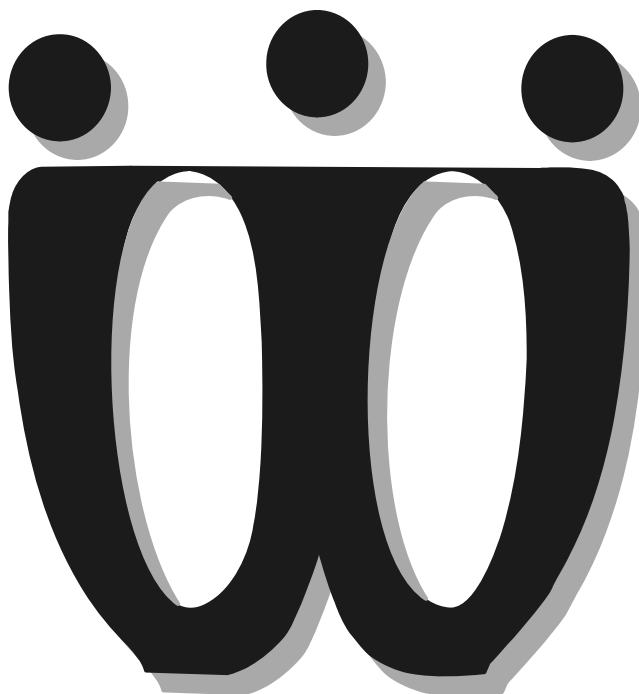


93rd ANNUAL REPORT
2012 - 2013



**WALCHAND
PEOPLEFIRST**

WALCHAND PEOPLEFIRST LIMITED



**DALE CARNEGIE®
TRAINING**



PerformanSe
Man as direct participant in his own development



**WALCHAND
DALE CARNEGIE**
FINISHING SCHOOL

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BOARD OF DIRECTORS

Ms. PALLAVI JHA - CHAIRPERSON & MANAGING DIRECTOR

Mr. SANJAY JHA

Mr. M.N. BHAGWAT

Dr. S.C. JHA

Mr. V.K.VERMA

Mr. RAJEEV DUBEY

Dr. VIJAY GUPCHUP

COMPLIANCE OFFICER

Mr. VIVEK WADHAVKAR

AUDITORS

M/s. K. S. AIYAR & CO.,

CHARTERED ACCOUNTANTS

BANKERS

STANDARD CHARTERED BANK

HDFC BANK LTD.

REGISTERED OFFICE

1, CONSTRUCTION HOUSE,

5, WALCHAND HIRACHAND MARG,

BALLARD ESTATE, MUMBAI- 400 001

TEL NO: 67818181

FAX: 22610574

Email: vivek@walchandgroup.com

Website : www.walchandpeoplefirst.com

REGISTRAR & TRANSFER AGENT

M/s. COMPUTECH SHARECAP LIMITED

“COMPUTECH”, 147, MAHATMA GANDHI ROAD,

FORT, MUMBAI – 400 023

TEL : 22635001 /5002

FAX: 22635005

E-MAIL : helpdesk@computechsharecap.com

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INFORMATION FOR SHAREHOLDERS

93rd ANNUAL GENERAL MEETING

DATE : TUESDAY, JULY 30, 2013
TIME : 3:00 P.M.
VENUE : WALCHAND HIRACHAND HALL,
INDIAN MERCHANTS' CHAMBERS,
IMC MARG, CHURCHGATE,
MUMBAI - 400 020.
DATE OF BOOK : JULY 23, 2013 To JULY 30, 2013
CLOSURE (BOTH DAYS INCLUSIVE)

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NOTICE

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE NINETY-THIRD ANNUAL GENERAL MEETING OF WALCHAND PEOPLEFIRST LIMITED WILL BE HELD AT WALCHAND HIRACHAND HALL, INDIAN MERCHANTS' CHAMBER, IMC MARG, CHURCHGATE, MUMBAI – 400 020 ON TUESDAY, JULY 30, 2013 AT 03:00 P.M. TO TRANSACT THE FOLLOWING BUSINESS:-

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, Profit and Loss Account for the Financial Year ended on that date and the Reports of the Auditor's and the Directors' thereon;
2. To appoint a Director in place of Mr. Madhukar Bhagwat, who retires by rotation and being eligible, offers himself for re-appointment;
3. To appoint a Director in place of Dr. Satish Jha, who retires by rotation and being eligible, offers himself for re-appointment;
4. To declare Final dividend on Equity Shares for the year ended March 31, 2013;
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

“RESOLVED THAT M/s. K. S. Aiyar & 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 this 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.”

