

## Corporate Information

### Board of Directors

Atul Kumar Shukla	– Non-Executive & Independent Chairman
Navjeet Singh Sobti	– Executive Vice Chairman
Vinay Mehta	– Managing Director
Jagdeep Singh	– Wholtime Director
Sita Ram Bansal	– Non-Executive & Independent Director
Krishan Lall Khetarpaul	– Non-Executive & Independent Director
Surendar Kumar Sood	– Non-Executive & Independent Director
Sanjay Kumar Tiwari	– Non-Executive & Independent Director
Abdul Redha Mustafa Abdul Redha Sultan *	– Non-Executive & Independent Director
Shiv Karan Singh ®	– Non-Executive & Independent Director

\* Abdul Redha Mustafa Abdul Redha Sultan has been appointed as an Additional Director of the Company w.e.f. 11 November 2011.

® Shiv Karan Singh has resigned from the Board of Directors of the Company w.e.f. 24 April 2012

### Auditors

AVK & Associates  
Chartered Accountants  
317, 3rd Floor, Express Arcade,  
Netaji Subhash Place, Pitampura,  
Delhi 110 034

### Company Secretary & Compliance Officer

Ajay Pratap

### Bankers

Standard Chartered Bank  
HDFC Bank Ltd.  
Axis Bank Ltd.  
Punjab National Bank  
Kotak Mahindra Bank Ltd.  
State Bank of India  
Development Credit Bank  
Syndicate Bank  
Vijaya Bank  
Dena Bank  
ICICI Bank Ltd.  
Citi bank

### Registered Office

2nd Floor, 3 Scindia House,  
Janpath, New Delhi-110 001

### Registrar & Share Transfer Agent

Beetal Financial & Computer Services (P) Ltd.  
"Beetal House" 3rd Floor,  
99, Madangir, Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir,  
New Delhi - 110 062  
Phones : 011-29961281, 29961282  
Fax : 011-29961280 / 84  
E-mail : beetal@rediffmail.com; beetalrta@gmail.com  
Website : www.beetalfinancial.com

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## Notice

### TO THE SHAREHOLDERS,

NOTICE is hereby given that the 18th Annual General Meeting of the Members of ALMONDZ GLOBAL SECURITIES LIMITED will be held on Friday, the 28th day of September 2012, at 1.30 P.M. at MPCU Shah Auditorium, Shree Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054, to transact the following businesses :

### ORDINARY BUSINESS :

1. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT the Audited Balance Sheet as at 31 March 2012 and the Statement of Profit and Loss of the Company for the year ended on that date, together with Directors' Report and Auditors' Report thereon as presented to the meeting, be and are hereby, approved and adopted."
2. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Sita Ram Bansal, Director of the Company, who retires by rotation and being eligible for re-appointment, be and is hereby, re-appointed as a Director of the Company."
3. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Krishan Lal Khetarpaul, Director of the Company, who retires by rotation and being eligible for re-

appointment, be and is hereby, re-appointed as a Director of the Company."

4. To consider and if thought fit, with or without modification(s), pass the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT the retiring Auditors M/s. AVK & Associates, Chartered Accountants, (New Delhi), Registration No. 002638N, be and are hereby, re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company in consultation with the Audit Committee thereof."

### SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :  
"RESOLVED THAT Mr. Abdul Redha Mustafa Abdul Redha Sultan, who was appointed as an Additional Director of the Company and who ceases to hold office as per the provisions of Section 260 of the Companies Act, 1956, at the ensuing Annual General Meeting, and in respect of whom, the Company has received a notice in writing proposing his candidature for the office of the Director as per the provisions of Section 257 of the Companies Act, 1956, be and is hereby, appointed as the Director of the Company, liable to retire by rotation."

### NOTES :

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under Item No. 5, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors under Item Nos. 2, 3, and 5 above, are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE.
3. The Register of Members and Share Transfer Books of the Company will be closed from Monday, 17 September 2012 to Friday, 28 September 2012, both days inclusive.
4. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent namely Beetal Financial & Computer Services Pvt. Ltd. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.
5. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
6. Members / Proxies should bring the Attendance Slip, duly filled in, for attending the Meeting. In case of joint holders attending the meeting, only such joint holder who is first in the order of names, will be entitled to vote.
7. All documents referred to in the accompanying Notice and Explanatory Statement shall be open for public inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. upto and inclusive of the date of the Annual General Meeting.
8. The Company is in the process of notifying the Closure of Register of Members and Share Transfer Register from 17 September 2012 to 28 September 2012 (both days inclusive) pursuant to Section 154 of the Companies Act, 1956.
9. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
10. Members are hereby informed that pursuant to Section 205A (5) of the Companies Act, 1956 ("The Act"), the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit

of Investors Education and Protection Fund (IEPF) established by the Central Government under Sub-section (1) 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 and transferred to the Fund, as aforesaid.

11. Those Members who have not so far encashed their Dividend Warrants for the Accounting Year ended 31st March, 2005 or any subsequent years, may immediately approach the Company / Share Transfer Agent for issuance of Demand Drafts in lieu thereof.
12. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. The Company is registered with the following depositories for dematerialization of its Equity Shares :
  - i) National Securities Depositories Ltd. (NSDL) at Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013
  - ii) Central Depository Services (India) Ltd. (CDSL), at Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400001
 The Registration No. granted by NSDL & CDSL is :  
 ISIN INE-326B01027.

14. As per the provisions of Section 109A of the Companies Act, 1956, facility for making nominations is available to the Members, in respect of Equity Shares, held by them. Requests for nomination facility should be made in the prescribed form (Form 2B) a copy of which can be obtained on request from the Registered Office of the Company.
15. Members desiring any information / clarification on the Annual Accounts are requested to write to the Company at its Registered Office at least 15 days before the date of Annual General Meeting so that the same may be attended to, well in advance.
16. Re-appointment / Appointment of Directors: At the ensuing Annual General Meeting, Mr. Sita Ram Bansal and Mr. Krishan Lal Khetarpaul, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment. In the ensuing Annual General Meeting, Mr. Abdul Redha Mustafa Abdul Redha Sultan is proposed to be appointed as the Director of the Company liable to retire by rotation.

The information or details pertaining to these Directors, to be provided in terms of Clause 49 of Listing Agreements, are furnished in the Statement on Corporate Governance in this Annual Report.

By Order of the Board of Directors

New Delhi  
 August 13, 2012

**AJAY PRATAP**  
 Company Secretary

## Explanatory Statement

### Pursuant to Section 173(2) of the Companies Act, 1956

#### Item No. 5

Mr. Abdul Redha Mustafa Abdul Redha Sultan, holds a degree in Finance from San Diego State University, USA. He has played an active role in developing the business environment for the private sector in the sultanate of Oman. He was selected as a honored member of International Who's Who for the year 1999. He has also developed other institutions within the Sultanate. Some of the renowned ventures in which he actively participated include the Oman Chapter of Young Presidents Organizations Inc. (YPO) since 2003.

The Board of Directors recommends the resolution for the members' approval.

None of the Directors of the Company, except Mr. Abdul Redha Mustafa Abdul Redha Sultan, is in any way, concerned or interested in the said Resolution.

None of the existing directors of the Company has any relationship with Mr. Abdul Redha Mustafa Abdul Redha Sultan.

By Order of the Board of Directors

New Delhi  
 August 13, 2012

**AJAY PRATAP**  
 Company Secretary

**LAST FIVE YEARS AT A GLANCE**

Rs. In Lacs\*

Sl. No.	Particulars / Financial Year	2007-08	2008-09	2009-10	2010-11	2011-12
1	Gross Revenue	8869.65	6986.53	7932.45	7846.78	6078.84
2	EBITDA	1905.33	1462.82	2045.43	1629.48	264.76
3	PBT	1458.01	1013.86	1693.03	925.07	(393.39)
4	PAT	994.30	600.40	1077.57	656.25	(368.74)
5	Paid-up Equity Capital	1519.31	1519.31	1519.31	1529.10	1553.09
6	Net Worth	8462.17	9055.11	10093.64	10710.00	11091.50
7	Current Assets	12232.92	8917.62	13336.30	10059.31	7512.90
8	Current Liabilities	1047.04	1479.91	2030.30	2481.49	2164.36
9	Provisions	120.02	160.43	193.37	239.57	55.80
10	Total Assets	12969.77	9451.17	13036.64	13952.04	15509.50
11	Current Ratio	11.68:1	6.03:1	6.57:1	4.05:1	3.47:1
12	Total Assets Turnover	0.68	0.74	0.61	0.56	0.39
13	Fixed Assets Turnover	5.74	4.21	6.91	1.80	1.48
14	EPS	4.32	2.37	4.22	2.57	(1.41)

\* Figures of 2008-09 & 2011-12 may vary on account of reclassification

\* Except Sl. Nos. 11 to 14, which are ratio

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## Directors' Report

**To the Members of Almondz Global Securities Limited,**  
The Board of Directors submits the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2012.

### 1. Financial Results

Financial Results of the Company for the year under review are summarized as under:

(Rs. in Lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
Gross Income	6078.84	7846.78
Profit before Interest, Depreciation & Tax	264.76	1629.48
Less : Interest	349.01	432.44
Less : Depreciation	309.14	271.97
Less : Provision for Tax	(24.65)	268.82
Net Profit after Tax	(368.74)	656.25

### 2. Dividend

Based on your Company's performance, your Directors do not recommend dividend for the financial year ended 31 March 2012.

### 3. Standalone & Consolidated Financials

For the year ended March 31, 2012, your Company earned a total income of Rs. 6078.84 Lacs, as against previous year's Rs. 7846.78 Lacs. As per the Consolidated Accounts, the total income is Rs. 10869.79 Lacs, as against the previous year's Rs. 10029.33 Lacs. The Company has incurred a loss of Rs. 368.74 Lacs in the current year as compared to profit of Rs. 656.25 Lacs in the previous year. As per the Consolidated Accounts, the net profit for the year is Rs. 21.67 Lacs as compared to Rs. 988.09 Lacs in 2010-11.

### 4. Human Resources

At your Company, employees continue to be the key driving force of the organization and remain a strong source of our competitive advantage. We believe in aligning business priorities with the aspirations of employees leading to the development of an empowered and responsive human capital. We strive to create a work environment which encourages innovation and creativity.

As on 31 March 2012, your Company has a diverse employee base with 370 employees all over India. This heterogeneous base is central to sustaining the Company's competitive edge.

The HR function in Almondz Global has been re-aligned and closely integrated with business units in order to support operational agility, to be scalable for the Company's future growth, as well as to achieve higher employee satisfaction.

Going forward, the new structure will support greater focus for strategic initiatives and also provide more leadership growth in the Company.

### 5. Consolidated Financial Results

As required under Clause 32 of the Listing Agreements with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries is attached. The Consolidated Financial Statements have been prepared in accordance with Accounting Standards 21 issued by the Institute of Chartered Accountants of India.

### 6. Cash Flow Statement

In conformity with the provisions of Clause 32 of the Listing Agreements with the Stock Exchanges, the Cash Flow Statement for the year ended 31 March 2012 is annexed hereto.

### 7. Corporate Governance

Corporate Governance is about commitment to values and about ethical business conduct. It stems from the culture and mindset of a management. Measures of Corporate Governance emanate not only from Regulation, but also because managements now clearly understand that good and transparent governance is the cornerstone on which lasting values can be created. Your company strives for excellence with the objective of enhancing shareholders' value and protecting the interest of stakeholders. At Almondz Global Securities, we ensure the practice of the Principles of Good Corporate Governance on which management decisions are based on a set of principles influenced by the values. All functions of the Company are discharged in a professionally sound, competent and transparent manner.

A detailed report on the Company's commitment at adopting good Corporate Governance Practices is enclosed. The Auditors' certificate on compliance with the mandatory provisions of the Corporate Governance Clause (Clause 49 of the Listing Agreement) is annexed therewith.

### 8. Corporate Governance Report and Management Discussion and Analysis Statement

A report on Corporate Governance is attached to this Report as also a Management Discussion and Analysis statement.

The Annual Report has a detailed chapter on Management Discussion and Analysis, which forms a part of this report.

### 9. Policy on Insider Trading

Your Company formulated and implemented a Code of Conduct for Prevention of Insider Trading (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended till date. The Board of Directors appointed Mr. Ajay Pratap, Company Secretary, as the Compliance Officer under the said Code responsible for complying with the procedures, monitoring adherence to the Code for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of

the Board of Directors. All the directors, Senior Management Personnel and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company or its client/s, are covered under the said Code. The Directors, Senior Management Personnel, designated employees, and their dependent relatives, are restricted in dealing in the shares of the Company or its clients while in possession of unpublished price sensitive information about the Company or its clients, as the case may be. Further, the aforesaid persons are restricted in dealing in shares of the Company during closed "Trading Window". All the Directors, senior management personnel and other designated employees of the Company are restricted from entering into opposite transactions, i.e., buy or sell any number of shares during the next six months following the prior transaction, and they are also restricted from taking any positions in derivative transactions in the shares of the Company at any time, as per the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2008.

The Code of Conduct is available on your Company's website.

#### **10. Directors' Responsibility Statement**

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("Act"), and based on the representations received from the operating management, the Directors hereby confirm that:

- i. in the preparation of the Annual Accounts for the year 2011-12, the applicable Accounting Standards have been followed and there are no material departures;
- ii. they have selected such accounting policies in consultation with the statutory auditors and applied them consistently and 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 at the end of the financial year 2011-12 and of the profit of the Company for the said financial year;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. they have prepared the Annual Accounts on a going concern basis.

#### **11. Subsidiary Companies**

During the year under reporting, the Company had six subsidiaries namely Almondz Finanz Ltd., Almondz Debt Advisors Ltd. (Step-down Subsidiary), Almondz Commodities Pvt. Ltd., Almondz Retail Equity Ltd., Almondz Insurance Brokers Pvt. Ltd., and Almondz Re-insurance Brokers Pvt. Ltd. (Step-down Subsidiary).

Out of the aforesaid, Almondz Retail Equity Ltd. and Almondz Debt Advisors Ltd., have not started operating during the year under report as the said companies are still in the process of finalizing plans.

In terms of general approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies have not been attached with the Balance Sheet of the Company. The Company will make available these documents and related detailed information upon request by any shareholder of the Company / subsidiary interested in obtaining the same.

However, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial statements of its Subsidiaries. The Financial Statements of the subsidiary companies are also available for inspection by the shareholders at the Registered Office of the Company and that of its respective subsidiaries.

The following information in aggregate for each subsidiary has been disclosed in the consolidated balance sheet (a) capital (b) reserves (c) total assets (d) total liabilities (e) details of investment (except in case of investment in subsidiaries) (f) turnover (g) profit before taxation (h) provision for taxation (i) profit after taxation (j) proposed dividend for exemption from attaching the said documents with the Balance Sheet of the Holding company.

1. The holding as well as subsidiary companies in question shall regularly file such data to the various regulatory and Government authorities as may be required by them;
2. The company shall give Indian rupee equivalent of the figures given in foreign currency appearing in the accounts of the subsidiaries companies along with exchange rate as on closing day of the financial year.

#### **12. Particulars required as per Section 212 of the Companies Act, 1956**

The Statement pursuant to Section 212 of the Companies Act, 1956, containing the details of the Subsidiary Companies as on 31 March 2012 is enclosed.

#### **13. Fixed Deposits**

During the year under Report, your Company had not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

#### **14. Directors**

During the year under Report, Mr. David John Wilson (as nominated by Al Anwar Holdings SAOG, Sultanate of Oman) had resigned from the directorships of the Company w.e.f. 8 August 2011, and in his place, Mr. Abdul Redha Mustafa Abdul Redha Sultan had been inducted (as nominated by Al Anwar Holdings SAOG) as Additional Director of the Company w.e.f. 11 November 2011. As per the provisions

of Section 260 of the Companies Act, 1956, Mr. Abdul Redha Mustafa Abdul Redha Sultan shall hold office only up to the date of the ensuing 18th Annual General Meeting of the Company. The Company has received notice under Section 257 of the Act along with the requisite deposit, in respect of the abovestated person, proposing his appointment as an Ordinary Director of the Company retireable by rotation.

Mr. Shiv Karan Singh non executive and independent director has resigned from the Board of Directors of the Company on 24 April 2012.

Mr. Sita Ram Bansal and Mr. Krishan Lall Khetarpaul, Directors, retire by rotation at the ensuing 18th Annual General Meeting.

## 15. Employees Stock Option Plan

To share the value created by the employees and to promote the culture of employee ownership in your Company, your Company introduced the "Almondz Global Securities Employees Stock Option Scheme 2007" ('the Scheme' or "ESOS 2007") for granting, offering and issuing upto 4500000 options or 15% of paid-up share capital of the Company, whichever is lower, in one or more tranches which was also approved by the shareholders on March 4, 2008 through Postal Ballot. Thereafter, the Scheme was amended vide approval of the shareholders of the Company by passing a Special Resolution on 13 April 2010 by way of postal ballot, thereby increasing the number of options which can be granted under the Scheme from 4500000 or 15% of paid-up share capital of the Company, whichever is lower, to 1,50,00,000 or 50% of paid-up share capital of the Company, whichever is lower.

During the year under Report, 550000 options have been granted by the Company and 302500 options lapsed.

Further, during the year under Report, pursuant to the Scheme and the terms of the grants made, an aggregate of 333496 options got vested in the optionholders as per the applicable vesting schedule of the respective grant.

Details of the options issued under ESOS 2007, as also the disclosures in compliance with Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in the Annexure to this Report.

None of the management employees has received options exceeding 5% of the number of the options issued during the year ended 31 March 2012. Likewise, no employee has been issued stock options, during the period under Report, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

## 16. Issuance of Equity Shares

During the year under Report, under the "Almondz Global Securities Employees Stock Option Scheme 2007", out of ESOS Series 'D', an aggregate of 400000 options; were exercised by the respective grantee-employees, which were allotted by your Company on August 8, 2011.

## 17. Listing of Equity Shares

During the year under Report, the equity shares of your Company are listed at National Stock Exchange of India Ltd., Mumbai, and Bombay Stock Exchange Limited, Mumbai.

## 18. Ratings for Term Funding

During the year under report, no rating was accorded to your Company's term borrowings.

## 19. Auditors & Auditors' Report

M/s. B S R & Co., Chartered Accountants, Gurgaon (Haryana) were appointed as Statutory Auditors of the Company at the last Annual General Meeting held on September 29, 2011. The Statutory Auditors of the Company had resigned and had submitted a letter dated 26 June 2012 to your Company, intimating us of this fact, therefore creating casual vacancy in the office of Auditors. The casual vacancy caused by resignation of the Statutory Auditors was filled by appointing M/s AVK & Associates Chartered Accountants, New Delhi (Membership No. 002638N) as Auditors of the Company for the period from 4th August 2012 till the conclusion of forth coming Annual General Meeting.

Now, the Statutory Auditors, M/s AVK & Associates, Chartered Accountants (Firm Registration No. 002638N), of your Company are due for retirement at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. Certificates have been received from them to the effect that their re-appointment as Auditors of the Company, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. They have also confirmed that they hold a valid peer review certificate as prescribed under Clause 41(1)(h) of Listing Agreement. Your Directors recommend their re-appointment for the ensuing year, i.e. FY 2012-13.

The members are requested to re-appoint M/s AVK & Associates, Chartered Accountants, as the Statutory Auditors of the Company, for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

The Auditors' Report read with the relevant notes thereon are self-explanatory and hence, do not call for any comments under Section 217 of the Companies Act, 1956.

