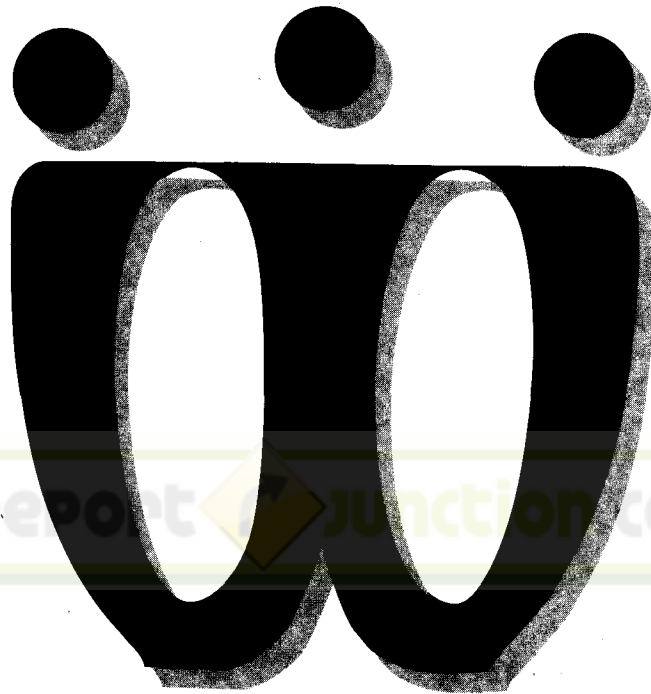


87th ANNUAL REPORT 2006 - 2007



WALCHAND
PEOPLEFIRST

WALCHAND PEOPLEFIRST LIMITED



DALE CARNEGIE®
TRAINING



PerformanSe
Man as direct participant in his own development





BOARD OF DIRECTORS

Ms. PALLAVI JHA – CHAIRPERSON & MANAGING DIRECTOR

Mr. M.N. BHAGWAT

Mr. SANJAY JHA

Mrs. KAMALINI BAHUBALI [Till 26th April 2007]

Dr. S.C. JHA

Mr. V. K. VERMA

Ms. POONAM BARUA [W.E.F. 16th January 2007]

AUDITORS

M/s. HARIBHAKTI & CO.,

CHARTERED ACCOUNTANTS

BANKERS

STANDARD CHARTERED BANK

BANK OF INDIA

Report  junction.com

REGISTERED OFFICE

1, CONSTRUCTION HOUSE,

WALCHAND HIRACHAND MARG,

BALLARD ESTATE,

MUMBAI – 400 001

TEL : 22618095 /8096 /67818181

FAX : 22610574

Website : www.walchandpeoplefirst.com

REGISTRAR & TRANSFER AGENT

M/s. COMPUTECH SHARECAP LIMITED

147, MAHATMA GANDHI ROAD,

FORT, MUMBAI – 400 023

TEL : 22635001 /5002

FAX: 22635005

E-MAIL : helpdesk@compu-techsharecap.com

INFORMATION FOR SHAREHOLDERS
87TH ANNUAL GENERAL MEETING

DATE : 27-07-2007 (FRIDAY)
 TIME : 3.00 P.M.
 VENUE : WALCHAND HIRACHAND HALL
 INDIAN MERCHANT CHAMBERS,
 IMC MARG, CHURCHGATE,
 MUMBAI - 400 020.
 DATE OF BOOK : July 20, 2007 to July 27, 2007
 CLOSURE (BOTH DAYS INCLUSIVE)

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WALCHAND PEOPLEFIRST LIMITED

AT A GLANCE

OPERATIONAL STATISTICS

Rupees in Lacs

	2004-2005	2005-2006	2006-2007
Operating Earnings	337.17	471.32	682.22
Other Income	559.34	115.51	82.02
Total Earnings	896.51	586.83	764.24
Employee Remuneration & Other Expenses	290.12	415.06	666.46
Non Recurring items	303.12	87.65	20.9
Interest	0.21	1.64	1.54
Depreciation	33.16	39.16	41.02
Tax Liability / (Assets)	7.11	8.32	(218.30)
Total Expenses	633.72	551.83	511.62
Net Profit/(Loss) after taxation	262.79	35.00	252.62

