

ANNUAL REPORT 1996-97



**WALL STREET
FINANCE LTD.**



MR. A.S. PATEL
Chairman

MR. P.S.G. NAIR
Executive Director



MR. F.S. BROACHA
Director

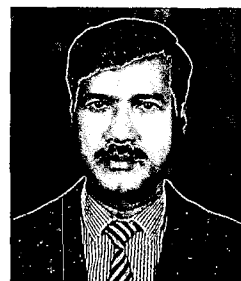


MR. D.K. CONTRACTOR
Advisor

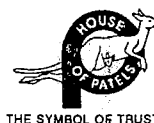
MR. S. KUMAR
Director



MR. F.J. de SOUZA
Director



Report  junction.com



**WALL STREET
FINANCE LTD.**

CHAIRMAN

Mr. A. S. Patel

EXECUTIVE DIRECTOR

Mr. P.S.G. Nair

DIRECTORS

Mr. Sushil Kumar

Mr. F.J. de Souza

Mr. F.S. Broacha

COMPANY SECRETARY

Mr. G. B. Innani

ADVISOR

Mr. D.K. Contractor

AUDITORS

M/s. Ratan S. Mama & Company

Chartered Accountants, Mumbai

LEGAL ADVISORS

M/s. Crawford Bayley & Company

Mr. F.S. Broacha

BANKERS

Bank of Baroda

Punjab National Bank

Allahabad Bank

Vijaya Bank

Central Bank of India

The Bank of Rajasthan Ltd.

Development Credit Bank Ltd.

Karnataka Bank Ltd.

REGISTERED AND CORPORATE OFFICE

"Natasha"

52, Hill Road,

Bandra (West),

Mumbai 400 050

REGISTRARS AND SHARE TRANSFER AGENTS

PCS Industries Limited

Hyfa Building No. 2,

Safed Pool,

Andheri - Kurla Road,

Mumbai 400 072

MD	/		BKC	/
CS	/		DPY	/
RO	/		DIV	/
TRA	/		AC	/
AGM	/	/	SHI	/
YE	/	/		/

10th Annual General Meeting : Friday, the 20th March, 1998 at 11.00 a.m. at
Sheila Rajeha Hall, Rotary Service Centre,
Juhu Tara Road, Santacruz, Mumbai 400 049

*Members are requested to bring their copy of the
Annual Report to the Annual General Meeting*



10TH ANNUAL REPORT 1996-97

NOTICE

Notice is hereby given that the 10th ANNUAL GENERAL MEETING of the Members of WALL STREET FINANCE LIMITED will be held at Sheila Raheja Hall, Rotary Service Centre, Juhu Tara road, Santacruz, Mumbai 400 049, on Friday the 20th day of March, 1998 at 11.00 a.m. to transact the following business:-

1. To receive, consider and adopt the Audited Balance Sheet and the Profit and Loss Account as at and for the period ended 30th September, 1997 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sushil Kumar who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT subject to the provisions of Section 372 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to the approval, if required, of the Central Government being obtained in that behalf, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") for investing / acquiring by way of subscription, purchase or otherwise, equity shares of the nominal value not exceeding Rs. 3 crores (Rupees three crores) of and in a Company incorporated / to be incorporated in Mumbai, Maharashtra, notwithstanding that such investment may be in excess of all or any of the percentages specified in Section 372 (2) of the Act.

AND RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps and to do all such acts, deeds, matters and things as the Board may deem fit, proper or expedient for effectuating this resolution."

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

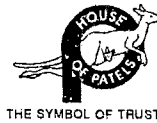
"RESOLVED THAT subject to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and subject to such other approvals as may be required, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to transfer the business of the Company's Foreign Exchange Division including its assets and liabilities to a Company incorporated / to be incorporated in Mumbai, Maharashtra, as a going concern from such date and on such terms and conditions, including the consideration, of transfer to be decided by the Board in consultation with the Company's Auditors.

AND RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps and to do all such acts, deeds, matters and things as the Board may deem fit, proper or expedient for effectuating this resolution."

6. To consider and if thought fit, to pass, the following resolution as a Special Resolution :

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to buy-back, from the existing holders of shares and /or other securities giving right to subscribe for shares of the Company, on a proportionate basis and / or from the open market and/or from the lots smaller than market lots of the Securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to a scheme of stock option, the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time (herein for brevity's sake referred to as "the Securities"), of the Company, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time.

AND RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things and deal with all such matters and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or proper."



**WALL STREET
FINANCE LTD.**

NOTICE (Contd....)

