

# **WILLIAMSON FINANCIAL SERVICES LIMITED**

**ANNUAL  
REPORT  
AND  
ACCOUNTS  
2008 - 2009**

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## **WILLIAMSON FINANCIAL SERVICES LIMITED**

### **BOARD OF DIRECTORS**

A. KHAITAN  
D. KHAITAN  
T. R. SWAMINATHAN  
R. S. JHAWAR  
K. K. BAHETI  
C. K. PASARI  
J. HAZARIKA  
G. SARAF

*Chairman*

### **AUDIT COMMITTEE OF THE BOARD**

T. R. SWAMINATHAN  
R. S. JHAWAR  
C. K. PASARI

*Chairman*

### **SHAREHOLDERS' GRIEVANCE COMMITTEE**

R. S. JHAWAR  
T. R. SWAMINATHAN  
K. K. BAHETI

*Chairman*

### **MANAGER**

S. R. MUNDHRA

### **COMPANY SECRETARY**

P. BANDYOPADHYAY

### **AUDITORS**

V. SINGHI & ASSOCIATES *Chartered Accountants*

### **BANKERS**

HDFC BANK LTD.  
STANDARD CHARTERED BANK

### **REGISTERED OFFICE**

HOUSE NO. 37, 5TH BYE LANE  
MOTHER TERESA ROAD  
ZOO-NARENGI ROAD,  
GUWAHATI - 781 021

### **KOLKATA OFFICE**

FOUR MANGOE LANE  
SURENDRA MOHAN GHOSH SARANI  
KOLKATA - 700 001

## **Report of the Board of Directors For the Financial Year ended 31st March, 2009**

Your Directors have pleasure in presenting the Annual Report with the audited Accounts of your Company for the Financial Year ended 31st March, 2009.

### **ACCOUNTS**

The financial results of the Financial Year ended 31st March, 2009 are summarised below :

	(Rs.)
Profit / (Loss) for the Year	(13,00,771)
Fringe Benefit tax	15,000
Profit / (Loss) after tax	(13,15,771)
Loss brought from the previous year	59,80,46,431
Loss carried to Balance Sheet	59,93,62,202

In view of accumulated loss no dividend is recommended for the Financial Year 2008-09.

### **OPERATIONS**

The Year under review saw the investments of the Company under pressure due to a temporary set back of their prices on the Stock Exchanges. This has resulted in providing for diminution in the value of long term investments and the year – end loss reflects much of such provision. The Company also did not earn sufficient income from its leasing activities during the Year. The Board however continues to explore various avenues of business opportunity to turn around.

### **DIRECTORS**

Mr. G. P. Saraf was appointed as Additional Director of the Company by the Board with effect from 24th December, 2008. Mr. Saraf will hold office upto the date of the forthcoming Annual General Meeting.

Notice was received in terms of Section 257 of the Companies Act, 1956 from a member of the Company proposing the candidature of Mr. Saraf for the office of Director of the Company to be appointed at the forthcoming Annual General Meeting.

In accordance with the provisions of Article 101 of the Articles of Association of the Company read with Section 256 of the Companies Act, 1956 Mr. Deepak Khaitan and Mr. Chandra Kant Pasari retire at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for re-appointment.

### **CORPORATE GOVERNANCE**

A separate report on Corporate Governance along with the Auditors' Certificate on its compliance is attached.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 your Directors confirm and state that :-

- In the preparation of the Accounts for the Financial Year ended 31st March, 2009 the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any.
- The Directors had selected such accounting policies, applied them consistently, made judgements 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 the end of the Financial Year and the Profit & Loss Account of the Company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors had prepared the Annual Accounts on a going concern basis.

### **AUDITORS' REPORT :**

Regarding the treatment of year-end diminution in the value of long term investments, Note : 2 in Schedule 5 is self explanatory.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**1. INDUSTRY STRUCTURE & DEVELOPMENT**

During the year, 2008-09 the world economy had entered into deep recession. Share prices of Indian Corporates have fallen to a considerable extent. The economy suffered due to liquidity crunch and also the ill-effects of the sluggish capital market. The volatile market conditions affected the foreign investment in the Indian economy.

However recently the Capital Market brews some signs of a come back. Given good governance and regulatory measures in place and the expectation of innovative policies of the new Government, the market is expected to experience a reasonable growth. Your Company will strive to seize the opportunities that exist.

**2. OPPORTUNITIES, THREATS, RISKS & CONCERNS AND BUSINESS OUTLOOK**

**Opportunities :** The Company, being a part of the Williamson Magor Group, enjoys good infrastructural facilities which adequately supports the Company's operations. The expected upward trend in the Capital Market may provide good opportunities to the Company.

**Threats, Risks & Concern :** The principal activities of the Company entail large investments in other corporates and the Company depends upon their performances. The business conditions of the investee companies, the volatility of the capital market and the regulatory measures of the Government etc. are the main concern of the Company.

**Business outlook :** The Capital Market is expected to see an upward trend. Interest rates are coming down. This in turn would benefit the Company. It will also improve the value of existing investments of the Company. Thus overall financial prospect is reasonably anticipated to be better.

**3. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY**

The Company have an internal audit system commensurating with the nature and quantum of the operations of the Company. The Audit Committee of the Company (details of which have been given in the Corporate Governance Report) reviews the Internal Audit Reports and consider the suggestions, if any, given in the Report towards the improvement of internal control system of the Company. The Risk Management Policy adopted by the Company according to the Listing Agreements along with the K Y C Norms ( i.e., Know Your Customers Norms ) and the Fair Practices Code as per the RBI directives help to a great extent to have better internal check / control of the operations of the Company.

**4. HUMAN RESOURCES**

There is no material development in the Human Resource front. The Company has two employees.

**COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975**

Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies ( Particulars of Employees ) Rules, 1975 as amended to date do not apply as there is no such employee qualifying for such disclosure.

**COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

A.	Conservation of energy	:	N. A.
B.	Technology absorption	:	N. A.
C.	Foreign exchange earnings and outgo	:	Nil

**AUDITORS**

Messrs. V. Singhi & Associates will hold office up to the conclusion of the forthcoming Annual General Meeting of the Company and being eligible signified their willingness to be re-appointed.

Kolkata  
Date : 3rd June, 2009

For and on behalf of the Board  
A. Khaitan  
Chairman

## Report on Corporate Governance For the Financial Year 2008-09

### 1. Compliance on Mandatory Requirements

#### A. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company believes that good corporate governance consists of a combination of business practices which results in enhancement of the value of the Company to the shareholders and simultaneously enables the Company to fulfill its obligations to the stakeholders including employees and financiers and to the society in general. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company makes its best endeavours to uphold and nurture these core values in all aspects of its operations.

#### B. BOARD OF DIRECTORS

##### (i) Composition of Board, Directorship and Committee Membership in other Companies as at 31st March 2009:

Sl. No	Director	Executive / Non-Executive / Independent	No. of outside Directorship*	No. of outside committee membership-position held #	
				As Chairman	As Member
1.	Mr. A. Khaitan	Non-Executive Chairman	7	2	2
2.	Mr. D. Khaitan	Non-Executive	7	—	2
3.	Mr. T.R. Swaminathan	Independent	3	5	1
4.	Mr. R.S. Jhawar	Non-Executive	6	—	—
5.	Mr. K. K. Baheti	Non-Executive	9	—	—
6.	Mr. C.K. Pasari	Independent	5	—	—
7.	Mr. J. Hazarika	Independent	2	—	—
8.	Mr. G. Saraf	Independent	1	—	—

\* Excluding Foreign Companies, Private Companies and Companies under Section 25 of the Companies Act, 1956.

# For this purpose only three types of Committees viz. the Audit Committee, Shareholders' Grievance Committee and Remuneration Committee are considered.

'Independent Director' is defined as one who, apart from receiving sitting fees as a Director and Directors' Commission, does not have any other material pecuniary relationship or transactions in his/her personal capacity with the Company, its promoters, its management or its subsidiaries.

The Non-Executive Directors have no material pecuniary relationship or transactions in their personal capacities with the Company.

(ii) **Changes in Composition of Board of Directors since last Report :** Since last Report Mr. G. P. Saraf has been appointed as an Additional Director of the Company by the Board in terms of Section 260 of the Companies Act, 1956. His appointment as Director will be considered at the forthcoming Annual General Meeting of the Company.

(iii) **Inter-se relationship between Directors :** Mr. D. Khaitan and Mr. A. Khaitan are related to one another.

