. Registrar & Transfer Agent

With a view to provide prompt and efficient services to the investors the company has entered into an agreement with M/s. Satellite Corporate Services Pvt. Ltd, Registrar & Transfer Agents registered with SEBI.

Address:

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

x. Share Transfer System

With a view to provide prompt and efficient services to the investors the company has entered into an agreement with M/s. Satellite Corporate Services Pvt. Ltd, Registrar & Transfer Agents registered with SEBI.

To supplement to the prompt services given by the Registrar & Transfer Agent the Shareholders and Investors grievance Committee meets as and when there are transfers/transmission of shares for the approvals of periodical transfers, issue of share certificates, splitting of shares etc.

All requests for dematerialisation of shares are processed and confirmation thereof is sent to the shareholders within 7 to 15 days of the receipt thereof.

xi. (A) Distribution schedule of the Shareholding as on 31st March 2011:

No. Of Equity Shares Held		No. Share Holders	No. Of Shareheld	% Of Shareholding
Rs.	Rs.	Number		
Up to	2500	1478	718578	7.42
2501 to	5000	47	219156	2.26
5001 to	10000	21	183366	1.89
10001 to	20000	15	263500	2.72
20001 to	30000	4	96800	1.00
30001 to	40000	4	141600	1.46
40001 to	50000	5	231000	2.38
50001 to	100000	14	1317800	13.60
100001 and above		16	6515400	67.26
TOTAL		1604	9687200	100.00

xii. (B) Shareholding Pattern as on 31st March 2011

	CATEGORY	Nos. of Equity Shares	TOTAL %
A	Share Holding Of Promoters		
	Promoters Group		
	1. Indian		
	Individuals / Hindu	7,238,100	74.72
	Undivided Family		
	Bodies Corporate	24,500	0.25
	SUB TOTAL	7,262,600	74.97
	2. Foreign	NIL	NIL
	Total shareholding of Promoter & Promoter Group (A)	7,262,600	74.97
B.	Publing Share Holding		
	1. Institutions		
	2. Non - Institutions		
	Bodies Corporate	414126	4.27
	Individuals		
	Individual shareholders holding nominal share capital up to Rs.1lakh	1064449	10.99
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	924800	9.55
	Any Other Specify	21225	0.22
	Non Resident Indians	707	0.01
	Hindu Undivided Families	20518	0.21
	Sub Total	2,424,600	25.03
	Total Publing Sharholding (B)	2,424,600	25.03
	Total (A)+(B)	9,687,200	100.00
C	Shares held by Custodians and against which Depository Receipts have been issued	---	---
	Total (A)+(B)+(C)	9,687,200	100.00

xiii. Address for correspondence

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

Place Mumbai
Date : 29-6-2011

By and on behalf of the Board
for **WALLFORT FINANCIAL SERVICES LIMITED**

Sd/-
ANIL JAIN
CHAIRMAN & MANAGING DIRECTOR

CEO Certification

To
The Board of Directors
Wallfort Financial Services Limited
Mumbai

I, Anil Jain , Chairman and Managing Director of Wallfort Financial Services Limited, to the best of my knowledge and belief, certify that :

- 1) I have reviewed the Balance Sheet and Profit and Loss account (standalone and consolidated), and all the schedules and notes on accounts, as well as the Cash Flow statements, and the Directors' report.
- 2) Based on my 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 my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of 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 my 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) I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and i have :
 - (a) Designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared.
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP).
 - (c) Evaluated the effectiveness of the Company's disclosure, controls and procedures.
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting

Place Mumbai
Date : 29-6-2011

Sd/-
Anil Jain
Chairman and Managing Director

Auditors Certificate on Compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement

To
The Members of Wallfort Financial Services Ltd.

We have examined the compliance of conditions of Corporate Governance by Wallfort Financial Services Ltd. ("the company") for the year ended on March 31, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has substantially complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no material investor grievances for a period exceeding one month against the company as per the records maintained by the company.

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

**For Kochar & Associates
Chartered Accountants
FRN No. 105256 W
P.S. Kochar
(Partner)
M. No. 106049**

**Place Mumbai
Date : 29-6-2011**

AUDITORS REPORT

**TO THE MEMBERS OF
M/s. WALLFORT FINANCIAL SERVICES LTD.**

We have audited the attached Balance Sheet of **M/S. WALLFORT FINANCIAL SERVICES LTD.** as at 31st March 2011 and also the Profit and Loss Account for the period ended on that date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and 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.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Company Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Said Order.

Further to our comments in the Annexure referred to above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of the books.
- c. The Balance Sheet and Profit and Loss Account and Cash Flow dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3c) of Section 211 of the Companies Act, 1956.
- e. On the basis of written representations received from the directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as directors 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 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:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011 and
 - ii. In the case of Profit and Loss Account, of the Profit of the Company for the period ended on that date.
 - iii. In the case of cash flow statement, of the cash flows for the period ended on that date

**For Kochar & Associates
Chartered Accountants
FRN No. 105256 W
P.S. Kochar
(Partner)
M. No. 106049**

**Place Mumbai
Date : 29-6-2011**

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date on the accounts for the period ended 31st March 2011 of M/s Wallfort Financial Services Ltd.)

