

15th ANNUAL REPORT 2001-2002

Report  Junction

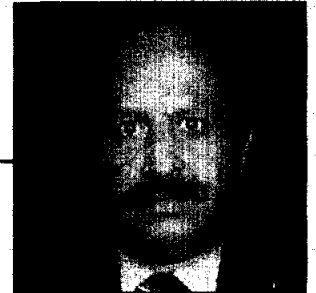


**WALL STREET
FINANCE LTD.**

ECTORS



P. S. G. Nair
Chairman



Sushil Kumar
Whole-time Director



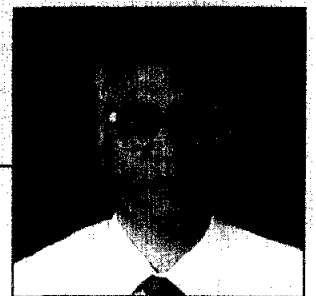
F. S. Broacha
Director



Mohammed Tariq
Director



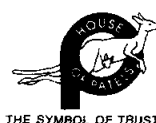
Vinod Agnani
Director



Michael Mascarenhas
Director



P. S. G. Nair
Chairman


**WALL STREET
FINANCE LTD.**
CHAIRMAN
Mr. A. S. Patel
WHOLE-TIME DIRECTOR
Mr. P.S.G. Nair
DIRECTORS
Mr. Sushil Kumar
Mr. F.S. Broacha
Mr. Mohammed Tariq
Mr. Vinod Agnani
Mr. Michael Mascarenhas
AUDITORS

M/s. Anil A. Mehta & Company
Chartered Accountants, Mumbai

LEGAL ADVISORS

M/s. Crawford Bayley & Company
Mr. F.S. Broacha

BANKERS

Bank of Baroda
State Bank of Bikaner and Jaipur
Indusind Bank Ltd.
Karnataka Bank Ltd.
Vijaya Bank
Development Credit Bank Ltd.
Central Bank of India
The Bank of Rajasthan Ltd.
Punjab National Bank
Allahabad Bank

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REGISTERED AND CORPORATE OFFICE

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

REGISTRARS AND SHARE TRANSFER AGENTS

Computronics Financial Services (I) Limited
1, Mittal Chambers,
Nariman Point,
Mumbai-400 021.

15th Annual General Meeting : Wednesday, 25th day of September, 2002 at 11.30 a.m. at the
Sheila Raheja 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*



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NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the members of WALL STREET FINANCE LIMITED will be held at the Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz, Mumbai-400 049, on Wednesday, the 25th day of September, 2002 at 11.30 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 year ended 31st March, 2002 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Asgar S. Patel, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mohammed Tariq, who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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.
5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED that Mr. Michael Mascarenhas an Additional Director of the company who, under section 260 of the Companies Act, 1956, holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member under section 257 and other applicable provisions, if any, of the said Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the company.”

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

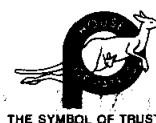
“RESOLVED that the Special Resolution passed at the Extraordinary General Meeting of the Company held on 30th July 1999 according consent to the issue of upto 6,00,000 Cumulative Convertible Preference Shares of Rs.100 each, aggregating to Rs.6,00,00,000, for cash at par by way of private placement with non-resident Indians, overseas corporate bodies, foreign institutional investors and / or the promoters of the Company at such time or times and in one or more tranches and on such terms including conversion into equity shares at par or at a premium as the Board may deem fit, as set out in the said resolution, be and is hereby confirmed and ratified”.

Registered Office :
‘Natasha’, 52 Hill Road,
Bandra (West),
Mumbai-400 050.

Dated : 9th August, 2002

By order of the Board

P.S.G. Nair
Whole-time Director.