7. To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT Clause III of the Memorandum of Association of the Company be and is hereby amended by inserting the following new sub-clauses 61 & 62 after the existing sub-clause 60 appearing in Part C of the Memorandum of Association of the Company:

'61. To carry on business as goldsmiths, silversmiths, jewellers, gem and diamond merchants and to manufacture, process, refine, buy, sell, import, export and otherwise deal in gems, jewellery, bullion, their components and accessories, diamonds, precious stones, precious metals, paintings, coins, manuscripts, bronzes, curios, antiques and objects of art and such other articles and goods as the Company may consider capable of being conveniently dealt in relation to its business, and to manufacture and establish factories for manufacturing goods for the above business.'

'62. To carry on the business as importers and exporters of goods or merchandise of any description or to act as shippers, underwriters, commission agents, indenting agents, forwarding and clearing agents and brokers.' "

8. To consider and if thought fit, to pass, the following resolution as a Special Resolution :

"RESOLVED THAT in accordance with the provisions of Section 149 (2-A) of the Companies Act, 1956, the Company hereby approves of the commencement and execution of the businesses covered by the new sub-clauses 61 & 62 of Part C of the Memorandum of Association of the Company as and when the Directors think fit."

By Order of the Board
For **WALL STREET FINANCE LIMITED**

G.B. INNANI
Company Secretary

Registered Office :

"Natasha",
52, Hill Road,
Bandra (West),
Mumbai 400 050.

Dated : 14th February, 1998.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The relevant Explanatory Statement as required by Section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 12th March, 1998 to 20th March, 1998 (both days inclusive).



10TH ANNUAL REPORT 1996-97

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

Item Nos. 4 & 5

As you know, your Company has been given a Full Fledged Money Changers (FFMC) Licence by the Reserve Bank of India and the Company's Foreign Exchange Division is now operating in various centres Nation wide as FFMC. The Company has also set up a net work of Affiliate Centres at Dubai, London, Singapore, Hong Kong and Sydney which specialises in foreign currency exchange, travellers cheques, remittances and bullion dealings. This network globally deals with prime institutions such as Natwest Bank, Westpac Banking Corporation Ltd., Credit Suisse, United Overseas Bank.

Consequent to the liberalisation measures undertaken by the Government of India in the last 6 years or so, the Indian financial market has become globalised so that it has become part of, and integrated with, the world financial markets. Having regard to the present globalisation trends and the Company's strategic presence in different parts of the world, your Directors are of the view that it is desirable to capitalise on the strength of the Foreign Exchange Division which is now poised for truly global operations. Accordingly, it is considered opportune for the business of Foreign Exchange Division to be vested in a separate Company which, subject to the approval of the Central Government and other concerned authorities, would be a subsidiary of your Company, to which the Company's Foreign Exchange Division including all assets and liabilities are proposed to be transferred as a running business.

It is proposed that subject to receipt of necessary approvals, the Company to whom the Foreign Exchange Business will be transferred, will become a subsidiary of your Company (hereinafter referred to as the proposed subsidiary). The consideration receivable by the Company and other terms and conditions of transfer will be decided by your Directors in consultation with the Company's Auditors.

Your approval in terms of the provisions of Section 372 and other applicable provisions, if any, of the companies Act, 1956 is being sought, at item 4 of the Notice, to enable your Company to invest / acquire by way of subscription, purchase or otherwise equity shares of the proposed subsidiary. The approval of the Central Government under section 372 and other applicable provisions, if any, of the Companies Act as also the approval / no-objection of other concerned authorities will be obtained in due course.

Your approval in terms of the provisions of Section 293 (1) (a) of the Companies Act, 1956 is also, being sought at item no. 5 of the Notice to the Foreign Exchange Division including all assets and liabilities being transferred to the proposed subsidiary as a running business.

Directors of the Company who may become directors of the proposed subsidiary may be deemed concerned or interested in these resolutions.

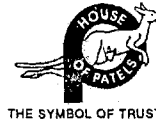
Item No. 6

The Companies Bill, 1997 provides for buy-back of the Company's own shares which is not allowed under the Companies Act, 1956 as it stands today. Barring unforeseen changes, upon the notification of the said Bill, a Company would be able to buy-back its own shares as provided therein. Accordingly, it is proposed to authorise the Board of Directors to buy-back the Equity Shares and other Securities (as defined in the Resolution) of the Company upon the enactment of the said Companies Bill, 1997 on the terms and conditions set out in the Resolution. The buy-back would be financed out of free reserves or out of the Securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose and the Shares / Securities so bought back would be forthwith cancelled. The Directors are of the opinion that in event the said Companies Bill, 1997 is enacted, the proposed buy-back will be in the interest of the Company and its Shareholders and, accordingly, commend the passing of the resolution at item no. 6 of the Notice.

None of the Directors of the Company is concerned or interested in the passing of this Resolution.