- a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- The management during the year has physically verified the Fixed Assets and no material discrepancies were observed on such verifications.
- b. The management has physically verified stocks of shares and debentures. In our Opinion, the frequency of verification is reasonable.
- The procedures of verification of stock of shares and debentures followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- The Company is maintaining proper records of Shares and Debentures. The discrepancies noticed on verification between the physical stocks and the Book records were not material.
- c. The company has not granted any Loans.
- The Company had taken loans from 4 companies and 1 other party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1153 lakhs and at the year-end balance of loans taken from such parties was Rs. 175 lakhs.
- The rate of Interest and the terms on which these loans have been raised are not prima facie prejudicial to the Interests of the Company.
- The Company is regular in repaying the Principal as stipulated.
- d. In our opinion and according to the information and explanations given to us there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of shares and debentures and other fixed assets and with regard to the sale of shares and debentures.
- e. According to the information and explanations given to us, we are of the opinion that particulars of Contracts or arrangements referred to under section 301 of the Companies Act, 1956 have been so entered in the register maintained under that Act.
- According to the information and explanation given to us, the transactions made in pursuance to contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakhs in respect of any party, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- f. The Company has not accepted any deposits from the public during the year under review.
- g. Although the Company does not have a formal internal audit system in our opinion, its internal control procedures involves reasonable internal check of its financial transaction.
- h. The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act 1956.

- i. The Company is generally regular in Depositing with the appropriate authorities undisputed statutory dues including Investor Education, Protection Fund, Provident Fund Dues, Employees State Insurance Dues, Income Tax, Service Tax, Stamp Duty and other material statutory dues applicable to it.

According to the information and explanations given to us, there are no undisputed amounts, except Wealth Tax amounting to Rs. 1,13,500/-, payable in respect of Income Tax, Sales Tax, Customs Duty and Excise Duty that were outstanding as on March 31, 2011 for a period of more than six months from the date on which they became payable.

- j. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- k. The Company has not granted loans and advances on the basis of security by way of pledge of shares and debentures.
- l. We are informed that the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit society are not applicable to the Company. Accordingly, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- m. In our opinion and according to the explanations given to us, the Company has maintained proper record of the transactions and contracts of dealing or trading in shares and debentures and timely entries have been made therein. Also such shares securities and other investments have been held by the company in its own name except to the extent of exemption granted under section 49 of the Act.
- n. The company has not given Guarantees for Loans taken by others from Banks or Financial Institutions.
- o. The Company has not taken any Term Loans.
- p. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short- term basis have been used for Long Term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- q. As the company has not made any allotment of shares during the year hence this clause is not applicable.
- r. As the company has not issued any debentures this clause is not applicable.
- s. As the company has not raised any money by public issue during the year hence this clause is not applicable.
- t. According to the Information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**Place Mumbai
Date : 29-6-2011**

**For Kochar & Associates
Chartered Accountants
FRN No. 105256 W
P.S. Kochar
(Partner)
M. No. 106049**

**WALLFORT FINANCIAL SERVICES LTD.
BALANCE SHEET AS AT 31ST MARCH 2011**

	SCH.	AS AT 31/3/2011	AS AT 31/3/2010
A SOURCES OF FUNDS			
<u>1. SHAREHOLDERS FUNDS</u>			
Share Capital	A	96,872,000	96,872,000
Reserves and Surplus	B	545,597,096	506,670,887
<u>2. SECURED LOANS</u>	C	---	23,275,924
<u>3. UNSECURED LOANS</u>	D	17,500,000	---
<u>4. DEFERRED TAX LIABILITY</u>		1,137,802	---
TOTAL FUNDS EMPLOYED		661,106,898	626,818,811
B APPLICATION OF FUNDS			
<u>1. FIXED ASSETS</u>			
a. Gross Block	E	38,974,473	38,234,829
b. Less: Depreciation		18,527,352	18,813,702
NET BLOCK		20,447,120	19,421,126
<u>2. INVESTMENTS</u>	F	335,506,809	442,739,260
<u>3. DEFERRED TAX ASSET</u>		---	409,121
<u>4. CURRENT ASSETS, DEPOSITS ADVANCES</u>	G		
a. Client Receivables		2,396,554	7,339,217
b. Cash and Bank Balances		131,328,914	159,317,464
c. Deposits and Advances		192,916,799	69,451,103
		326,642,267	236,107,784
Less : <u>CURRENT LIABILITIES AND PROVISIONS</u>	H		
a. Liabilities		11,016,930	17,774,786
b. Provisions		10,472,367	54,083,694
NET CURRENT ASSETS		21,489,297	71,858,480
		305,152,969	164,249,304
TOTAL FUNDS APPLIED		661,106,898	626,818,811

Significant Accounting Policies and Notes to Account
As per our Audit Report of Even Date Attached

N

FOR AND ON BEHALF OF BOARD

**For KOCHAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 105256 W**

**Sd/- ANIL JAIN
CHAIRMAN & M.D.**

**(P. S. KOCHAR)
PARTNER
M. No. 106049**

**Sd/- DEEPAK LAHOTI
DIRECTOR**

**Place Mumbai
Date : 29-6-2011**

**Sd/- YASH GOLECHHA
DIRECTOR**

WALLFORT FINANCIAL SERVICES LTD.
PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2011

INCOME	SCH.	YEAR ENDED 31/3/2011	YEAR ENDED 31/3/2010
Income from Operation	I	127,132,105	337,541,055
Other Income	J	22,964,240	18,877,220
TOTAL		150,096,344	356,418,276
EXPENDITURE			
Personnel	K	22,115,027	21,209,613
Administrative Expenses	L	70,431,318	66,980,261
Finance Charges	M	4,362,463	5,698,191
Loss on Sale of Assets		125,102	2,777,813
Depreciation	E	3,527,302	4,278,791
TOTAL		100,561,212	100,944,669
Profit before tax		49,535,132	2,55,473,606
Less: Short Provision of Earlier Years		---	2,544,065
Less: Prior Period Expenses		---	484,380
Less : Provision For Taxation			
Wealth Tax		62,000	113,500
Current Tax		9,000,000	52,500,000
Deferred Tax		1,546,923	2,061,176
Profit after tax		38,926,209	201,892,838
Add : Balance carried forward from Last Year		502,600,887	300,708,049
Balance carried forward to Balance Sheet		541,527,096	502,600,887
Earnings Per Share		4.02	20.84