Financial Highlights

SOURCES OF FUNDS

SHAREHOLDERS FUNDS

Share Capital	284.89	284.89	284.89
Reserves & Surplus	1,134.29	1,136.81	1,356.09
Loan Funds	2.44	14.42	16.84
Total	1,421.62	1,436.12	1,657.82

APPLICATION OF FUNDS

Fixed Assets (Net)	333.84	342.23	332.71
INVESTMENTS	495.99	634.13	794.03
Deferred Tax Asset			227.67
Working Capital	586.79	459.76	303.41
Miscellaneous Expenditure	5.00	-	-
Total	1,421.62	1,436.12	1,657.82

Book Value per share (Rs.)	496.40	499.03	576.00
Earning per share (Rs.)	92.24	12.29	88.67
Dividend per share (Rs.)	-	10.00	10.00
Networth	1,414.18	1,421.70	1,640.98

NOTICE

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighty - Seventh Annual General Meeting of WALCHAND PEOPLEFIRST LIMITED will be held at Walchand Hirachand Hall, Indian Merchants' Chamber, IMC Marg, Churchgate, Mumbai - 400 020 on Friday, July 27, 2007 at 3.00 p.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2007, Profit and Loss Account for the year ended on that date and the Reports of the Auditors' and the Directors' thereon.
2. To declare final dividend.
3. To appoint a Director in place of Mr. Sanjay Jha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Satish C. Jha who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to authorize Board to fix their remuneration. "RESOLVED THAT M/s. Haribhakti & Co. Chartered Accountants, Mumbai, being retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of the ensuing Annual General Meeting until conclusion of the next Annual General Meeting, on such remuneration as may be determined by the Chairperson in consultation with the Auditors, in addition to reimbursement of service tax and all out of pocket expenses in connection with the audit of the Accounts of the Company, which remuneration may be paid on existing terms to be agreed between the Auditors and the Chairperson."

Special Business:

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **ordinary resolution** requiring special notice.
"RESOLVED THAT Ms. Poonam Barua who was appointed as an Additional Director of the Company with effect from January, 16 2007 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company and that her period of office shall be liable to determination by retirement by rotation."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as approved and recommended by the remuneration committee and the Board, the Company hereby approves re-appointment

of Ms. Pallavi Jha, as Managing Director, for a further period of 3 (three) years with effect from 26.7.2007 on the terms & conditions including remuneration as are set out hereunder:

A Period of Appointment : 26.7.2007 to 25.7.2010 (3 years)

B Salary : Rs. 2,00,000/- (Two Lacs) per month with an annual increment of Rs. 50000/- per month .

In addition to salary the Managing Director will be entitled to following perquisites and allowances:

C Perquisites:

- i) **Residential Accommodation:** Rent free furnished accommodation (against recovery of 20% of basic salary) or 60% of basic salary as House Rent Allowance in lieu of accommodation. The Managing Director shall also be eligible for maintenance of accommodation including furniture, fixtures, furnishings and provision of gas, electricity and water. Expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962 subject to ceiling of 10% of the basic salary.
- ii) **Medical reimbursement :** Expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
- iii) **Leave travel assistance:** For self and family, once in a year as per Rules of the Company.
- iv) **Personal Accident Insurance:** Premium not to exceed Rs.4,000/- per annum.
- v) **Club fees:** Fees of two Clubs. This will not include admission and life membership fee.
- vi) **Credit Card Fees:** For two Credit Cards.
- vii) **Leave:** Leave entitlement and Encashment of accumulated leave at the end of tenure as per Rules of the Company.
- viii) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ix) Gratuity as per rules of the Company but shall not exceed half a month's salary for each completed year of service.
- x) **Car :** Use of the Company's AC Car with a driver or alternatively the Company will maintain at its expense a car belonging to the Managing Director and will also reimburse the salary of the driver as per the Rules of the Company and will not form part of the perquisites.
- xi) **Telephone:** Telephone(s) facility at residence, as per Rules of the Company. Personal long distance calls will be borne by the Managing Director.

Perquisites shall be evaluated as per applicable provisions of the Income Tax Rules.

**D. Commission**

Commission as may be decided by the Board of Directors based on the net profits of the Company in a particular year subject to the overall ceiling limit laid down under Section 198 and 309 of the Companies Act, 1956.