**WALL STREET
FINANCE LTD.**
NOTES :

1. The relevant Explanatory Statement as required by Section 173 of the Companies Act, 1956 is annexed hereto.
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September, 2002 to 25th September, 2002 (both days inclusive).
4. In order to be effective, proxies must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
5. Pursuant to section 205A of the Companies Act, 1956, ("the Act") all unclaimed / unpaid dividends upto the final dividend for the year 1993-94 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not yet encashed the dividend warrants for the said period are requested to claim their amounts from the Registrar of Companies, Maharashtra, at Mumbai. Shareholders are hereby also informed that pursuant to the amendment of the Act w.e.f. 31.10.1998, the Company will be obliged to transfer any money lying in the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund ("the Fund") established by the Central Government. In accordance with the provisions of section 205C of the Act, no claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims".

INFORMATION ABOUT DIRECTORS TO BE APPOINTED / RE-APPOINTED

- 1) **NAME** : MR. ASGAR S. PATEL
- AGE** : 63 Years
- QUALIFICATIONS** : B.A.
- EXPERTISE** : One of the pioneers of the organised transportation of goods in India with vast experience in the fields of Finance, Forex, Couriers, Construction and Logistics.
- PARTICULARS OF APPOINTMENT/ RE-APPOINTMENT** : Mr. A.S. Patel, the Chairman of the Company since its inception, retires by rotation at the ensuing Annual General Meeting and is proposed to be re-appointed as the Director of the Company.
- | OTHER DIRECTORSHIPS : | NAME OF THE COMPANY | POSITION HELD |
|-----------------------|---|---------------|
| | a) Patel Roadways Ltd. | Chairman |
| | b) Patel On-Board Couriers Ltd. | Chairman |
| | c) Wall Street Housing & Finance Corporation Ltd. | Chairman |
| | d) Wall Street Securities & Investments (India) Ltd. | Chairman |
| | e) Wall Street.Com India Ltd. | Chairman |
| | f) Springfield Hotels Ltd. | Chairman |
| | g) Wall Street Forex Private Ltd. | Chairman |
| | h) Natasha Constructions Ltd. | Director |
| | i) Patel Institute of Transport Management & Research | Director |
| | j) Money Changers Association | Director |
- * CHAIRMAN/MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31st MARCH, 2002** : NIL



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- 2) **NAME** : MR. MOHAMMED TARIQ
AGE : 37 Years
QUALIFICATIONS : B.A.(Hons.) with Economics
EXPERTISE : Vast experience in the fields of International Banking and Finance, Corporate Investments, Capital and Money Markets, NRI Investments and Forex Management.

PARTICULARS OF APPOINTMENT/RE-APPOINTMENT : Mr. Mohammed Tariq was appointed the Director of the Company w.e.f. 25th June, 1999. Mr. Tariq retires by rotation at the ensuing Annual General Meeting and it is proposed to re-appoint him as the Director of the Company.

OTHER DIRECTORSHIPS :	NAME OF THE COMPANY	POSITION HELD
	a) Wall Street Banking Corporation Ltd.	Director
	b) Reza Traders LLC	Director
	c) Natar Holdings	Director
	d) Wall Street Financial Services Corporation (NZ) Ltd.	Director
	e) Wall Street Global Investments Opportunities Fund Ltd.(Cayman Isles.)	Director
	f) Wall Street Global Asset Management Ltd. (Cook Isles.)	Director
	g) Wall Street Global Investments Ltd. (Cayman Isles)	Director
	h) Prudent Asset Managers (Cook Isles)	Director
	i) Milfa Sterling Ltd.	Director

***CHAIRMAN/MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31st MARCH, 2002** : NIL

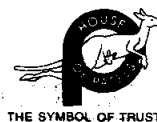
- 3) **NAME** : MR. MICHAEL MASCARENHAS
AGE : 41 Years
QUALIFICATION : B.Com., A.C.A. M.B.A. (Bradford Management Centre, U.K.), Certified Internal Auditor (Institute of Internal Auditors, U.S.A.)
EXPERTISE : Vast experience in the fields of Corporate Finance, Investment and Fund Administration, Audit and Computer Applications.

PARTICULARS OF APPOINTMENT/RE-APPOINTMENT : Mr. Michael Mascarenhas was appointed as an Additional Director w.e.f. 29th January, 2002. Members approval is sought for his appointment as the Director at the ensuing Annual General Meeting.