Significant Accounting Policies and Notes to Account
As per Audit Report of Even Date Attached

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For KOCHAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN No. 105256 W

(P. S. KOCHAR)
PARTNER
M. No. 106049

PLACE : MUMBAI
DATED : 29-6-2011

FOR AND ON BEHALF OF BOARD

Sd/- ANIL JAIN
CHAIRMAN & M.D.

Sd/- DEEPAK LAHOTI
DIRECTOR

Sd/- YASH GOLECHHA
DIRECTOR

WALLFORT FINANCIAL SERVICES LTD.
SCHEDULES ATTACHED TO AND FORMING PART
OF THE BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	31/3/2011	31/3/2010
<u>SCHEDULE : A SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
1,10,00,000 Equity Shares of Rs. 10 Each	110,000,000	110,000,000
<u>ISSUED</u>		
1,05,01,200 Equity Shares of Rs. 10 Each fully paid-up	105,012,000	105,012,000.00
Less: Allotment Money Unpaid	—	—
Less: 814000 Equity Shares of Rs. 10 Each forfeited	8,140,000	8,140,000
<u>SUBSCRIBED AND PAID-UP</u>		
9687200 Equity Shares of Rs. 10 Each fully paid up		
TOTAL	96,872,000	96,872,000
<u>SCHEDULE : B RESERVES AND SURPLUS</u>		
Capital Reserve on Forefeiture of Shares	4,070,000	4,070,000
Profit and Loss Account		
Balance as per Last Balance Sheet	502,600,887	300,708,049
Add : Profit During the Year	38,926,209	201,892,838
TOTAL	545,597,096	506,670,887
<u>SCHEDULE : C SECURED LOANS</u>		
Loans and Advances from Banks (Secured by Pledge/ Mortgage of the Companies Securities and Guaranteed by some of the Directors and some relatives jointly and severally)	---	23,275,924
TOTAL	---	23,275,924
<u>SCHEDULE : D UNSECURED LOANS</u>		
Loans and Advances from Directors (Maximum Outstanding Rs. 5.40 crores)	17,500,000	---
TOTAL	17,500,000	---
<u>SCHEDULE : F INVESTMENTS</u>		
(Refer Annexure "A" Attached) (Aggregate Market Value of Quoted Investments Rs 30.79 crores)	335,506,809	442,739,260
TOTAL	335,506,809	442,739,260
<u>SCHEDULE : G CURRENT ASSETS, LOANS & ADVANCES</u>		
A) <u>CLIENT RECEIVABLES</u> (Unsecured, Considered Good) Outstanding for More than 6 months Others	2,396,554	7,339,217
TOTAL	2,396,554	7,339,217

WALLFORT FINANCIAL SERVICES LTD.**SCHEDULE E : STATEMENT OF DEPRECIATION FOR THE PERIOD ENDED 31ST MARCH 2011**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 1-4-2010	ADDITION	DEDN.	AS ON 31-03-2011	UP TO 1-04-2010	DURING THE YEAR	DEDN.	TOTAL	AS ON 31-03-11	AS ON 1-4-2010
Computers	13,582,025	394,315	—	13,976,340	12,726,888	1,441,924	3,443,234	10,725,578	3,250,762	855,137
Vehicles	17,135,981	1,075,649	795,520	17,416,110	2,808,076	1,622,182	370,418	4,059,839	13,356,271	14,327,905
Plant & Machinery	1,018,754	16,500	—	1,035,254	290,588	44,700	—	335,288	699,966	728,166
Furniture & Fixture	5,595,493	---	—	5,595,493	2,659,758	354,195	—	3,013,953	2,581,540	2,935,735
Office Equipment	902,575	48,700	—	951,275	328,392	64,302	—	392,694	558,581	574,183
TOTAL	38,234,829	1,535,164	795,520	38,974,473	18,813,702	3,527,302	3,813,652	18,527,352	20,447,120	19,421,126
Previous Year	36,589,629	11,690,691	10,045,491	38,234,829	18,215,589	4,278,791	3,680,678	18,813,702	19,421,126	18,374,039