E. The total remuneration including perquisites shall not exceed the limits specified in schedule XIII of the Companies Act, 1956. The perquisites namely contribution to Provident Fund, Superannuation Fund or Annuity Fund, Gratuity and encashment of leave shall not be included in the computation of the ceiling on remuneration.

F. Minimum Remuneration:

Notwithstanding anything hereinabove, where in any financial year during the currency of her tenure as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisite as above subject to the ceiling specified under Section II of Part II of the Schedule XIII to the Companies Act, 1956.

G. Termination : The appointment is liable for termination by either party giving 6 months' notice in writing to the other.

The terms and conditions of the above appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Managing Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard and as may be agreed to by the Managing Director.

RESOLVED FURTHER THAT wherein any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above remuneration as the minimum remuneration by way of salaries, perquisites and other allowances and benefits as specified above subject to the receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT Ms. Pallavi Jha, being a Director liable to retire by rotation, her re-appointment as such Director shall not be deemed to constitute a break in her appointment as Managing Director.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors, (herein after referred to as "the Board" which term shall be deemed to include any duly authorised committee thereof, for time being exercising the powers conferred by the Board by the resolution) be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the limits of Schedule XIII of the Companies Act, 1956."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special**

Resolution.:

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of Companies Act, 1956 (including any statutory modification(s) or re enactment thereof for the time being in force) and as approved and recommended by the remuneration committee and the Board, the Company hereby approves appointment of Mr. Sanjay Jha, as Whole time Director, for a period of 3 (three) years with effect from 27.7.2007 on the terms & conditions including remuneration as are set out hereunder:

A Period of Appointment : 27.7.2007 to 26.7.2010 (3 years)

B Salary : Rs. 1,80,000/- (One Lakh Eighty Thousand) per month with an annual increment of Rs. 50,000/- per month .

In addition to salary the Whole time Director will be entitled to following perquisites and allowances:

C Perquisites:

- i) **Medical reimbursement:** Expenses incurred for self and family, subject to a ceiling of one month's salary in a year or three months' salary over a period of three years
- ii) **Leave travel assistance:** For self and family, once in a year as per Rules of the Company.
- iii) **Personal Accident Insurance:** Premium not to exceed Rs. 4,000/- per annum.
- iv) **Club fees:** Fees of two Clubs. This will not include admission and life membership fee.
- v) **Credit Card Fees:** For Two Credit Card.
- vii) **Leave:** Leave entitlement and Encashment of accumulated leave at the end of tenure as per Rules of the Company.
- viii) **Contribution to Provident Fund, Superannuation Fund or Annuity Fund** to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ix) **Gratuity** as per rules of the Company but shall not exceed half a month's salary for each completed year of service.
- x) **Car :** Use of the Company's AC Car with a driver or alternatively the Company will maintain at its expense a car belonging to the Whole time Director and will also reimburse the salary of the driver as per the Rules of the Company and will not form part of the perquisites.
- xi) **Telephone:** Telephone(s) facility at residence, as per Rules of the Company. Personal long distance calls will be borne by the Whole time Director. Perquisites shall be evaluated as per applicable provisions of the Income Tax Rules.

D. Commission

Commission as may be decided by the Board of Directors based on the net profits of the Company in a particular year subject to the overall ceiling limit laid down under Section 198 and 309 of the Companies Act, 1956.

E. The total remuneration including perquisites shall not exceed the limits specified in schedule XIII of the Companies Act, 1956. The perquisites namely

contribution to Provident Fund, Superannuation Fund or Annuity Fund, Gratuity and encashment of leave shall not be included in the computation of the ceiling on remuneration.

F. Minimum Remuneration:

Notwithstanding anything hereinabove, where in any financial year during the currency of his tenure as Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisite as above subject to the ceiling specified under Section II of Part II of the Schedule XIII to the Companies Act, 1956.

G. Termination : The appointment is liable for termination by either party giving 6 months' notice in writing to the other.

The terms and conditions of the above appointment may be altered and varied from time to time by the Board of Directors ('the Board' which term shall be deemed to include Remuneration Committee thereof) as it may in its discretion deem fit within the maximum amount payable to the Whole time Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard and as may be agreed to by the Whole time Director.