(iv) **Attendance of Directors in Meetings held during the Financial Year 2008-09 :**

Director	Date of Board Meeting					AGM held on 26.09.2008
	28.05.08	30.06.08	31.07.08	30.10.08	29.01.09	
Mr. A. Khaitan	P	P	P	P	P	A
Mr. D. Khaitan	P	P	P	P	P	A
Mr. T. R. Swaminathan	A	P	P	P	P	P
Mr. R. S. Jhawar	P	P	A	P	P	A
Mr. K. K. Baheti	P	P	P	P	P	A
Mr. C. K. Pasari	P	P	P	P	P	A
Mr. J. Hazarika	P	P	P	P	P	P
Mr. G. Saraf	—	—	—	—	P	—

P = Attended, A = Not Attended

**C. AUDIT COMMITTEE**

**(i) Terms of Reference / Powers :**

The Audit Committee was constituted on 30th January, 2001 and reconstituted on 30th December, 2005 having following terms / powers :

- (a) Overseeing of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending the appointment and removal of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- (c) Reviewing with the management the annual financial statements before submission to the Board focussing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting entries of judgement by management.
  - Qualification in audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards and Directors' Responsibility Statement in Directors' Report.
  - Compliance with Stock Exchanges and legal requirements concerning financial statements.
  - Any related party transactions, i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- (d) Reviewing with the management, statutory and internal auditors the adequacy of internal control systems.
- (e) Reviewing the adequacy of internal audit function including the structure of the internal audit department, if any, for the time being and staffing and seniority of the officials heading the same and reporting structure coverage and frequency of internal audit.
- (f) Discussion with internal auditors any significant finding and follow up thereon.
- (g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (h) Discussion with statutory auditors before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain any area of concern.
- (i) Reviewing the Company's financial and risk management policies.
- (j) Looking into the reasons for substantial defaults in the payment to the shareholders ( in case of dividends) and creditors.

**(ii) Composition, Name of Members and Chairman :**

The Audit Committee consists of three members of which two are independent. During the Financial Year ended 31<sup>st</sup> March, 2009 five meetings of the Committee were held on 28.05.08, 30.06.08, 31.07.08, 30.10.08 and 29.01.09. The composition of the Committee and the attendance of each member at these meetings are as under :

Sl. No.	Members	Meetings Attended
1.	Mr. T. R. Swaminathan - Chairman (Independent)	4
2.	Mr. R. S. Jhavar - (Non-Executive)	4
3.	Mr. C. K. Pasari - (Independent)	5

**(iii) Secretary**

Mr. P. Bandyopadhyay is the Company Secretary of the Company and consequently, acting as the Compliance Officer of the Company for the requirements under the Listing Agreements with the Stock Exchanges. He is the Secretary of the Audit Committee.

**(iv) Invitees : (Being entitled to attend as per relevant provision of applicable Laws/Rules and/or as and when felt necessary)**

- (a) Statutory Auditors
- (b) Internal Auditors

**D. REMUNERATION COMMITTEE**

The Remuneration Committee of the Board is comprising of Mr. T. R. Swaminathan ( Chairman ) , Mr. R. S. Jhawar and Mr. K. K. Baheti as its Members with the following terms of reference :

To approve to the Board the remuneration package of the Managing Director / Wholetime Director / Manager as the case may be, including periodical revisions therein. The remuneration is considered and approved having regard to the applicable provisions of Schedule XIII to the Companies Act, 1956 which is subject to the approval of the Members of the Company at their General Meeting. The last two Meetings of the Remuneration committee were held on 30th June, 2008 and 2nd April, 2009. The Meetings were attended by all the Members aforesated.

The details of Remuneration of the Directors during the Financial Year 2008-09 are as under :

Sl.No.	Name of Directors	Board Meeting Fees (in Rs.)	Committee Meeting Fees (in Rs.)
1.	Mr. A. Khaitan	25,000	—
2.	Mr. D. Khaitan	25,000	—
3.	Mr. T. R. Swaminathan	20,000	75,000
4.	Mr. R. S. Jhawar	20,000	75,000
5.	Mr. K. K. Baheti	25,000	60,000
6.	Mr. C. K. Pasari	25,000	25,000
7.	Mr. J. Hazarika	25,000	—
8.	Mr. G. Saraf	5,000	—
	<b>Total</b>	<b>1,70,000</b>	<b>2,35,000</b>

**E. SHAREHOLDERS' COMMITTEE**

The Shareholders' / Investors' Grievance Committee of the Board consists of Mr. R. S. Jhawar as its Chairman, Mr. T. R. Swaminathan and Mr. K. K. Baheti as its Members. The terms of reference of the Committee are to look into the Redressal of investors' complaints relating to transfer of shares, non-receipt of share certificates, issue of duplicate share certificates, issue of dividend warrants, non-receipt of dividend warrants, notices / Annual Reports and other grievances. One Committee Meeting was held during the year on 31st March, 2009.

(a) Shareholders' Complaints and Redressal during 2008-09 :

Number of complaints pending at the beginning of the Year	No. of Complaints received during the Year	No. of Complaints redressed during the Year	Number of complaints pending at the end of the Year
Nil	10	10	Nil

(b) Number of pending Share transfers as at 31.3.2009 : Nil

**F. GENERAL BODY MEETINGS**

(i) Details of Annual General Meetings of the last three years :

AGMs	Date	Location	Time
AGM (33rd)	21.09.2006	House No.37, 5th Bye Lane, Mother Teresa Road, Z00-Narengi Road, Guwahati 781 021	2.00 p.m.
AGM (34th)	07.08.2007	- do -	2.00 p.m.
AGM (35th)	26.09.2008	- do -	1.30 p.m.

During the year ended 31st March, 2009 no Special Resolution was put through postal ballot.

**G. DISCLOSURES**

- Related party transactions have been disclosed under Note No.11 of Schedule 15 to the Accounts for the Year under review.
- The Company has complied with all the requirements of the Listing Agreements with the Stock Exchanges as well as regulations and guidelines of the SEBI . No penalties have been imposed or stricture has been issued by the SEBI, Stock Exchanges or any Statutory Authorities on matters relating to the Capital Markets during the last three years.



**H. MEANS OF COMMUNICATION**

**(i) Financial Results :**

Quarterly, half-yearly and annual results in the forms prescribed by the Stock Exchanges in Listing Agreements are published in prominent daily newspapers viz. The Sentinel and Ajir Asom.

**(ii) Management Discussion and Analysis Report (MD&A) :**

The Management Discussion and Analysis Report forms part of the Annual Report.

**(iii) Other Information**

General Information of the Company is displayed on the Company's Website [www.williamsonfinancial.in](http://www.williamsonfinancial.in)

**I. GENERAL SHAREHOLDER INFORMATION**

**(i) Next Annual General Meeting :**

Date	Time	Venue
11th September, 2009	3.00 p.m.	House No.37, 5th Bye Lane, Mother Teresa Road, Zoo-Narengi Road, Guwahati - 781 021

**(ii) Financial Calendar (tentative) for year 2009-2010 :**

The Company's Financial Year is from April 1 to March 31 of the following year. The Calendar for 2009-2010 is as follows :-

Publication of Results	Quarter / Half Year / Year ended	Time
Quarterly (Un-audited)	30.06.2009	End - July, 2009
Half Yearly / Quarterly (Unaudited)	30.09.2009	End - October, 2009
Quarterly (Un-audited)	31.12.2009	End - January, 2010
Yearly (Audited)	31.03.2010	End - June, 2010

**(iii) Dates of Book Closure :**

The Register of Members of the Company will remain closed from \_\_\_\_\_ to \_\_\_\_\_ (both days inclusive) for the purpose of the Annual General Meeting of the Company.

**(iv) Date of Dividend Payment :**

In view of the accumulated loss of the Company the Board does not propose any dividend in respect of the year 2008-09.

**(v) Information pertaining to the Stock Exchanges :**

**(a) Listing on Stock Exchange :**

- ◆ The Gauhati Stock Exchange Ltd., 2nd Floor, Shine Tower, Sati Jaymati Road, Arya Chowk, Rehabari, Guwahati - 781 008.
- ◆ The Calcutta Stock Exchange Association Ltd., 7 Lyons Range, Kolkata - 700 001.
- ◆ Bombay Stock Exchange Limited, Floor 25, P J Towers, Dalal Street, Mumbai - 400 001.

**(b) Stock Code for**

	<u>Stock Code</u>
Gauhati Stock Exchange	L/527
Calcutta Stock Exchange	33039
The Mumbai Stock Exchange	519214

The Company pays Annual Listing Fees of these Exchanges in due course.