PARTICULARS	31/3/2011	31/3/2010
B) CASH & BANK BALANCE		
Cash	710,706	875,421
Balances with Scheduled Bank		
In Current Account	-3,374,325	1,073,789
In Deposit Account	127,287,494	154,332,868
Interest Accrued and Due	6,705,039	3,035,386
	131,328,914	159,317,464
C) DEPOSITS & ADVANCES		
a) Deposits	13,569,407	13,876,160
b) Advances Recoverable in Cash or Kind or for value to be received	165,650,444	7,693,224
c) Advance Tax & TDS	13,696,948	47,881,719
	192,916,799	69,451,103
TOTAL	326,642,267	236,107,784
SCHEDULE : H		
CURRENT LIABILITIES & PROVISIONS		
Client Payables and other Liabilities	11,016,930	17,774,786
Provisions for Tax	9,000,000	52,500,000
Provision for Wealth Tax	62,000	113,500
Provision for Gratuity	1,410,367	1,470,194
TOTAL	21,489,297	71,858,480
SCHEDULE : I INCOME FROM OPERATIONS		
Income from Sale of Investments	188,196,551	257,806,775
Business Income	-109,917,938	29,180,697
Income from Mutual Fund Investments		2,448
Income from Brokerage	48,834,637	50,234,737
Income from Mutual Fund Distribution	18,855	316,398
TOTAL	127,132,105	337,541,055
SCHEDULE : J OTHER INCOME		
Interest Income (TDS Rs. 9.33 lakhs; P.Y. Rs. 15.03 lakhs)	8,046,129	10,975,228
Dividend	11,405,084	7,191,249
Income from DP Operations	7,075	5,540
Interest on Income Tax Refund	NIL	361,877
Excess Provision written Back	3,443,234	---
Other Income	62,717	343,326
TOTAL	22,964,240	18,877,220
SCHEDULE : K PERSONNEL COST		
Directors Remuneration	2,400,000	2,400,000
Salaries & Employee Benefits	18,086,181	16,105,923
Employers Contribution to Prorvident & Other Funds	298,401	250,243
Provident Fund Administration Charges	19,009	17,532
Gratuity	-59,827	1,470,194
Staff Mediclaim	217,879	166,712
Staff Welfare	1,153,384	799,009
TOTAL	22,115,027	21,209,613

PARTICULARS	31/3/2011	31/3/2010
SCHEDULE : L ADMINISTRATIVE EXPENSES		
Annual Subscription	130,000	140,300
Audit Fees	216,000	137,875
Bad Debts	472,882	143,463
Computer Expenses	1,239,545	1,060,670
Consultancy & Professional Charges	7,231,397	1,168,745
Data Subscription	2,803,401	2,506,154
Electricity	1,670,457	1,738,475
Insurance	16,117	46,296
Interest on Statutory Dues	50,495	5,920
Misc Expenses	1,801,295	2,863,514
Office Expenses	2,976,511	2,911,132
Rent	6,322,626	5,466,333
Repairs and Maintainance	441,700	326,854
Securities Transaction Tax	26,766,587	30,174,984
Service Tax	183	11,784
Stamp Duty	6,099,952	5,873,971
Stock Exchange Expenses	6,349,742	6,573,552
Telecommunication Expenses	2,060,067	2,056,457
Travelling Expenses	2,231,969	2,116,194
Vechile Expenses	1,550,391	1,657,587
TOTAL	70,431,318	66,980,261
SCHEDULE : M FINANCIAL CHARGES		
Bank Guarantee & Processing Charges	3,114,822	3,799,454
Bank Interest	578,449	593,655
Interest on Loans	669,192	1,305,082
TOTAL	4,362,463	5,698,191

Schedule N:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

The accompanying financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, on the accrual basis, as adopted consistently by the Company.

2. Use of estimates

The preparation of financial statements in accordance with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses including the disclosures of contingent assets and liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

3. Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. The cost of the Fixed Assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The company provides pro-rata depreciation from the date on which asset is acquired / put to use. In respect of assets sold, pro rata depreciation is provided up to the date on which the asset is sold. On all assets depreciation has been provided using the Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on assets whose actual cost is not more than five thousand rupees has been provided at the rate of 100%.

4. Borrowing Costs

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition of qualifying fixed assets are capitalized upto the date when such assets are ready for its intended use and other borrowing costs are charged to the Profit and Loss Account.

5. Investments

Investments are stated at cost.

6. Revenue Recognition

Income from operations comprises profit / loss on sale of investments and derivative instruments.

Dividend Income is recognized when the right to receive payment is established.

Interest on fixed deposits is recognized on time proportion basis.

In respect of other heads of income the company accounts the same on accrual basis.

7. Employee Benefits

Defined Contribution Schemes:

The Company has Defined Contribution Plans for post employment benefits namely Provident Fund that is recognized by the Income Tax Authorities.

Under the Provident Fund Plan, the company to the Government administered provident fund on behalf of its employees and has no further obligation beyond making its contribution.

The company contributes to state plans namely Employees State Insurance Fund and Employees Pension Scheme and has no further obligation beyond making its contribution.

The company's contribution to the above funds is charged to revenue every year.

Defined Benefit Plans:

Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The liability recognized in the Balance sheet in respect of gratuity is the present value of defined benefit obligation at the balance sheet date together with the adjustments for unrecognized actuarial gains or losses and the past service cost. An independent actuary calculates the defined benefit obligation at the balance sheet date. Actuarial Gains or losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss account as Income or Expense.

Compensated Absences:

As per the policy of the company, an employee cannot carry forward leave. The accumulated leave has to be encashed annually. As no obligation arises on account of employees rendering service that increases their entitlement to future compensated absences, the amount of compensated absence paid is charged to the Profit and Loss account.

Termination benefits are recognized as an expense as and when incurred.

8. Taxes on Income

Income Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current Tax:

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act 1961 after considering tax allowances and exemptions, if any.

Deferred Tax:

A deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance sheet date. Deferred tax charge or credit is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized and are re-assessed for the appropriateness of their respective carrying values at each balance sheet date.

9. Impairment of Assets

The carrying value of fixed assets is reviewed for impairment at each Balance Sheet date to determine whether there is any indication of impairment.

If the carrying value of the fixed assets exceeds its estimated recoverable amount, an impairment loss is recognized in the Profit & Loss account and the fixed assets are written down to their recoverable amount.

10. Foreign Currency Transactions

Transactions in the foreign currency, which are of revenue nature, are accounted for at the exchange rate prevailing on the date of transaction. Current liabilities and/or assets are translated at the year-end rate. The difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation at the end of the year is recognized as income or expenses as the case may be.