## 20. Particulars of Employees

The Ministry of Corporate Affairs, by notification dated 31 March 2011, issued the Companies (Particulars of Employees) Amendment Rules, 2011, which amended the limits of remuneration of the employees mentioned under Companies (Particulars of Employees) Rule, 1975. Accordingly, as per the Companies (Particulars of Employees) Amendment Rules, 2011 read with the provisions of Section 217(2A) of the Companies Act, 1956, details of the names and other particulars of employees drawing remuneration aggregating to more than Rs. 60,00,000 (Rupees Sixty Lacs) per annum, and Rs. 5,00,000 (Rupees Five Lacs) per month, are required to be attached to this report. Accordingly, the

requisite information is given in an Annexure forming part of this Report.

**21. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

The particulars as prescribed under Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 in relation to Conservation of Energy and Technology Absorption are not applicable to your Company during 2011-12.

**22. Foreign Exchange Earnings & Outgo**

During the year under review, foreign exchange earnings and outgo were as under :

Earnings : Rs. 4896851/-

Outgo : Rs. 41095/-

**23. Acknowledgements**

Your Directors would like to place on record their gratitude for all the guidance and co-operation received from the Securities and Exchange Board of India, the Bombay Stock

Exchange Limited, National Stock Exchange of India Limited, National Securities Depository Limited, Central Depository Services (India) Limited and other government and regulatory agencies.

Your Directors are grateful to the Company's clients, investors, bankers and other business associates for their continued support.

Your Directors would also like to take this opportunity to express their appreciation to the dedicated and committed team of employees for their contribution to the Company and rendering high quality services to the clients. We would also like to thank all our shareholders for their support in our endeavours.

For and on behalf of the Board of Directors

New Delhi  
August 13, 2012

**ATUL KUMAR SHUKLA**  
Chairman



## Annexure 'A' to Directors' Report

## PARTICULARS OF EMPLOYEE / S PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

Name of the Employee	Remuneration received (Rs. in Lacs)	Nature of Employment (Permanent/ Contractual)	Other Terms & Conditions	Nature of Duties of the Employee/ Designation	Qualification & Experience of the Employee	Date of Commence-ment of Employment	Age of the Employee	Last Employment held by such Employee before join ing the Company
Navjeet Singh Sobti	103.39	Permanent	Appointed for a period of 5 Years	Executive Vice Chairman	B. Com., FCA	19 May 2011	45	N.A.
Vinay Mehta	82.86	Permanent	Appointed for a period of 5 Years	Managing Director	MA, MBA	19 May 2011	58	Centurion Bank of Punjab Ltd.

\* None of the aforesaid employees is related with any director of the Company.

## Annexure 'B' to Directors' Report

## Disclosure pursuant to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (As on 31 March 2012)

Nature of Disclosure		Particulars
a)	Options granted during the year	ESOS 2007 : 550000 options
b)	Pricing Formula	<u>Sixth Tranche (granted on June 11, 2011)</u> The exercise price was determined as Rs. 27.45 (Rupees Twenty Seven and Forty Five paise Only) which was the closing price of the equity shares of the Company at Bombay Stock Exchange Ltd., having higher trading volume in the equity shares of the Company on the trading date immediately preceding the date of meeting of Compensation Committee in which 5,50,000 options were granted.
c)	Options vested during the year	333496
d)	Options exercised during the year	400000
e)	The total number of shares arising as a result of exercise of options during the year	400000
f)	Options lapsed during the year	302500
g)	Variation of Terms of Options	The exercise price for all the outstanding options of Tranches First to Fifth were revised to Rs. 26.65 by the Compensation Committee in its meeting held on 7 July, 2011
h)	Money realized by exercise of options (Including Tax)	Rs. 1,06,60,000/-
i)	Total number of options in force (at the end of the year)	ESOS 2007 : 3294300 options
j)	Employee-wise details of options granted i) Senior Managerial Personnel	Arvind Konar - 100000 Sankha Dasgupta - 50000 Ronojit Ukil - 15000
	ii) Any other employee who received a grant in any one year of option amounting to 5% or more of options granted during that year	Nil
	iii) identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
k)	Diluted Earnings per Share	Rs. (1.41)

Nature of Disclosure		Particulars
l)	Difference between the employee compensation cost, computed using the intrinsic value of the stock options, and the employee compensation cost that shall have been recognized, if the fair value of the options was used	Rs. 65,11,047/-
	The impact of this difference on profits and on EPS of the Company	Loss after deduction of the difference between employee compensation costs as computed hereinabove Rs. 4,33,85,423/-
m)	i. Weighted average exercise prices and weighted average fair values of options whose exercise price equals the market price of the stock	Sixth Tranche : Rs. 27.45 and Rs. 14.56
	ii. Weighted average exercise prices and weighted average fair values of options whose exercise price is less than the market price of the stock	Nil
	iii. Weighted average exercise prices and weighted average fair values of options whose exercise price exceeds the market price of the stock	Nil
n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information :	Black Scholes Option Pricing Method*
		Sixth Tranche
	(i) risk-free interest rate (%)	7.99 - 8.24%
	(ii) expected life (No. of years)	3.5 - 5.5
	(iii) expected volatility (%)	53.4%
	(iv) dividend yield (%)	0.00%
	(v) the price of the underlying share in the market at the time of option grant	27.50

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## Management Discussion and Analysis Report

### FORWARD LOOKING STATEMENTS

Statements in this Management Discussion and Analysis of Financial Conditions and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities' laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government/regulatory regulations, tax laws, economic developments within the country and such other factors.

### (A) INDUSTRY STRUCTURE & DEVELOPMENT

The last year few years have been extraordinary in the economic history of India with the last year being particularly difficult. FY12 GDP came in at 6.5% compared with 8.4% in FY11. The past year witnessed interest rate hikes, reduced consumption spending (adjusted for inflation), slowdown in investments and weakening industrial growth. Business confidence has also been severely impacted with important policy decisions being delayed. Global economic developments have also not been supportive. Supply side bottlenecks continue to play havoc with commodity prices, keeping up the pressure on inflation. RBI was caught in an unenviable position of controlling inflation while managing impact on economic growth. However, there is hope that inflation should start coming down in FY12.

Nevertheless, India still remains amongst the high-growth economies globally for the coming years. Admittedly, there are key challenges that need to be met head on. Chief among them are keeping the momentum on infrastructure development, spread of financial intermediation and financial inclusion, improvement in governance and productivity enhancement. As business confidence is restored with measures in the right direction, investment spending should be back on track.

#### Industry overview

Indian equity markets were among the worst performing markets globally. While Indian capital markets may have lost some of its sheen, it still remained on the radars of investors as a favoured investment destination. As regulators and Government continue to work towards policy liberalisation and structural reforms, benefits in the form of higher efficiencies and growth will accrue to all stakeholders. As mentioned earlier, despite a lower growth than previous years, India's GDP growth is still expected to be higher than most other developed and developing countries. This should ensure reasonable capital flows (all else equal), throwing up exciting business opportunities. Regulatory initiatives to develop the bond markets are particularly exciting. Limits for accommodating foreign investors in corporate and Government bonds were increased during the year. Regulatory changes continue to be effected to increase the breadth and depth of fixed income markets. For instance,

credit default swaps were introduced last year. While the product may not have taken off, we believe that it was a step in the right direction.

We have built and managed our business through challenging times and this time too we are firm in our resolve to look ahead and turn challenges into opportunities by devising and implementing coherent strategies in an intelligent manner.

### (B) OPPORTUNITIES & THREATS

As a financial services intermediary, the company's growth and profitability are, to a large part, dependent on the stable growth and functioning of the Capital markets. The growth of financial services sector will allow the Company to grow businesses in each of the verticals. The fundamentals of the economy are perceived to be good and the country, as a whole, is primed for sustained development in the years to come.

Macroeconomic environment including high inflation, high interest rates, liquidity issues, global commodities prices, fiscal and current account deficit, a poor monsoon and Eurozone crisis can play spoilsport with the India growth story.

### (C) SEGMENT-WISE PERFORMANCE

The following table sets forth the net revenues, operating expenses and pre-tax earnings of various business segments of the Company :

Rs. in Lacs)

Segment		Year ended 31 March 2012	Year ended 31 March 2011
Debt & Equity Market Operations	Net Revenue	416.21	1117
	Expenses	191.93	404
	Profit before Tax	224.20	713
Corporate Finance / Advisory Fees	Net Revenue	2192.84	3226
	Expenses	1486.44	1684
	Profit before Tax	706.40	1542
Distribution Operations	Net Revenue	1927.36	1442
	Expenses	1815.70	1180
	Profit before Tax	111.66	262
Equity Broking	Net Revenue	1117.20	1727
	Expenses	1499.46	2045
	Profit before Tax	(382.26)	(318)

#### Debt & Equity Market Operations

Our Debt Market operations comprise dealing/trading in securities, bonds, etc. During FY 2011-12, elevated interest rates levels have impacted turnover and profitability. RBI maintained a hawkish stance on interest rates in FY 11-12. However, if inflation is controlled in the forthcoming year, one can expect interest rate cuts, which are generally favorable for fixed income trading.

### **Corporate Finance**

Our Corporate Finance activities include merchant banking (SEBI registered Category-I merchant banker), underwriting, portfolio management, acting as arranger of debts/bonds, etc., corporate & infrastructure advisory and loan syndication. We also have a Private Equity advisory which provides transaction structuring, strategy formulation, target identification, valuations, negotiations i.e. end-to-end execution.

Muted capital market impacted this service line performance conditions. Further, SEBI has passed two ad-interim ex-parte orders as discussed in the Corporate Governance Report. These orders prohibited us from taking new assignment or involvement in any new issue of capital including IPO, follow-on issue etc. from the securities market in any manner whatsoever, from the date of this order till further directions. Consequently, all activities requiring a merchant banking license have been suspended, impacting our performance in related service lines.

Corporate Finance performance is expected to improve with improvement in the general economic climate and business confidence. Resumption of merchant banking activities is contingent on the outcome of the ongoing SEBI matters.

### **Distribution**

Distribution activities comprise broking and commission of / from mutual funds, equity IPOs, capital gain bonds, fixed deposits of government undertakings, RBI taxable bonds, PMS, etc. During FY-2011-12 the Company had earned income of Rs. 1927.36 Lacs as compared to Rs. 1442 Lacs in the previous. Performance is expected to improve as investor sentiments improve.

### **Equity Broking**

We offer equity broking services to Retail and Institutional clients in the cash and derivative segments. These clients include mutual funds, banks, financial institutions, insurance companies, and FIs. The equity broking is witnessing unprecedented pressure. Un favorable market conditions with depressed investor sentiments is deeply impacting performance.

## **(D) OUTLOOK**

While the year FY12 faced considerable headwinds from high inflation, high interest rates, liquidity tightness, high oil prices, pressure on exchange rates, fiscal and current account deficit leading to a decline in business confidence. The outlook for the coming year is somewhat mixed with Investors foreseeing significant headwinds for the economy in the coming months. Inflation remains a challenge, giving the RBI very little elbow room for continued monetary easing. The steady depreciation of the rupee is another yet more serious worry. Global events such as debt crises in certain European countries will determine the risk appetite of global fund managers. The situation calls for strategies to reduce cost and improve business to the extent possible.

## **(E) RISKS & CONCERNS**

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organisation's success. Globalization, with increasing integration of markets, newer and more

complex products & transactions and an increasingly stringent regulatory framework has exposed organisations to newer risks. As a result, today's operating environment demands a rigorous and integrated approach to risk management.

Timely and effective risk management is of prime importance to our continued success. The risk for the Company arises mainly out of the risks associated with the operations we carry. Experienced professionals review and monitor risks in our Company. We have formulated comprehensive risk management policies and processes to mitigate the risks that are encountered in conducting business activities. The management also periodically reviews the policies and procedures and formulates plans for control of identified risks and improvements in the systems. A risk/compliance update report is regularly placed before the Board of Directors of the Company. The Directors review the risk/compliance update reports and the course of action taken or to be taken, to mitigate and manage the risks. The internal audit carried out by external firms of auditors also provides a review of the risks attendant in various businesses and the effectiveness of processes on a periodical basis. These reports are placed before the Audit Committees of the Company.

We manage the following categories of risks :

- ◆ **Market Conditions and Market Risk** – The domestic and global economic conditions and markets will always be a major factor in the business of financial intermediation and adverse change in conditions invariably leaves a larger than normal impact. However, beyond the universality of this risk, the Company's business is exposed to Market Risk only to the extent of its investments in its proprietary debt portfolio. This Market Risk is contained to appropriate levels through well defined and Board laid down policies and is monitored on a daily basis.
- ◆ **Financial Risks :**
  - **Liquidity Risks** – The Company requires funds for its operations, growth and expansion projects. It has sufficient committed lines of credit from various banks in India to fund the operations as well as expansion projects. The Company has a strong continued focus and review mechanism for cash flow management and control on borrowings from the banks. This ensures that while liquidity is maintained for the Company, it does not borrow above generally accepted financial norms and is able to meet the obligations to the banks without any default. For organic growth plans, the primary source is internal accruals of cash.
  - **Interest Risk** – The Company is exposed to the interest rate risks on its borrowings. It evaluates the various sources of short term funding to have a lower blended rate of interest.
- ◆ **Credit Risk** – This risk manifests when debtors do not perform their obligations. Both Credit Risk and Counter-Party Risk have been elaborately defined in our Company's Investment Policy that governs all investment decisions, and its stipulations are strictly adhered.
- ◆ **Operational Risk** – The Company's operations under each of its business verticals are the subject of

elaborate and well defined Policies so as to cover all internal processes. The Company also has a system of internal audit that encompasses all operational areas.

- ◆ **Legal & Regulatory Risk** – The Company is in the business of financial intermediation and is committed to adhere to very high compliance standards. This is imperative in any regulated business as the business' continuance is otherwise at risk. Substantial legal liability or a significant regulatory action against the Company could have material adverse financial effects or cause significant reputational harm.
- ◆ **Internal Controls Review** – The Company has strong internal controls and review mechanism. A detailed audit process and audit plan by external agencies cover the key risks identified through the risk management program, wherein existence and effectiveness of the control measures indicated against the risks are verified. The review of the process and findings is done by the senior management on a monthly basis and is an integral part of the performance management of the organisation.
- ◆ **Economic and Political Risks** – The Company is fairly exposed to the domestic and global political and economic risks. The risks arising out of any downturn in the economic conditions of the global markets, as felt in the last year, could have an adverse impact on the performance of the company. Performance and growth is also dependent upon the health of the overall Indian economy and political stability.
- ◆ **Competition Risks** – The Company operates in a highly competitive environment. The demand for the Company's services and solutions depend upon various domestic and global factors and most importantly the customer's plans and ability to incur expenditure / investment. In the existing market and with existing customers also, new competitors may come in and put pressure on volume and pricing of the Company's services and solutions. To mitigate the above risks, the Company continuously endeavour to maintain a very good relationship with the customers / clients and endeavour to keep introducing enhanced features in services to improve value proposition to its customer / clients.
- ◆ **Human Resource Risks** – The Company's success depends largely upon the quality and competence of its management team and key personnel. Attracting and retaining talented professionals is, therefore, a key element of the Company's strategy and a significant source of competitive advantage. While the Company has a salary and incentive structure designed to encourage employee retention, a failure to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on the Company's business, its future financial performance and the price of its equity shares.

#### (F) ADEQUACY OF INTERNAL CONTROLS

The Company has invested in building a system of internal controls to achieve operational efficiency, optimum resource utilization, effective monitoring, and adherence to strict

compliance standards. The Company has in place a well defined organization structure with separate business and support lines. Each line has a separate revenue, cost and contribution budget which is monitored periodically.

The budgets are in turn disintegrated over various levels within the business / support verticals to reveal individual performance. There is a well defined delegation of authority and responsibility across the organisation.

#### (G) OPERATIONAL PERFORMANCE

Almondz is an integrated financial services group, offering a wide range of services to a significant clientele.

The group has interests in investment banking, institutional equity sales, trading, research, and broking, private and corporate wealth management, equity broking, depository services, portfolio management, commodity broking, NBFC (Non-Banking Finance Company) activities, private equity, insurance broking and reinsurance broking. The values of integrity, teamwork, innovation, client focus, performance and partnership shape the corporate vision and drive its purpose.

We provide a wide range of advisory services for capital market transactions including raising of capital, mergers, acquisitions, restructuring, debt portfolio management, financial advisory (investment advisory and equity broking services), depository participant services, and private equity – to a diversified client base of corporates.

Our services include origination, preparation of placement materials, structuring the transactions, negotiation on financial and strategic terms, facilitating due-diligence and deal closure. Our research capabilities and in-depth capital market expertise enables us to design and execute customised solutions for our clients.

Our institutional equities business offers quality research based broking services to domestic and offshore institutional clients.

Our services revolve around three key tenets :

- ◆ High Quality Research with a focus on new stock ideas and keeping ahead of competition.
- ◆ Intensive Client Servicing with a view to keep investors abreast of important corporate news and market trends.
- ◆ Efficient Trade Execution complimented by hassle-free post-trade settlement.

We offer research-based investment advisory and equity broking services to corporate, high net-worth individuals and retail investors across a wide range of financial products. We endeavour to be among the most reputed brokerage houses in India, offering comprehensive investment advisory and investment management services to institutions, corporates, and high net-worth individuals. We provide financial planning, research-based investment consulting services and execution capabilities.

#### FINANCIAL PERFORMANCE

For the year ended March 31, 2012, your Company earned a total income of Rs. 6078.84 Lacs, as against previous year's total income of Rs. 7846.78 Lacs. As per the Consolidated Accounts, the total income is Rs. 10869.98 Lacs, as against the previous year's income of Rs. 10029.33

Lacs. The Company has incurred a loss of Rs. 368.74 in the current year as compared to a profit of Rs. 656.25 Lacs in the previous year. As per the Consolidated Accounts, the net profit for the year is Rs. 21.67 Lacs as compared to Rs. 988.09 Lacs in 2010-11.

**(H) HUMAN RESOURCES DEVELOPMENT**

The nature of your Company's business requires trained and skilled professionals. Your Company has been successful in attracting and retaining qualified professionals, by offering them a challenging work environment, coupled with competitive compensation including stock ownership. Financial services are a knowledge intensive sector where employee skills form a critical component in service delivery. Your Company is involved in developing comprehensive in-house training sessions to make sure that all employees identify with your Company's vision, purpose and imbibe the ethos of the organisation.

The Company's team strength spread across all business and support lines stood at 370 on 31 March 2012. The Company has a young and vibrant team (average age : 32 years) of qualified professionals.

**(I) CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements, drawn up in accordance with the applicable Accounting Standards, form part of the Annual Report. The Ministry of Corporate Affairs, vide General Circular No. 2/2011 (No. 5/12/2007-CL-III) dated 8th February 2011 granted general exemption from attaching the balance sheet/s of the subsidiaries provided prescribed conditions are complied with by the Holding company.

Pursuant to the aforesaid General Circular, the Balance Sheets, Profit and Loss Accounts, Reports of the Board of Directors and Reports of the Auditors of the Subsidiary Companies, have not been attached to the Balance Sheet of your Company. Your Company undertakes that the annual accounts of its subsidiary companies and the related detailed information shall be made available to our shareholders and shareholders of subsidiary companies seeking such information at any point of time. The requisite financial information relating to all the Subsidiary Companies, in the aggregate, has been disclosed in the Consolidated Financial Statements, as required under the aforesaid General by the Central Government as part of its approval. Further, annual accounts of the Subsidiary Companies and related detailed information will be available for inspection by the members, at the Registered Offices of the Company and the Subsidiary Companies concerned, and also will be made available to the members upon request.

Besides, the details of the accounts of individual subsidiary companies are also put on your Company's website [www.almondzglobal.com](http://www.almondzglobal.com)

**(J) CORPORATE SOCIAL RESPONSIBILITY**

At Almondz, an essential component of our corporate social responsibility is to care for our community. In our endeavour to make a positive contribution towards the lesser privileged communities by enabling them to be self reliant by supporting a wide range of socio-economic, educational and health initiatives.