RESOLVED FURTHER THAT wherein any financial year during the currency of the tenure of the Whole time Director, the Company has no profits or its profits are inadequate, the Company may pay to the Whole time Director the above remuneration as the minimum remuneration by way of salaries, perquisites and other allowances and benefits as specified above subject to the receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT Mr. Sanjay Jha, being a Director liable to retire by rotation, his re-appointment as such Director shall not be deemed to constitute a break in her appointment as Whole time Director.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors, (herein after referred to as "the Board" which term shall be deemed to include any duly authorised committee thereof, for time being exercising the powers conferred by the Board by the resolution) be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications, as may be required within the limits of Schedule XIII of the Companies Act, 1956."

By order of the Board

Place : Mumbai
Date : April 26, 2007

Divya Momaya
Company Secretary

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

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. Under the Companies Act, 1956, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting in annexed hereto.
3. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from July 20, 2007 to July 27, 2007 (both days inclusive) for the purpose of Annual General Meeting.
5. Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed form 2B to the Registrar & Transfer Agents of the Company.
6. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General meeting.
7. Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be compiled in advance.
8. Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent.
9. Members are requested to bring their copy of Annual Report to the Meeting.
10. All documents referred to in the notice and explanatory statement are open for inspection at the registered office of the Company between 10.30 a.m. and 1.00 p.m. on all working days upto the date of the meeting.
11. Subject to the provisions of Section 206 A of the Companies Act, 1956 dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after July 27, 2007 to those members whose names appear on the Register of Members as on July 20, 2007.
12. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updations of savings bank account to their respective Depository Participants.
13. Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, M/s. Computech Sharecap Limited, "Computech", 147, Mahatma Gandhi Road, Fort, Mumbai - 400 023, Tel No: 22635001-2, Fax No.: 22670380, Email : helpdesk@compu techsharecap.com
14. Members wishing to claim dividends, which remain



unclaimed, are requested to correspond with Mr. Sadanand Marathe, Compliance Office, at the Company's registered office. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per section 205 A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.

15. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend.
16. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.
17. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.

EXPLANATORY STATEMENT

As required by Section 173 (2) of the Companies Act, 1956.

Item No. 6

Ms. Poonam Barua was appointed by the Board of Directors as an Additional Director of the Company with effect from 16th January 2007. In accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 135 of the Articles of Association of the Company she holds office upto the date of ensuing Annual General Meeting.

The Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing her candidature for the office of Director.

A brief resume of Ms. Poonam Barua is annexed to this notice. None of the Directors except Ms. Poonam Barua is interested in the said Resolution.

Item Nos. 7 & 8:

At the Eighty-fourth Annual General Meeting held on September 28, 2004, members of the Company approved the appointment of Ms. Pallavi Jha as Managing Director for a period of 3 years from 26.7.2004. The tenure of her appointment expires on 25.7.2007.

The Board of Directors of the Company at its meeting held on April 26, 2007 has recommended the appointment of Mr. Sanjay Jha, Director as the Whole time Director of the Company.

The Company is now in a strong phase of growth since the launch of its operations with Dale Carnegie Training. It is in the interest of the Company to continue to avail the services of Ms. Pallavi Jha and renew her appointment as Managing Director and appoint Mr. Sanjay Jha as the Whole time

Director of the Company. The Remuneration Committee comprising of independent Directors namely Dr. S.C. Jha, Mr. M.N. Bhagwat and Mr. V. K. Verma, approved and recommended the remuneration payable to Ms. Pallavi Jha and Mr. Sanjay Jha as set out in the body of the resolutions which the Board has agreed to offer by its resolutions dated 26.4.2007. The remuneration is within the ceiling limits of remuneration under applicable statutory provisions and schedule XIII of the Companies Act, 1956. The Company has not made any default in repayment of any of its debts (including deposits) or debentures or interest payable thereon for continuous period of 30 days in the preceding financial year before the date of re-appointment of the Managing Director and the appointment of Whole time Director.

The Board recommends these special resolutions for your approval.

Ms. Pallavi Jha and Mr. Sanjay Jha are interested in the resolutions as it pertains to re-appointment of Managing Director and appointment of Whole time Director respectively and remuneration payable to them. None of the other Directors of the Company is in any way concerned or interested in these resolutions.

This explanation together with the notice is and should be treated as abstract of the terms of re-appointment of Ms. Pallavi Jha as Managing Director of the Company and appointment of Mr. Sanjay Jha as a Whole time Director of the Company and a Memorandum as to the nature of the concern or interest of the Directors in the said re-appointment and appointment, as required under Section 302 of the Companies Act, 1956.