11. Provisions, Contingent Liabilities and Contingent Assets

The company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resource is remote, no provision or disclosure is made. Contingent liabilities are disclosed by way of a note.

Contingent assets are not recognized. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

12. Prior Period

The Income or expense which arise in the current period as a result of errors and omissions in preparation of financial statement of one or more prior period are considered as prior period items and are shown separately in the financial statements.

13. Cash Flow

Cash Flows are reported using the Indirect Method whereby Profit before tax is adjusted for the effects of transaction of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, financing and investing activities of the company are segregated.

(B) NOTES FORMING PART OF THE ACCOUNTS

1. Deferred Tax

For the current year, a sum of Rs. 15,46,923/- (Previous year - Rs. 20,61,176/-) has been recognized as a deferred tax in the Profit & Loss Account and the same has been debited to the Deferred Tax Asset a/c in the Balance Sheet.

As on March 31, 2011, deferred tax on account of timing difference on depreciation of fixed assets and provision for gratuity was Rs. 11,37,802/- (Previous year – Liability Rs.4,09,121/-).

2. As of March 31, 2011, the Company had no outstanding dues to small-scale industrial undertakings (Previous Year Rs. Nil).

3. The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

4. In the opinion of the Board, Current Assets, Loans & advances have the value on realization in the ordinary course of business at least equal to the amount at which they are stated.
5. The company pledges Investments towards margin requirement for trading in equity / derivatives.
6. Bank Overdraft represents Credit facility for Pay in, pay out and margin requirements
7. During the year the company has reversed as sum of Rs. 34 lakhs being excess provision of depreciation provided in earlier years.
8. The National Stock Exchange and Bombay Stock Exchange have a lien on Fixed Deposits which have been kept for Margin and Base Capital Requirements.
9. **Expenditure in foreign currency**
 - (a) Traveling – Rs. NIL (Previous year – 96, 700/-).
 - (b) Data Subscription – Rs.2, 32,763/- (Previous year – 4, 55,438/-)

10. Employee Benefits

Defined Benefit Plans as per Actuarial Valuation as at March 31, 2010

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

Particulars	2010 - 2011	2009 - 2010
Liability at the Beginning of the year	14,70,194	—
Interest Cost	1,17,616	—
Current Service cost	7,20,470	5,40,353
Actuarial (gains)/losses on obligation	(8,97,913)	9,29,841
Liability at the end of the year	14,10,367	14,70,194

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

Particulars	2010 - 2011	2009 - 2010
Fair Value of Plan Assets at the beginning of the year	—	—
Expected Return on Plan Assets	—	—
Contributions	—	—
Actuarial gains (losses)	—	—
Fair Value of plan assets at the end of the year	—	—
Total Actuarial gains / (losses) to be recognized	(8,97,913)	9,29,841

c. Amounts recognized in the Balance Sheet

Particulars	2010 - 2011	2009 - 2010
Liability at the end of the year	14,10,367	14,70,194
Fair Value of plan assets at the end of the year	—	—
Difference	14,10,367	14,70,194
Amount recognized in the Balance Sheet	14,10,367	14,70,194

d. Amounts recognized in the Profit and Loss Account

Particulars	2010 - 2011	2009 - 2010
Current service cost	7,20,470	5,40,353
Interest cost	1,17,616	—
Expected return on plans assets	—	—
Net Actuarial (gain)/ loss recognised in the year	(8,97,913)	9,29,841
Net benefit expense	(59,827)	14,70,194

e. Actuarial Assumptions

Particulars	2010 - 2011	2009 - 2010
Discount rate	8.25%	8%
Retirement Age	60 years	60 years
Salary Escalation	5%	5%
Employee turnover	2%	2%

11. Related party disclosure has been made as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, as under:

Related Party Relationship**Associate Enterprises**

Binodini Vyapar Pvt. Ltd.
Knockta Dealcomm Pvt. Ltd.
Wallfort Properties Pvt. Ltd.
Wallfort Exim Pvt. Ltd.
Wallfort Commodities Pvt. Ltd.

Mohur Invest. & Consul. Pvt. Ltd.
Vijaydeep Properties Pvt. Ltd.
Wallfort Investments & Trading Co. Ltd.
Wallfort Share & Stock brokers Pvt. Ltd.

Key Management personnel

Anil Jain
Ashok Bharadia
Deepak Lahoti

Manoj Bharadia
Yash Golechha

Relatives of key management personnel

Anjali Jain
Radhakishan Bharadia
Annapurna Bharadia
Raj Golechha
Damoderi Bharadia
Ramkumar Bharadia
Daxa Golechha
Rashmi Lahoti
Deepa Bharadia
Shobha Golechha
Kamladevi Bharadia
Sangeeta Bharadia
Kishnidevi Bharadia
Shrivallabh Bharadia
Manidevi Bharadia

Shyamsunder Bharadia
Megraj Golechha
Taradevi Jain
Pradeep Jain
Puspha P. Jain
Vandana Bharadia
Priya Jain
Vijay Bharadia
Pankaj Lahoti

Transactions

(Rs. In Lakhs)

Particulars	Associate Enterprises		Key Management Personnel		Relatives	
	2011 (Rs.)	2010 (Rs.)	2011 (Rs.)	2010 (Rs.)	2011 (Rs.)	2010 (Rs.)
Brokerage	2.11	8.24	—	0.33	0.15	1.04
Loans Received	2828.00	2895.05	3932.19	4251.75	—	—
Loans Repaid	2828.00	2895.05	3757.19	4251.75	—	—
Advances Refunded	—	200.00	—	—	—	—
Advances	913.00	—	80.00	—	170.00	—
Rent	0.96	0.96	12.42	7.92	21.39	12.39
Salary	—	—	24.00	24.00	6.40	6.40
Interest	—	—	6.69	13.05	—	—