ISIN No. for the Company's Shares in Demat Form : INE188E01017

Depository Connectivity : NSDL and CDSL

**(vi) Stock Market Price Data :**

The Shares of the Company are sparsely traded on the Stock Exchanges. It was occasionally traded on the Stock Exchange, Mumbai. The Company's stock price data during the last financial year and their comparison to broad based indices, such as BSE Sensex are as under :

Month	Company's Shares		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2008	21.50	15.55	17,480.74	1,5297.96
May, 2008	24.75	17.25	17,735.70	16,196.02
June, 2008	18.95	14.50	16,632.72	13,405.54
July, 2008	17.00	13.00	15,130.09	12,514.99

August, 2008	18.80	14.55	15,579.78	14,002.43
September, 2008	17.90	11.75	15,107.01	12,153.55
October, 2008	13.25	9.00	13,203.86	7,697.39
November, 2008	9.50	8.00	10,945.41	8,316.39
December, 2008	8.64	6.99	10,188.54	8,467.43
January, 2009	8.47	6.65	10,469.72	8,631.60
February, 2009	7.00	6.00	9,724.87	8,619.22
March, 2009	8.58	5.71	10,127.09	8,047.17

(vii) **Registrars and Transfer Agents for Demat and Physical Shares :**

Maheshwari Datamatics Pvt. Ltd., 2nd Floor, 6, Mangoe Lane, Kolkata - 700 001.

(viii) **Share Transfer System for Physical Shares :**

The Directors' Share Transfer Committee of the Company meets regularly for approving share transfers and for other related activities. The average time taken for processing of transfers is about three to four weeks. The time taken to process dematerialisation requests is about 10 to 14 days.

(ix) **Distribution of Shareholding as on 31st March, 2009.**

(a) **According to Category of Holding :**

Category	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Resident Individuals	8453	97.82	23,21,057	27.77
Domestic Companies	157	1.82	34,42,902	41.19
Banks / Financial Institutions	8	0.09	1,855	0.02
Non-Resident Indian	14	0.17	75,910	0.91
Non-Domestic Companies	2	0.02	23,46,500	28.07
UTI, LIC, GIC etc.	7	0.08	1,70,912	2.04
<b>Total</b>	<b>8641</b>	<b>100.00</b>	<b>83,59,136</b>	<b>100.00</b>

(b) **According to number of Equity Shares held :**

No. of Shares	No. of Shareholders	% of Shareholders
1 to 500	7921	91.67
501 to 1000	392	4.54
1001 to 2000	149	1.72
2001 to 3000	71	0.82
3001 to 4000	22	0.26
4001 to 5000	22	0.25
5001 to 10000	32	0.37
10001 and above	32	0.37
<b>Total</b>	<b>8641</b>	<b>100.00</b>

(x) **Dematerialisation of Shareholding and liquidity :**

The Company entered into Agreements with both the depositories registered under the Depositories Act, 1996, i.e. **National Securities Depository Limited**, Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 (NSDL) and **Central Depository Services Limited**, Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 001 (CDSL), to facilitate holding of shares in the Company in dematerialised form in accordance with the provisions of the Depositories Act, 1996.

Scrips of the Company were mandated by the SEBI for settlement only in dematerialised form by all investors. Upto 31st March, 2009 53.74% of the Paid-up Capital of the Company has been dematerialised. The Company encourages the shareholders of the Company who have not as yet dematerialised their shareholding, to do so

## WILLIAMSON FINANCIAL SERVICES LIMITED

to eliminate the risk of holding securities in the physical form and thereby enjoy high liquidity and other advantages.

For further details, Members may write to the Share Department of the Company at its Kolkata Office.

- (xi) **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity :** Not Applicable.

- (xii) **Insider Trading :**

The Code of Internal Procedure & Conduct and Code of Corporate Disclosure Practices as per the SEBI (Prohibition of Insider Trading) Regulations, 1992 with the latest amendment approved by the Board on 29th July, 2005 are in force.

- (xiii) **CEO / CFO Certification**

The CEO and CFO has certified to the Board in terms of clause 49V of the Listing Agreements regarding the authenticity of the financial reporting and adequacy of the internal control systems.

- (xiv) **Code of Conduct**

The Company laid down its Code of Conduct for its Directors as well as Senior Management Personnel in terms of Clause 49.1(D) of the Listing Agreements, which was approved by the Board at its Meeting held on 28th October, 2005.

- (xv) **Plant Location :**

The Company is a Financial Services Company and is not engaged in manufacturing operations. Its Registered Office is situated at House No.37, 5th Bye Lane, Mother Teresa Road, Zoo Narengi Road, Guwahati - 781 021. Its Kolkata Office is situated at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001.

- (xvi) **Whom and where to contact for share related services :**

- (a) **For routine matters**

Share Department, Williamson Financial Services Limited  
Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001.

**For the dematerialised and physical Segment :**

Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001

- (b) **For Redressal of Complaints and Grievances :**

Mr. P. Bandyopadhyay  
Williamson Financial Services Limited  
House No. 37  
5th Bye Lane  
Mother Teresa Road  
Zoo-Narengi Road  
Guwahati 781 021  
E-mail : pb@wmg.co.in

Mr. P. Bandyopadhyay  
Share Department  
Williamson Financial  
Services Limited  
Four Mangoe Lane  
Surendra Mohan Ghosh Sarani  
Kolkata - 700 001  
E-mail : pb@wmg.co.in

## 2. **Non-Mandatory Requirements**

- (a) **Chairman of the Board :**

The Company does not bear the expenses of the Chairman's office.

- (b) **Remuneration Committee :**

The Remuneration Committee of the Board was constituted on 30th June, 2003. Mr. T.R. Swaminathan is the Chairman and Mr. R. S. Jaiswar and Mr. K. K. Baheti are other Members as stated in Item No.1.D above.

- (c) **Shareholders' Rights :**

Half-yearly results including summary of the significant events are presently not being sent to Shareholders of the Company.

- (d) **Postal Ballot :**

No Special Resolution through postal ballot is required for the AGM to take note of.

On behalf of the Board of Directors

Kolkata  
3rd June, 2009

A. Khaitan  
Chairman

**DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges this is to confirm that the Company has received from the Board Members and Senior Management Personnel affirmations of compliance with the Code of Conduct as applicable to them.

Kolkata  
21st May, 2009

For Williamson Financial Services Limited  
S. R. Mundhra  
Manager

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**AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**The Shareholders**

We have reviewed the compliance of conditions of Corporate Governance by **Williamson Financial Services Limited** for the year ended 31<sup>st</sup> March, 2009 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges, with the relevant record and documents maintained by the Company as furnished to us.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

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

No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges have been complied with in all material respect by the Company.

The 3rd June, 2009

For V. Singhi & Associates  
*Chartered Accountants*  
V. K. Singhi  
*Partner*  
Membership No. 300/50051

## Auditors' Report

### To The Shareholders of Williamson Financial Services Limited

1. We have audited the attached Balance Sheet of **WILLIAMSON FINANCIAL SERVICES LIMITED** as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report, **subject to Note No. 2 in Schedule 5 regarding the adequacy of provision in respect of year end diminution, other than temporary in the carrying value of certain long term quoted investments**, have been prepared in compliance with the applicable Accounting Standards as referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956 ;
  - f) In our opinion and to the best of our information and according to the explanations given to us, **subject to Note No.2 in Schedule 5 regarding the adequacy of provision in respect of year end diminution, other than temporary (with corresponding adverse effects on the loss for the year, year end investments and year end net assets, the extent of which is not currently ascertainable) in the carrying value of certain long term quoted investments** and read with other notes thereon, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
    - b. In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
    - c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## **WILLIAMSON FINANCIAL SERVICES LIMITED**

As required by the Companies (Auditors' Report)(Amendment)Order, 2004("the Order") issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we further report on the matters specified in paragraphs 4 and 5 of the said Order as under:

- 1
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As informed to us, the fixed assets have been physically verified by the management during the year and there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) During the year, the Company has not disposed of any substantial/major part of fixed assets.
- 2 The Company's nature of operations does not require it to hold any item of inventories. Accordingly, clause 4 (ii) (a), (b) & (c) of the Order are not applicable.
- 3
  - a) According to the information and explanations given to us, the company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4(iii) (a), (b), (c) & (d) of the Order are not applicable.
  - b) According to the information and explanations given to us, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4(iii) (e), (f) & (g) of the Order are not applicable.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for services rendered. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedure.
- 5 In our opinion and according to the information and explanations given to us, there are no transactions, in respect of any party during the year, made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- 6 The Company has not accepted any deposits from the public during the year within the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereon.
- 7 In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8 According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 in respect of services carried out by the Company.
- 9
  - a) As per records of the Company and according to the information and explanations given to us, the Company is generally regular in depositing undisputed applicable statutory dues including Provident Fund, Income-tax, Wealth-tax, Service Tax, Cess and any other statutory dues with the appropriate authorities and there are no undisputed amount payable in respect of Provident Fund, Income-tax, Wealth-tax, Service Tax and Cess which were in arrears, as on 31<sup>st</sup> March 2009 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues outstanding on account of any dispute.
- 10 In our opinion, the accumulated losses of the Company as at the end of the financial year are not more than fifty per cent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11 According to the information and explanations given to us, the Company has neither taken any loans from financial institutions and banks nor issued any debentures. Accordingly, clause 4(xi) of the Order is not applicable.
- 12 As explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund /societies are not applicable to the Company. Accordingly, clause 4(xiii) of the Order is not applicable.
- 14 In respect of dealing/trading in shares and other Investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and other securities have been held by the Company in its own name.
- 15 According to the information and explanations given to us, except shares pledged as stated in Note 3 in Schedule 5, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16 According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not obtained any term loan during the year.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that no funds were raised on short-term basis as well as on long term basis.
- 18 The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 19 The Company has not issued any debentures during the year.
- 20 The Company has not raised any money by way of public issue during the year.
- 21 Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For V. SINGHI & ASSOCIATES  
Chartered Accountants  
V. K. Singhi  
Partner  
Membership No. 300/50051

Place : Kolkata  
Dated : 3rd June, 2009

**Balance Sheet as at 31st March, 2009**

	Schedule	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	8,35,91,360	8,35,91,360
Reserves and Surplus	2	62,56,08,098	62,70,47,786
<b>LOAN FUNDS</b>			
Secured	3	17,50,00,000	17,50,00,000
Unsecured		<u>7,06,50,000</u>	<u>7,21,50,000</u>
		<b><u>95,48,49,458</u></b>	<b><u>95,77,89,146</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	9,03,98,306	9,03,98,306
Less : Depreciation		<u>7,90,95,226</u>	<u>7,75,93,884</u>
Net Block		1,13,03,080	1,28,04,422
Less : Lease Terminal Adjustment		<u>(75,24,144)</u>	<u>(88,38,705)</u>
		37,78,936	39,65,717
<b>INVESTMENTS</b>	5	97,94,80,129	97,91,62,726
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Cash and Bank Balances	6	1,29,837	4,71,626
Other Current Assets	7	8,48,19,026	6,65,37,533
Loans and Advances	8	<u>7,96,85,628</u>	<u>7,96,79,210</u>
		<u>16,46,34,491</u>	<u>14,66,88,369</u>
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	9	16,42,47,176	14,32,64,315
Provisions	10	<u>2,87,96,921</u>	<u>2,87,63,351</u>
		<u>19,30,44,097</u>	<u>17,20,27,666</u>
<b>NET CURRENT ASSETS</b>		<u>(2,84,09,607)</u>	<u>(2,53,39,297)</u>
		<b><u>95,48,49,458</u></b>	<b><u>95,77,89,146</u></b>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>			
	15		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our report annexed  
For V. SINGHI & ASSOCIATES  
Chartered Accountants

T.R.SWAMINATHAN *Director*  
R.S.JHAWAR *Director*  
K.K.BAHETI *Director*

Kolkata  
The 3rd June, 2009

V. K. SINGHI  
Partner

P. BANDYOPADHYAY *Secretary*



# Profit & Loss Account for the year ended 31st March, 2009

	Schedule	For the year ended 31st March, 2009 Rs.	Rs.	For the year ended 31st March, 2008 Rs.	Rs.
<b>INCOME</b>					
Income from Lease/Hire Purchase/Investment and Finance Activities	11		2,60,94,889		2,83,59,928
Other Income	12		32,50,603		7,73,229
			<u>2,93,45,492</u>		<u>2,91,33,157</u>
<b>EXPENDITURE</b>					
Expenses	13		44,79,513		30,56,061
Interest	14		2,45,06,058		2,45,77,782
Depreciation		15,01,342		17,37,058	
Less : Depreciation on amount added on revaluation (Note 3 on Schedule 15)		<u>1,23,917</u>	13,77,425	<u>1,30,439</u>	16,06,619
Provision for diminution in value of Current Investments			2,83,267		64,80,000
			<u>3,06,46,263</u>		<u>3,57,20,462</u>
<b>LOSS FOR THE YEAR BEFORE TAX</b>			<b>13,00,771</b>		<b>65,87,305</b>
Provision for Tax					
Fringe Benefit Tax			15,000		15,000
<b>LOSS FOR THE YEAR AFTER TAX</b>			<b>13,15,771</b>		<b>66,02,305</b>
Loss brought forward from previous year			59,80,46,431		59,14,44,126
<b>LOSS CARRIED TO BALANCE SHEET</b>			<b>59,93,62,202</b>		<b>59,80,46,431</b>
Earnings per share (Basic and Diluted) (Note 10 on Schedule 15)			(0.16)		(0.79)

## SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

15

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our report annexed  
For V. SINGHI & ASSOCIATES  
Chartered Accountants

T.R.SWAMINATHAN  
R.S.JHAWAR  
K.K.BAHETI

Director  
Director  
Director

Kolkata  
The 3rd June, 2009

V. K. SINGHI  
Partner

P. BANDYOPADHYAY Secretary

**Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2009**

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,50,00,000 Equity Shares of Rs. 10/- each	<b>15,00,00,000</b>	<b>15,00,00,000</b>
<b>ISSUED AND SUBSCRIBED</b>		
Equity Shares of Rs. 10/- each fully paid up		
11,25,415 Shares paid up in cash	1,12,54,150	1,12,54,150
4,78,793 Shares pursuant to a contract without payment being received in cash	47,87,930	47,87,930
20,78,825 Shares as fully paid Bonus Shares by capitalisation of General Reserve	2,07,88,250	2,07,88,250
46,76,103 Shares pursuant to Schemes of Amalgamation without payment being received in cash	4,67,61,030	4,67,61,030
	<b>8,35,91,360</b>	<b>8,35,91,360</b>

**SCHEDULE 2**

**RESERVES AND SURPLUS**

	Capital (Rs.)	Revaluation (See note 1 on Schedule 4) (Rs.)	Share Premium (Rs.)	General (Rs.)	Reserve Fund (See note below) (Rs.)	Total (Rs.)
As at 1st April, 2008	42,63,70,924	24,78,333	11,80,44,960	63,34,00,000	4,48,00,000	1,22,50,94,217
Less : Writeback of additional depreciation consequent upon revaluation of Buildings (Note 3 on Schedule 15)	—	1,23,917	—	—	—	1,23,917
	42,63,70,924	23,54,416	11,80,44,960	63,34,00,000	4,48,00,000	1,22,49,70,300
Debit Balance in Profit and Loss Account	—	—	—	59,93,62,202	—	59,93,62,202
Balance as at 31st March, 2009	42,63,70,924	23,54,416	11,80,44,960	3,40,37,798	4,48,00,000	62,56,08,098

Note : Created in accordance with Reserve Bank of India (Amendment) Act, 1997 as applicable to Non-Banking Financial Companies.

## **WILLIAMSON FINANCIAL SERVICES LIMITED**

*Registered Office :*

House No. 37, 5th Bye Lane, Mother Teresa Road  
Zoo-Narengi Road, Guwahati 781021, Assam

### **Notice**

Notice is hereby given that the Thirty sixth Annual General Meeting of the Members of the Company will be held at its Registered Office on Friday 11th September, 2009 at 3.00 P.M. to transact the following business:

1. To receive, consider and adopt the Profit & Loss Account of the Company for the Financial Year ended 31st March, 2009 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint Directors in place of Mr. Deepak Khaitan and Mr. Chandra kant Pasari who retire by rotation and being eligible offer themselves for reappointment.
3. To appoint Auditors and to fix their remuneration.

### **As Special Business**

To consider and if thought fit, to pass with or without modifications, the following Resolutions as Ordinary Resolutions:

4. "RESOLVED that Mr. Gobind Prasad Saraf be and is hereby appointed a Director of the Company".
5. "RESOLVED that the appointment of Mr. Shyam Ratan Mundhra as the Manager of the Company for a period of 3 years from 1st April, 2009 on such terms and conditions including remuneration (inclusive of minimum remuneration) as given in the Explanatory Statement in terms of Section 173(2) of the Companies Act, 1956 be and is hereby approved."