OTHER DIRECTORSHIPS :	NAME OF THE COMPANY	POSITION HELD
	a) Wall Street Derivatives Incorporation, U.S.A	Director
	b) Patel On-Board Couriers Ltd.	Director

***CHAIRMAN/MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31st MARCH, 2002** : NIL

* Chairmanship /Membership of Committees as conceived under clause 49 of the Listing Agreement are only mentioned.


**WALL STREET
FINANCE LTD.**

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956

Item No. 5

Mr. Michael Mascarenhas was appointed as an Additional Director of the Company, at the Meeting of the Board of Directors of the company held on 29th January, 2002. The Company has received a Notice along with a deposit of Rs. 500/- from one of the shareholders of the Company proposing the candidature of Mr. Mascarenhas for the office of the Director of the Company under section 257 of the Companies Act, 1956.

Mr. Michael Mascarenhas is B.Com. and an Associate Member of the Institute of Chartered Accountants of India. He is also an M.B.A. from the Bradford Management Centre, U.K. and Certified Internal Auditor from the Institute of Internal Auditors, U.S.A.

Mr. Michael Mascarenhas has over 15 years experience covering Corporate Finance, Investments and Fund Administration, Audit and Computer Applications obtained in a wide range of commercial and industrial fields, as a Corporate Executive.

Your Directors feel that his presence on the Board will be beneficial to the Company and therefore recommend the passing of the resolution at item no. 5 of the Notice.

Except Mr. Michael Mascarenhas, none of the Directors is concerned or interested in passing of the resolution at item no.5 at the Notice.

Item No. 6

Members will recall according approval to a private placement of upto 6,00,000 Cumulative Convertible Preference Shares of Rs.100 each, ("the CCP Shares), aggregating to Rs.6 crores, to NRIs, OCBs, FIIs and / or the Company's Promoters vide special resolution passed at the Company's Extraordinary General Meeting held on 30th July 1999.

At the time of passing the abovesaid resolution, the Company was in need of additional funds to meet its normal working requirements, and was still in the process of finding subscribers to the CCP Shares. Having regard to the then prevailing market conditions it was being conceived that the CCP Shares may, if no buyer was found for them, have to be subscribed for by OCBs in which Mr.A.S.Patel and / or his relatives may be interested. In the circumstances the Company submitted an application to the Secretariat of Industrial Assistance ("SIA"), Government of India who, vide its letters dated 30th August 1999 and 10th November 1999, was good enough to approve the proposed investment on terms and conditions therein mentioned including that the names and addresses of the NRI / OCB investors will be Wall Street Securities and Investments Limited, U.K. ("WSSIL") and Alliance Victory International Limited, ("AVIL").

As no buyer was found for the said CCP Shares and in view of the expediency for working capital funds, the Company allotted CCP Shares, aggregating to Rs.600.00 lacs, to WSSIL for subscription for cash at par and WSSIL, later on, sold CCP Shares, aggregating to Rs.60.00 lacs to AVIL, both WSSIL and AVIL being OCBs in which Mr. A.S.Patel, Director and Promoter of the Company, is concerned or interested.

The said CCP Shares were thereafter, in terms of SEBI guidelines, converted into equity, as on 31st March, 2001, so that WSSIL and AVIL now respectively hold 54,00,000 and 6,00,000 Equity Shares amounting to 46.45% and 5.16% in the enhanced capital of the Company. Mr. A.S.Patel, Chairman and Promoter of the Company, who together with his relatives and persons acting in concert with him held 44% of the total voting power (pre-allotment) in the Company now holds, together with his relatives and persons acting in concert, 73% of the shareholding / total voting power (post-allotment) in the Company. Neither was any change envisaged, nor has there been any change in the Company's Board of Directors or control of the Company as a consequence of the said allotment to WSSIL and AVIL as aforesaid.