Item No. 7

Your Directors consider it desirable to diversify the activities of the Company into other fields in the long term interests of the Company. To this end, it is proposed to commence the business of dealing in, inter alia, gold, silver and other items and import and export of goods and merchandise as set out in the Resolution. There is a growing and profitable domestic/export market available in items/products/businesses covered in the proposed new sub-clauses mentioned in the resolution. Your Directors believe that the proposed new businesses can be conveniently and



**WALL STREET
FINANCE LTD.**

ANNEXURE TO THE NOTICE *(Contd...)*

advantageously combined with the existing business of the Company and that the same will be in the interest of the Company and its shareholders. It is therefore necessary to amend Clause III of the Memorandum of Association so as to expressly include the new sub-clauses 61 & 62 as set out in the resolution.

None of the Directors of the Company is concerned or interested in the passing of the resolution at item no. 7 of the Notice.

Item No. 8

Members will have seen that the resolution at item no. 7 of the Notice seeks to amend the Memorandum of Association by including therein new sub-clauses 61 & 62 as set out in the said resolution, with a view to enable the Company to diversify into such new businesses which, inter alia, may conveniently and advantageously be combined with the existing business of the Company.

As the businesses proposed to be commenced under the said sub-clauses 61 & 62 may be deemed to be not germane to the business carried on by the Company, it is necessary to obtain Members' approval therefor under Section 149 (2-A) of the Companies Act, 1956 and hence, this Special Resolution.

None of the Directors of the Company is concerned or interested in the passing of the resolution at item no. 8 of the Notice.

By Order of the Board
For **WALL STREET FINANCE LIMITED**

G.B. INNANI
Company Secretary

Registered Office :

"Natasha",
52, Hill Road,
Bandra (West),
Mumbai 400 050.

Dated : 14th February, 1998.



10TH ANNUAL REPORT 1996-97

DIRECTORS' REPORT

To

The Members of Wall Street Finance Limited.

Your Directors are pleased to present the 10th Annual Report of your Company alongwith the Audited statement of Accounts for the eighteen months period ended 30th September, 1997.

FINANCIAL RESULTS

	Period ended 30th Sept., 1997 (18 months)	(Rs. in lacs) Year ended 31st March 1996 (12 months)
Profit before NPA provision, interest, Depreciation and Tax	1815.18	1010.97
Less : Provision for NPA as per RBI guidelines	64.72	7.81
Profit before Interest, Depreciation and Tax	1750.46	1003.16
Less : Interest	1200.89	612.70
Profit before depreciation and Tax	549.57	390.46
Less : Depreciation	503.14	209.56
Net profit before tax	46.43	180.90
Less : Provision for tax	6.50	Nil
Net profit after tax	39.93	180.90
Less : Prior years adjustments	70.53	123.62
Add : Balance brought forward	58.84	57.81
Profit available for appropriation	28.24	115.09
Proposed Appropriations :		
Dividend	Nil	56.25
Balance of Profit carried to balance sheet	28.24	58.84

DIVIDEND

With a view to conserve the resources of the Company and deploy the same for the future requirements, your Directors do not recommend Dividend for the period under review.

OPERATIONS

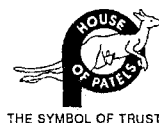
The period for which this Report is presented, was extremely harsh, generally on the economy and particularly on the Financial Sector. The recessionary trend in the world economy, affected the Indian economy adversely. There was a gloom in the economy which stagnated the Industrial and Economic Development and in consequence virtually paralysed the financing activities. In spite of these hurdles, your Company has achieved total revenue of Rs. 28.30 crores for the period under review. The profit before interest and depreciation was Rs. 17.50 crores. However due to phenomenal Interest Cost and Depreciation Charge, which amounted to Rs. 12.01 crores and 5.03 crores respectively, the profit before tax went down to 46.43 lacs.

HIRE PURCHASE / LEASING

The Hire Purchase and Lease Financing, as an activity, was curtailed by the Company during the period under consideration because, though the performance in terms of turnover was satisfactory, the recovery of the money became a torrid problem due to the cash crunch felt in the Corporate Sector. Therefore, the recovery Management became the thrust area. A core team was formed consisting of top officials of the Company to speed-up the recoveries.

MERCHANT BANKING

Merchant Banking business received a set-back basically due to the stagnation of the primary capital market in the Country. This stagnation was the result of many factors including the unstable Government, recession in the economy and last but not the least, the shaken faith of investors. There were hardly any issues of securities in the market. However, this is a temporary phase and as soon as the capital market is revived, the Merchant Banking activities will be resurrected and carried on with renewed vigour.


**WALL STREET
FINANCE LTD.**

DIRECTORS' REPORT *(Contd...)*

MONEY CHANGING

Forex business did well during the period under consideration inspite of the high volatility in the currency market. Your Company received two licences for the physical import of dollars and selling the same in the local market. It was the first time in India that such kind of licence was granted by the Reserve Bank of India to any Company. In September, 1997, your Company added one more feather to its cap by tying-up with Western Union, for the money remittance business. This will facilitate the remittance of money in minutes, between the 137 Countries connected in a network, as against several days, required to remit money through normal Banking channels.