By Order of the Board  
**WILLIAMSON FINANCIAL SERVICES LIMITED**

**P.BANDOPADHYAY**  
**COMPANY SECRETARY**

3rd June, 2009

### **NOTES**

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the Meeting.
2. The Register of Members of the Company will remain closed from 2nd September, 2009 to 11th September, 2009 (both days inclusive).
3. The information required to be provided in terms of the Listing Agreements with the Stock Exchanges regarding the Directors who are proposed to be re-appointed / appointed, is annexed hereto.
4. Pursuant to Section 205A of the Companies Act, 1956 ('the Act') dividends which remain unpaid/ unclaimed over a period of 7 years are transferred to the Investor Education and Protection Fund established by the Central Government in terms of Section 205C of the Act. Further, pursuant to Section 205B of the Act no claim shall lie on the amount transferred to the Investor Education and Protection Fund. The balance of the unclaimed dividend in respect of the Financial Year ended 31st March, 1998 has been last transferred by the Company to the Investor Education and Protection Fund.
5. The Explanatory Statement in relation to the items of Special Business is annexed hereto.

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

### **Item No.4**

Mr. Gobind Prasad Saraf was appointed as Additional Director of the Company by the Board with effect from 24th December, 2008. Pursuant to the provisions of Article 89 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Mr. Saraf holds office upto the date of the forthcoming Annual General Meeting.

The Company has received notice in terms of Section 257 of the Companies Act, 1956 from a Member of the Company proposing the candidature of Mr. Saraf for the office of Director of the Company to be appointed at the forthcoming Annual General Meeting of the Company.

In the opinion of the Board, having regard to his experience in diverse business activities, his appointment as Director of the Company will prove beneficial to the Company and the Board recommends the same.

No Director of the Company except Mr. Saraf is concerned or interested in the Resolution.

### **Item No.5**

The tenure of Mr. Hiren U. Sanghavi as the Manager of the Company expired on 31st March, 2009. The Board appointed Mr. S. R. Mundhra as the Manager of the Company for a period of three years with effect from 1st April, 2009 complying with the provisions of Section 269 read with Sections 198 and 309 the Companies Act, 1956 ('the Act') and Schedule XIII to the Act.

The terms of remuneration of his appointment includes the following:

#### Remuneration -

1. Salary : Rs. 46,500/- p.m.
2. Special Allowance : Rs. 8,000/- p.m.
3. Provident Fund Superannuation Fund Gratuity : As per the rules of the Company.
4. Conveyance Allowance : Company car with fuel, maintenance and driver's wages.
5. House Rent Allowance : Rs. 10,000/- p.m.
5. Leave Travel Assistance : Rs. 80,000/- p.a.
6. Medical Reimbursement : As per the Rules of the Company
7. Benefits of Provident Fund, Superannuation Fund and gratuity and other perquisites as per the rules of the Company.

**Minimum Remuneration :** In the event of loss or inadequacy of profits in terms of the Act, the aforementioned remuneration will be treated and paid as 'minimum remuneration' in terms of the Act.

As the Manager of the Company, Mr. S. R. Mundhra shall have the substantial powers of management of the affairs of the Company subject to the superintendence, control and direction of the Board.

His employment as the Manager is terminable by three calendar months' notice from either side without any right to compensation for loss of office. The Company reserves the right to pay three months' salary in lieu of such notice.

Having regard to his qualification and competence, the Board considers that his appointment as Manger of the Company will be beneficial to the Company .

The Board recommends the Resolution and same is to be considered accordingly.

No Director of the Company is concerned or interested in the Resolution.

**PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, THE PARTICULARS OF DIRECTORS TO BE APPOINTED / RE-APPOINTED IN THE FORTHCOMING ANNUAL GENERAL MEETING**

1. Name : Mr. Deepak Khaitan
2. Date of birth : 9th May, 1955
3. Qualification : B Com. MBA (Geneva )
4. Expertise : Mr. Khaitan has indepth exposure to and involvement in steering diverse business and has gained considerable experience and expertise in the management of tea, batteries and engineering industries. He presently holds the position of Executive Vice Chairman & Managing Director of Eveready Industries India Limited.
5. Other Directorship (in Indian Companies other than Private) : Eveready Industries India Limited  
Williamson Magor & Co. Limited  
McLeod Russel India Limited  
McNally Sayaji Engineering Limited  
McNally Bharat Engineering Company Limited  
Babcock Borsig Limited  
Kilburn Engineering Limited
6. Committee Membership in other Companies : Member, Audit Committee and Remuneration Committee of Babcock Borsig Limited.

- 
1. Name : Mr. Chandra Kant Pasari
  2. Date of Birth : 14th January, 1962
  3. Qualification : B.Com.
  4. Expertise : Mr. Pasari has considerable experience in various industries in the directorial level. He has gained good expertise in manufacturing and marketing areas especially in tea and automobile sectors.
  5. Other Directorship (in Indian companies other than Private) : McNally Bharat Engineering Company Limited  
McNally Sayaji Engineering Limited  
The Chamong Tea Company Limited  
Indian Automobiles (1960) Limited
  6. Committee Membership in other companies : NIL

- 
1. Name : Mr. Gobind Prasad Saraf
  2. Date of Birth : 16th August, 1944
  3. Qualification : B.Com.
  4. Expertise : Mr. Saraf has vast experience in business and its management especially in printing industry. He has over 32 years experience in managing business activities in diverse fields. He holds directorship in a number of companies.
  5. Other Directorship (in Indian companies other than Private) : The Ganges Printing Co. Limited
  6. Committee Membership in other companies : NIL

**WILLIAMSON FINANCIAL SERVICES LIMITED**

**PROXY**

I/We.....

of.....

being a member of Williamson Financial Services Limited hereby appoint.....

..... or failing  
him

..... or failing him ..... as my/our  
Proxy

to represent, act and vote for me/us and on my/our behalf at the Thirty sixth Annual General Meeting of the  
Company to be held on 11th September, 2009 and at any adjournment thereof.

Dated this ..... day of ..... 2009.

Witness .....

Affix  
Revenue  
Stamp

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**Note : An instrument appointing a proxy shall be deposited at the Registered Office of the Company  
not less than Forty-eight hours before the time fixed for the Meeting.**

**Schedule annexed to and forming part of the Balance Sheet as at 31st March, 2009**

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
<b>SCHEDULE 3</b>		
<b>LOAN FUNDS</b>		
<b>SECURED LOANS</b>		
Term Loans from IL & FS Limited (Secured by pledge of certain investments of its own and other Companies and by maturity proceeds of certain cumulative Security Deposits and Guarantees.) (Note 8 on Schedule 15)	17,50,00,000	17,50,00,000
	<u>17,50,00,000</u>	<u>17,50,00,000</u>
 <b>UNSECURED LOANS</b>		
From Bodies Corporate	7,06,50,000	7,21,50,000
	<u>7,06,50,000</u>	<u>7,21,50,000</u>

**WILLIAMSON FINANCIAL SERVICES LIMITED**

**Schedule annexed to and forming part of the Balance Sheet as at 31st March, 2009**

**SCHEDULE 4 - FIXED ASSETS**

	GROSS BLOCK AT COST OR VALUATION		DEPRECIATION			NET BLOCK	
ASSETS	Cost or valuation as at 1st April, 2008	Cost or valuation as at 31st March, 2009	As at 1st April 2008	For the year	Total as at 31st March, 2009	Written down value as at 31st March, 2009	Lease Terminal Adjustment as at 31st March, 2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Goodwill	2	2	—	—	—	2	—
Buildings (See Note below)	1,16,98,435	1,16,98,435	81,57,194	1,77,063	83,34,257	33,64,178	—
Plant and Machinery	6,61,27,024	6,61,27,024	5,76,35,864	11,81,122	5,88,16,986	73,10,038	(72,58,495)
Motor & Other Vehicles	55,64,870	55,64,870	54,22,007	36,987	54,58,994	1,05,876	2,79,570
Furniture & Fittings	70,07,975	70,07,975	63,78,819	1,06,170	64,84,989	5,22,986	(5,45,219)
Total	9,03,98,306	9,03,98,306	7,75,93,884	15,01,342	7,90,95,226	1,13,03,080	(75,24,144)
Previous Year	9,03,98,306	9,03,98,306	7,58,56,826	17,37,058	7,75,93,884	1,28,04,422	(88,38,705)

Note : Based on Valuation Report submitted by Professional Valuer appointed for the purpose, a building had been revalued as at 1st April, 1997 on current cost basis and adjusted for depreciation element as applicable. The resultant increase in the net book value on such revaluation amounting to Rs. 42,81,094 (earlier revalued on 31st March, 1992) were transferred to Revaluation Reserve in that year.