By order of the Board

Pallavi Jha
Chairperson & Managing Director

Place : Mumbai

Date : May 13, 2013

Registered Office:

1, Construction House,
5, 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. Members/Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting.
3. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will remain closed from July 23, 2013 to July 30, 2013 (both days inclusive) for the purpose of Annual General Meeting and for payment of dividend, if declared at the Annual General Meeting.
6. 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.
7. 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 Meeting.
8. Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write atleast one week before the meeting so that the same could be compiled in advance.
9. 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.
10. Members are requested to bring their copy of Annual Report to the Meeting.
11. All documents referred to in the notice are open for inspection at the registered office of the Company between 10:30 A.M. to 1:00 P.M. on all working days up to the date of the Meeting.
12. Subject to the provisions of Section 206A 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 30, 2013, to those Shareholders whose names stand on the Company's Register of Members on July 23, 2013 and to whom dividend warrants will be posted. In respect of Shares held in electronic form, the dividend will be paid on the basis of beneficial ownership position as at the end of the day on July 23, 2013 as per data to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) for this purpose.
13. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrar and Share Transfer Agents, M/s. Computech Sharecap Limited, under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants:
 - (i) Name of the Sole/First joint holder and the Folio Number;
 - (ii) Particulars of Bank Account, viz.:
Name of the Bank
Name of the Branch
Complete address of the Bank with Pin Code Number,
Account type, whether savings Account (SA) or Current Account (CA)

Bank Account Number.

- (b) Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
- (c) To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Share Transfer Agents, M/s. Computech Sharecap Limited.
14. 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.
15. 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.: 22635005, Email : helpdesk@computechsharecap.com
16. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Mr. Vivek Wadhavkar, Compliance Officer, at the Company's registered office. Members are requested to note that dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, be transferred to the Investor Education and Protection Fund as per Section 205C of the Companies Act, 1956.
17. The following are the details of dividend paid by the Company and its respective due date of transfer of such fund to the Central Government, which remain unpaid:

Sr. No.	Date of Declaration	Dividend for the year	Due date of transfer to the Government
1	August 31, 2006	Final Dividend 2005-06	September 30, 2013
2	July 27, 2007	Final Dividend 2006-07	August 26, 2014
3	September 30, 2008	Final Dividend 2007-08	October 29, 2015
4	July 26, 2012	Final Dividend 2011-2012	August 25, 2019

It may be noted that no claim of the shareholders will be entertained for the unclaimed dividend which has been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Section 205(B) of the Companies Act, 1956. In view of the above, those Shareholders who have not encashed their

dividend warrants are advised to send all the unclaimed dividend warrants to the Registrar & Share Transfer Agents or to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

18. Particulars of the dividend transferred to the General Revenue Account of the Central Government i.e. Investor Education & Protection Fund during the Financial Year ended March 31, 2013 pursuant to Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978:

Sr. No.	Date of Declaration of Dividend	Dividend for the Financial Year	Amount transferred to Investor Education & Protection Fund (Rs.)	Date of transfer to Investor Education & Protection Fund
NIL	NIL	NIL	NIL	NIL

19. 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 Share Transfer Agents of the Company.
20. 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.
21. Information under clause 49 of the listing agreement relating to directors retiring by rotation and seeking re-appointment is given at **Annexure 1**.

By order of the Board,

Pallavi Jha
Chairperson & Managing Director

Place : Mumbai
Date : May 13, 2013

INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT RELATING TO DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT

Mr. Madhukar Bhagwat:

Mr. Bhagwat did his Bachelor's Degree in Mechanical & Electricals engineering from the University of Pune, M.S. (Mechanical Engineering) from University of Illinois, USA and Diploma in Business Management from the prestigious Bajaj Institute of Management Studies, Mumbai.

He worked in various senior positions both in India and abroad, which includes Blue Star, Yokogawa Blue Star, Total Mechanical Systems Inc., USA, Skidmore, Owings & Merrill, Chicago, USA and Managing Director of Tata Honeywell Limited. He is Chairman of the Audit Committee of Walchand PeopleFirst Ltd, formerly, Walchand Capital Ltd.