The allotment of the CCP Shares to WSSIL and AVIL and their conversion into equity, as aforesaid are, for sake of good corporate practise and transparency, sought to be confirmed and ratified since both WSSIL and AVIL are companies in which Mr. A.S.Patel, Director and Promoter of the Company, is concerned or interested. Hence the special resolution at item no.6 of the Notice which is commended for your approval.

A copy of the special resolution, together with its explanatory statement, passed at the Company's Extraordinary General Meeting held on 30th July 1999 as also a copy of SIA's approval letter dated 30th August 1999 as read with its letter dated 10th November 1999 are available for members inspection at the registered office of the Company between the hours of 11.30 a.m. and 3 p.m. on all working days except Saturdays.

Mr. A.S.Patel may be deemed concerned or interested in the passing of the resolution at this item. Except Mr. A.S.Patel, none of the Directors is concerned or interested in the passing of this resolution.

Registered Office :

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

Dated : 9th August, 2002

By order of the Board

P.S.G. Nair

Whole-time Director.



15TH ANNUAL REPORT 2001-2002

DIRECTORS' REPORT

To,
The Members of Wall Street Finance Limited

Your Directors are pleased to present the 15th Annual Report of your Company alongwith the Audited Statement of Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

The financial results of the company for the year under review are summarised below:

	<i>(Rs. in lacs)</i>	
	Year ended 31st March, 2002	Year ended 31 st March, 2001
Profit before Interest, Depreciation and Tax	682.06	758.75
Less : Interest	411.98	449.63
Profit before Depreciation and Tax	270.08	309.12
Less : Depreciation	115.51	161.57
Operating Profit	154.57	147.55
Less : Provision for NPA as per RBI guidelines	95.91	91.15
Net Profit / (loss) before tax	58.66	56.40
Less : Provision for tax		
a) Current tax	4.30	4.50
b) Deferred tax	5.43	—
Less : Provision for Wealth Tax	2.50	2.50
Profit / (Loss) after Tax	46.43	49.40
Less : Expenditure relating to prior years	—	4.47
Less : Short provision of Wealth Tax of earlier years	—	2.74
Add : Balance of profit/(loss) brought forward	(110.66)	(152.85)
Surplus / (deficit) carried to Balance Sheet	(64.23)	(110.66)

DIVIDEND

In view of the brought forward losses and in order to conserve the resources of the company and deploy the same for future requirements, your Directors do not recommend Dividend for the year under review.

OPERATIONS

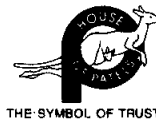
Though the Company is a registered Non-Banking Financial Institution, activities have been minimum. The focus is now on recovering of Overdues from the existing parties by resorting to legal recourse which has started yielding results in the current year.

Your company continues its focus on the foreign exchange and inward remittance business. During the year under review, volume of forex business increased from Rs 40445.92 lacs to Rs. 60354.63 lacs, an increase of 49.22%. This has been made possible due to the revamping of the operations of Forex and close monitoring of the funding and pick-up of currencies at various centers.

Our export of foreign currencies during the year was Rs. 47275.56 lacs compared to Rs. 23648.42 lacs of the previous year, an upward swing of 99.91%.

As far as Inward remittance products are concerned, Western Union Inward remittances has posted substantial growth of 234% during the year.

Your company has been conferred the "Fastest Business Growth" in India and "Agent of the year 2001" award in


**WALL STREET
FINANCE LTD.**

DIRECTORS' REPORT *(Contd...)*

Middle East and South Asia Region by Western Union Financial Services. We have also been acknowledged as "The Best" amongst the entire agent network fraternity not only in India but also in the Middle East and South Asia region.

This has been made possible due to expansion of the sub-agents network through the length and breadth of India. The gross income from this business has gone up from Rs. 121.38 lacs to Rs. 418.03 lacs, a growth of 244%.

Instant Cash and Back Office management activities have also contributed substantially in the current year. Besides the above activities, the company is also a major player in the Haj business, which gives additional profitability though seasonal in nature.

The company is also actively engaged in non-fund based activities for generating income. Though most of the NBFCs continue to face acute liquidity problems, your company has been able to meet all its obligations due to diversification in other areas of operation.