Outstanding Balances

(Rs. In Lakhs)

Particulars	Associate Enterprises		Key Management Personnel		Relatives	
	2011 (Rs.)	2010 (Rs.)	2011 (Rs.)	2010 (Rs.)	2011 (Rs.)	2010 (Rs.)
Investments	147.00	147.00	—	—	—	—
Deposit	3.35	3.35	—	—	—	—
Advances	913.00	—	80.00	—	170.00	—
Loans	—	—	175.00	—	—	—

- Note : 1) Related party relationships are as identified by the company and relied upon by the Auditors
 2) Transaction carried out with related parties referred to above are in ordinary course of business.

12. Auditors Remuneration

PARTICULARS	Amount in (Rs) CY	Amount in (Rs) LY
Statutory Audit Fees	140000	80000
Tax Auditing Fees	45000	25000
Consulting Fees	25000	15000
Others (Out of Pocket Expense)	6000	5000
Service Tax Audit Fees	22248	12875
Total	238248	137875

13. Contingent liabilities

- a. Unexpired Bank Guarantees – 19.25 Crores against Fixed Deposits 9.62 crores approx

14. Earnings per share

Earnings per Share has been calculated as per Accounting Standard 20 issued by the Institute of Chartered Accountants of India, as under:

Particulars	FY 2011	FY 2010
Amount used as numerator – Profit after tax	38,926,209	201,892,838
No. Of Shares	9,687,200	9,687,200
Basic & diluted earning per share	4.02	20.84

15. Segment Reporting

The company is engaged in single segment and there are no separate reportable segments as defined in AS – 17.

16. Provisions made for the year ended March 31, 2011 comprises of

Particulars	Opening Balances as on 1/4/2010	Provided on 31/3/2011	Provisions reversed / paid during the year ended 31/3/2011	Closing balance as of 31/3/2011
Income Tax	52500000	9000000	52500000	9000000
Wealth Tax	113500	62000	113500	62000
Gratuity	1470194	1410367	1470194	1410367

17. The figures have been rounded off to the nearest rupee.

18. The previous year's figures have been recast / restated, wherever necessary, to conform to the current year's classification.

For Kochar & Associates
Chartered Accountants
FRN No. 105256 W

For and On Behalf of the Board

ANILJAIN

DEEPAK LAHOTI

P.S. Kochar
Partner
M. No. 106049

YASH GOLECHHA

Place: Mumbai
Date: 29-6-2011

M/S Wallfort Financial Services Ltd.
Annexure "A" Statement of Investments as on March 31, 2011

Unquoted**(Long Term, at cost, other than trade)**

165000 equity shares of Special Blast of Rs 10 each fully paid	4950000
401 Equity shares of BSE Ltd of Rs. 1 each fully paid	—
250 Equity shares of CSE Ltd of Rs. 1 each fully paid	1,250,000
73300 Equity shares of Chattisgarh Project India P. Ltd. of Rs. 10 each fully paid up	5497500

In Group Companies

25000 Equity shares of Wallfort Commodities P Ltd. of Rs 10 each fully paid	2450000
175000 Equity shares of Wallfort Share & Stock Brokers p Ltd. of Rs 10 each fully paid	12250000

In Mutual Funds

50000 Units of DBS Chola Mutual Fund	500000
--------------------------------------	--------

Securities Fully Paid up

Qty.	Security	Face Value	Amount
5000	AGC Networks Limited	10	895,947
69300	ALOK INDUSTRIES LTD.	10	762,300
50000	ARVIND LTD.	10	3,205,310
400	BHOR WAKELOCK LTD	10	7,820
4000	BOMBAY DYEING & MFG. LTD.	10	2,447,969
250000	BHILWARA TECHNICAL TEXTILES LTD.	1	1,004,056
14700	CALADENIO LTD.	10	147,000
2000	CAMLIN LTD.	1	82,159
25000	CENTURY ENKA LTD	10	4,812,854
100000	DAMODAR THREADS LTD.	10	4,307,342
15000	FAG BEARINGS INDIA LTD.	10	10,044,369
7500	FUTURE CAPITAL HOLDINGS LTD.	10	1,116,755
150000	GARDEN SILK MILLS LTD.	10	14,333,399
100000	GILLANDERS ARBUTHNOT & CO.LTD.	10	12,610,294
25000	GLOSTER LIMITED	10	7,942,919
50000	GUJARAT STATE FERTILIZERS & CHEMICALS LTD.	10	12,701,732
100000	GUJARAT SIDHEE CEMENTS LTD.	10	1,083,992
125000	HARRISONS MALAYALAM LTD.	10	11,351,194
400000	HINDUSTAN ORGANIC CHEMICALS LTD.	10	13,529,661
500	HITACHI HOME AND LIFE SOLUTIONS (INDIA) LTD	10	146,498
1000	INDIABULLS FINANCIAL SERVICES LTD.	2	146,661
100000	IKF TECHNOLOGIES LTD.	1	450,000
200000	JAY SHREE TEA & INDUSTRIES LTD.	5	32,003,719
100000	JBF INDUSTRIES LTD.	10	15,376,823
150000	JAY BHARAT MARUTI LTD.	5	13,799,483
100000	KALE CONSULTANTS LTD.	10	10,277,275