Current positions:

1. Member, Executive Committee, TQMS, a Division of Tata Sons Ltd.
2. Chairman of the Board, Honeywell Automation India Ltd.
3. Chairman of the Board, Kennametal India Ltd.
4. Chairman of the Audit Committee, Kennametal India Ltd.

Disclosure Pursuant to Clause 49 (IV) (E) (V) of the Listing Agreement: Shareholding of Mr. Madhukar Bhagwat

(both own or held by / for other persons on a beneficial basis) as on May 13, 2013 is Nil.

Dr. Satish Jha:

Dr. Jha has done his M.A. from Patna University and M.Sc. & Ph. D., in Agriculture Economics from the prestigious Stanford University and University of Illinois, USA.

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 1963-68 and Director & Chief Economist – Asian Development Bank, Manila, Philippines during 1968-1994.

He was on the Board of The 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.

Disclosure Pursuant to Clause 49 (IV) (E) (V) of the Listing Agreement: Shareholding of Dr. Satish Jha (both own or held by / for other persons on a beneficial basis) as on May 13, 2013 is Nil.

DIRECTORS' REPORT

The Members of
WALCHAND PEOPLEFIRST LIMITED

Your Directors are pleased to present herewith the 93rd Annual Report on the business and operations of your Company and Audited Accounts for the Financial Year ended March 31, 2013 together with the Audited Statement of Accounts and Auditor's Report thereon.

1. **FINANCIAL RESULTS:**

	(Rs. in Lacs)	
	Financial Year ended 31.03.2013	Financial Year ended 31.03.2012
Profit before interest, depreciation and taxation	323.62	391.84
Less: Interest	21.15	27.59
Less: Depreciation/Amortisation	52.97	74.70
Less: Provision for Taxation - Current / earlier years	64.84	98.10
Less: Deferred Tax recognized	8.20	(34.85)
Net Profit	176.46	226.30
Add: Balance brought forward	275.17	82.62
Amount available for appropriation	451.63	308.92
Proposed Final Dividend	29.04	29.04
Dividend Tax	4.94	4.71
Balance carried to Balance Sheet	417.65	275.17

2. **DIVIDEND:**

The Board of Directors recommends 10% final dividend for the Financial Year ended March 31, 2013.

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

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

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

(INR in Lacs)

(a) EXPENDITURE IN FOREIGN CURRENCY	Financial Year ended 31.03.2013	Financial Year ended 31.03.2012
Royalty Remitted	147.34	126.96
Others	11.82	13.71
(b) EARNING IN FOREIGN CURRENCY		
Professional Fees	34.29	16.98
Others	1.25	2.47

4. **MANAGEMENT DISCUSSION AND ANALYSIS:**

Industry Structure and Analysis

During the year 2012-13, Indian economic growth seemed

to have bottomed in the final 3 months of 2012 but edged up in the last quarter of fiscal 2013 with an upside in industrial production and some recovery in exports taking the GDP growth to 5.6%. Recovery was seen gradual in the Indian economy with monetary policy turning pro-growth and private consumption strengthening with some help from government spending. Weak demand for Indian goods and services abroad have been a major contributor to the slowdown. Towards the end of 2012, the government has announced some long due reforms including the opening up of the Retail and Aviation sectors to overseas investors. These reforms brought back investor confidence giving boost to greater portfolio inflows. However, concerns remain around keeping the current account deficit under control as government spending is expected to rise in the current fiscal as this will be an Election year.

Good jobs and labor reforms are a must for economic growth. More people will look for jobs because of the demographic dividend and also shift away from agriculture. It is predicted that by the year 2025 approximately 25% of the global workforce will comprise of Indians, a clear manifestation of the fact that India has a burgeoning talent pool, unparalleled in the history of humankind. As a country, India has registered the second highest GDP growth in the world after China in the last decade averaging about 8% per annum. India is also a remarkably young nation where a staggering 65% of our 1.2 billion population are below 30 years of age. Paradoxically enough, despite high demand for skilled labor and a huge quantitative supply, the corporate sector and industry complain that there is a shortage of appropriate talent, and rampant unemployment pervades. What precisely plagues the Indian economy that could almost derail the big "India story" which is expected to be along with USA and China as the triumvirate G3 of the future? The answer lies in "employable skills"; yes, the engineer may have academic qualifications but is he capable of delivering on the job? This is where Dale Carnegie Training India has come up with a unique offering to make it a win-win for both the potential employers and aspirational students and job-seekers at all levels.