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 made a provision of Rs. 95.91 lacs for the year ended 31st March, 2002 towards Non Performing Assets and has complied with the directives issued by the Reserve Bank of India regarding capital adequacy, asset classification and restrictions on credit and investments.

The Company has two distinct activities, namely Financial Services and Money changing. In the case of Money changing activities, the general accounting principles which are considered appropriate are adopted whereas in the case of financial services, prudential norms (Reserve Bank Directions) 1998 are adopted for making provisions.

RESOURCE MOBILISATION

As mentioned in the past, the company is concentrating on reducing its long term liabilities and liquidating high cost debts. In this direction, the company has taken various steps like reducing the interest on fixed deposits from 15% to 11% per annum, total stoppage on acceptance of fresh deposits from 1st January, 2002 and restricting renewals to three years with minimum amount of Rs.20,000/-. All these steps will result in substantial reduction of fixed deposits in the current year. The company continues to renew deposits with tenure of 3 years to remain in the market and to serve the investors who have supported the company all these years.

The company has repaid Rs. 64.44 lacs to banks in respect of the term loan taken for HP/Leasing activities. The outstanding liability on this account is Rs. 171.81 lacs. The company has received more than adequate response from the banks for financing its forex activities and also for meeting the working capital needs of the remittance business. As such, the company does not envisage any difficulties in raising finance for its forex and remittance business.

FUTURE PROSPECTS

We have regained our lost ground in forex activity and are confident that we will be able to improve substantially the volume of business in forex and also the gross profit. The remittance business as mentioned earlier continues to grow at rapid speed and this indicates that the current year will close with substantially improved results both in volumes and net profit. This type of growth is envisaged both in Instant Cash and Back Office operations also.

The company has received approval from the Reserve Bank of India to appoint Franchisees for its forex business as restricted money changers. The process to appoint franchisees after due diligence is in full swing and the objective is to establish more than 100 such franchisees along the length and breadth of the country. This will enable the company to pick up the currencies and travellers cheques from the public at reasonable prices impacting the bottom line positively.

The company has also received licence for Export Factoring and also to act as facilitator for Import and Export trade which will be activated during the current year.

All this demonstrates that the management is making its utmost endeavor to come back in the dividend list at the earliest.



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DIRECTORS' REPORT *(Contd...)*

GENERAL

The company continues to be registered as a Non-Banking Finance Institution and is required to meet the various prudential norms of RBI which are duly complied with. The capital adequacy of the company as on 31st March, 2002 is 41.02% on the basis of the returns submitted to RBI as against the requirements of 12%.

Though our company is permitted to accept deposits, our focus has been on reduction of deposits and various steps mentioned elsewhere have been taken to accelerate such reduction. The company is not accepting any deposits from 1st January, 2002, but only renewing the deposits with a tenure of 3 years subject to certain conditions.

The company continues to honour its obligations in regard to payment of deposits on due dates and enjoys at par facilities for payment of interest on fixed deposits, for the benefit of our investors. The company continues to have minimum investment rating. The company has no overdue deposits other than unclaimed deposits of Rs. 64.50 lacs as on 31st March, 2002 for which reminders have been sent.

The company does not have any unclaimed deposits which are required to be transferred to Investor Education and Protection fund.

DIRECTORS

Mr. Asgar S. Patel and Mr. Mohammed Tariq, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment.

Mr. Michael Mascarenhas was appointed as an Additional Director by the Board of Directors of the Company at their meeting held on 29th January, 2002. It is proposed to appoint him as a Director at the ensuing Annual General Meeting.

AUDITORS

M/s Anil A. Mehta & Company, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

CORPORATE GOVERNANCE

To comply with conditions of Corporate Governance, pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors' Certificate, are included in the Annual Report.

DISCLOSURES

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

EMPLOYEES

There were no employees during the year under consideration, drawing remuneration as per the limits prescribed u/s. 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and in respect of whom, a statement is required to be enclosed to this Report.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors of the company confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- (ii) the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2002 and of the profit of the company for the year ended on that date;