Quantity	Security	F. Value	Amount
500	KALYANI STEELS LTD	5	102,402
50	KALYANI INVESTMENT LTD.	10	0
10000	KRISHNA ENGINEERING WORKS LTD.	10	51,500
2000	LAKSHMI VILAS BANK LTD.	10	220,246
10000	LAKSHMI VILAS BANK LTD.	10	989,000
200000	MANGALORE CHEMICALS & FERTILIZERS LTD.	10	5,850,375
9000	NATURAL CAPSULES LTD	10	430,040
6000	NIIT LTD	2	425,985
5	ORISSA MINERALS DEVELOPMENT COMPANY LTD	10	370,000
100000	PVR LTD.	10	13,762,573
50000	RAYMOND LTD.	10	15,578,161
10000	RESPONSE INF	10	31,000
100000	RSWM LTD.	10	13,340,639
2000	STATE BANK OF MYSORE	10	724,718
25000	SESHASAYEE PAPER & BOARDS LTD.	10	7,121,480
25000	SRF LTD.	10	8,184,166
25000	STEEL STRIPS WHEELS LTD.	10	6,404,879
135000	SENTINEL TEA AND EXPORTS LTD.	10	143,153
150	SUDARSHAN CHEMICAL INDUSTRIES LTD	10	18,753
50000	TAMIL NADU NEWSPRINT & PAPERS LTD.	10	6,864,529
200000	TONIRA PHARMA LTD	10	3,700,000
60000	VADILAL INDUSTRIES LTD.	10	9,165,751
50000	VARDHMAN TEXTILES LTD	10	13,244,156
25000	VENKY'S (INDIA) LTD	10	14,193,296
10000	WELSPUN BRAN	10	0
46000	EXCEL CROP CARE LTD.	5	12,523,129
1000	ZYLOG SYSTEMS LTD	10	581,849
		TOTAL	335,506,809

M/S Wallfort Financial Services Ltd.
Annexure "A" Statement of Investments as on 31st March 2011

Unquoted**(Long Term, at cost, other than trade)**

165000	Equity shares of Special Blast Ltd of Rs. 10 each fully paid	4950000.00
401	Equity shares of BSE Ltd of Rs. 1 each fully paid	0
250	Equity shares of CSE Ltd of Rs. 1 each fully paid	1,250,000
73300	Equity shares of Chattisgarh Project India P. Ltd. of Rs 10 each fully paid up	5,497,500

In Group Companies

25000	Equity shares of Wallfort Commodities P Ltd. of Rs 10 each fully paid	2,450,000.00
175000	Equity shares of Wallfort Share & Stock Brokers P. Ltd. of Rs 10 each fully paid	12,250,000.00

In Mutual Funds

50000	Units of DBS Chola Mutual Fund	5,00,000.00
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Securities Fully Paid up

Qty	Security	F. Value	Amount
69300	ALOK INDUSTRIES	10	762,300
50000	ARVIND MILLS	10	1,795,324
15000	BALMER LAWRI	10	9,786,330
400	BHOR WAKELOCK LTD	10	7,820
4000	BOMBAY DYEING LTD	10	1,237,876
187000	BSL LIMITED	10	6,403,180
250000	BHILWRA TEC	1	1,004,056
14700	CALADENIO LTD	10	1,47,000
40000	COROM INTER	2	11,323,989
190	CRONIMET	10	62,694
1000	ESS DEE ALUM	10	354,745
50000	GEOD LTD*	2	6,558,518
10000	GLOSTER JUTE	10	2,880,926
310	GMR INDUSTRIES	10	102,291
2500	GMR INFRASTRUCTURE LTD	1	86,625
150000	GUJARAT STATE FERTILISER	10	31,776,953
100000	GUJARA SIDHEE CEMENTS LTD	10	1,083,992
125000	HARRISON MAL	10	14,158,386
7500	HONEYWEL AUT	10	16,550,474
100000	HSIL	2	5,623,630
100000	IFB INDUSTRI	10	9,443,998
100000	IKF TECHNO	1	450,000
10000	INFOTECH ENR	5	3,623,775
50000	JAYSHRE TEA	10	16,526,121
200000	KALE CONSULTANTS LTD	10	14,003,598
500	KALYANI ST.	5	102,402
10000	KRISHN ENG W	10	51,500
500	MAGMA FIN	10	108,995
50000	MCLEOD RUSEL	5	10,923,388
25000	MERCK LTD	10	13,712,571
13	MPIL CORP L	10	747

Qty	Security	Face Value	Amount
18500	NAHAR SPG.	5	1,459,269
6000	NIIT LTD	2	432,300
5000	OMAXE LTD	10	501,218
20000	PFIZER LTD.	10	18,940,099
5838	POLY MEDICUR	10	570,333
1	POWER GRID	10	107
75000	PVR LTD	10	9,347,672
10000	RESPONSE INFO LTD	10	31,000
1400	RELIANCE INDUSTRIAL	10	1,119,561
200	STATE BK MYS	10	724,718
1000000	SPICEJET LTD	10	37,243,136
200000	SRF LIMITED	10	32,745,127
100000	STANDARD IND	5	3,774,324
25000	STAR	10	8,901,963
100000	STEEL STRI W (BSE IN	10	10,316,433
500000	STER TECH	2	17,217,370
150	SUDARSHAN CH	10	18,753
100000	TATA ELXSI	10	17,176,839
100000	TAMILNADU NEWSPRINT	10	9,037,864
5000	TULSI EXTRU	10	138,561
40000	UTV SOFTWARE	10	18,940,127
1000	VARDH TEXT	10	152,949
50000	VENKYS INDI	10	15,733,911
5000	VIKAS WSPLT	10	140,500
10000	WELSPUN BRANDS LTD	10	0
5000	WELSPUN INVESTMENT	10	0
200000	WELSPUN INDI	10	10,452,403
100000	WEST COAS PA	2	6,101,573
25000	ZUARI INDUST	10	13,969,449
		TOTAL	442,739,260