**Schedule annexed to and forming part of the Balance Sheet as at 31st March, 2009**

	Face Value	As at 31st March, 2009		As at 31st March, 2008	
		No. of		No. of	
	Rs.	Shares/ Debentures	Rs.	Shares/ Debentures	Rs.
<b>SCHEDULE 5</b>					
INVESTMENTS (Other than trade)					
<b>LONG TERM</b> - At cost - except otherwise stated					
<b>QUOTED</b>					
IN EQUITY SHARES (fully paid-up)					
Eveready Industries India Limited (Refer Note 3)	5	59,11,988	59,05,42,902	59,11,988	59,05,42,902
McLeod Russel India Ltd. (Refer Note 3)	5	63,78,725	63,71,64,820	63,78,725	63,71,64,820
<b>UNQUOTED</b>					
In Equity Shares (fully paid-up)					
ABC Tea Workers' Welfare Services Limited	10	500	2	500	2
<b>DEBENTURES</b>					
5% Debentures of Woodlands Hospital and Medical Research Centre Ltd.	12500	1	1	1	1
5% Debentures of Shillong Club Limited	5300	—	1	—	1
			<u>1,22,77,07,726</u>		<u>1,22,77,07,726</u>
Less : Provision for diminution in value of Long Term Investments			25,00,00,000		25,00,00,000
		(A)	<u>97,77,07,726</u>		<u>97,77,07,726</u>
<b>CURRENT</b> -At the lower of cost and market / fair value determined by category of investment					
<b>QUOTED</b>					
In Equity Shares (fully paid-up)					
Marigold Glass Industries Limited	10	22,500	63,850	7,500	15,000
Mint Investments Ltd.	10	2,40,000	14,40,000	2,40,000	14,40,000
The Standard Batteries Limited	0.50	83,550	2,507	—	—
J J Financial Corporation Limited	10	1,000	100	—	—
Nucent Estate Limited	2	47,000	94,000	—	—
State Bank of Bikaner & Jaipur	10	850	1,65,750	—	—
Uniworth Limited	10	4,050	6,196	—	—
		(B)	<u>17,72,403</u>		<u>14,55,000</u>
		(A + B)	<u>97,94,80,129</u>		<u>97,91,62,726</u>

**Schedule annexed to and forming part of the Balance Sheet as at 31st March, 2009**

**SCHEDULE 5 (Contd.)**

**INVESTMENTS (Other than trade)**

**Note : 1**

The following Current Investment have been Purchased / Acquired during the year :

Marigold Glass Industries Limited	15,000	Equity Shares
J J financial Corporation Limited	1,000	Equity Shares
Nucent Estate Limited	47,000	Equity Shares
State bank of Bikaner & Jaipur	850	Equity Shares
Uniworth Limited	4,050	Equity Shares
The Standard Batteries Limited	83,550	Equity Shares

**Note : 2**

Aggregate Market Value and Book Value of the Company's Quoted Investments are as follows :-

	As at 31st March, 2009		As at 31st March, 2008	
	<u>Long Term</u> Rs.	<u>Current</u> Rs.	<u>Long Term</u> Rs.	<u>Current</u> Rs.
Market Value of Quoted Investments	51,66,61,149	19,22,931	64,69,42,893	15,03,750
Gross Book Value of Quoted Investments	1,22,77,07,726	17,72,403	1,22,77,07,726	14,55,000

In accordance with the Accounting Standard 13 issued by the Institute of Chartered Accountants of India year-end provision of Rs. 25,00,00,000 in respect of the gross year-end diminution, other than temporary, in the value of long-term quoted investments of Rs.71,10,46,577 (2008 - Rs.58,07,64,833) is considered prudent at this stage by the Management having regard to improving operating performance, business prospects, market prices of the major Investee Companies.

**Note : 3**

Particulars relating to Equity Shares pledged against loan availed by the Company and another Company in respect of which confirmations have been received :

Name of the Company	As at 31st March, 2009	As at 31st March, 2008
	No. of Shares	No. of Shares
Eveready Industries India Limited	59,05,122	59,11,988
Mcleod Russel India Limited	63,55,122	59,11,988

**Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2009**

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
<b>SCHEDULE 6</b>		
<b>CASH AND BANK BALANCES</b>		
Balances with Scheduled Banks —		
In Current Accounts	1,29,837	4,71,626
	<u>1,29,837</u>	<u>4,71,626</u>
<b>SCHEDULE 7</b>		
<b>OTHER CURRENT ASSETS</b>		
Unsecured Considered good (unless otherwise stated in Note 8 on Schedule 15)		
Interest accrued on Loans and Deposits	8,48,19,026	6,65,37,533
	<u>8,48,19,026</u>	<u>6,65,37,533</u>
<b>SCHEDULE 8</b>		
<b>LOANS AND ADVANCES</b>		
Unsecured — Considered good (unless otherwise stated in Note 4 on Schedule 15)		
Loans-Intercompany	50,00,000	50,00,000
Advances recoverable in cash or in kind or for value to be received	11,601	37,373
Advance for Fringe Benefit Tax	65,360	15,000
Advance for Tax	—	18,170
Deposits (Note 8 on Schedule 15)		
With IL&FS Limited	7,45,75,667	7,45,75,667
With others	33,000	33,000
	<u>7,96,85,628</u>	<u>7,96,79,210</u>

**Schedules annexed to and forming part of the Balance Sheet as at 31st March, 2009**

	Rs.	As at 31st March, 2009 Rs.	Rs.	As at 31st March, 2008 Rs.
<b>SCHEDULE 9</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors and Accrued Expenses		5,44,07,987		3,59,04,328
Advance from a Company		9,44,25,651		9,44,25,651
Advance from Customers		1,77,472		1,77,472
Interest Accrued but not due on loans		1,47,51,340		1,27,56,864
Overdraft from a Bank		4,84,726		—
		<u>16,42,47,176</u>		<u>14,32,64,315</u>

**SCHEDULE 10**

**PROVISIONS**

Provision for taxation

As per Last Account	2,37,48,351		2,76,39,554	
Add: For the year	<u>36,740</u>		<u>18,170</u>	
	2,37,85,091		2,76,57,724	
Less : Adjustments	<u>18,170</u>	2,37,66,921	<u>39,09,373</u>	2,37,48,351

**For Fringe Benefit Tax**

As per Last Account	15,000		20,657	
Provision for the year	<u>15,000</u>		<u>15,000</u>	
	30,000		35,657	
Less : Adjustments	<u>—</u>		<u>20,657</u>	
		30,000		15,000

**For Non Performing Assets**

As per Last Account		50,00,000		50,00,000
		<u>2,87,96,921</u>		<u>2,87,63,351</u>

**Schedules annexed to and forming part of the Profit & Loss Account for the year ended 31st March, 2009**

	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE 11</b>				
INCOME FROM LEASE/HIRE PURCHASE/ INVESTMENT & FINANCE ACTIVITIES				
Leasing / Hire Purchase		13,14,561		15,38,897
Interest : On Deposit	1,82,81,493		1,62,33,476	
On Tax Refunds	—	1,82,81,493	39,14,030	2,01,47,506
Profit on Sale of Investment		—		1,74,800
Dividend		64,98,835		64,98,725
		<u>2,60,94,889</u>		<u>2,83,59,928</u>
<b>SCHEDULE 12</b>				
OTHER INCOME				
Liability Written Back		32,50,603		7,73,229
		<u>32,50,603</u>		<u>7,73,229</u>
<b>SCHEDULE 13</b>				
EXPENSES				
Salaries, Wages, Bonus etc.		13,38,401		7,99,790
Contribution to Provident and Other Funds		1,92,432		1,26,869
Labour and Staff Welfare		27,539		5,047
Repairs - To Buildings		69,381		75,076
To Vehicles		8,600		—
Power and Fuel		17,041		9,582
Rates and Taxes (including Wealth Tax Rs.36,740) (2008 - Rs.18,170)		1,11,264		60,135
Professional and Consultancy Charges		14,86,456		6,76,904
Travelling & Conveyance Expenses		1,21,164		2,52,712
Stationery		1,49,643		1,22,493
Directors' Fees		4,05,000		3,90,000
Miscellaneous Expenses		5,52,592		5,37,453
		<u>44,79,513</u>		<u>30,56,061</u>
<b>SCHEDULE 14</b>				
INTEREST				
On Term Loans		2,40,62,500		2,41,12,032
To Others		4,43,558		4,65,750
		<u>2,45,06,058</u>		<u>2,45,77,782</u>

**Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2009**

**SCHEDULE 15**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 RECOGNITION OF INCOME AND EXPENDITURE**

Items of income and expenditure are recognised on accrual and prudent basis with due compliance of the Guidelines of the Reserve Bank of India on Prudential Norms for income recognition and provisioning for non-performing assets.