**(K) INTERNATIONAL FINANCIAL REPORTING STANDARDS**

Convergence with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) is gaining the attention of companies, regulators and investing communities across the world. Many countries have adopted IFRS and some of them, including India, are in the process of adopting the same.

Various Indian regulators in India have laid down a roadmap towards implementation of IFRS in India. Based on the recommendations of a Core Group set up to facilitate IFRS convergence in India, the Ministry of Corporate Affairs (MCA), in consultation with RBI, has announced the approach and timelines for achieving convergence by financial institutions including banks, insurance companies and non-banking finance companies (NBFCs), which requires a phased approach to achieve convergence for banks. As per the roadmap, all listed companies will convert their opening balance sheet as at April 1, 2014 in compliance with the IFRS converged Indian Accounting Standards.

SEBI has issued a circular on amendments to the Equity Listing Agreement which provides for an option for listed entities to submit their consolidated financial results either in accordance with the accounting standards specified in Section 211 (3C) of the Companies Act, 1956 or in accordance with IFRS as issued by the International Accounting Standards Board (IASB). It also provides that entities shall provide a reconciliation of significant differences between the figures as per IFRS and figures as per the notified accounting standards. Submission of standalone financial results to the stock exchanges shall continue to be in accordance with the Indian GAAP requirements.

Currently, we report our financials under Indian GAAP and would migrate our financial statements to the IFRS converged Indian Accounting Standards as per the roadmap announced by MCA.

**(L) STATUTORY DISCLOSURES**

The information required under Section 217(2A) of the Companies Act, 1956 and the rules made there under, are given in the annexure appended hereto and forms part of this report.

The provisions of Section 217(1)(e) of the Act relating to conservation of energy and technology absorption do not apply to your Company. The Company has, however, used information technology extensively in its operations.

The report on the Corporate Governance is annexed herewith and forms part of this report.

The Ministry of Corporate Affairs issued "Corporate Governance Voluntary Guidelines" in December 2009. While these guidelines are recommendatory in nature, the Company is already following some of the guidelines and will examine the possibilities of adopting the remaining guidelines in an appropriate manner.

## Corporate Governance Report

*[Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges and forms a part of the Report of the Board of Directors]*

The Corporate Governance Report for the year 2011-12 which has been prepared pursuant to the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges contains details relating to the aforesaid year.

### I. Company's Philosophy on Corporate Governance

Your Company continues to be committed to the adoption and continuation of the best in corporate governance practices. These governance practices rest on a rigidly held belief in Board accountability to the Company and shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders as well as superior transparency and timely disclosure. Alongside, the Company continues to strengthen the quality of its disclosures, be transparent in all its dealings, and be fully compliant to all regulatory requirements. The Company believes that it is good corporate governance that alone protects the trust and expectations of the shareholders, customers, employees, government agencies, and the society at large.

The report on Corporate Governance, as per the applicable provisions of Clause 49 of the listing agreement is as under :

### II. Board of Directors

- i) At the end of the year under Report, the Company had 10 (Ten) Directors with a Non-Executive Chairman. Of the Ten Directors, Seven (i.e. 70%) are Non-Executive Directors (including Five Independent Directors) and Three (i.e. 30%) are Executive Directors. On 11 November 2011, a non-executive director (as nominated by Al Anwar Holdings SAOG, Sultanate of

Oman) namely Mr. Abdul Redha Mustafa Abdul Redha Sultan was appointed as Additional Directors on Board of the Company. However, w.e.f. 24 April 2012, Mr. Shiv Karan Singh has resigned from the directorship of the Company. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2012 have been made by the Directors to the Company.
- iii) The names and categories of the Directors on the Board, their age, their attendance at Board Meetings held during the year and the number of Directorships in other companies and Committee Chairmanships/ Memberships held by them are given herein below.

### (A) Composition of Board

The Company has a balanced Board, comprising Executive and Non-Executive Directors which includes independent professionals. The Chairman being Non-Executive, the total strength of Independent Directors exceeds one-third of the total strength of the Board.

Pursuant to The Securities and Exchange Board of India (SEBI) circular dated April 08, 2008 amending Clause 49 of the Listing Agreement the Chairman of your Company is neither a promoter nor related to the promoters of your Company.

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The following Table gives the composition and other information of our Board pursuant to the annual / initial disclosure made by the Board members including details of attendance on Board Meetings and on Last Annual General Meeting :

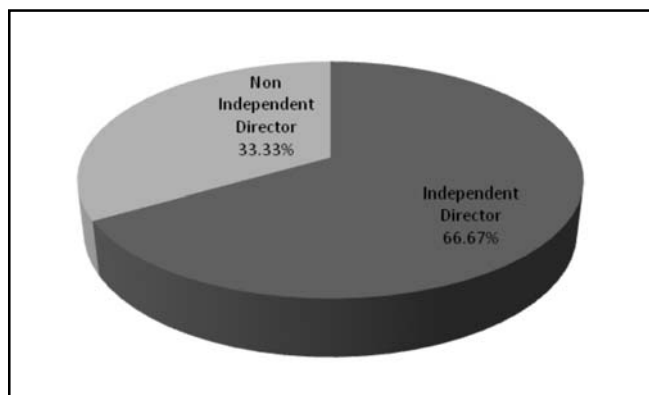
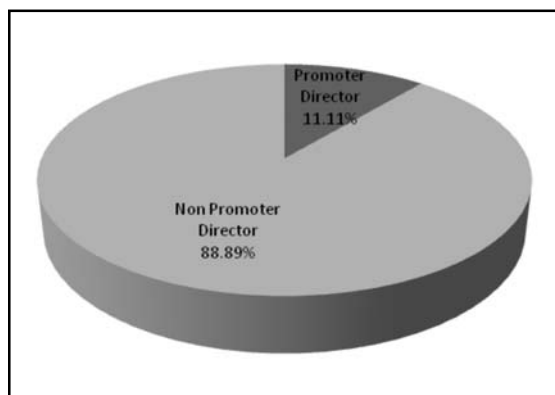
Sl. No	Name	Category / Designation	Attendance Particulars			Age (in Years)	No. of Directoship/s in other Companies <sup>^</sup>	No. of Directoship/s Membership/s Chairmanship/s in Board Committees (including those of the Company)*	
			No. of Board Meetings		Last AGM			Member	Chairman
			Held	Attended	Attended				
1	Atul Kumar Shukla	Chairman / Independent Director	6	6	No	66	5	Nil	1
2	Navjeet Singh Sobti	Exe. Vice Chairman / Promoter Director / Executive Director	6	3	No	45	2	Nil	Nil
3	Vinay Mehta	Managing Director / Executive Director	6	6	Yes	58	3	2	1
4	Jagdeep Singh	Executive Director	6	4	No	47	3	3	Nil
5	Krishan Lall Khetarpaul	Independent Director	6	6	No	69	1	Nil	Nil
6	Surendar Kumar Sood	Independent Director	6	6	No	64	Nil	Nil	Nil
7	Sita Ram Bansal	Independent Director	6	6	Yes	67	Nil	Nil	Nil
8	Abdul Redha Mustafa Abdul Redha Sultan***	Independent Director	3	1	N.A	42	Nil	Nil	Nil
9	Sanjay Kumar Tiwari	Independent Director	6	5	Yes	47	Nil	Nil	Nil
10	David John Wilson**	Independent Director	3	—	N.A	65	Nil	Nil	Nil
11	Shiv Karan Singh**	Independent Director	6	6	No	61	Nil	Nil	Nil

<sup>^</sup> Does not include private companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

\* includes membership / chairmanship of Audit Committee and Shareholders' Grievance Committees of the Board of Directors.

\*\* Mr. David John Wilson Ceased to be Director w.e.f. 08.08.2011 and Mr. Shiv Karan Singh ceased to be Director w.e.f. 24.04.2012.

\*\*\* Appointed as an Additional Director w.e.f. 11.11.2011.





The directors of your Company are not related with each other.

As to the limitation on the number of Committee positions a director can hold at a time, i.e. a director shall not be a member in more than 10 committees or act as Chairman of more than 5 committees across all companies in which he/she is a director, the said requirement is complied, as evident from the Table appearing hereinbefore. Furthermore, the directors of your Company are also adhering to the annual requirement of informing the Company about the directorships/committee positions a director occupies in other companies and notifying changes as and when they take place.

Your Company is managed by the Managing Director, Executive Vice – Chairman, Wholetime Director, and the Senior Management Team. The Board reviews and approves strategy and oversees the performance to ensure that the long term objectives of enhancing stakeholder value are met.

#### Profile of Board :

**Atul Kumar Shukla (M.Sc.), Non-Executive & Independent Chairman**, aged 66 years, is the Former Chairman of Life Insurance Corporation of India and has experience of around 42 years. He had held positions of Chairman/Non-Executive Chairman/Member/Director of many companies, some of them being LIC Housing Finance Ltd., LIC (International) B.S.C. (C) Bahrain, National Stock Exchange of India Ltd., National Commodities & Derivatives Exchange Limited, General Insurance Corporation of India, IL & FS Limited, Gujarat State Financial Corporation, Larsen & Toubro Ltd., Mittal Corp Ltd., India Infoline Trustee Co. Ltd., Gammon India Ltd., Dev Property Development Plc.

**Navjeet Singh Sobti (FCA), Promoter and Executive Vice Chairman**, aged 45 years, is one of the members of the initial team which promoted the Company and has steered the Company to its present position of strength of being one of the largest mobilizers of funds from the domestic market for all government organizations and the private sector. He currently heads the Almondz team and his main areas of specialization include investment banking, corporate advisory services and infrastructure project financing.

**Vinay Mehta (MBA), Managing Director**, aged 58 years, is a seasoned Banker having around 35 years of vast experience in various banks of repute, viz. UCO Bank, Bank of Punjab Ltd. He, in his last appointment, had acted as the Group Head – Risk with Centurion Bank of Punjab Ltd.

**Jagdeep Singh (FCA), Wholetime Director**, aged 47 years, has more than 22 years of experience in the field of marketing/distribution of financial products, viz. mutual funds, equity IPOs, private placement of debt instruments, etc. and is one of the important constituents of the Almondz team since incorporation.

**Sita Ram Bansal [LL.B., FCA, MIA (USA)], Non-Executive & Independent Director**, aged 67 years, having more than 39 years of professional experience

in the fields of Corporate Affairs, Finance & Audit, Capital Market, and other Legal Matters. He has been involved in placement of shares with FIs, Indian/Overseas Mutual Funds, planning and documentation for lease financing, factoring, etc., enlistment of shares/bonds, representing Indian Companies before RBI for various approvals pertaining to NRI/Foreign Investment in India, valuation of securities and/or undertaking as a whole, family settlements/commercial arrangements, and property & portfolio management. Presently, he is the Senior Partner of S. R. Bansal & Co., Chartered Accountants. He is the Member of Institute of Internal Auditors (USA), Member of Association of Certified Fraud Examiners (USA), worked with M/s S. R. Batliboi & Co. (now Ernst & Young, an international consultancy firm), conducted special economics in depth investigations, due diligence w.r.t. to takeovers and collaboration arrangements, besides his association with M/s Khaitan & Co., Solicitors and Advocates. He had been the Government Nominee on the Council of the Institute of Company Secretaries of India.

**Krishan Lal Khetarpaul (M.A. Economic Statistics), Non-Executive & Independent Director**, aged 69 years, is a seasoned banker having more than 38 years of experience with the Reserve Bank of India. He joined the Reserve Bank of India in 1965 as a Probationary Officer and retired from the services in the year 2003 as its Executive Director. Thereafter, he worked as the Director and CEO of Punjab National Bank Institute of Information Technology.

**Surendar Kumar Sood (Retd. IAS), Non-Executive & Independent Director**, aged 64 years, is a 1971 batch Indian Administrative Services officer. During his stint as a distinguished Civil Servant, he has vast and varied experience in administration, industrial development & policy, foreign trade, finance management and mobilization, infrastructure development, legislation & social welfare, and management of commercial enterprises at both CEO & Board level. He held the offices of Deputy Commissioner of Kinnaur & Hamirpur districts in HP; Director Industries HP; Joint Chief Controller of Imports & Exports; in-charge of Eight Northern States from UP to J&K for export promotion, administering CCS & I&E licenses; Secretary to Govt. of HP; in-charge of PWD, IPH Health & Family Welfare, Science & Technology, Tourism, Transport, Urban Development; Principal Secretary, Finance & Planning, GOHP; Joint Secretary, Deptt. of Chemicals & Petrochemicals, GOI; Director General, DGS&D, GOI; Secretary, National Commission for Scheduled Castes; Secretary to the Governor, HP; Joint Secretary, Ministry of Commerce; and Managing Director of State PSUs. He formulated the First Tourism Policy of HP, pioneered installation of hand pumps in hills by using modern scientific advances like Satellite Imagery to locate & harness sub-terranean water channels in the hills as source of pure drinking water for masses. Mr. Sood served as Director of Indian Petrochemicals Corporation Ltd., Petrofil (Baroda), Hindustan Antibiotics Ltd., Indian Drug & Pharmaceuticals Ltd., Hindustan Chemicals Ltd., HP Financial Corporation Ltd., HP Mineral & Industrial

Development Corporation, HP Tourism Development Corporation, HP State Road Transport Corporation, besides acted as the Managing Director of HP Handlooms & Handicrafts Corporation, and HP Infrastructure Development Board.

**Sanjay Kumar Tiwari (CA), Non-Executive & Independent Director**, aged 47 years, is a Chartered Accountant with accreditations from the Institute of Chartered Accountants of India and a graduate in Commerce. He has 26 years of experience in Industries ranging from Textile, Cement, Tyre & Engineering to FMCG. He has in-depth knowledge of Middle East, South East and South Asian Markets. His core expertise has been to monitor and manage the operations of varied industries from financial and commercial view point. He has also been instrumental in turning around loss making companies in countries i.e. Malaysia, Egypt, India and Middle East.

**Abdul Redha Mustafa Abdul Redha Sultan, Non Executive & Independent Director** aged about 42 years . He holds a degree in Finance from San Diego State University, USA). He has played an active role in developing the business environment for the private sector in the sultanate of Oman. He was selected as a honored member of International Who's Who for the year 1999. He has also developed other institutions within the Sultanate. Some of the renowned ventures in which he actively participated include the Oman Chapter of Young Presidents Organizations Inc. (YPO) since 2003.

#### **(B) Non-Executive Directors' Compensation and Disclosures**

All the non-executive directors of your Company are being paid Sitting Fees for each Meeting / s of the Board of Directors or Committee / s thereof, attended by them, as the case may be. During the year under review, the Sitting Fees for attending the Board meeting was Rs. 10000/- each, while the Sitting Fees for attending each meeting of the Committee(s) of the Board of Directors was Rs. 5000/- per meeting.

#### **(C) Other Provisions as to Board and Committees**

The Company's Board of Directors plays primary role in ensuring good governance and functioning of the Company.

The Board's role, functions, responsibility and accountability are clearly defined. All relevant information (as legally mandated) is placed before the Board. The Board reviews compliance reports of all laws as applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion.

During the year 2011-2012, the board met six times on May 14, 2011; May 28, 2011, August 8 2011, November 11, 2011, January 15, 2012 and February 11 2012. and the gap between two meetings did not exceed four months.

The Directors present in the meetings actively participated in the deliberations. Your Company ensures that the gap between two consecutive meetings is not more than four months. The provisions of the Companies Act, 1956 and the requirements of the Listing Agreement are duly complied with.

#### **(D) Board Procedure**

The Board of your Company comprises of professionals, experienced and active members. The presence of Independent Directors brings to the Company a wide range of experience and expertise both in their fields and boardroom practices. The Board meetings are held regularly, at least once in a quarter, to review/ approve the quarterly results. Additional meetings are held, whenever necessary, to review strategies, operations and to chart out policies and practices.

The Company Secretary prepares the Board agenda and the explanatory notes in consultation with the Managing Director.

All the key issues included in the agenda for consideration of the Board are backed by detailed background information to enable the Board to take informed decisions and the Managing Director ensures that all the Directors are properly briefed on the matters being discussed. Every Director is free to suggest inclusion of items on the agenda with the permission of the Chair. Board Meetings are scheduled well in advance, dates of the Board meetings are usually informed to all directors and auditors and other concerned officer/s two to three weeks in advance and agenda papers are circulated about seven days prior to the meeting and only in exceptional cases, some of items / related documents are tabled at the meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman. Senior management personnel are called to provide additional information/inputs for the items being discussed by the Board of Directors, as and when necessary.

The draft minutes of proceedings of the meetings of each Board are circulated to all Directors for their confirmation before being recorded in the Minute Books. Comments, if any, received from the Directors are incorporated in the minutes.

All resolutions passed by circulation by the Directors are also placed before the Board, for noting.

The Minutes of Audit Committee and other Committees of the Board are regularly placed before the Board.

The Board periodically reviews compliance reports of all laws applicable to the Company and takes steps to rectify non-compliances, if any. The members of the Board have access to all information of the Company. Every Board Meeting is well attended by sufficient number of Directors.

All the Non-Executive and Independent Directors have extensive professional and business experience and they are free from any material business or other relationships with the Company, which could interfere with the exercise of their independent judgments.

**Board Support**

The Company Secretary of the Company attends all the Meetings of Board and advises/assures the Board on Compliance and Governance principles.

**(E) Code of Conduct**

The Board of Directors of your Company laid down and adopted a Code of Conduct under Corporate Governance for all the Directors and the Senior Management Personnel of your Company. The said Code of Conduct has also been posted on the website ([www.almondzglobal.com](http://www.almondzglobal.com)) of the Company.

A Declaration from Mr. Vinay Mehta, Managing Director, of your Company, as to the affirmation of compliance forms part of this Annual Report.

**III. Audit Committee**

- i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- ii) The terms of reference of the Audit Committee are broadly as under :
  1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
  3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
  4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
    - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Sub-section (2AA) of section 217 of the Companies Act, 1956;
    - b. Changes, if any, in accounting policies and practices and reasons for the same;
    - c. Major accounting entries involving estimates based on the exercise of judgment by management;
    - d. Significant adjustments made in the financial statements arising out of audit findings;
    - e. Compliance with listing and other legal requirements relating to financial statements;
    - f. Disclosure of any related party transactions;
    - g. Qualifications in the draft audit report.
  5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  8. Discussion with internal auditors, any significant findings and follow-up there on.
  9. 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.
  10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- iii) The Audit Committee Meetings are held at the Registered Office of the Company and are usually attended by the Managing Director, Chief Financial Officer, representatives of the Statutory Auditors and representatives of the Internal Auditors. The Business Line Heads are invited to the meetings, whenever required. The Company Secretary acts as Secretary of the Audit Committee.
  - iv) The previous Annual General Meeting of the Company was held on September 29, 2011 and it was attended by Mr. Sita Ram Bansal, Chairman of the Audit Committee.
  - v) The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below :

**(A) Qualified and Independent Audit Committee**

During the year under Report, the composition of the Audit Committee was as under :

Sl. No.	Name	Category	Experienced as / Served in the past as
1.	Sita Ram Bansal Chairman	Non-Executive & Independent Director	Consultants in the fields of Corporate Laws matters, Finance & Audit, Capital Market and other legal matters.
2.	Atul Kumar Shukla Member	Non-Executive & Independent Director	Chairman of Life Insurance Corporation of India
3.	Krishan Lall Khetarpaul Member	Non-Executive & Independent Director	Executive Director of Reserve Bank of India

The Audit Committee of your Company comprises of all Non-Executive & Independent Directors and all of them

are financially literate in accordance with Explanation-1 under Sub-clause II(A) of the Corporate Governance norms (Clause 49 of the Listing Agreement). Further, Mr. Sita Ram Bansal, Director of the Company, is having accounting and related financial management expertise in consonance with Explanation 2 under Sub-clause II(A) of Corporate Governance norms, being a Chartered Accountant by profession.