ACCOUNTS

Observations in the Auditors' Report read with relevant Notes forming part of the accounts are self explanatory and give the required information.

The Company has implemented the guidelines issued by the Reserve Bank of India regarding income recognition and the classification of non-performing assets, etc. The Management believes in the policy of the conservative and transparent accounting, as envisaged by the Reserve Bank of India. Following these principles, income of Rs. 41.60 lacs is not booked in the accounts. Moreover, provision is made in the accounts for the doubtful debts to the tune of Rs. 23.12 lacs. This was done to bring the accounts in line with the true state of affairs of the Company, to be presented to our Shareholders.

RESOURCE MOBILISATION

During April 1996, the Reserve Bank of India changed its policy guidelines and totally liberalised the acceptance of deposits from the Public. The barriers on the rate of interest and the amount to be accepted, by the NBFCs were lifted by the Reserve Bank of India. This gave a great boon to the financial sector and helped the NBFCs to bring the dejected investor back to the money market. More so in the face of the lack of interest shown by the Banks and Financial Institutions to lend a helping hand to the NBFCs. During the period under consideration the Fixed Deposits portfolio of the Company touched a peak of 31.01 crores as against previous year's 21.75 crores which goes to show the trust reposed by the depositors in the Company.

Your Company has retained the "MA" credit rating of ICRA during the period under consideration. There are no overdue deposits, except unclaimed deposits amounting to Rs. 57.97 lacs. To these deposit holders reminders have been sent by the Company for encashment / renewal of deposits.

PRESENT SCENARIO

As stated earlier in this Report, the Reserve Bank of India took a bold step towards reviving the buoyancy in the money market by liberalising the policy guidelines for acceptance of deposits. However, some unscrupulous elements in the financial sector used these policies to fill in their own coffers to the total disregard of the investing public. The fly-by-night operators made the hay while the sun was shining on the money market. This resulted in the loosing of faith by the investors. To counter this, the Reserve Bank of India came out with the guidelines on January 2nd, 1998, inter alia, putting cap on the amount of deposits to be accepted by NBFCs and also the rate of interest to be offered. Since then, after a lot of resistance from the financial sector, the RBI has relaxed the stringent guidelines by relaxing the limit on the amount of deposits to be accepted and also by relaxing the time limit within which the NBFCs have to repay the excess deposits accepted by them.

FUTURE PROSPECTS

Your Company has plans to float a subsidiary Company and transfer its Forex Business to the said subsidiary as a going concern. Your company also has plans to expand the forex business and the money remittance business by opening up new branches, outlets and centres and using extensive marketing techniques and personalised services through the innovative schemes like Mobile Forex Vans and Kangaroo Express Money Transfer Services. It is also proposed to diversify the activities of the Company in to the businesses of import/ export of goods/ merchandise and dealing in gold, and thereafter, if feasible, into the business of dealing in other precious metals.

Your Company has transferred its membership of Vadodara Stock Exchange to its subsidiary, Wall Street Capital Markets Ltd. for starting the stock broking activities in the said subsidiary.

SUBSIDIARY COMPANY

As required, under section 212 of the Companies Act, 1956, the audited statement of accounts, alongwith the report of the Board of Directors of Wall Street Capital Markets Limited, and the Auditors' Report thereon for the year ended 31st March, 1997, are annexed.



10TH ANNUAL REPORT 1996-97

DIRECTORS' REPORT *(Contd...)*

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sushil Kumar retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Mr. H.K. Gada tendered his resignation from the board effective 28th November, 1996. Your Board has placed on record its appreciation of the valuable contribution made by Mr. H.K. Gada to the deliberations of the Board.

AUDITORS

M/s. Ratan S. Mama & Company, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting.

DISCLOSURES

Particulars under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 on Conservation of Energy, Technology Absorption are not applicable to your Company. Earnings and outgo on account of foreign exchange has been disclosed in the notes to the accounts. Cash flow statement pursuant to clause 32 of the listing agreement is annexed herewith and forming part of this report.

EMPLOYEES

As required by the provisions of section 217 (2A) of the Companies Act, 1956, read with Companies (particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

APPRECIATION

Your Directors wish to place on record their warm appreciation of the timely assistance and support extended to your Company by the Bankers, shareholders, Fixed Deposit Holders, Reserve Bank India, Government Bodies and employees and look forward to their continued support for growth of your Company.

For and on behalf of the Board
For **WALL STREET FINANCE LTD.**

Mumbai, 14th February, 1998.

A.S. PATEL
Chairman