**1.2 ACCOUNTING FOR INCOME FROM LEASE / FINANCE ACTIVITIES**

- 1.2.1 Lease rentals and other receivables are accounted for on accrual basis and as per relevant lease agreements. Lease Equalisation Adjustment for the year represents Annual Lease Charges i.e., annually apportioned cost of net investments in the leased assets over the lease term on Internal Rate of Return method less depreciation on the related leased assets.

**1.3 FIXED ASSETS**

All the Fixed Assets, including assets given on lease / rental have been stated at cost of acquisition with the resultant write-up due to revaluation, as there may be.

**1.4 DEPRECIATION**

Depreciation on all fixed assets (including those given on lease / rental) is provided on written down value method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

**1.5 INVESTMENTS**

Investments have been classified into long-term investments and current investments in accordance with the Accounting Standard 13 issued by the Institute of Chartered Accountants of India. Long Term Investments are stated at cost or below cost wherever applicable. Current investments are valued at lower of cost and market / fair value determined by category of investments. Reclassification of investments from current to long term is made at lower of cost and fair value at the date of transfer. Provisions in respect of diminution other than temporary, in the value of long term quoted investments are recognized on a prudent basis. Gains / losses on disposal of investments are recognized as income / expenditure. Dividends are accounted for when the right to receive the payment is established.

**1.6 RETIREMENT BENEFITS**

The Company contributes to Provident Fund and Superannuation Fund which are administered by duly constituted and approved independent Trust/Government and such defined contributions are charged against revenues every year.

Accrued liability in respect of retirement gratuities are actuarially ascertained at the year end. The Company has created a Gratuity Fund under Group Gratuity Scheme under which yearly premium is being paid to take care of current as well as past liability. The annual premium is charged to the accounts.

Accrued liability in respect of leave encashment benefits on retirement is actuarially ascertained at the year end and provided for in the accounts.

**1.7 IMPAIRMENT**

Impairment loss is recognized wherever the carrying amount of the Fixed Assets exceeds the recoverable amount i.e. the higher of the assets net selling price and value in use.

**1.8 ACCOUNTING FOR TAXES ON INCOME**

Deferred tax is recognized on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess realisability thereof.

Fringe benefit tax is determined as an amount of tax payable as computed in accordance with the relevant provisions of the Income Tax Act, 1961.

**Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2009**

**SCHEDULE 15 (Contd.)**

**B. NOTES ON ACCOUNTS**

1. Contingent Liabilities not provided for in respect of pledge of certain shares held by the Company in respect of loan availed by third party amounting to Rs. 243.07 Lacs.
2. The Company has been registered as a Non-Banking Financial Company with the Reserve Bank of India.
3. In respect of items of Fixed Assets (covered by Revaluation as mentioned in Note 1 in Schedule 4) depreciation has been calculated on their respective revalued amounts and includes additional charge of Rs.1,23,917 which has been transferred from Revaluation Reserve, such transfer according to an authoritative professional view, being acceptable for the purpose of the Company's Accounts.
4. Provisions for Non-Performing Assets in Schedule 8 to the Balance Sheet includes the following :

	2008-09 Rs.	2007-08 Rs.
For certain Loans - Intercompany	50,00,000	50,00,000
	<u>50,00,000</u>	<u>50,00,000</u>

5. Manager's Remuneration :

The total amount of Manager's Remuneration charged in these accounts under various heads is set out below:

	2008-09 Rs.	2007-08 Rs.
a) Salary	3,12,000	2,28,000
b) Contribution to Provident Fund	37,440	27,360
c) Other Benefits & Allowances	<u>2,67,100</u>	<u>—</u>
	<u>6,16,540</u>	<u>2,55,360</u>

6. Disclosure as required under Accounting Standard (AS) 15 (Revised)

	For the Year Ended 31st March 2009		For the Year Ended 31st March 2008	
	Gratuity (FUNDED) Rs.	Leave Encashment (Unfunded) Rs.	Gratuity (FUNDED) Rs.	Leave Encashment (Unfunded) Rs.
<b>A. Expenses recognised in Statement of profit/loss</b>				
1. Current Service Cost	15,398	476	13,166	13,390
2. Past Service cost	—	—	—	—
3. Interest cost	3,159	2,604	1,982	—
4. Expected return on Plan Assets	3,144	—	1,865	—
5. Curtailment cost	—	—	—	—
6. Settlement cost	—	—	—	—
7. Actuarial gain/loss recognised in the year	(20,580)	21,520	(13,084)	—
8. Expenses recognised in the Profit & Loss Account	(5,167)	24,601	198	13,390
<b>B. Net Assets / (Liability) recognised in the Balance Sheet</b>				
1. Present value of obligation as at 31.03.2009	61,592	57,153	39,498	32,552
2. Fair value of plan assets at the end of the year	66,561	—	39,300	—
3. Funded status	4,969	—	(198)	—
4. Unrecognised actuarial gain/loss at the end of the year	—	—	—	—
5. Net asset (liability) recognised in Balance Sheet	4,969	(57,153)	(198)	32,552

**Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2009**

**SCHEDULE 15 (Contd.)**

	For the Year Ended 31st March 2009		For the Year Ended 31st March 2008	
	Gratuity (FUNDED) Rs.	Leave Encashment (Unfunded) Rs.	Gratuity (FUNDED) Rs.	Leave Encashment (Unfunded) Rs.
<b>C. Changes in present value of obligation</b>				
1. Present value of obligation as at 31.03.2008	39,498	32,552	23,324	19,162
2. Acquisition Adjustment	—	—	—	—
3. Interest cost	3,159	2,604	1,982	—
4. Past service cost	—	—	—	—
5. Current service cost	15,398	476	13,166	13,990
6. Curtailment cost	—	—	—	—
7. Settlement cost	—	—	—	—
8. Benefits paid	—	—	—	—
9. Acturial (Gain) / Loss on obligation	3,536	21,520	1,025	—
10. Present value of obligation as at 31.03.2009	61,592	57,153	39,498	32,552
<b>D. Changes in Fair Value of Plan Assets</b>				
1. Fair value of Plan Assets at beginning of the Year	39,300	—	23,324	—
2. Acquisition Adjustment	—	—	—	—
3. Expected Return on Plan Assets	3,144	—	1,865	—
4. Contributions	—	—	—	—
5. Benefits paid	—	—	—	—
6. Actuarial gain/loss on plan assets	24,117	—	14,110	—
7. Fair value of Plan assets as at 31.03.2009	66,561	—	39,300	—
<b>Actuarial assumptions :</b>				
1. Discount rate (p.a.)	8%	—	8.5%	—
2. Expected rate of return (p.a)	8%	—	8%	—
3. Salary escalation (p.a.)	5%	—	5%	—

7. Miscellaneous Expenses include Auditors' Remuneration as follows :

	2008-09 Rs.	2007-08 Rs.
As Audit Fees	75,000	75,000
In other capacity, in respect of		
Tax Audit	25,000	25,000
Corporate Governance & Limited Review	75,000	75,000
Consultancy fees and Reimbursement of Expenses [includes service tax Rs.21,630/- (2007-08 - Rs.26,663/-)]	22,429	67,383
	<u>1,97,429</u>	<u>2,42,383</u>



# WILLIAMSON FINANCIAL SERVICES LIMITED

8. The loan provided by IL&FS Ltd. to the Company Rs. 17,50,00,000 (previous year Rs. 17,50,00,000/-) is primarily secured against the maturity proceeds of cumulative security deposit placed with them, year-end deposit Rs. 7,45,75,667/- and interest accrued Rs. 8,48,19,026/- (previous year deposit Rs. 7,45,75,667/- and interest accrued Rs. 6,65,37,533/-).
9. The Company is engaged in the business of financial services, which as per Accounting Standard 17 is considered the only reportable business Segment. The geographical segmentation is not relevant, as the Company did not have any overseas operations during the year.
10. In calculating Basic and Diluted Earnings per Share :
- |                                       | 2008-09   | 2007-08   |
|---------------------------------------|-----------|-----------|
| a) Numerator used :                   |           |           |
| Profit/(Loss) after tax (Rs. in lakh) | 13.16     | 66.02     |
| b) Denominator used :                 |           |           |
| Number of Equity Shares               | 83,59,136 | 83,59,136 |
11. Information given in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures issued by the Institute of Chartered Accountants of India :
- A) List of Related Parties
- i) Names of the Key Management Personnel of the Company
- a) Manager - Mr. H. U. Sanghvi
- b) Non Executive Directors - Mr. A. Khaitan  
Mr. D. Khaitan  
Mr. T. R. Swaminathan  
Mr. R. S. Jhavar  
Mr. K. K. Baheti  
Mr. C. K. Pasari  
Mr. J. Hazarika  
Mr. G. Saraf
- B) Transactions with Key Management Personnel
- i) Details of remuneration to Manager is disclosed in Note 5.
- ii) Personal Guarantee provided by a Director against loan of Rs. 17.50 crores availed by the Company.
- iii) Director's Fees Rs.4,05,000/-
12. The timing difference relating mainly to depreciation and unabsorbed losses results in net deferred credit as per Accounting Standards 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. As a prudent measure the net deferred tax asset relating to the above has not been recognized in the Accounts.
13. Previous years' figures have been regrouped / rearranged wherever necessary.