Mr. Sita Ram Bansal, the Non-Executive and Independent Director, is holding the Chairmanship of the Audit Committee, and he has been attending the Annual General Meeting of the Company.

The Managing Director and the CFO of the Company are permanent invitees to the meetings of the Committee. The statutory as well as internal auditors of the Company are also invited to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Audit Committee in all its meetings held during the Financial Year under Report.

#### **(B) Meeting of Audit Committee**

During the Financial Year under Report, the Audit Committee meetings were held on 28 May 2011, 8 August 2011, 11 November 2011, and 11 February 2012.

For the approval of the Annual Accounts of the Company for FY'11-12, the meeting of the Audit Committee was held on 30 May 2012.

The attendance of the members of the Committee during the Financial Year under Report is as under :

Name / Composition	Category	Meetings Attended / Held
Sita Ram Bansal (Chairman)	Non-Executive & Independent	4/4
Atul Kumar Shukla (Member)	Non-Executive & Independent	4/4
Krishan Lall Khetarpaul (Member)	Non-Executive & Independent	4/4

The necessary quorum was present at all the meetings.

#### **(C) Review of information by Audit Committee**

The Audit Committee of your Company reviewed the management comments / analysis of financial condition and results of operations during all the quarters of the financial year under Report, as well as the internal audit reports, on a quarterly basis.

During the year under Report, all the related party transactions were well accounted for and entered in the Register maintained u/s 301 of the Companies Act, 1956.

#### **IV. Remuneration Committee**

- i) The Company has a Remuneration Committee of Directors
- ii) The broad terms of reference of the Remuneration Committee are as under :
  - a) To approve the remuneration and commission/ incentive remuneration payable to the Executive Directors, whenever required;
  - b) To approve the remuneration and Annual Performance Bonus payable to the Executive Directors for each financial year;
  - c) Such other matters as the Board may, from time to time, request the Remuneration Committee to examine and recommend / approve.
- iii) One meeting of the Remuneration Committee was held during the year on 14 May, 2011.
- iv) The composition of the Remuneration Committee and the details of meetings attended by the constituents of the Remuneration Committee during the year under report are given below :

Name / Composition	Category	Meetings Attended / Held
Sita Ram Bansal (Chairman)	Non-Executive & Independent	1/1
Atul Kumar Shukla (Member)	Non-Executive & Independent	1/1
Krishan Lall Khetarpaul (Member)	Non-Executive & Independent	1/1

- v) The Chairman of the Remuneration Committee, Mr. Sita Ram Bansal, was present at the last Annual General Meeting of the Company held on 29 September 2011.
- vi) Remuneration Policy :

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and incentive / commission (variable component) to its Managing Director and Executive Directors.

The Remuneration Committee decides on the commission/ incentive payable to the Managing Director and the

Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Companies Act, 1956, based on the performance of the Company as well as that of the Managing Director and each Executive Director.

During the year, the Company paid Sitting Fees to its Non-Executive Directors for attending meetings of the Board and meetings of various Committees of the Board.

- vii) Details of Remuneration (including stock options granted) for the year ended March 31, 2012 :

a) Non-Executive Directors :

Name	Sitting Fees (Rs. Lacs)
Atul Kumar Shukla	1.05
Sita Ram Bansal	1.25
Krishan Lall Khetarpaul	1.05
Surendar Kumar Sood	0.60
Abdul Redha Mustafa Abdul Redha Sultan *	0.00
Sanjay Kumar Tiwari	0.20
David John Wilson *	0.00
Shiv Karan Singh **	0.60

\* Appointed On 11 November 2011

\* Resigned w.e.f. 8 August 2011

\*\* Resigned w.e.f. 24 April 2012

b) Managing Director and Wholetime Directors :

Name & Designation	Salary, Perquisites, & other allowances (in Rs.)	Stock Options granted during the year	Appointment till
Navjeet Singh Sobti, Executive Vice Chairman	10339922/-	N. A.*	18 May 2016
Vinay Mehta, Managing Director	8286300/-	Nil	18 May 2016
Jagdeep Singh, Wholetime Director	4846290/-	200000	30 November 2014

\* being one of the promoters of the Company and hence not eligible for grant of options pursuant to Securities & Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 read with 'Almondz Global Securities Employees Stock Option Scheme 2007'

- viii) Details of Shares of the Company held by the Directors as on March 31, 2012 (based on disclosure made to the Company) are as below :

Name & Designation	No. of Shares held	% share holding
Atul Kumar Shukla, Chairman	Nil	N. A.
Sita Ram Bansal, Director	Nil	N. A.
Krishan Lall Khetarpaul, Director	Nil	N. A.
Abdul Redha Mustafa Abdul Redha Sultan Director *	Nil	N. A.
Surendar Kumar Sood, Director	Nil	N. A.
Shiv Karan Singh, Director**	Nil	N. A.
David John Wilson, Director *	Nil	N. A.
Sanjay Kumar Tiwari, Director	Nil	N. A.
Vinay Mehta, Managing Director	Nil	N. A.
Navjeet Singh Sobti, Executive Vice Chairman	50700	0.20%
Jagdeep Singh, Wholetime Director	292700	1.13%

\* Appointed On 11 November 2011

\* Resigned w.e.f. 8 August 2011

\*\* Resigned w.e.f. 24 April 2012

**V. Share Transfers & Shareholders Grievance Committee**

- The Company has a Share Transfers & Shareholders' Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend / notices / annual reports, etc.
- Four meetings of the Committee were held during the year on 29 April 2011, 26 July 2011, 22 October 2011, and 14 January 2012.
- The composition of the Committee and the details of meetings attended by its members during the year under Report are given below :

Name / Composition	Category	Meetings Attended / Held
Sita Ram Bansal (Chairman)	Non-Executive & Independent Director	4/4
Jagdeep Singh (Member)	Wholetime Director	4/4
Vinay Mehta (Member)	Managing Director	4/4

- iv) The minutes of the meetings of the Committee are placed in the subsequent Board Meetings held thereafter. The Company Secretary himself closely supervises the shareholders' grievances and co-ordinates with the Regulatory and Other Authorities, if need be. Pursuant to the Securities & Exchange Board of India (SEBI) Circular No. MRD/DoP/Dep/SE/Cir-22/06 dated December 18, 2006, the Company created a specific email ID, i.e. [complianceofficer@almondz.com](mailto:complianceofficer@almondz.com) for the purpose of registering complaints by investors and to take necessary follow-up action in relation thereto. The said email ID is also displayed on Company's website.
- v) The Company Secretary, who is also the Compliance Officer under Clause 47 of the Listing Agreement entered into with the Stock Exchanges whereat the shares of the Company are listed, acts as the Secretary of the Committee.
- vi) Name, designation and address of Compliance Officer :
- Ajay Pratap  
Company Secretary  
Almondz Global Securities Limited  
2nd Floor, 3 Scindia House,  
Janpath, New Delhi – 110001  
Tel : 011 4151 4666-669  
Fax : 011 4151 4665
- vii) Details of complaints received and redressed during the year under Report :

Opening Balance	Received	Resolved	Closing Balance
Nil	35	35	Nil

The complaints are generally replied to within 7-10 days from their lodgment with the Company.

## VI. Other Committees

The Board has constituted various other Committees of Directors to take informed decisions in the best interest of the Company. These Committees monitor the activities falling within their terms of reference.

### i) Management Committee

The Company is having a Committee of Executive Directors under the name and style "Management Committee" for taking decisions on routine matters in ordinary course of business with a defined set of roles.

The quorum for the meeting of the Committee is one third of the total number of Members of the Committee or two Members of the Committee, whichever is higher. During the year under review, sixteen meetings of the Committee were held on 15 April 2011, 13 June 2011, 16 May 2011, 01 July 2011, 16 July 2011, 08 August 2011, 09 September 2011, 29 September 2011, 29 October 2011, 04 November 2011, 17 November 2011, 02 December 2011, 09 December 2011, 09 January 2012, 24 February 2012, and 29 March 2012, and the

composition of the Committee and attendance of the Committee members at these meetings was as under :

Name / Composition	Category / Designation	No. of Meetings Attended / Held
Vinay Mehta, Chairman	Managing Director	16/16
Jagdeep Singh, Member	Wholetime Director	16/16
Navjeet Singh Sobti, Member	Executive Vice Chairman	4/16

### ii) Capital Expenditure Committee

The Capital Expenditure Committee of the Board overlooks the borrowing needs of the Company from various banks and financial institutions in order to purchase immovable property(ies) at various locations on behalf of the Company; and to finalise various terms and conditions, including execution of various documents / agreements, with respect to the aforesaid borrowings.

The quorum for the meeting of the Committee is one third of the total number of Members of the Committee or two Members of the Committee, whichever is higher.

During the year under report, no meeting of the Committee were held.

### iii) Committee for Further Issue of Shares

The Committee for Further Issue of Shares of the Board of Directors of the Company is constituted for the purpose of making further issue and allotment of shares / securities of the Company.

The powers of the Committee are :

- to decide about further increase in the Share Capital of the Company, the nature of Securities to be issued, including the number of Securities to be issued, face value of the Securities, rate of interest, if any, amount of premium, number of Equity Shares to be allotted on conversion, exercise of rights attached with warrants, ratio of exchange of shares and/or warrants and/or any other financial instrument, period of conversion, fixing of record date or book closure, issue schedule and other related or incidental matters;
- to finalise the Offer Documents, Form of Application and Renunciation and other documents in respect of further Securities, appoint Lead Manager(s) and Registrar(s) to the issue and any other Intermediaries as specified in the applicable laws, rules, regulations and guidelines, for the time being in force;
- to allot the Securities as offered and issued, and their Listing with the Stock Exchange(s), etc.

The quorum for the meeting of the Committee is one third of the total number of Members of the

Committee or two Members of the Committee, whichever is higher. During the year under report, no meeting of the Committee was held.

During the year under report, the composition of the Committee was as under :

Name / Composition	Category / Designation
Vinay Mehta, Chairman	Managing Director
Jagdeep Singh, Member	Wholtime Director
Navjeet Singh Sobti, Member	Executive Vice Chairman

#### iv) Compensation Committee

The Compensation Committee of the Board of Directors of the Company presently consists of Five Directors including three non-executive and independent directors, one of whom is the Chairman of the Committee.

The terms of reference / powers of the Committee are as follows :

- To frame various Plan Series under the Scheme from time to time;
- To determine the number of Options to be granted per employee and in aggregate and the times at which such Grants shall be made;
- To lay down the conditions under which Options Vested in Optionees may lapse in case of termination of employment for misconduct etc.
- To lay down the conditions under which Options Vested in Optionees may lapse in case of voluntary surrender of options by Optionees.
- To determine the Exercise Period within which the Optionee should Exercise the Options and that Options would lapse on failure to Exercise the same within the Exercise Period.
- To specify the time period within which the Employee shall Exercise the Vested Options in the event of termination or resignation of an Employee.
- To lay down, in compliance with the SEBI Guidelines, the procedure for making a fair and reasonable adjustment to the number of Options and to the Exercise Price in case of rights issues, bonus issues, merger, sale of division and other Corporate Action.
- To provide for the right of an Optionee to Exercise all the options vested in him at one time or at various points of time within the Exercise Period.
- To lay down the method for satisfaction of any tax obligation arising in connection with the Options or the Shares.
- To lay down the procedure for cashless Exercise of Options, if any.

- To provide for the Options, Vesting and Exercise of Options in case of Employees who are on long leave or whose services have been seconded to any other company or who have joined any other Subsidiary or other company at the instance of the Company.
- Framing of suitable policies and systems to ensure that there is no violation of the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and Securities Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995 by any employee of the Company.
- To formulate the detailed terms and conditions of the Scheme including terms in relation to the matters enumerated hereinbefore;
- Administration and superintendence of the Scheme.

The quorum for the meeting of the Committee is one third of the total number of Members of the Committee or two Members of the Committee, whichever is higher.

During the year under Report, four meetings of the Committee were held on 14 May 2011, 4 June 2011, 7 July 2011 and 8 August 2011.

The composition and attendance of the Committee members at these meetings were as under :

Name / Composition	Category / Designation	No. of Meetings Held / Attended
Atul Kumar Shukla, Chairman	Non-Executive & Independent	4/4
Sita Ram Bansal, Member	Non-Executive & Independent	4/4
Krishan Lall Khetarpaul, Member	Non-Executive & Independent	4/4
Navjeet Singh Sobti, Member	Executive Vice Chairman	1/4
Vinay Mehta, Member	Managing Director	4/4

#### v) Underwriting Committee

The Board of Directors constituted an Underwriting Committee for the purpose of determining the extent of underwriting commitments of the Company in relation to various issues of securities of the client companies.

The powers of the Committee are to underwrite the issues of securities of the client company/ies upto 20 times the Net Worth of the Company during the Financial Year, for each such issue.

The quorum for the meeting of the Committee is one third of the total number of Members of the Committee

or two Members of the Committee, whichever is higher.

During the year under report, no meeting of the Committee was held. The composition and category of the Underwriting Committee was as follows :

Name / Composition	Category / Designation
Navjeet Singh Sobti, Chairman	Executive Vice Chairman
Jagdeep Singh, Member	Wholetime Director
Vinay Mehta, Member	Managing Director

**vi) Limited Review Committee**

Pursuant to Circular No. SEBI/ CFD/DIL/LA/3/2007/ 10/ 07 dated July 10, 2007 of the Securities and Exchange Board of India amending Clause 41 of the Listing Agreement, the Board of Directors constituted a Committee under the name and style "Limited Review Committee".

The terms of reference /powers of the Committee are as follows :

- to approve the financial results of the Company alongwith the Limited Review Report in the eventuality of non-completion / non-placing of limited review report before the Board alongwith the relevant financial results, in order to get those sent to the stock exchanges with which the Company is listed; and
- to consider and approve the consolidated financial results of the Company in the eventuality of non-completion / non-placing of the same before the Board meeting / Board, provided the said consolidated results, once approved by the Committee, shall be placed before the Board at its next meeting held thereafter.

During the year under report, no meeting of the Committee was held. The composition of the Committee was as under :

Name / Composition	Category / Designation
Sita Ram Bansal, Chairman	Non-Executive & Independent
Jagdeep Singh, Member	Wholetime Director
Vinay Mehta, Member	Managing Director

**VII. Management Discussion & Analysis Report**

A Management Discussion and Analysis Report is forming part of this Annual Report containing Industry structure and developments, Opportunities and Threats, Outlook, Risks and concerns, Internal control systems and their adequacy, Material developments in Human Resources / Industrial Relations front, including number of people employed.

During the year under report, the Senior Management of your Company did not have any material financial and commercial

transactions where they have personal interest having a potential conflict with the interest of the Company at large.

**VIII. Shareholders**

**Brief Particulars of Directors Appointed / Re-appointed**

A brief resume of the Directors being appointed / re-appointed at the ensuing Annual General Meeting, the nature of their expertise in specific functional areas alongwith their other directorship /s and membership / chairmanship of the Committee /s (as on 31 March 2012) are hereunder :

**Sita Ram Bansal [LL.B., FCA, MIA (USA)], Non-Executive & Independent Director**, aged 67 years, having more than 39 years of professional experience in the fields of Corporate Affairs, Finance & Audit, Capital Market, and other Legal Matters. He has been involved in placement of shares with FII's, Indian/Overseas Mutual Funds, planning and documentation for lease financing, factoring, etc., enlistment of shares/bonds, representing Indian Companies before RBI for various approvals pertaining to NRI/Foreign Investment in India, valuation of securities and/or undertaking as a whole, family settlements / commercial arrangements, and property & portfolio management. Presently, he is the Senior Partner of S. R. Bansal & Co., Chartered Accountants. He is the Member of Institute of Internal Auditors (USA), Member of Association of Certified Fraud Examiners (USA), worked with M/s S.R. Batliboi & Co. (now Ernst & Young, an international consultancy firm), conducted special economics in depth investigations, due diligence w.r.t. to takeovers and collaboration arrangements, besides his association with M/s Khaitan & Co., Solicitors and Advocates. He had been the Government Nominee on the Council of the Institute of Company Secretaries of India.

Mr. Sita Ram Bansal is not holding any directorship in any other company.

**Krishan Lall Khetarpaul (M.A. Economic Statistics), Non-Executive & Independent Director**, aged 69 years, is a seasoned banker having more than 39 years of experience with the Reserve Bank of India. He joined the Reserve Bank of India in 1965 as a Probationary Officer and retired from the services in the year 2003 as its Executive Director. Thereafter, he worked as the Director and CEO of Punjab National Bank Institute of Information Technology.

Mr. Krishan Lall Khetarpaul is holding directorship in Jash Industries Ltd.

**Abdul Redha Mustafa Abdul Redha Sultan, Non Executive & Independent Director aged about 42 years** . He holds a degree in Finance from San Diego State University, USA). He has played an active role in developing the business environment for the private sector in the sultanate of Oman. He was selected as a honored member of International Who's Who for the year 1999. He has also developed other institutions within the Sultanate. Some of the renowned ventures in which he actively participated include the Oman Chapter of Young Presidents Organizations Inc. (YPO) since 2003.

Mr. Abdul Redha Sultan is not holding any directorship in any other company.



**CEO / CFO Certification**

A Certificate with respect to the prescribed matter is annexed with the Directors' Report and has been signed by Mr. Vinay Mehta, Managing Director, and Mr. Govind Prasad Agrawal, Chief Financial Officer of the Company.

**IX. General Body Meetings****i) General Meetings****a) Annual General Meetings :**

Details of Meeting	Date of Meeting	Time of Meeting	Venue of Meeting
15th Annual General Meeting (2008-09)	24 Sep., 2009	10:00 A.M.	PHD Chamber of Commerce & Industry, PHD House, 4/2, Siri Institutional Area August Kranti Marg, New Delhi – 110016
16th Annual General Meeting (2009-10)	28 Sep., 2010	3:30 P.M.	PHD Chamber of Commerce & Industry, PHD House, 4/2, Siri Institutional Area August Kranti Marg, New Delhi – 110016
17th Annual General Meeting (2010-11)	29 Sep., 2011	12:30 P.M.	MPCU Shah Auditorium, Shree Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi – 110054

**b) Extraordinary General Meeting :**

During the year under Report, no extraordinary general meeting of the shareholders of the Company was held.

**c) Special Resolutions passed during last three Annual General Meetings.**

The details of the Special Resolutions passed at the last 3 (Three) Annual General Meetings are as follows :

Annual General Meeting	Particulars of Special Resolution/s passed
17th Annual General Meeting	(1) Authorisation to alter the Articles of Association of the Company to enable the Company to conduct meetings through electronic mode.
	(2) Authorisation to alter the Articles of Association of the Company to enable the Board of Directors and Committee thereof to conduct meeting through electronic mode.
16th Annual General Meeting	(1) Authorisation to the Company for making inter-corporate loans / deposits, making investments, giving guarantee, providing security, and acquiring various securities in group / other companies, to the extent of Rs. 300 Crores.
	(2) Authorisation to the Company to create, grant, offer, issue and allot stock option to identified employee aggregating equal to or more than 1% of issued capital of the Company
15th Annual General Meeting	(1) Authorisation to the Company for allowing investments upto 49% of the issued share capital or such other maximum limit as may be prescribed from time to time from FII's, OCBs, NRIs and their sub-accounts.