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

I Registration Details

Regn. No. 11-82992	State Code – II
Balance Sheet Date	31.03.2011

II Capital Raised During the year

Public issue	Right issue
NIL	NIL
Bonus Share	Private Placement
NIL	NIL
Calls In Arrears	
NIL	

III Position of Mobilization and Deployment of Fund

Total Liabilities	Total Assets
661106898	661106898
Source of Fund	
Paid Up Capital	Reserve & Surplus
96872000	545597096
Secured Loans	Unsecured Loans
NIL	17500000
Deferred Tax Liability	
1137802	
Application of Fund	
Net Fixed Assets	Investment
20447120	335506809
Net Current Assets	Misc. Expenditure
305152969	NIL
Accumulated Loss	Deferred Tax Assets
NIL	NIL

IV Performance of Company

Turnover	Total Expenditure
150096344	100561212
Profit Before Tax	Loss after Tax
49535132	38926209
Earning Per Share	Dividend
4.02	NIL

V. Generic Names of three principal products/service of Company.

(As per monetary terms)	Item Code No.
i) Brokerage	N.A.
ii) Trading in Shares & Securities	N.A.

For And on Behalf of The Board

Sd/-
ANIL JAIN
Chairman & Managing Director

Sd/-
DEEPAK LAHOTI
DIRECTOR

Sd/-
YASH GOLECHHA
DIRECTOR

**PLACE: MUMBAI
DATE: 29-6-2011**

WALLFORT FINANCIAL SERVICES LTD.
CASH STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2011.

	31ST MARCH 2011 (AMT. IN RS.)
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before extra ordinary items	49,535,132
<u>Adjustment for:</u>	
Excess Provision of Earlier Year	-3,443,234
Loss on sale of Assets	125,102
Interest Received	-8,046,129
Provision for Gratuity	-59,827
Dividend Received	-11,405,084
Interest Paid	4,362,463
Depreciation	3,527,302
Operating Profit before working capital changes	34,595,725
<u>Adjustment for :</u>	
Trade & Other receivable	-118,523,033
Trade payable	-59,371,356
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	-143,298,663
B. CASH FLOW FROM INVESTING ACTIVITIES	
Sale of fixed Asset	300,000
Purchase of fixed assets	-1,535,164
Sale / Purchase of Investments	107,232,452
Interest Received	8,046,129
Dividend Received	11,405,084
NET CASH USED IN INVESTING ACTIVITIES (B)	125,448,501
C. CASH FLOW FROM FINANCIAL ACTIVITIES	
Loans Repaid	-23,275,924
Loans Received	17,500,000
Interest Paid	-4,362,463
NET CASH USED IN FINANCIAL ACTIVITIES C	-10,138,387
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	-27,988,550
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	159,317,464
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	131,328,914

For KOCHAR & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN No. 105256 W
 P. S. KOCHAR
 PARTNER
 M. No. 106049
 PLACE : MUMBAI
 DATE : 29-6-2011

FOR AND ON BEHALF OF BOARD
 Sd/- ANIL JAIN
 Chairman & Managing Director
 Sd/- DEEPAK LAHOTI
 DIRECTOR
 Sd/- YASH GOLECHHA
 DIRECTOR

AUDITOR'S CERTIFICATE

WE HAVE VERIFIED THE ABOVE CASH FLOW STATEMENT OF WALLFORT FINANCIAL SERVICES LIMITED DERIVED FROM THE AUDITED FINANCIAL STATEMENT FOR THE PERIOD ENDED ON MARCH 31 2011 AND FOUND THE SAME TO BE DRAWN IN ACCORDANCE THEREWITH AND ALSO WITH THE REQUIREMENT OF CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE.

Place: Mumbai
Date: 29-6-2011

For Kochar & Associates
Chartered Accountants
FRN No. 105256 W
P.S. Kochar
(Partner)
M. No. 106049

WALLFORT FINANCIAL SERVICES LTD.

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

ATTENDANCE SLIP

Regd. Folio No. _____ No. of Shares held _____

I hereby record my presence at the Fifteenth Annual General Meeting of the Company to be held at Regd. Office : 205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai 400 001. On Friday 30th Sep. 2011. at 11.00 a.m.

Member's / Proxy's Name

Member's/Proxy's Signature

NOTE : Please sign this attendance slip and hand over at the entrance of the meeting hall.

WALLFORT FINANCIAL SERVICES LIMITED

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

PROXY FORM

Regd. Folio No. _____ No. of Shares held _____

I/we _____

of _____

(Write full Address) _____

being a member/members of WALLFORT FINANCIAL SERVICES LIMITED hereby appoint _____

_____ of _____ or failing him

_____ of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company to be held on Friday, 30th September, 2011, at 11.00 a.m. at the Regd. Office : 205, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai - 400 001, and at any adjournment thereof.

Signed this _____ Friday, 30th September 2011.

Signature

**AFFIX
1 RUPEE
REVENUE
STAMP**

NOTE : The Proxy form must be deposited at the Registered Office of the company not less than 48 hours before the time for holding of the aforesaid meeting.

BOOK - POST

To,

If undelivered please return to :

WALLFORT FINANCIAL SERVICES LTD.

205, Gundecha Chambers,

Nagindas Master Road,

Fort, Mumbai - 400 001.