Information required on the matter pursuant to Section II 1(B)(iv), Part II of Schedule XIII to the Act is annexed herewith.

By order of the Board

Place : Mumbai
Date : April 26, 2007

Divya Momaya
Company Secretary

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

INFORMATION / DISCLOSURE STATEMENT

Annexure to the Notice convening the Eighty-seventh Annual General Meeting to be held on July 27, 2007 pursuant to Section II 1(B)(iv), Part II of Schedule XIII of the Companies Act, 1956 (the Act) in respect of item nos. 7 & 8 of the Notice pertaining to re-appointment of Managing Director and appointment of Whole time Director respectively and their remuneration .

I. GENERAL INFORMATION:

(1) Nature of Industry:

The Company is in the business of specialised sector of Training and Development dedicated to capacity building among corporates, institutions and individuals.

(2) Date or expected date of commencement of commercial production:

Not applicable as the Company is an existing Company.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :

Not applicable.

(4) Financial performance based on given indicators – as per audited financial results for the year ended March 31, 2007

(Rs. In Lacs)

Particulars	2006-07
Income from operations	682.22
Other Income	82.02
Profit/(Loss) before interest, depreciation and taxation	76.88
Net Profit /(Loss)	252.62
Profit as computed under Section 309 (5) read with Section 198 of the Companies Act, 1956.	0.56

(5) Export performance and net foreign exchange collaborations for the year ended March 31, 2007:

The Company utilized foreign exchange amounting to Rs. 74.08 and earned foreign exchange amounting to Rs. 3.23 lakhs.

(6) Foreign investment or collaborations, if any:

The Company is a franchisee of Dale Carnegie Associates in India and offers the training programs and courses through its trained and certified faculty.

II. INFORMATION ABOUT THE APPOINTEE:**(1) Background details:**

Ms. Pallavi Jha :

Ms. Pallavi Jha is an MBA from Syracuse University, New York. She has played a key role in the successful restructuring, of the Walchand Group of Companies, one of India's largest business groups with interests in civil construction, heavy engineering, automobiles, sugar and confectionary and finance and investment, involving several M&A initiatives. She has been the overall in-charge of the Company and guiding its affairs with determination and zeal and looking after its entire business activities since May 1996, as President & CEO (Manager as defined u/s. 2(24) of the Companies Act, 1956) upto 25.7.1999 and thereafter as Managing Director. She is responsible for the new business directions of the Company in the Performance Enhancement sector and has achieved a turn- around in company's performance.

Mr.Sanjay Jha:

Mr. Sanjay Jha joined the Board as a Directors of the Company on September 23rd, 1999. Mr. Jha aged

46 years, is an MBA from XLRI (Jamshedpur) and also holds postgraduate degree in Economics from Gokhale Institute of Politics & Economics, University of Pune. In his prior assignment Mr. Jha was Senior Vice President with ITC – Thread needle AMC Limited (a subsidiary of BAT, plc.,) in charge of Marketing & Sales. Prior to that he was Vice President, Alliance Capital, New York (USA), Assistant Vice President, Bank of America and Senior Manager (Marketing) with ANZ Grindlays Bank Plc. He is a regular columnist in newspapers and a visiting professor at business schools. He is also active in various industry forums and is a speaker on various panels. He is the Founder of Cricketnext.com, a top global website on cricket, Director of Walchand Netsoft Private Limited and the Director of Walchand & Company Private Limited.

(2) Past remuneration (for the financial year ended March 31, 2007) :

Ms. Pallavi Jha:

Particulars	Amount (Rs.)
Salary	20,07,742/-
Contribution to P.F. Gratuity and Superannuation Fund	5,18,735/-
Perquisites	6.20,018/-
Sitting Fees	Nil
Total	31,46,395

Mr.Sanjay Jha:

Particulars	Amount (Rs.)
Sitting Fees	32,000
Total	32,000

(3) Recognition or awards:-

Ms. Pallavi Jha: Nil

Mr.Sanjay Jha: Nil

(4) Job profile and their suitability:-

Ms. Pallavi Jha:

Same as above in item no. 1

Mr.Sanjay Jha:

Same as above in item no. 1

(5) Remuneration Proposed:-

Ms. Pallavi Jha :

Same as mentioned in body of Resolution No. 7.