**ii) Postal Ballot :**

During the year under report, the Company sought shareholders approval through Postal Ballot process pursuant to Section 192A of the Companies Act, 1956 (hereinafter "the Act") read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001 on the following occasions :

(A) The Company sought approval of the members on 22 June 2011 to the following businesses as set out in the notice dated 14 May 2011 :

- 1) Re-appointment and fixation of Remuneration of Mr. Vinay Mehta, Managing Director of the Company w.e.f. 19 May 2011 (referred to as "Resolution No.1" in the following table);
- 2) Re-appointment and fixation of Remuneration of Mr. Navjeet Singh Sobti, Wholtime Director (designated as the Executive Vice Chairman) of the Company w.e.f. 19 May 2011 (referred to as "Resolution No. 2" in the following table); and

- 3) Re-pricing of the stock options as granted and/or vested and outstanding under 'Almondz Global Securities Employees Stock Option Scheme 2007' (referred to as "Resolution No. 3" in the following table);

Particulars	No. and (%) <sup>*</sup> of Votes cast in favour	No. and (%) <sup>*</sup> of Votes cast against	No. of Total Votes received (excluding invalid Votes)
Resolution No. 1	13546386 (99.988%)	1500 (0.011%)	13547886
Resolution No. 2	13546386 (99.988%)	1500 (0.011%)	13547886
Resolution No. 3	13546386 (99.988%)	1500 (0.011%)	13547886

<sup>\*</sup> % is calculated on the basis of the No. of total votes received.

All the aforesaid three resolutions were passed with the overwhelming requisite majority.

Ms. Ashu Gupta & Co., Practicing Company Secretary, was appointed as Scrutinizer for conducting the Postal Ballot exercise.

- (B) The Company sought approval of the members on 20 December 2011 to the following businesses as set out in the notice dated 11 November 2011 :

- 1) Sale, transfer and/or otherwise disposal of the Company's Undertaking comprising of "Merchant Banking Business related to Debt Securities" to 'Almondz Finanz Ltd.', New Delhi, a 100% subsidiary of the Company (referred to as "Resolution No.1" in the following table);
- 2) Sale, transfer and/or otherwise disposal of the Company's Undertaking comprising of "Portfolio Management Advisory Services related to Debt Securities" to 'Almondz Finanz Ltd.', New Delhi, a 100% subsidiary of the Company (referred to as "Resolution No. 2" in the following table); and
- 3) Sale, transfer and / or otherwise disposal of the Company's Undertaking comprising of "Wholesale Debt Market Broking Desk" to 'Almondz Finanz Ltd.', New Delhi, a 100% subsidiary of the Company (referred to as "Resolution No. 3" in the following table);

Particulars	No. and (%)* of Votes cast in favour	No. and (%)* of Votes cast against	No. of Total Votes received (excluding invalid Votes)
Resolution No. 1	13687317 (99.999%)	200 (0.0014%)	13687517
Resolution No. 2	13687317 (99.999%)	200 (0.0014%)	13687517
Resolution No. 3	13687317 (99.999%)	200 (0.0014%)	13687517

\* % is calculated on the basis of the No. of total votes received.

All the aforesaid three resolutions were passed with the overwhelming requisite majority.

Ms. Ashu Gupta & Co., Practicing Company Secretary, was appointed as Scrutinizer for conducting the Postal Ballot exercise.

#### **Procedure for Postal Ballot**

The postal ballot process was undertaken in accordance with the provisions of Section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot), Rules, 2001.

After receiving the approval of the Board / Committee of Directors, the Notice, Explanatory Statement alongwith the Postal Ballot Form and postage-paid self-addressed envelope were dispatched to the members to enable them to consider and vote for or against the proposal within a period of 30 days from the date of dispatch.

The Calendar of Events of the Postal Ballot process was filed with the Registrar of Companies, NCT of Delhi & Haryana within the stipulated period. After the last date of receipt of Postal Ballot, the Scrutinizer, after due verification, submitted her report. Thereafter, the results of the Postal Ballot were declared by the Authorised Person of the Company. The results were also sent to the stock exchanges with which the Company is listed immediately after declaration thereof through fax/mail as well as physical submission and the same were also posted on the website of the Company from time to time.

## **X. Disclosures**

### **A. Subsidiary Companies**

- i) None of the Company's subsidiary companies fall under the definition of material non-listed Indian subsidiary.
- ii) The Audit Committee of the Company reviews the financial statements and, in particular, the investments, if any, made by unlisted subsidiary companies of the Company.
- iii) The minutes of the Board meetings of unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

### **B. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large**

During the year under report, there were no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Transactions with related parties as per requirements of Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Note No. 15 of Schedule 18 to the Accounts in the Annual Report.

### **C. Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in Note No. 1 of Schedule 18 to the Accounts.

### **D. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years**

SEBI has passed two ad interim ex-parte orders on 28 December 2011, which relate to the role of your Company as Merchant Bankers in the IPO's of Bharatiya Global Infomedia Limited & PG Electroplast Limited. SEBI vide this order has prohibited your Company from taking new assignment or involvement in any new issue of capital including IPO, follow-on issue etc. from the

securities market in any manner whatsoever, from the date of this order till further directions.

Except for two ad-interim orders of SEBI, the Company complied with all requirements of the Listing Agreements entered into with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or material penalties imposed, by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

The Company is involved in certain legal cases arising in the ordinary course of its business / operations.

#### E. Non-mandatory requirements

During the year under report, the Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of the Listing Agreements with the Stock Exchanges :

- The Company has a Remuneration Committee details of which have been given earlier in this Report.
- The Chairman of the Remuneration Committee was present in the 17th Annual General Meeting held on 29 September 2011 to answer the shareholders' queries.

#### XI. Means of Communication

The quarterly and annual results of the Company are published in leading newspapers in India, viz. Business Standard (English & Hindi). The results are also displayed on the Company's website "www.almondzglobal.com". Press Releases, if any, made by the Company from time to time are also displayed on the Company's website. Presentations to analysts, as and when made, are immediately placed on the website for the benefit of the shareholders and public at large. Apart from the above, the Company also regularly provides relevant information to the stock exchanges as per the requirements of the listing agreements. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

Further, your Company is already maintaining a functional website containing various disclosures/information about the Company for the public at large including basic information as mandated under newly inserted Clause 54 of the Listing Agreement (introduced w.e.f. 01.04.2011), and regularly updating the information available thereon.

As per the requirement of the Clause 41 of the Listing Agreement, the Financial Results are published in leading national newspapers as detailed hereinbelow :

Quarter / Financial Year ended	Unaudited/ Audited	Name of the Newspaper (version)	Date of Publication
June 2011 (Qtrly.)	Unaudited	Business Standard (English & Hindi / Vernacular)	9 August 2011
September 2011 (Qtrly.)	Unaudited	Business Standard (English & Hindi / Vernacular)	12 November 2011
December 2011 (Qtrly.)	Unaudited	Business Standard (English & Hindi / Vernacular)	13 February 2012
March 2012 (Annual)	Audited	Business Standard (English & Hindi / Vernacular)	1 June 2012

#### XII. Group coming within the definition of "group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969)

The following persons constitute the Group coming within the definition of "group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969), "which exercises, or is established to be in a position to exercise, control, directly or indirectly, over the company" [Section 2(ef)] :

- Navjeet Singh Sobti
- Gurpreet N. S. Sobti
- Innovative Money Matters Private Limited
- Almondz Capital & Management Services Limited
- Any company/entity promoted by any of the above.

The above disclosure has been made, inter alia, for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended till date.

#### XIII. General Shareholders' information

##### i) Annual General Meeting :

Date : 28 September 2012  
 Time : 1.30 P.M.  
 Venue : MPCU Shah Auditorium,  
 Shree Delhi Gujarati Samaj (Regd.),  
 2, Raj Niwas Marg, Civil Lines, Delhi - 110054

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**ii) Financial Calendar :**

Approval of Unaudited Quarterly Financial Results for the period ended :

- June 30, 2011 — August 8, 2011
- September 30, 2011 — November 11, 2011
- December 31, 2011 — February 11, 2012

Approval of Audited Financial Results for Financial Year ended :

- March 31, 2012 — May 30, 2012

**iii) Book Closure Dates :**

17 September 2012 – 28 September 2012 for the 18th Annual General Meeting (both days inclusive)

**iv) Listing on Stock Exchanges :**

- (a) Bombay Stock Exchange Limited,  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

- (b) National Stock Exchange of India Limited,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai 400 051

**v) Scrip Codes / Symbol :**

Bombay Stock Exchange Limited : 531400

National Stock Exchange of India Limited : ALMONDZ

Listing Fees have been duly paid to all the Stock Exchanges, wherever required, for the Financial Year 2012-13.

**vi) ISIN No. of the Company's Equity Shares :**

INE-326B01027 as allotted by NSDL & CDSL

**vii) Depositories Connectivity :**

- i) National Securities Depository Limited (NSDL)  
ii) Central Depository Service (India) Limited (CDSL)
- Annual Custodial Fees have been duly paid to both the Depositories for the Financial Year 2012-13.

**viii) Corporate Identification Number :**

L74899DL1994PLC059839

**ix) Market Price Data :**

- (A) High, Low and number and volume of trades of Company's equity shares during each month in the financial year 2011-12 at the Bombay Stock Exchange Limited :

**Bombay Stock Exchange Ltd. (BSE)**

Month & Year	Month's High	Month's Low	Volume of Trades
April 11	40.75	28.00	86,44,894
May 11	34.90	27.20	27,46,352
June 11	31.40	26.00	12,04,623
July 11	31.75	23.90	9,25,898
August 11	27.40	19.60	5,83,831
September 11	25.45	19.25	2,28,522
October 11	26.55	21.40	9,23,624
November 11	32.00	18.40	66,93,044
December 11	22.00	11.00	9,10,113
January 12	15.80	11.25	10,98,522
February 12	15.30	12.31	2,30,251
March 12	15.30	12.10	19,95,299

\* Face Value of Equity Shares of the Company is Rs. 6/- each

Source : [www.bseindia.com](http://www.bseindia.com)

- (B) High, Low and number and volume of trades of Company's equity shares during each month in the financial year 2011-12 at the National Stock Exchange of India Limited :

**National Stock Exchange of India Ltd. (NSE)**

Month & Year	Month's High	Month's Low	Volume of Trades
April 11	40.95	28.65	217395
May 11	34.85	27.50	45329
June 11	30.80	26.10	41791
July 11	28.80	23.30	33229
August 11	26.60	20.50	48598
September 11	25.00	18.20	78243
October 11	27.00	21.25	55637
November 11	32.00	18.50	313455
December 11	21.30	11.10	87011
January 12	14.70	10.95	92739
February 12	15.80	12.25	61572
March 12	15.00	12.05	23509

\* Face Value of Equity Shares of the Company is Rs. 6/- each

Source : [www.nseindia.com](http://www.nseindia.com)

**x) Reconciliation of Share Capital Audit :**

As stipulated by SEBI vide its circulars dated 31 December 2002 and 3 March 2004 read with clarification dated 6 September 2010, a qualified Practising Company Secretary carries out audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the "Reconciliation of Share Capital Audit Report" thereon is submitted to the Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd. with which your Company is listed during the year under Report. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

**xi) Registrar and Transfer Agent (RTA) :**

Name & Address :  
 Beetal Financial & Computer Services (P) Ltd. (BEETAL)  
 Beetal House, 3rd Floor, 99 Madangir,  
 Behind Local Shopping Centre, New Delhi 110 062  
 Phone Number : 91 11 2996 1281/82  
 Fax Number : 91 11 2996 1280/84  
 E-mail : [beetal@rediffmail.com](mailto:beetal@rediffmail.com)  
 Website : [www.beetalfinancial.com](http://www.beetalfinancial.com)

**xii) Places for Acceptance of Documents :**

- Beetal Financial & Computer Services (P) Ltd.  
 Beetal House, 3rd Floor, 99 Madangir,  
 Behind Local Shopping Centre,  
 New Delhi - 110 062
- Corporate Secretarial Division  
 Almondz Global Securities Ltd.  
 2nd Floor, 3 Scindia House,  
 Janpath, New Delhi - 110 001

**xiii) Share Transfer System :**

As on 31 March 2012, 97.67% of the shares of the Company are in the electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged either with the Company or with BEETAL at the above mentioned address.

Transfer of shares in physical form is normally processed within 7-10 days from the date of receipt, if the documents are complete in all respects. The Share Transfers & Shareholders Grievance Committee has delegated the powers of effecting transfers, etc. to the Company Secretary with quarterly reporting to the Committee at its meetings.

**xiv) Investors Grievance Redressal System :**

Investors' queries /grievances are generally attended within a period of 3-5 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.

**xv) Nomination Facility :**

Individual shareholders of physical shares can nominate any person for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to his/her name.

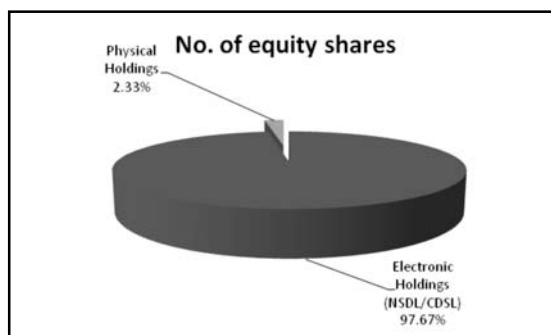
For further details, shareholders may write to BEETAL.

**xvi) Consolidation of Folios :**

Members holding shares of the Company in physical form through multiple folios are requested to consolidate their shareholding into single folio, by sending their original share certificates along with a request letter to consolidate their shareholding into a single folio, to the BEETAL, the Registrar and Transfer Agent of the Company.

**xvii) Status of dematerialization of shares as on March 31, 2012 :**

	Electronic holdings (NSDL/CDSL)	Physical holdings	Total
No. of equity shares	25282325	602642	25884967
Percentage	97.67	2.33	100.00



**xviii) Shareholding as on March 31, 2012 :**

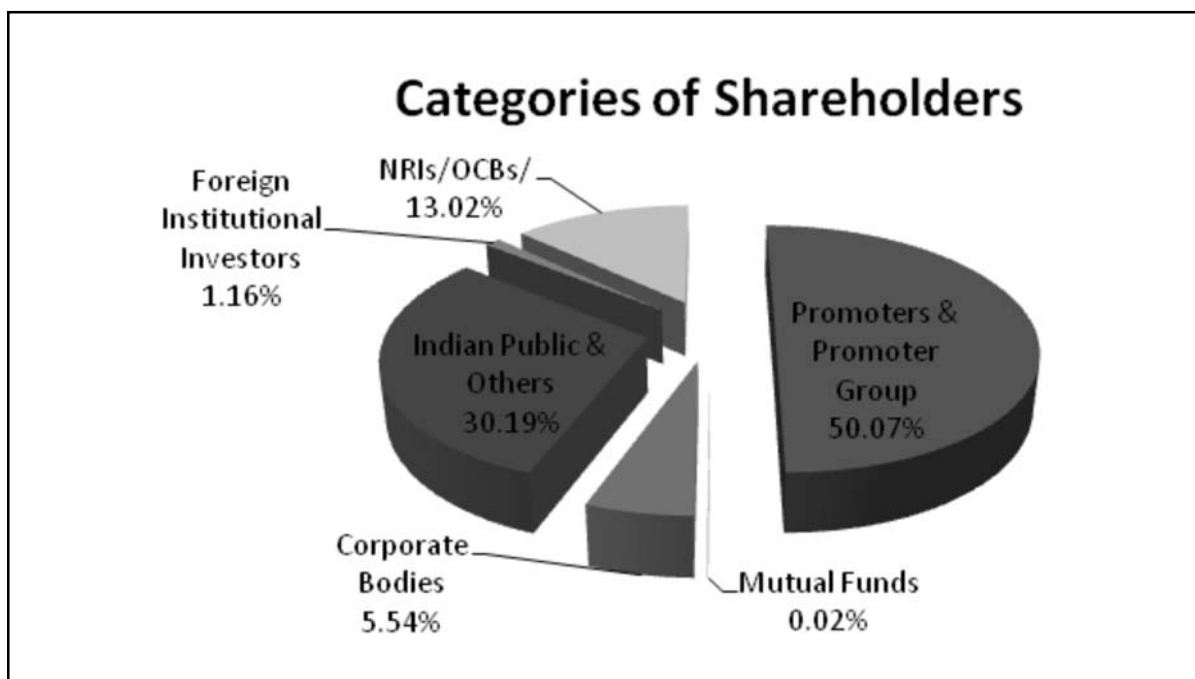
**A. Distribution of shareholding as on March 31, 2012 :**

Shareholding of Nominal Value of Rupees	No. of Shareholders	%age of Shareholders	Total No. of Shares	%age of Shareholding
1 to 5000	4877	87.75	745871	2.88
5001 to 10000	311	5.60	344339	1.33
10001 to 20000	160	2.88	382292	1.48
20001 to 30000	56	1.01	243282	0.94
30001 to 40000	13	0.23	73804	0.28
40001 to 50000	15	0.27	113064	0.44
50001 to 100000	47	0.85	549037	2.12
100001 and above	79	1.42	23433278	90.53
Total	5558	100.00	25884967	100.00

**B. Categories of shareholders (as per Clause 35 of Listing Agreement) as on March 31, 2012 :**

Category	No. of Shareholders	%age of Shareholders	No. of Shares held	%age of Shareholding
Promoters & Promoter Group	3	0.05	12959514	50.07
Mutual Funds	2	0.04	4500	0.02
Corporate Bodies	180	3.23	1434073	5.54
Indian Public & Others	5331	95.92	7814364	30.19
Foreign Institutional Investors	1	0.02	300000	1.16
NRIs / OCBs / Foreign Nationals	41	0.74	3372516	13.02
Total	5558	100.00	25884967	100.00

\* At the end of the Financial Year 2011-12, 7000000 equity shares, held by one of the Promoters namely Almondz Capital & Management Services Ltd., were pledged / encumbered.


**xix) Description of Voting Rights :**

All shares issued by the Company carry equal voting rights.

**xx) Persons holding more than 1% Equity Shares :**

The names of the shareholders who hold more than 1% equity shares of the Company as on March 31, 2012 :

Name of Shareholder	No. of shares held	%age shareholding
Almondz Capital & Management Services Ltd.	12858814	49.68
Al Anwar Holdings SAOG	3091500	11.94
Dilip Kumar Lakhi	1170117	4.52
Anant Lalchand Sanghvi	359536	1.39
Taib Securities Mauritius Ltd.	300000	1.15
Jagdeep Singh	292700	1.13
B. L. Mahajan	274389	1.06
<b>Total</b>	<b>18347056</b>	<b>70.87</b>

**xxi) Equity History of the Company :**

The Equity history of the Company up to March 31, 2012 :

Date	Particulars	Issued	Cancelled	Cumulative
28 June 1994 (on incorporation)	Issued to promoters	1600	N.A.	1600
7 January 1995	Issued to promoters	618500	N.A.	620100
16 January 1995	Issued to promoters	379900	N.A.	1000000
3 February 1995	Issued to promoters	1520000	N.A.	2520000
31 March 1995	Issued to promoters	980000	N.A.	3500000
30 January 1996	Public Issue (issued to promoters, directors, their friends & relatives, employees & public)	3113100	N.A.	6613100
6 May 1998	Issued to Promoters on Preferential Allotment Basis	4000000	N.A.	10613100
18 March 2006	Issued to Promoters and Other Investor on conversion of warrants allotted on Preferential Allotment Basis	2400000	N.A.	13013100
6 July 2006	Issued to Promoters and Other Investor on conversion of warrants allotted on Preferential Allotment Basis	2983000	N.A.	15996100
19 September 2007	Issued to Promoters and Other Investor on Preferential Allotment Basis	1537500	N.A.	17533600
3 January 2008	Issued to Other Investor on Preferential Allotment Basis	3091500	N.A.	20625100
25 April 2008	Issued to the equity shareholders of the erstwhile Almondz Capital Markets Pvt. Ltd., (as merged with Almondz Global Securities Ltd.) pursuant to the Scheme of Amalgamation as sanctioned by the Hon'ble Delhi High Court Order dated 05 February 2008	4696667	N.A.	25321767
13 August 2010	Issued on exercise of stock options	35000	N.A.	25356767
8 October 2010	Issued on exercise of stock options	128200	N.A.	25484967
8 August 2011	Issued on exercise of stock options	400000	N.A.	25884967

**xxii) Due dates of Transfer of Unclaimed Dividend :**

Financial Year	Type of Dividend	Date of Declaration	Amount outstanding as on March 31, 2012 (Rounded off in Rs.)	Due Dates for Transfer
2004-05	Final	28 September 2005	568206/-	30 October 2012
2005-06		30 September 2006	559500/-	30 October 2013
2006-07		18 September 2007	445864/-	21 October 2014
2007-08		24 September 2008	168502/-	28 October 2015
2008-09		24 September 2009	122087/-	28 October 2016
2009-10		28 September 2010	187714/-	30 October 2017
2010-11		29 September 2011	198932/-	30 October 2018

**xxiii) Financial Results on Company's Website :**

The quarterly and annual results of the Company are displayed on its website [www.almondzglobal.com](http://www.almondzglobal.com). The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the

Company representing 97.67% of the Company's share capital are dematerialised as on March 31, 2012.