Opportunities and Challenges

In 2013 we complete ten years of our Dale Carnegie Training operations in India. Over this decade we have had many achievements. About 150000 individuals in both corporate and educational sectors have been trained by us. More than 2500 companies are our clients and we have covered nearly 700 colleges across India. We have conducted training in 8 languages in 150 towns and cities of the country. With this successful track record in the last decade your Company has established its market leadership in the corporate sector. Going forward, we have identified two streams of growth for the business: 1) support the corporate sector needs in managing attrition due to talent shortage as well as their succession planning and leadership development which is a

major vacuum today through strong professional development and engagement initiatives and 2) engage with government and education sector for the huge need for skilling and employability training of graduating students to support the growing trends in recruitment and talent acquisition for companies,

In the corporate sector, three key trends are seen in the learning and development area; Leadership Development, Succession Planning and Employee Engagement. According to a survey by SHRM India, the most effective Learning and Development practices for leaders are coaching by external practitioners and external conferences, workshops and events. Further two-fifths of the companies surveyed in India reported involvement of external consultants right from the responsibility of determining Learning and Development needs to final delivery and measurement. This fact may reflect a shortage of expert Learning and Development people or the sheer scale of learning and talent development effort in a growing economy. This is the gap that your Company addresses with its talented team of experts, body of knowledge and experience.

Indian organizations have already made significant strides in integrating ICT – based learning and talent development as evidenced by widespread adoption of such technologies. Organizations across all areas seem to be switching to less costly development practices. During 2012-13, Dale Carnegie Training India launched its digital training services. This aims to provide Live Online training using a web-based Learning System that helps conduct interactive real-time sessions to people logged in through their desktops without moving from their home or offices. This allows a group of people geographically distanced from each other to log on to a live training program conducted by a certified Dale Carnegie trainer. With companies having widespread locations in India and globally we see this as an important method to provide quality and consistent training to their employees that enables our customers to not only save costs of time and travel but also provides them the convenience of not moving out of their own environment without compromising on the learning. Trends are showing that Live Online training is growing in demand much faster than self-paced e-learning due to its improved learning effectiveness.

The most commonly anticipated major change affecting corporate Learning and Development over the next two years is a greater integration between coaching, organizational development and performance management. There will also be a greater emphasis in measurement of having effectiveness. With our unique training methodology based on time-phased learning, in the moment coaching and practice, the effectiveness of our training is easily measurable. We have been able to achieve 98% customer satisfaction and are reputed for quality training. Besides, our training delivery we also provide value-added consulting in the area of organizational development, talent and performance management. Our partnership with PerformanSe SAS for psychometric assessments gives us an edge in these services.

There is also growing interest towards the use of social media to deliver learning, training and development focused on delivery methods such as “bite sized” learning and using smartphone apps, and so on. Dale Carnegie Training India is actively present and hosts growing and engaged communities on social networks like Facebook, Twitter and LinkedIn. Similarly Dale Carnegie mobile apps across major operating systems are available in the areas of Human Relations, Leadership Development, Sales Effectiveness, etc.

In the area of Employability training, we are seeking to expand our partnerships with educational institutions and other skills providers. While we will continue our activities in student development, we will build a stronger focus on faculty training. Another important factor is the sheer shortage of trainers to meet the vast demand for vocational training of students in India. Apart from quantity the most acute deficiencies lie in the areas of curriculum development, methodology and quality of training. It will be our endeavor to address this challenge through trainer capacity building and provide both content and trainer training to our partners.

Outlook, Risks & Control:

India's economic growth is expected to remain subdued this year and any recovery will be gradual as government spending and interest rate cuts from the RBI revive domestic demand. GDP is predicted to increase to above 6% in the current fiscal to March 2014, after it grew at a decade low of 5.6% in the last fiscal.

We see that industry will continue to hire and expect their L&D budgets to be maintained. With strong client relationships already in place we expect to build long term partnerships. Further your Company has invested for growth and developed strong systems for internal efficiencies. We predict moderate business growth and have a positive outlook for both short and medium term.

Cautionary Statement:

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

Internal Control Systems and their Adequacy:

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