Signatures to Schedules 1 to 15

As per our report annexed

For V. SINGHI & ASSOCIATES  
Chartered Accountants

T.R.SWAMINATHAN *Director*  
R.S.JHAWAR *Director*  
K.K.BAHETI *Director*

Kolkata  
Dated : 3rd June, 2009

V. K. SINGHI  
*Partner*

P. BANDYOPADHYAY *Company Secretary*

**Balance Sheet abstract and Companies General Business Profile as required pursuant to Part IV of Schedule VI to the Companies Act, 1956**

**I. Registration Details**

Registration No.	1358	State Code	02
Balance Sheet Date	31st March, 2009		

**II. Capital Raised during the year  
(Amount in Rs. thousands)**

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III. Position of Mobilisation and Deployment of Funds  
(Amount in Rs. thousands)**

Total Liabilities	1,147,894	Total Assets	1,147,894
<i>Sources of funds :</i>		<i>Application of Funds :</i>	
Paid-up Capital	83,591	Net Fixed Assets	3,779
Reserves & Surplus	625,608	Net Current Assets	(28,410)
Secured Loans	175,000	Investments	979,480
Unsecured Loans	70,650		

**IV. Performance of the Company  
(Amount in Rs. thousands)**

Turnover	29,345	Total Expenditure	30,646
Profit/(Loss) Before Tax	(1,301)	Earnings per Share in Rs.	(0.16)
Profit/(Loss) After Tax	(1,316)	Dividend Rate %	Nil

**V. Generic Names of three Principal Products / Services of the Company**

Item Code (ITC Code)	Not Applicable
Product Description	Lease Financing
Product Description	Financial Advisory and Consultancy Services
Product Description	Capital Market Operations

Kolkata  
3rd June, 2009

T.R. SWAMINATHAN *Director*  
R.S. JHAWAR *Director*  
K.K. BAHETI *Director*

P. BANDYOPADHYAY *Company Secretary*

# **CASH FLOW STATEMENT FOR THE YEAR 2008-2009 PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT**

	For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax and extraordinary items [After adjustment of lease equalisation Rs.13,14,561 (Previous Year Rs.15,38,897)]	(26,15,332)	(81,26,202)
Adjustments for		
Diminution in value of Investments	2,83,268	64,80,000
Depreciation	13,77,425	16,06,619
Wealth Tax	36,740	18,170
Liability Written Back	(32,50,603)	(7,73,229)
Profit on sale of long term investments	—	(1,74,800)
Interest Expenditure	2,45,06,058	2,45,77,782
Dividend / Interest Income	(2,47,80,328)	(2,66,46,231)
Operating Profit before Working Capital Changes	(44,42,772)	(30,37,891)
Adjustments for		
Trade & other receivables	25,772	(37,373)
Trade payables	2,17,54,262	(9,45,148)
Cash generated from operations	1,73,37,262	(40,20,412)
Direct taxes refunds received / (paid)	(50,360)	(33,170)
Net Cash flow before extra-ordinary items	(A) <u>1,72,86,902</u>	<u>(40,53,582)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments of fund	(6,00,670)	6,08,000
Dividend Received	64,98,835	64,98,725
	(B) <u>58,98,165</u>	<u>71,06,725</u>
Net cash from operating activities (including investing activity which is an operating activity of the Company)	(A+B) 2,31,85,067	30,53,143

# WILLIAMSON FINANCIAL SERVICES LIMITED

		For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Long Term Borrowings		—	3,90,00,000
Repayment of Short Term Borrowings		(15,00,000)	—
Interest paid		(2,25,11,582)	(2,42,07,977)
Net cash used in financing activities	(C)	(2,40,11,582)	1,47,92,023
Net increase in cash and cash equivalents	(A+B+C)	(8,26,515)	1,78,45,166
Opening Cash and cash equivalents		4,71,626	(1,73,73,540)
Closing Cash and cash equivalents		(3,54,889)	4,71,626
		<u>(8,26,515)</u>	<u>1,78,45,166</u>

## Notes :

1. The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2. Previous year's figures have been rearranged wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For V. SINGHI & ASSOCIATES  
Chartered Accountants

Kolkata  
The 3rd June, 2009

V. K. SINGHI  
Partner

T.R. SWAMINATHAN *Director*  
R.S. JHAWAR *Director*  
K.K. BAHETI *Director*

P. BANDYOPADHYAY *Company Secretary*

**Financial Year 2008-2009**  
**Schedule to the Balance Sheet**  
**of a non-deposit taking non-banking financial company**

(As required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

Particulars

**Liabilities side :**

(Rs. in lakh)  
Amount outstanding

**(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :**

(a)	Debentures : Secured	Nil
	: Unsecured (other than falling within the meaning of public deposits*)	Nil
(b)	Deferred Credits	Nil
(c)	Term Loans	1750.00
(d)	Inter-corporate loans and borrowings	854.01
(e)	Commercial Paper	Nil
(f)	Other Loans (specify nature)	Nil

\*Please see Note 1 below

**Assets side :**

**(2) Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :**

(a)	Secured	Nil
(b)	Unsecured	1644.39

**(3) Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities**

(i)	Lease assets including lease rentals under sundry debtors :	
(a)	Financial lease	Nil
(b)	Operating lease	Nil
(ii)	Stock on hire including hire charges under sundry debtors :	
(a)	Assets on hire	Nil
(b)	Repossessed Assets	Nil
(iii)	Other loans counting towards AFC activities	
(a)	Loans where assets have been repossessed	Nil
(b)	loans other than (a) above	Nil

(Rs. in lakh)  
Amount outstanding

**(4) Break-up of Investments :**

**Current Investments :**

**1. Quoted**

(i) Shares : (a) Equity	17.72
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

**2. Unquoted**

(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

**Long Term Investments :**

**1. Quoted**

(i) Shares : (a) Equity	12,277.08
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

**2. Unquoted**

(i) Shares : (a) Equity	Nil
(b) Preference	Nil
(ii) Debentures and Bonds	Nil
(iii) Units of mutual funds	Nil
(iv) Government Securities	Nil
(v) Others (please specify)	Nil

**(5) Borrower group-wise classification of assets financed as in (2) and (3) above**

Please see Note 2 below

Category	(Rs. in Lakh)		
	Amount net of provision		Total
	Secured	Unsecured	
1. Related Parties **			
(a) Subsidiaries	—	—	—
(b) Companies in the same group	—	—	—
(c) Other related parties	—	—	—
2. Other than related parties	—	1644.39	1644.39
<b>TOTAL</b>	<b>—</b>	<b>1644.39</b>	<b>1644.39</b>

**(6) Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted) :**

Category	Market Value Break-up or fair value or NAV	Book Value (Net of Provision)
1. Related Parties**		
(a) Subsidiaries	—	—
(b) Companies in the same group	—	—
(c) Other related parties	—	—
2. Other than related parties	5185.84	9794.80
<b>Total</b>	<b>5185.84</b>	<b>9794.80</b>

As per Accounting Standard of ICAI (Please see Note 3)

**(7) Other Information**

Particulars	Amount
(i) Gross Non-Performing Assets	50,00
(a) Related parties	—
(b) Other than related parties	50,00
(ii) Net Non-Performing Assets	—
(a) Related parties	—
(b) Other than related parties	—
(iii) Assets acquired in satisfaction of debt	—

**Notes :**

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.