The Company's shares are regularly traded on the Bombay Stock Exchange Limited (BSE) and on National Stock Exchange of India Ltd. (NSE), in electronic form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE326B01027.



**xxiv) Outstanding Warrants or any Convertible instruments, conversion date and likely impact on equity, as on 31 March 2012 :**

No. of Convertible instruments	To be Converted Latest By	Impact on Equity after Conversion
3294300 Stock Options	As per the terms of respective grants (maximum within 6 years from the date of respective grants)	The paid-up share capital would be Rs. 175075602/- consisting of 29179267 equity shares of Rs. 6/- each

**xxv) Address for correspondence :**

Almondz Global Securities Limited  
2nd Floor, 3 Scindia House,  
Janpath, New Delhi 110001  
Tel : 011 4151 4666 / 4669  
Fax : 011 4151 4665

Designated E-mail address for investor services :  
[complianceofficer@almondz.com](mailto:complianceofficer@almondz.com)  
Website : [www.almondzglobal.com](http://www.almondzglobal.com)

**xxvi) Queries relating to financial statements of the Company may be addressed to :**

Mr. Govind Prasad Agrawal / Mr. Mahender Gupta  
Executive Director & CFO / Vice President-Finance & Accounts  
Almondz Global Securities Limited  
2nd Floor, 3 Scindia House,  
Janpath, New Delhi 110 001  
Telephone : (011) 4151 4666 / 4669  
Facsimile : (011) 4151 4665  
E-mail : [govind.agrawal@almondz.com](mailto:govind.agrawal@almondz.com) /  
[mahender.gupta@almondz.com](mailto:mahender.gupta@almondz.com)

**xxvii) Investors' correspondence may be addressed to :**

Mr. Ajay Pratap  
Company Secretary  
Almondz Global Securities Limited  
2nd Floor, 3 Scindia House,  
Janpath, New Delhi 110 001  
Telephone : (011) 4151 4666 / 4669  
Facsimile : (011) 4151 4665  
E-mail : [ajay.pratap@almondz.com](mailto:ajay.pratap@almondz.com)

**xxviii) General Do's and Don'ts:**

- Shareholders / Beneficial holders should quote their Folio No. / DP Id and Client Id, as the case may be, in all the correspondences with the Company.
- Shareholders / Beneficial holders should mention their Contact Nos. / Fax Nos. and e-mail Id. Such e-mail ID shall be registered in the records of the Company.
- Shareholders are requested to furnish self-attested copy of their PAN card, at the time of submitting the physical share certificate(s) for transfer, transmission, deletion or any other request, to the Company.
- Securities and Exchange Board of India (SEBI), by its Circular No. MRD/DoP / Cir-05/2009 dated 20th May, 2009, and SEBI/MRD / DoP / SE / RTA / Cir-08/2010, dated 7th January, 2010 has made it mandatory for the transferee(s) to furnish the copy of the PAN Card to the Company for registration of physical transfer of shares and for transmission, deletion and transposition of shares in physical form.
- Shareholders are requested to maintain a record of their specimen signature before lodgment of shares with the Company to obviate possibility of difference in signature at a later date.
- Investors holding shares in dematerialised form should send all the communications related to change in address or change in bank details to their Depository Participant.

**xxix) Green Initiative in Corporate Governance :**

Pursuant to Circular No. 17 / 2011 dated 21st April, 2011, Ministry of Corporate Affairs has undertaken a Green Initiative in Corporate Governance whereby the shareholders desirous of receiving notices, documents and other communication from the Company through electronic mode, can register their e-mail addresses with the Company.

Your Company encourages the shareholders to register their e-mail addresses with the Company or its Registrar & Transfer Agent, BEETAL, by sending a letter signed by the shareholders on addresses given below and intimate changes in the e-mail ids from time to time.

## **GREEN INITIATIVE**

Attention is invited to the Green Initiative initiated by the Ministry of Corporate Affairs and the Company's efforts in implementing the same for the benefit of the shareholders of the Company.

In this connection, the Company has sent communication to the shareholders for sending the Annual Report and other communication from the Company by using electronic mode.

We are thankful to such shareholders who have accepted receiving the Annual Report through e-mail and would request other shareholders to enable the Company to implement and make the initiative a success.

In this connection, the shareholders holding shares in demat form may please inform their e-mail ids to their concerned Depository Participants (DPs) with intimation to the Company/Registrar, and shareholders holding shares in physical mode may provide their e-mail ids to the Company's Registrar at the following e-mail id / address or hand it over at the AGM venue quoting their folio reference :

[beetalrta@gmail.com](mailto:beetalrta@gmail.com) ; [beetal@rediffmail.com](mailto:beetal@rediffmail.com)

Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3rd Floor, 99 Madangir,  
Near Dada Harsukhdas Mandir,  
Behind Local Shopping Centre,  
New Delhi 110 062

**CERTIFICATE OF COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of  
**Almondz Global Securities Limited**

We have examined the compliance of conditions of corporate governance by Almondz Global Securities Limited ("the Company") for the year ended 31 March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **C. B. Mishra & Associates**  
Company Secretaries

New Delhi  
August 13, 2012

**C. B. Mishra**  
Proprietor  
C. P. No. 7254

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

I, Vinay Mehta, Managing Director of Almondz Global Securities Limited (hereinafter "the Company"), confirm that the Company has in respect of the financial year ended March 31, 2012, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team consists of employees upto the level of Sr. Vice President from top down of the organizational hierarchy as on March 31, 2012.

New Delhi  
August 13, 2012

**VINAY MEHTA**  
Managing Director

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**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD**

We, Vinay Mehta, Managing Director, and Govind Prasad Agrawal, Chief Financial Officer of Almondz Global Securities Limited (hereinafter "the Company"), do hereby certify that:

1. We have reviewed the financial statements and the cash flow statement for the financial year 2011-12 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept overall responsibility for the establishing and maintaining Company's internal control system for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and Audit Committee that there were no deficiencies in the design and operation of internal controls that could adversely affect the Company's ability to record process, summarise and report financial data, and that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to the deficiencies. Internal controls are evaluated by the internal audit function in accordance with the scope specified by the Audit Committee. The internal audit function works with all levels of management and reports its findings to the Audit Committee of Board of Directors.
4. We have indicated to the Auditors and to the Audit Committee:
  - a) that there have been no significant changes in internal control over financial reporting during the year;
  - b) all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
  - c) that there were no instances of significant fraud of which we have become aware that involve the management or other employees who have significant role in the Company's internal control system over financial reporting.
5. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct under Cluase 49 of the Listing Agreement, for the financial year 2011-12.

New Delhi  
August 13, 2012

**G. P. AGRAWAL**  
Chief Financial Officer

**VINAY MEHTA**  
Managing Director

## Auditors' Report

To the Members of  
**Almondz Global Securities Limited,**

We have audited the attached Balance Sheet of Almondz Global Securities Limited ('the Company') as at 31 March 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company 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.

We 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.

As required by the Companies (Auditor's Report) Order, 2003 ('Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, ('the Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) 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;
- (ii) 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;
- (iii) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
- (v) on the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors were disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
- (vi) *Without qualifying our audit report, we draw attention to note 2.30 to the financial statements. In relation to two of the merchant banking assignments executed by the Company, the Securities and Exchange Board of India passed ex-parte interim orders prohibiting the Company from*

*taking up any new assignment or involvement in any new issue of capital including initial public offerings, follow-on issue and etcetera from the securities market. The Company has filed its responses and the matter is currently being considered by the Securities and Exchange Board of India. The ultimate outcome of the matter can not presently be determined, and no provision for any liability that may result has been made in the financial statements.*

- (vii) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by Act 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 31 March 2012;
- (b) in the case of the Statement of Profit and Loss, 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;

For **B S R & Co.**  
 Chartered Accountants  
 Firm Registration No. 101248W

**Jiten Chopra**  
 Partner

Place : Gurgaon  
 Date : 30 May 2012

Membership No. 092894

**Annexure to the Auditors' Report**

(Referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification 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) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
2. (a) The Company has conducted verification of stock-in-trade comprising shares, bonds and other securities at reasonable intervals. As informed to us management, no material discrepancies were noted on such verification.
- (b) The procedures for the verification of stock-in-trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records in respect of stock-in-trade.
3. (a) The Company has given unsecured loans to three Companies listed in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs. 389,036,877 and the year-end balance of loan was Rs. 242,800,000. During the year, the Company has not granted any loan to any other party or firm covered in the register maintained under section 301 of the Act.
- (b) In view of above and according to information and explanations given to us, we are of the opinion that the terms and conditions of loan granted by the Company are not, *prima facie*, prejudicial to the interests of the Company.
- (c) In the case of loans granted to the Companies listed in the register maintained under Section 301 of the Act, the borrowers have been regular in paying the interest as stipulated in the agreements. The loans are repayable at a mutually agreed date between the Company and the borrower. The repayments have been made by the borrowers as and when stipulated.
- (d) 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 Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventories (goods) and sale of goods. We have not observed any material weaknesses in the internal control system during the course of our audit.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs. 5 lac with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Act for any of the business activities carried on by the Company.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Service tax, Income-tax, Sales-tax, Wealth tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Excise duty and Custom duty. No amount of unpaid dividend as at 31 March 2012 was due to be deposited in Investor Education and Protection Fund during the year ended 31 March 2012.

According to the information and explanations given to us, no undisputed amounts payable in respect of Investor Education and Protection Fund, Provident Fund, Employees' State Insurance, Service tax, Income-tax, Sales-tax, Wealth tax and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues of Income-tax and Service tax have not been deposited by the Company on account of disputes.

Name of the statute	Nature of dues	Amount (Rs.)	Assessment year to which amount relates	Forum where dispute is pending
The Finance Act, 2000	Service tax	3,221,550	2008 - 2010	Additional Commissioner, Service tax, New Delhi
The Finance Act, 2000	Service tax	1,272,868	2006 - 2010	Additional Commissioner, Service tax, New Delhi
The Income - tax Act, 1961	Income tax	4,054,709	2006 - 2007	Income Tax Appellate Tribunal - Delhi Bench
The Income - tax Act, 1961	Income tax	2,723,937	2007 - 2008	Income Tax Appellate Tribunal - Delhi Bench
The Income - tax Act, 1961	Income tax	3,137,010	2008 - 2009	Additional Commissioner of Income Tax (TDS), New Delhi

10. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers and financial institutions. The Company did not have any outstanding debentures during the year.
12. 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. In our opinion and according to the information and explanations given to us, the Company is not a chit fund / *nidhi* / mutual benefit fund / society.
14. According to the information and explanations given to us, the Company has maintained proper records of transactions and contracts in respect of trading in shares, securities, debentures and other investments and timely entries have been made. Further, such securities and investments have been held by the Company in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956.
15. In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the company.
16. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
18. According to the information and explanations given to us, the Company has made preferential allotment of shares to parties covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
19. The Company did not have outstanding debentures during the year.
20. The Company has not raised any money by public issues.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Co.**  
Chartered Accountants  
Firm Registration No. 101248W

Place : Gurgaon  
Date : 30 May 2012

**Jiten Chopra**  
Partner  
Membership No. 092894

**Balance Sheet as at 31 March 2012**

(All amounts in Indian rupees)

	Notes	As at 31 March 2012	As at 31 March 2011
<b>Equities and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	155,309,802	152,909,802
Reserves and surplus	2.2	953,840,779	918,090,437
Money received against share warrants		—	64,560,650
		<b>1,109,150,581</b>	<b>1,135,560,889</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	217,555,133	231,364,503
Deferred tax liabilities (net)	2.4	—	2,465,067
Other long-term liabilities	2.5	2,228,059	7,029,395
Long-term provisions	2.6	4,947,361	7,085,428
		<b>224,730,553</b>	<b>247,944,393</b>
<b>Current liabilities</b>			
Short-term borrowings	2.7	3,081,594	11,308,457
Trade payables	2.8	72,126,177	51,699,414
Other current liabilities	2.9	141,227,873	203,924,566
Short-term provisions	2.10	633,165	16,871,625
		<b>217,068,809</b>	<b>283,804,062</b>
<b>TOTAL</b>		<b>1,550,949,943</b>	<b>1,667,309,344</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	2.11	395,532,581	414,011,332
Intangible assets	2.12	14,792,792	19,980,149
Capital work-in-progress		1,155,706	1,234,808
Non-current investments	2.13	229,151,948	226,151,948
Long-term loans and advances	2.14	131,030,403	104,699,333
Other non-current assets	2.15	27,996,222	25,841,400
		<b>799,659,652</b>	<b>791,918,970</b>
<b>Current assets</b>			
Inventories	2.16	73,435,978	114,021,029
Trade receivables	2.17	155,786,395	161,415,440
Cash and bank balances	2.18	211,403,715	275,490,709
Short-term loans and advances	2.19	308,269,050	300,655,165
Other current assets	2.20	2,395,153	23,808,031
		<b>751,290,291</b>	<b>875,390,374</b>
<b>TOTAL</b>		<b>1,550,949,943</b>	<b>1,667,309,344</b>

Significant accounting policies and notes to financial statements. 1 and 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Co.**

Chartered Accountants

Firm Registration No. 101248W

For and on behalf of the Board of **Almondz Global Securities Limited**

**Jiten Chopra**

Partner

Membership No. : 092894

**Ajay Pratap**  
Company Secretary

**Govind Prasad Agrawal**  
Chief Finance Officer

**Vinay Mehta**  
Managing Director

**Jagdeep Singh**  
Wholetime Director

Place : Gurgaon  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012



## Statement of Profit and Loss for the year ended 31 March 2012

(All amounts in Indian rupees)

	Notes	Year ended 31 March 2012	Year ended 31 March 2011
<b>Income</b>			
Revenue from operations	2.21	565,361,714	751,555,835
Other income	2.22	42,522,176	33,121,870
<b>Total income</b>		<b>607,883,890</b>	<b>784,677,705</b>
<b>Expenses</b>			
Other expenses	2.23	349,556,430	357,824,230
Employee benefit expense	2.24	231,737,880	263,403,038
Finance cost	2.25	34,901,769	43,243,618
Depreciation and amortisation expense	2.11 and 2.12	30,913,754	27,197,080
<b>Total expenses</b>		<b>647,109,833</b>	<b>691,667,966</b>
<b>Profit/(loss) before prior period items and tax expense</b>		<b>(39,225,943)</b>	<b>93,009,739</b>
Prior period expenses (net)	2.26	113,500	555,686
<b>Profit/(loss) before tax</b>		<b>(39,339,443)</b>	<b>92,454,053</b>
<b>Tax expense</b>			
— Current tax		—	21,719,910
— Current tax for earlier year		—	965,354
— Deferred tax charge/(credit)		(2,465,067)	4,143,916
<b>Profit/(loss) for the year</b>		<b>(36,874,376)</b>	<b>65,624,873</b>
<b>Earnings/(loss) per share</b> (face value of Rs. 6 per share)	2.27		
Basic		(1.41)	2.58
Diluted		(1.41)	2.57

Significant accounting policies and notes to financial statements. 1 and 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Co.**

Chartered Accountants

Firm Registration No. 101248W

For and on behalf of the Board of **Almondz Global Securities Limited****Jiten Chopra**

Partner

Membership No. : 092894

**Ajay Pratap**

Company Secretary

**Govind Prasad Agrawal**

Chief Finance Officer

**Vinay Mehta**

Managing Director

**Jagdeep Singh**

Wholesale Director

Place : Gurgaon

Date : 30th May, 2012

Place : New Delhi

Date : 30th May, 2012

Place : New Delhi

Date : 30th May, 2012

Place : New Delhi

Date : 30th May, 2012

Place : New Delhi

Date : 30th May, 2012

## Cash Flow Statement for the Year ended 31 March 2012

(All amounts in Indian rupees)		
Particulars	Year ended 31 March 2012	Year ended 31 March 2011
<b>A. Cash flow from operating activities</b>		
Profit before prior period items and taxes	(39,225,943)	93,009,739
<b>Adjustments for</b>		
Depreciation	30,913,754	27,197,080
(Profit) / loss on sale of fixed assets	1,014,126	3,064,147
(Profit) / loss on sale of investment	—	(186,829)
Fixed assets written off	3,873,103	6,036,700
Provision for doubtful debts	22,052,775	890,822
Bad debts written off	114,975	7,121,195
Advance / debit balances written off	15,874,015	—
Provision for doubtful advances	165,059	—
Provision for doubtful security deposits	380,000	—
Excess provision written back	(1,512,962)	(194,848)
Dividend income	(4,608,691)	(4,053,656)
Interest income	(34,115,743)	(28,264,848)
Liabilities no longer required written back	(969,355)	(266,738)
	(6,044,887)	104,352,764
Less : Prior period expense	113,500	555,686
<b>Operating profit before working capital changes</b>	<b>(6,158,387)</b>	<b>103,797,078</b>
<b>Adjusted for net changes in working capital</b>		
(Increase) / decrease in inventories	40,585,051	507,199,951
(Increase) / decrease in trade receivables	(16,392,510)	(52,219,751)
(Increase) / decrease in loans and advances and other current and non-current assets	7,088,923	(62,124,824)
Increase / (decrease) in current and non-current liabilities and provisions	(63,166,296)	50,949,450
Increase / (decrease) in bank deposits held as margin money	(30,000,000)	14,654,055
<b>Cash flow before extra ordinary items and tax</b>	<b>(68,043,219)</b>	<b>562,255,958</b>
Taxes paid	(38,637,807)	(37,288,527)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>(106,681,026)</b>	<b>524,967,431</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(13,014,486)	(358,842,301)
Payments for capital work in progress	79,102	(1,234,808)
Proceeds from sale of fixed assets	879,612	1,292,370
Fixed deposits (with a maturity more than 90 days) placed	(84,016,882)	(185,306,654)
Fixed deposits (with a maturity more than 90 days) matured	164,313,346	151,943,069
Investments made	(3,000,000)	(150,000,000)
Dividend received	4,608,691	4,053,656
Interest received	36,633,052	27,371,702
<b>Net cash from/(used in) investing activities (B)</b>	<b>106,482,435</b>	<b>(510,722,966)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital	10,659,997	8,509,923
Proceeds from secured long term borrowings (net)	—	240,197,940
Repayment of secured long term borrowings (net)	(13,809,370)	(1,979,738)
Net increase / (decrease) in cash credit facilities	(8,226,863)	(210,779,990)
Dividend and corporate dividend tax paid	(195,929)	(12,459,782)
<b>Net cash from/(used in) financing activities (C)</b>	<b>(11,572,165)</b>	<b>23,488,353</b>
<b>Net cash inflows during the year (A+B+C)</b>	<b>(11,770,756)</b>	<b>37,732,818</b>
<b>Cash and cash equivalents (opening balance)</b>	<b>134,787,549</b>	<b>97,054,731</b>
<b>Cash and cash equivalents (closing balance)</b>	<b>123,016,793</b>	<b>134,787,549</b>

**Notes**

1 The cash flow statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement', of the Companies (Accounting Standards) Rules, 2006.