Mr.Sanjay Jha:

Same as mentioned in body of Resolution No. 8.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person :

Taking into consideration the size of the Company,



the profile of Ms. Pallavi Jha, Chairperson and Managing Director and Mr. Sanjay Jha, Director, their responsibilities and industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterparts in the companies.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :

Ms. Pallavi Jha:

Ms. Pallavi Jha is interested in the resolution as it pertains to her re-appointment and remuneration payable to her. Mr. Sanjay Jha, being her husband is deemed to be concerned or interested in the resolution at item no.7. None of the other Directors of the Company is in any way concerned or interested in this resolution.

Mr. Sanjay Jha:

Mr. Sanjay Jha is interested in the resolution as it pertains to his appointment and remuneration payable to him. Ms. Pallavi Jha, being his wife is deemed to be concerned or interested in the resolution at item no. 8. None of the other Directors of the Company is in any way concerned or interested in this resolution.

III. OTHER INFORMATION:-

(1) Reasons for loss or inadequate profits :

The Company has been de-registered as an NBFC and is now focusing only on the business of Training and Development. The Company is in the process of strengthening its position in its core business activity of training and development.

(2) Steps taken or proposed to be taken for improvement:

Your Company has completed the merger of its subsidiaries as per the Scheme of Amalgamation in the year 2004-2005. Your Company now has fully consolidated its operations new business of Training and Development and it is expanding its operations across India. The Company has also tied up with PerformanSe SAS France to provide complementary services in the areas of Profiling and Competency Assessments.

(3) Expected increase in productivity and profits in measurable terms :

Indian industry is expected to expand aggressively over the next two decades. As a consequence, there is onto enhanced creation of jobs as well as for skills development. The Training Industry, as a result, is in full-focus and an important player in the Indian Economy. The focus has shifted towards Effectiveness, resulting in greater emphasis on increasing managerial skills both in quality and quantity. Training need are with a growing complexity of requisite soft skills like leadership, innovation, interpersonal skills, communication, cross - cultural training, selling skills, self - motivation, teamwork and negotiation skills that companies need amongst their talent pool. Industry recognizes that to achieve their visions the only sustainable competitive advantage that cannot be duplicated in today's

competitive world is the quality, drive, enthusiasm and leadership ability of the people.

The Company has been showing a 80-100% improvement in its revenue and profitability over the past two years. It expects the strong trend in performance to continue.

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

Dr. Satish C. Jha joined the Board on November 19th 1999. Dr. Satish C. Jha aged 73 years, has done his M. A. from Patna University and M. Sc. and Ph. D. in Agriculture Economics from the prestigious Stanford University and University of Illinois, U.S.A. Dr. Jha was a Consultant to the Economic Commission for Asian and Pacific (UN) during 1995-96. Prior to this, he was Director of Research - Indian Society of Agricultural Economics, Bombay during 1963 - 1968 and Director & Chief Economist - Asian Development Bank, Manila, Philippines during 1968 - 1994. He was on the Board of Delhi Stock Exchange Association Ltd. He is also active in various industries forums and has delivered number of keynote addresses in various forum of topical interest. He is also a Director of Srei Venture Limited.

Mr. Sanjay Jha joined the Board as a Directors of the Company on September 23rd, 1999. Mr. Jha aged 46 years, is an MBA from XLRI (Jamshedpur) and also holds postgraduate degree in Economics from Gokhale Institute of Politics & Economics, University of Pune. In his prior assignment Mr. Jha was Senior Vice President with ITC - Thread needle AMC Limited (a subsidiary of BAT, plc.,) in charge of Marketing & Sales. Prior to that he was Vice President, Alliance Capital, New York (USA), Assistant Vice President, Bank of America and Senior Manager (Marketing) with ANZ Grindlays Bank Plc. He is a regular columnist in newspapers and a visiting professor at business schools. He is also active in various industry forums and is a speaker on various panels. He is the Founder of Cricketnext.com, a top global website on cricket, Director of Walchand Netsoft Private Limited and the Director of Walchand & Company Private Limited.

Ms. Poonam Barua is whole-time Director of Public Affairs Management, an independent firm specializing in corporate and institutional diplomacy and public affairs, based in New Delhi.

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

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