**2 Cash and bank balance include :**

Cash and cash equivalents		
— Cash in hand	1,392,476	1,476,404
— Balances with banks in current account	121,624,317	133,311,146

**Cash and cash equivalents (closing balance)**

Other bank balances		
Fixed deposits (with a maturity more than 90 days) placed	86,200,000	138,651,286
Unpaid dividend account	2,186,922	2,051,873

**Cash and bank balances at the end of the year**

	<b>211,403,715</b>	<b>275,490,709</b>
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3 Other bank balances includes Rs. 3,700,000 (Previous year Rs. 7,630,000) earmarked for settlement of certain liabilities and Rs. 73,000,000 (Previous year Rs. 125,000,000) pledged with stock exchanges.

As per our report of even date attached

For **B S R & Co.**

Chartered Accountants

Firm Registration No. 101248W

For and on behalf of the Board of **Almondz Global Securities Limited**

**Jiten Chopra**

Partner

Membership No. : 092894

**Ajay Pratap**  
Company Secretary

**Govind Prasad Agrawal**  
Chief Finance Officer

**Vinay Mehta**  
Managing Director

**Jagdeep Singh**  
Wholesale Director

Place : Gurgaon

Date : 30th May, 2012

Place : New Delhi

Date : 30th May, 2012

Place : New Delhi

Date : 30th May, 2012

Place : New Delhi

Date : 30h May, 2012

Place : New Delhi

Date : 30th May, 2012

## Notes to the Financial Statements

(Amounts in Indian rupees)

## 1. Significant accounting policies

## (i) Basis of preparation

The financial statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles (GAAP), Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006, relevant pronouncements of the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

In preparation and presentation of these financial statements, the Company has adopted the Revised Schedule VI to the Companies Act, 1956. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Previous year's figures have been regrouped/reclassified to conform to the classification of assets and liabilities as at 31 March 2012.

## (ii) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include provision for assets and estimated useful life of fixed assets. Actual results could differ from these estimates. Adjustments as a result of differences between actual and estimates are made prospectively.

## (iii) Revenue recognition

- (a) *Advisory and consultancy services:* Fees is booked on the completion of task / project as per the terms of agreement. However, where the percentage of completion is significant enough to ascertain the outcome reliably, revenue is recognised to the extent it can be accurately measured.
- (b) *Broking activities:* Income from broking on distribution operations is recognised on the closure of the issue of mutual funds, bonds, fixed deposits and other money market instruments. Income from equity stock broking operations is accrued on completion of transaction at the stock exchanges for commission from equity broking operations.
- (c) In the case of trading in bonds, the profit / loss from the transaction is recognised on the closure of the deal and consequent physical delivery of the bond.
- (d) Dividend income is recognised when the right to receive the income is established.

- (e) In the case of fixed income securities / deposits, interest recognised on a time proportionate basis.

- (f) In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.

## (iv) Interest expense

Interest on borrowings is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings.

## (v) Expenditure

Expenses are recognised on accrual basis and provisions are made for all known losses and liabilities. Expenses incurred on behalf of other companies, in India, for sharing personnel, common services and facilities like premises, telephones, etc. are allocated to them at cost and reduced from respective expenses.

Similarly, expense allocation received from other companies is included within respective expense classifications.

## (vi) Employee benefits

The Company's obligations towards various employee benefits have been recognised as follows:

## (a) Short term benefits

All employee benefits payable / available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

## (b) Provident fund (Defined contribution plan)

Provident fund is a defined contribution plan. The contribution towards provident fund which are being deposited with the Regional Provident Fund Commissioner are charged to the Statement of Profit and Loss.

## (c) Gratuity (Defined benefit plan)

Gratuity is defined benefit plan. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

**Notes to the Financial Statements**

**(Amounts in Indian rupees)**

The Company makes contribution to an insurer managed funds for discharging its gratuity liability.

**(d) Compensated absences (other long-term benefits)**

The Company provides for leave encashment based on actuarial valuation using projected unit credit method in respect of past service. In respect of compensated absences arising during the tenure of service, the defined benefit obligation is calculated taking into account the pattern of availment of leave. In respect of encashment of leave, the defined benefit is calculated taking into account all types of decrements and qualifying salary projected upto the assumed date of encashment. The valuation of leave encashment benefit is done as at the balance sheet date by an independent actuary. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

**(vii) Fixed assets**

**Tangible assets**

Tangible assets are stated at the cost of acquisition or construction, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable costs of bringing the assets to their working condition for intended use. Borrowing costs directly attributable to acquisition or construction of fixed assets, which necessarily take a substantial period of time to be ready for their intended use are capitalised.

**Depreciation on tangible assets**

- (a) Leasehold improvements are depreciated over the lease period as stated in the lease agreement or over the estimated useful life of the assets, whichever is shorter.
- (b) Other assets are depreciated on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956 from the date of put to use until the date of sale.
- (c) Depreciation on assets costing up to Rs. 5,000 are depreciated at the rate of 100% on pro-rata basis.
- (d) Depreciation on additions to assets or on sale/adjustment of assets is calculated pro-rata from the date of such addition or up to the date of such sale/adjustment.
- (e) In view of management, the above reflects the estimated useful lives of the respective fixed assets.

**Intangible assets and its amortisation**

Intangible assets are recorded at cost and are amortised over the period the Company expects to derive economic benefits from their use.

**(viii) Impairment**

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable is

estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

**(ix) Investments**

Investments are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investment intended to be held for more than one year from the date such investments are made are classified as long-term investments. All long-term investments are classified as non-current investments in the Balance Sheet. The portions of long-term investments which are expected to be realised within twelve months from the Balance Sheet date are classified as current investments. Current investments are valued at lower of cost and market value, computed category-wise e.g. quoted shares, unquoted shares, government securities and non government securities/bonds. The diminution in current investments is charged to the Statement of Profit and Loss and appreciation, if any, is recognised at the time of sale. Long-term investments, including investments in subsidiaries, are valued at cost unless there is diminution, other than temporary, in their value. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market value decline and the financial health of and specific prospects of the issuer.

**(x) Foreign currency transactions**

Transactions in foreign currency are recorded at the exchange rates prevailing at the date of the transaction. Exchange differences arising on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currency are translated at year-end rates and resultant gains/losses on foreign exchange translations are recognised in the Statement of Profit and Loss.

**(xi) Current and deferred tax**

Income-tax expense comprises current tax and deferred tax. Current tax expense is the amount of tax for the period determined in accordance with the income-tax law and deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets

## Notes to the Financial Statements

(Amounts in Indian rupees)

can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

(xii) **Provisions, contingent liabilities and contingent assets**

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognise assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, if it has become virtually certain that an inflow of economic benefits will arise, asset and related income is recognised in the financial statements of the period in which the change occurs.

(xiii) **Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive potential

shares outstanding during the year, except where the results would be anti-dilutive.

(xiv) **Operating leases**

Lease payments under operating lease are recognised as an expense on a straight line basis over the lease term.

(xv) **Employee Stock Option Scheme ("ESOS")**

The Employees Stock Option Scheme ("the Scheme") provides for grant of equity shares of the Company to whole-time directors and employees of the Company. The Scheme provides that employees are granted an option to subscribe to equity shares of the Company that vests in a graded manner. The options may be exercised within a specified period. The Company follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date. The fair market price is the closing price of the equity shares of the Company on the stock exchange/s on which the shares of the Company are listed, immediately prior to the date of the meeting of Compensation Committee of Board of Directors of the Company in which the options are granted. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

(xvi) **Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

## 2. Notes to the financial statements

## 2.1 Share Capital

Particulars	As at 31 March 2012		As at 31 March 2011	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised share capital</b> Equity shares of Rs. 6 each (refer to note1 below)	50,000,000	300,000,000	50,000,000	300,000,000
<b>Issued, subscribed and paid-up</b> Equity shares of Rs. 6 each fully paid-up	25,884,967	155,309,802	25,484,967	152,909,802
<b>Total</b>	<b>25,884,967</b>	<b>155,309,802</b>	<b>25,484,967</b>	<b>152,909,802</b>

**Notes to the Financial Statements**

**(Amounts in Indian rupees)**

The reconciliation of number of shares outstanding and the amount of share capital as at 31 March 2012 and 31 March 2011 is set out below :

Particulars	As at 31 March 2012		As at 31 March 2011	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 6 each fully paid-up				
At the beginning of the year	25,484,967	152,909,802	25,321,767	151,930,602
Add : Shares issued on exercise of employee stock options	400,000	2,400,000	163,200	979,200
<b>At the end of the year</b>	<b>25,884,967</b>	<b>155,309,802</b>	<b>25,484,967</b>	<b>152,909,802</b>

**Rights, preferences and restriction attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value Rs. 6 each. Each member of the Company has voting rights on a poll, in proportion to his share in the paid-up equity share capital. On show of hands every member present in person and being holder of equity share shall have one vote.

Each shareholder is entitled to receive interim dividend when it is declared by the Board of Directors. The final dividends proposed by the Board of Directors are paid when approved by the shareholders at annual general meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will in proportion of the equity shares held by the shareholders.

**Detail of shareholders holding more than 5% shares of the Company**

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Almondz Capital and Management Services Limited	12,858,814	49.68	12,653,314	49.65
Al Anwar Holdings SAOG	3,091,500	11.94	3,091,500	12.13

**Employees Stock Option Scheme 2007**

The Company has instituted an Employee Stock Option Scheme in the year 2000, known as 'Employee Stock Option Scheme ('ESOS' or 'Scheme') 2007. This Scheme was adopted by the Board of Directors on 3 January 2008 and subsequently by shareholders of the Company on 4 March 2008, and is for issue of 4,500,000 options of the Company convertible into equal number of equity shares of the par value of Rs. 6 each. The scheme was further amended by the Board of Directors on 5 March 2010 and subsequently by shareholders of the Company on 13 April 2010 to increase number of options from 4,500,000 options to 15,000,000 options of the Company convertible into equal number of equity shares. A compensation committee comprising independent members of the Board of Directors administers the scheme. The Compensation Committee has framed various series under the scheme from time to time.

The activity in the scheme during the year ended 31 March 2012 and 31 March 2011, respectively, is set out below :

Particular	For the year ended	
	31 March 2012	31 March 2011
Options outstanding at the beginning of the period	3,446,800	3,505,000
Add : New options granted during the year	550,000	105,000
Less : Exercised	400,000	1,63,200
Forfeited	302,500	—
Options outstanding at the end of the period	3,294,300	3,446,800
Options exercisable at the end of the period	2,560,631	2,753,800

The weighted average share price of options exercised under the scheme during the year ended 31 March 2012 and 31 March 2011 was Rs. 26.65 and Rs. 52.14 respectively.

During the year ended 31 March 2012, the Company has revised the exercise price for the outstanding options as at date of revision. The revised exercise price for all the outstanding options of series A, B, C, D and E is Rs. 26.65 per option. The revision

## Notes to the Financial Statements

(Amounts in Indian rupees)

of exercise price was approved by Compensation Committee on 7 July 2011, being the closing price of the shares of the Company at Bombay Stock Exchange Ltd. (having higher trading volume) on 6 July 2011.

The following table summarise information about the series of options outstanding under as at 31 March 2012 and 31 March 2011 respectively.

## Series 'A'

Particular	For the year ended	
	31 March 2012	31 March 2011
Number of shares arising out of options	1,074,300	1,484,300
Weighted average remaining contractual remaining life of the options	2.12	3.13
Weighted average exercise price	26.65	55.15

## Series 'B'

Particular	For the year ended	
	31 March 2012	31 March 2011
Number of shares arising out of options	975,000	975,000
Weighted average remaining contractual remaining life of the options	2.22	3.22
Weighted average exercise price	26.65	43.55

## Series 'C'

Particular	For the year ended	
	31 March 2012	31 March 2011
Number of shares arising out of options	165,000	182,500
Weighted average remaining contractual remaining life of the options	3.21	4.21
Weighted average exercise price	26.65	33.35

## Series 'D'

Particular	For the year ended	
	31 March 2012	31 March 2011
Number of shares arising out of options	590,000	700,000
Weighted average remaining contractual remaining life of the options	3.85	4.85
Weighted average exercise price	26.65	53.25

## Series 'E'

Particular	For the year ended	
	31 March 2012	31 March 2011
Number of shares arising out of options	40,000	105,000
Weighted average remaining contractual remaining life of the options	4.18	5.18
Weighted average exercise price	26.65	60.50

**Notes to the Financial Statements**

(Amounts in Indian rupees)

**Series 'F'**

Particular	For the year ended	
	31 March 2012	31 March 2011
Number of shares arising out of options	450,000	—
Weighted average remaining contractual remaining life of the options	5.20	—
Weighted average exercise price	27.45	—

As at 31 March 2012, the Company had 3,294,300 (previous year 3,446,800) number of shares reserved for issue under employee stock option plans. Out of above 2,560,631 (previous year 2,753,800) employee stock options are vested and are exercisable at any point of time.

The exercise prices of all the Company's stock options granted are equal to fair market price on the respective grant dates, accordingly there is no compensation cost to be recognised based on the intrinsic value of the options.

Had the Company used the fair value of options based on black scholes option pricing model, compensation cost for the year ended 31 March 2012 is Rs. 6,511,047 (previous year Rs. 18,936,909) and proforma loss after tax would have been Rs. 43,385,423 (previous year profit after tax of Rs. 46,687,964). On a proforma basis, basic and diluted earnings per share of the Company would have been Rs. 1.64 (previous year Rs. 1.84) respectively.

The key assumptions used to estimate the fair value of options granted during the year ended 31 March 2012 are given below.

Risk-free interest rate	7.99% to 8.24%
Expected life	3.5 to 5.5 years
Expected volatility	53.4 %

The weighted average fair value of options granted during the year ended 31 March 2012 is Rs. 14.56 per option (previous year ended 31 March 2011 Rs. 31.89 per option).

**2.2 Reserves and surplus**

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Securities premium</b>		
At the beginning of the year	388,411,973	380,881,250
Add: Addition due to exercise of employee stock options	8,259,997	7,530,723
At the end of the year	<b>396,671,970</b>	<b>388,411,973</b>
<b>Capital reserve</b>		
At the beginning of the year	16,538,250	16,538,250
Add: Forfeiture of money received against warrants <sup>1</sup>	64,560,650	—
At the end of the year	<b>81,098,900</b>	<b>16,538,250</b>
<b>Amalgamation reserve</b>	<b>112,719,998</b>	<b>112,719,998</b>
<b>General reserve</b>	<b>17,000,000</b>	<b>17,000,000</b>
<b>Surplus in the Statement of Profit and Loss</b>		
At the beginning of the year	<b>383,420,216</b>	330,293,976
Add: Profit / (loss) for the year	<b>(36,874,376)</b>	65,624,873
Less: Appropriations		
— Proposed dividend on equity shares	—	10,720,884
— Dividend (including corporate dividend tax) paid for previous year <sup>2</sup>	<b>195,929</b>	—
— Corporate dividend tax	—	1,777,749
At the end of the year	<b>346,349,911</b>	<b>383,420,216</b>
<b>Total</b>	<b>953,840,779</b>	<b>918,090,437</b>



## Notes to the Financial Statements

(Amounts in Indian rupees)

**<sup>1</sup>Money received against warrants**

The Company had allotted 4,510,000 share warrants during the year ended 31 March 2010 at a price of Rs. 57.26 per share warrant. These share warrants were convertible to equal numbers of equity shares at the option of the holder within 18 months from the date of the allotment. The Company had received Rs. 64,560,650 as an advance from the allottees. Since the holders of the warrants did not exercise option to convert the share warrants into equity shares, the advance of Rs. 64,560,650 has been forfeited and transferred to Capital reserve during the year ended 31 March 2012.

**<sup>2</sup>Proposed dividends**

Proposed dividend for the current year represents dividend in respect of 400,000 equity shares issued on exercise of employee stock options by certain employees of the Company before the book closure date for declaration of dividends for the financial year ended 31 March 2011. Since the financial statements for the year ended 31 March 2011 had been approved by the Board of Directors prior to the book closure date, the amount has been recorded as appropriation of profits for the year ended 31 March 2012. The Board of Directors has not proposed any dividend for the financial year ended 31 March 2012.

**2.3 Long-term borrowings**

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Secured term loan</b>		
From banks	1,675,700	2,229,725
From others	215,879,433	229,134,778
<b>Total</b>	<b>217,555,133</b>	<b>231,364,503</b>

**Nature of security and terms of repayment of secured borrowings :****Nature of security**

Term loan from others amounting to Rs. 215,824,552 (previous year Rs. 227,777,053) are secured by way of equitable mortgage of one of building owned by the Company. Further, the loan has also been guaranteed by a director of the Company.

Term loans from banks amounting to Rs. 1,675,700 (previous year Rs. 2,229,725) are secured against hypothecation of specific vehicles financed.

Term loan from others amounting to Rs. 54,881 (previous year Rs. 1,357,725) are secured against hypothecation of specific vehicles financed

**Terms of payment**

Term loan is taken from financial institution and carries an interest rate of LIBOR minus 100 bps. The interest rate as at year end is 13.40% per annum (previous year 11.50%). The last installment would fall due on 10 July 2020. The loan is repayable in 120 equal monthly installments along with the interest. Loan amounting to Rs. 11,952,501 (previous year Rs. 11,564,118) repayable in next 12 months has been shown as current maturities of secured long-term borrowings in note 2.9

Loans are repayable in 36 equal monthly installments along with the interest and carries fixed interest rate from 9.08% to 13.75% per annum specific to the respective banks. The last installment would fall due on 15 July 2014. Loan amounting to Rs. 1,710,666 (previous year Rs. 1,325,228) repayable in next 12 months has been shown as current maturities of secured long-term borrowings in note 2.9.

Loan is repayable in 36 equal monthly installments along with the interest and carries fixed interest rate of 9.75% and 13.64% per annum. The last installment would fall due on 3 April 2013. Loan amounting to Rs. 1,302,841 (previous year Rs. 1,615,275) repayable in next 12 months has been shown as current maturities of secured long-term borrowings in note 2.9.

**Notes to the Financial Statements**

(Amounts in Indian rupees)

**2.4 Deferred taxes (net)**

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Deferred tax liability</b>		
Difference in the written down value of fixed assets as per the Companies Act, 1956 and the Income-tax Act, 1961	20,083,798	16,888,536
<b>Total deferred tax liability</b>	<b>20,083,798</b>	<b>16,888,536</b>
<b>Deferred tax asset</b>		
Provision for doubtful debts	8,267,865	1,184,072
Provision for diminution in investments	4,343,884	4,343,884
Provision for employee benefits	1,702,307	3,706,003
Others	2,391,999	5,189,510
Carried forward losses	14,785,524	—
<b>Total deferred tax asset</b>	<b>31,491,579</b>	<b>14,423,469</b>
<b>Net deferred tax liability/(assets) recognised<sup>1</sup></b>	<b>—</b>	<b>2,465,067</b>
<b>Deferred tax charged/(credit) to Statement of Profit and Loss</b>	<b>(2,465,067)</b>	<b>4,143,916</b>

<sup>1</sup> The Company has carried out computation of deferred tax in accordance with Accounting Standard 22 - Accounting for Taxes on Income notified in the Companies (Accounting Standards) Rules, 2006. Management is of the view that it is not virtually certain to realise the deferred tax assets arising on carried forward losses and unabsorbed depreciation. Accordingly, in the absence of virtual certainty deferred tax asset has been recognised to the extent of deferred tax liability.

**2.5 Other Long-term liabilities**

Particulars	As at 31 March 2012	As at 31 March 2011
Security deposits from sub-brokers	1,916,965	1,991,965
Rent equalisation reserve	311,094	5,037,430
<b>Total</b>	<b>2,228,059</b>	<b>7,029,395</b>

**2.6 Long-term provisions**

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Provision for employee benefits</b>		
Compensated absences	4,947,361	7,085,428
<b>Total</b>	<b>4,947,361</b>	<b>7,085,428</b>

**2.7 Short-term borrowings**

Particulars	As at 31 March 2012	As at 31 March 2011
Secured bank overdraft from bank	3,081,594	11,308,457
<b>Total</b>	<b>3,081,594</b>	<b>11,308,457</b>

Bank overdraft is for the working capital requirement of the Company and is secured by way of pledge of fixed deposits amounting to Rs. 25,000,000 with the lender bank. The rate of interest is 11.00% per annum.

## Notes to the Financial Statements

(Amounts in Indian rupees)

## 2.8 Trade payables

Particulars	As at 31 March 2012	As at 31 March 2011
Trade payables <sup>1</sup>	72,126,177	51,699,414
<b>Total</b>	<b>72,126,177</b>	<b>51,699,414</b>

## 2.9 Other current liabilities

Particulars	As at 31 March 2012	As at 31 March 2011
Current maturities of secured long-term borrowings [refer to Note 2.3]	14,966,008	14,504,621
Interest accrued but not due on borrowings	1,723,023	1,590,170
Unpaid dividends <sup>2</sup>	2,186,922	2,051,873
Book overdraft	7,264,471	3,794,705
Due to clients	82,070,284	126,930,197
Rent equalisation reserve	2,308,931	2,819,868
Advances and margin money from customers	856,000	7,393,407
Statutory dues payable	13,370,926	21,203,716
Other payables <sup>3</sup>	16,481,308	23,636,009
<b>Total</b>	<b>141,227,873</b>	<b>203,924,566</b>

<sup>1</sup> The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no trade payable and other current liabilities payable to Micro and Small Enterprises as at 31 March 2012 and 31 March 2011.

<sup>2</sup> There are no amounts due for payment to the Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

<sup>3</sup> The balance includes salary payable amounting to Rs. 16,403,887 (previous year Rs. 21,514,595).

## 2.10 Short-term provisions

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Provision for employee benefits</b>		
Gratuity	—	4,336,987
Compensated absences	567,646	—
<b>Other provisions</b>		
Provision for wealth tax	65,519	53,203
Proposed equity dividend	—	10,703,687
Provision for tax on proposed equity dividend	—	1,777,748
<b>Total</b>	<b>633,165</b>	<b>16,871,625</b>

**Notes to the Financial Statements**

(Amounts in Indian rupees)

**2.11 Tangible assets**

Cost	As at 1 April 2010	Additions	Deletions	As at 31 March 2011	Additions	Deletions	As at 31 March 2012
Office Buildings	9,537,228	333,312,011	—	342,849,239	—	—	342,849,239
Leasehold improvements	4,767,118	—	—	4,767,118	9,678,943	—	14,446,061
Furniture and fixtures	59,085,296	634,080	14,097,027	45,622,349	132,112	10,509,044	35,245,417
Computers and peripherals	40,588,999	2,130,323	1,297,976	41,421,346	374,748	985,993	40,810,101
Office equipment	20,485,835	4,530,065	799,834	24,216,066	927,112	1,250,847	23,892,331
Vehicles	14,406,845	5,674,695	304,281	19,777,259	1,820,571	2,762,870	18,834,960
<b>Total</b>	<b>148,871,321</b>	<b>346,281,174</b>	<b>16,499,118</b>	<b>478,653,377</b>	<b>12,933,486</b>	<b>15,508,754</b>	<b>476,078,109</b>

Depreciation	As at 1 April 2010	Additions	Deletions	As at 31 March 2011	Additions	Deletions	As at 31 March 2012
Office Buildings	655,762	4,173,319	—	4,829,081	5,588,444	—	10,417,525
Leasehold improvements	3,016,999	953,424	—	3,970,423	796,695	—	4,767,118
Furniture and fixtures	17,983,292	7,973,988	4,718,681	21,238,599	9,926,103	6,592,999	24,571,703
Computers and peripherals	19,508,874	6,635,687	1,048,017	25,096,544	5,991,592	895,365	30,192,771
Office equipment	3,465,612	1,270,889	236,348	4,500,153	1,520,583	314,637	5,706,099
Vehicles	3,568,755	1,600,677	162,187	5,007,245	1,821,980	1,938,913	4,890,312
<b>Total</b>	<b>48,199,294</b>	<b>22,607,984</b>	<b>6,165,233</b>	<b>64,642,045</b>	<b>25,645,397</b>	<b>9,741,914</b>	<b>80,545,528</b>

Carrying amounts				As at 31 March 2011			As at 31 March 2012
Office Buildings				338,020,158			332,431,714
Leasehold improvements				796,695			9,678,943
Furniture and fixtures				24,383,750			10,673,714
Computers and peripherals				16,324,802			10,617,330
Office equipment				19,715,913			18,186,232
Vehicles				14,770,014			13,944,648
<b>Total</b>				<b>414,011,332</b>			<b>395,532,581</b>

**2.12 Intangible assets**

Cost	As at 1 April 2010	Additions	Deletions	As at 31 March 2011	Additions	Deletions	As at 31 March 2012
Computer software	21,723,472	11,477,190	—	33,200,662	—	—	33,200,662
Painting and sculpture	337,840	—	80,000	257,840	81,000	—	338,840
<b>Total</b>	<b>22,061,312</b>	<b>11,477,190</b>	<b>80,000</b>	<b>33,458,502</b>	<b>81,000</b>	<b>—</b>	<b>33,539,502</b>

Amortisation	As at 1 April 2010	Additions	Deletions	As at 31 March 2011	Additions	Deletions	As at 31 March 2012
Computer software	8,849,957	4,558,644	—	13,408,601	5,240,338	—	18,648,939
Painting and sculpture	59,968	30,452	20,668	69,752	28,019	—	97,771
<b>Total</b>	<b>8,909,925</b>	<b>4,589,096</b>	<b>20,668</b>	<b>13,478,353</b>	<b>5,268,357</b>	<b>—</b>	<b>18,746,710</b>

Carrying amounts				As at 31 March 2011			As at 31 March 2012
Computer software				19,792,061			14,551,723
Painting and sculpture				188,088			241,069
<b>Total</b>				<b>19,980,149</b>			<b>14,792,792</b>

## Notes to the Financial Statements

(Amounts in Indian rupees)

## 2.13 Non-current investments (valued at cost unless otherwise stated)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Long-term, other investments</b>		
<b>(A) Unquoted</b>		
<b>Investment in subsidiaries :</b>		
Almondz Insurance Brokers Private Limited <sup>1</sup> [918,000 (previous year 918,000) equity shares of Rs.10 fully paid-up]	18,633,147	18,633,147
Almondz Finanz Limited [20,000,000 (previous year 20,000,000) equity shares of Rs.10 fully paid-up]	200,000,000	200,000,000
Almondz Commodities Private Limited [1,490,000 (previous year 1,490,000) equity shares of Rs. 10 fully paid-up]	14,900,000	14,900,000
Almondz Retail Equity Limited [50,000 (previous year 50,000) equity shares of Rs.10 fully paid-up]	500,000	500,000
<b>Total</b>	<b>234,033,147</b>	<b>234,033,147</b>
<b>Less : Provision for diminution in value of investment</b>	<b>8,618,595</b>	<b>8,618,595</b>
<b>Net total (a)</b>	<b>225,414,552</b>	<b>225,414,552</b>
<b>Investment in equity shares</b>		
Dijit Prognosys Private Limited [3,000 (previous year 3,000) equity shares of Rs.100 fully paid-up]	300,000	300,000
Network 1 Media Consultant Private Limited [7,844 (previous year Nil) equity shares of Rs.10 fully paid-up]	3,000,000	—
<b>Total</b>	<b>3,300,000</b>	<b>300,000</b>
<b>Less : Provision for diminution in value of investment</b>	<b>300,000</b>	<b>300,000</b>
<b>Net total (b)</b>	<b>3,000,000</b>	<b>—</b>
<b>(B) Quoted</b>		
<b>Investment in equity shares</b>		
Indo Korea Exports Limited [389,600 (previous year 389,600) equity shares of Rs.10 fully paid-up]	3,896,000	3,896,000
Ritesh Polyster Limited [34,600 (previous year 34,600) equity shares of Rs.10 fully paid-up]	523,860	523,860
Ecoplast India Limited [2,500 (previous year 2,500) equity shares of Rs.10 fully paid-up]	20,000	20,000
Vantech Industries Limited [3,000 (previous year 3,000) equity shares of Rs.10 fully paid-up]	30,000	30,000
<b>Total</b>	<b>4,469,860</b>	<b>4,469,860</b>
<b>Less : Provision for diminution in value of investment</b>	<b>4,469,860</b>	<b>4,469,860</b>
<b>Net total (c)</b>	<b>—</b>	<b>—</b>
<b>Investment in mutual funds</b>		
Principal Cash Management Fund - growth 502.41 (previous year 50,241) units of Rs.1,000 each (previous year Rs.10 each)	737,396	737,396
<b>Total (d)</b>	<b>737,396</b>	<b>737,396</b>
<b>Total (a + b + c + d)</b>	<b>229,151,948</b>	<b>226,151,948</b>
Aggregate book value of quoted investments	—	—
Market value of quoted investments	82,500	91,625
Aggregate book value of unquoted investments	229,151,948	226,151,948
Aggregate net asset value of investment in units of mutual funds	838,253	766,385

<sup>1</sup> The Board of Directors at its meeting held on 11 November 2010 decided to dispose of the Company's stake in one of its subsidiaries namely Almondz Insurance Brokers Private Limited to the promoters of the company namely Almondz Capital and Management Services Limited (ACMS). This is, however, subject to approval of the Insurance Regulatory Development Authority, valuation of shares to be carried out at the time of sale of shares, executing binding sale agreement with ACMS.

**Notes to the Financial Statements**

**(Amounts in Indian rupees)**

**2.14 Long-term loans and advances** (Unsecured, considered good)

<b>Particulars</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Capital advances	485,139	—
Security deposits	57,819,834	85,785,148
Loans to employees	378,000	1,638,000
Inter corporate deposit	12,500,000	12,500,000
Advance income tax	57,226,766	—
[Net of provision of Rs. 85,844,739 (previous year Rs. 85,844,739)]		
Prepaid expenses	2,620,664	43,595
Amount held under trust <sup>1</sup>	—	4,732,590
<b>Total</b>	<b>131,030,403</b>	<b>104,699,333</b>

<sup>1</sup> During the previous year, remuneration paid by the Company to its executive directors exceeded the limits specified in Section 309 of the Companies Act, 1956. The excess remuneration amounted to Rs. 4,732,590. Payment of remuneration in excess of limits specified in Section 309 required prior approval of the Central Government. As at 31 March 2011, the Company's application for waiver of recovery of remuneration paid in excess of limits specified under section 309 was under consideration of the Central Government. Accordingly, pending approval of the waiver application made by the Company, the amount of Rs. 4,732,590 was held under trust by the executive directors of the Company.

During the current year, the Company has received approval of the Central Government. The amount has been recognised as personnel expenses in the Statement of Profit and Loss for the year ended 31 March 2012.

**2.15 Other non-current assets**

<b>Particulars</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Long-term deposits with maturity of more than 12 months	27,996,222	25,841,400
<b>Total</b>	<b>27,996,222</b>	<b>25,841,400</b>

Long-term deposits with maturity of more than 12 months includes Rs. Nil (previous year Rs. 25,500,000) being deposit made with the banks as margin money for obtaining bank guarantees to be submitted with stock exchanges. Further, it also includes Rs. 2,800,000 (previous year Rs. 300,000) earmarked by the management for the settlement of certain liabilities.

## Notes to the Financial Statements

(Amounts in Indian rupees)

## 2.16 Inventories

Particulars	As at 31 March 2012	As at 31 March 2011
Equity shares - quoted	3,500,688	9,408,940
Corporate, Central Government and State Government bonds	69,935,290	104,612,089
<b>Total</b>	<b>73,435,978</b>	<b>114,021,029</b>
<b>Break-up of Inventories held as at 31 March 2012 is as follows :</b>		
Particulars	Amount	
<b>Equity shares</b>		
Tata Investment Corporation Limited	1,968,685	
Elder Pharmaceuticals Limited	1,099,272	
Other shares	432,731	
<b>Bonds</b>		
9 .65% Krishna Bhagya Jala Nigam Limited	56,000,000	
10.85% West Bengal State Electricity Distribution Company Limited	9,992,000	
Other bonds	3,943,290	
<b>Total</b>	<b>73,435,978</b>	
<b>Break-up of Inventories held as at 31 March 2011 is as follows :</b>		
Particulars	Amount	
<b>Equity shares</b>		
IL & FS Engineering and Construction Company Limited	6,646,500	
Elder Pharmaceuticals Limited	1,266,655	
Other shares	1,495,785	
<b>Bonds</b>		
9.95% State Bank of India 2026	93,693,157	
9.65% Yes Bank Limited	3,025,500	
Other bonds	7,893,432	
<b>Total</b>	<b>114,021,029</b>	

## 2.17 Trade receivables

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Secured, considered good</b>		
Other debts	45,217,156	77,290,204
<b>Total (a)</b>	<b>45,217,156</b>	<b>77,290,204</b>
<b>Unsecured, considered good</b>		
Outstanding for more than six months	4,548,139	14,597,261
Other debts	106,021,100	69,527,975
<b>Total (b)</b>	<b>110,569,239</b>	<b>84,125,236</b>
<b>Unsecured, considered doubtful</b>		
Outstanding for more than six months	15,766,846	3,649,473
Less : Provision for doubtful debts	15,766,846	3,649,473
<b>Total (c)</b>	<b>—</b>	<b>—</b>
<b>Total (a+b+c)</b>	<b>155,786,395</b>	<b>161,415,440</b>

**Notes to the Financial Statements**

(Amounts in Indian rupees)

**2.18 Cash and bank balances**

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Cash and cash equivalents</b>		
Cash in hand	1,392,476	1,476,404
Balances with banks in current accounts	121,624,317	133,311,146
<b>Total (a)</b>	<b>123,016,793</b>	<b>134,787,550</b>
<b>Other bank balances</b>		
Bank deposits with maturity of more than 3 months <sup>1</sup>	86,200,000	138,651,286
Unpaid dividend account	2,186,922	2,051,873
<b>Total (b)</b>	<b>88,386,922</b>	<b>140,703,159</b>
<b>Total (a+b)</b>	<b>211,403,715</b>	<b>275,490,709</b>

<sup>1</sup> Bank deposits with maturity of more than 3 months includes an amount of Rs. 73,000,000 (previous year Rs. 125,000,000) being deposit made with the banks as margin money for obtaining bank guarantees to be submitted with stock exchanges. Further, it also includes Rs. 900,000 (previous year Rs. 7,330,000) earmarked by the management for the settlement of certain liabilities.

**2.19 Short-term loans and advances (unsecured considered good, unless otherwise stated)**

Particulars	As at 31 March 2012	As at 31 March 2011
Security deposits	41,542,438	14,584,719
Security deposits - considered doubtful	380,000	—
Loans to employees	1,594,500	1,651,000
Balance with service tax authorities	425,714	4,624,295
Advance income-tax and tax deducted at source [Net of provision of Rs. 35,096,596 (previous year Rs. 35,096,596)]	7,988,724	26,630,886
Loans and advances to related parties	243,046,250	215,002,597
Prepaid expenses	3,975,577	8,088,974
Advances for rendering services	9,427,587	30,072,694
Other advances	268,260	—
<b>Total</b>	<b>308,649,050</b>	<b>300,655,165</b>
Less : Provision for doubtful security deposits	380,000	—
<b>Total</b>	<b>308,269,050</b>	<b>300,655,165</b>

**2.20 Other current assets (Unsecured considered good, unless otherwise stated)**

Particulars	As at 31 March 2012	As at 31 March 2011
Interest accrued on fixed deposits	358,064	2,875,373
Interest accrued on bonds/securities	203,324	181,048
Unbilled revenue	1,833,765	20,751,610
<b>Total</b>	<b>2,395,153</b>	<b>23,808,031</b>



## Notes to the Financial Statements

(Amounts in Indian rupees)

## 2.21 Revenue from operations

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
<b>Revenue from operations</b>		
Advisory and consultancy fees	176,426,750	280,245,645
Broking activities	327,014,801	331,911,072
Net gain / (loss) in trading of shares	(671,371)	33,777,730
Net gain / (loss) in trading of securities / bonds	35,644,156	77,658,706
Profit / (loss) on derivatives	6,290,353	(11,650)
Other operating income	20,657,025	27,974,332
<b>Total</b>	<b>565,361,714</b>	<b>751,555,835</b>

## 2.21 (a) The following is the break-up of income from broking activities :

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
Distribution operations	192,028,519	143,429,020
Equity stock broking operations	86,155,078	144,459,102
Arrangers fee	43,190,912	39,628,961
Wholesale debt market operations	5,634,434	83,218
Portfolio management fee	5,858	3,001,707
Others	—	1,309,064
	<b>327,014,801</b>	<b>331,911,072</b>

## 2.21 (b) The following is the summary of net results in trading of shares / securities / bonds :

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
<b>Trading of shares</b>		
Opening stock of shares	9,408,940	195,434,654
Add : Cost of shares purchased	2,015,600	207,245,815
	11,424,540	402,680,469
Less : Closing stock of shares	3,500,688	9,408,940
Cost of shares sold	7,923,852	393,271,529
Less : Sale of shares	7,252,481	427,049,259
<b>Net (loss) / gain in trading of shares</b>	<b>(671,371)</b>	<b>33,777,730</b>

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
<b>Trading of securities / bonds</b>		
Opening stock of securities	104,612,089	425,786,326
Add : Cost of securities purchased	5,193,924,409	12,842,098,433
	5,298,536,498	13,267,884,759
Less : Closing stock of securities	69,935,290	104,612,089
Cost of securities sold	5,228,601,208	13,163,272,670
Less : Sale of securities	5,264,245,364	13,240,931,376
<b>Net gain in trading of securities / bonds</b>	<b>35,644,156</b>	<b>77,658,706</b>

## 2.21 (c) The following is the break-up of other operating income :

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
Delayed payment charges	11,593,719	18,371,607
Interest on Bank deposits pledged with exchanges	8,336,391	8,468,448
Advertisement income	708,224	752,621
Dividend income	18,691	381,656
<b>Total</b>	<b>20,657,025</b>	<b>27,974,332</b>

**Notes to the Financial Statements**

(Amounts in Indian rupees)

**2.22 Other income**

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
Interest income on		
— Bank deposits	4,157,291	2,526,905
— Others <sup>1</sup>	29,958,452	25,737,943
Dividend from subsidiary	4,590,000	3,672,000
Net gain on sale of investments	—	186,829
Excess provision no longer required written back	1,512,962	194,848
Liabilities no longer required written back	969,355	266,738
Bad debts recovered	410,883	35,934
Miscellaneous income	923,233	500,673
<b>Total</b>	<b>42,522,176</b>	<b>33,121,870</b>

<sup>1</sup> Includes interest on loan to subsidiaries, associates and deposits with body corporate.

**2.23 Other expenses**

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
Brokerage and commission	167,880,689	111,552,818
Professional charges	37,893,402	68,883,583
Rent	27,402,282	39,591,685
Provision for doubtful debts	22,052,775	890,822
Bad debts written off	114,975	7,121,195
Communication	16,935,304	18,906,427
Advance / debit balances written off	15,874,015	—
Legal and professional	13,948,817	51,545,807
Electricity and water	8,517,944	9,686,998
Travelling and conveyance	8,235,733	11,078,319
Repair and maintenance		
— Office maintenance	6,847,458	7,357,720
— Computer maintenance	6,379,263	6,560,836
— Vehicle repair and maintenance	2,102,108	2,112,518
Business promotion	5,141,365	6,069,244
Printing and stationery	4,128,726	4,114,517
Fixed assets written off	3,873,103	6,036,700
Auditor's remuneration <sup>1</sup>	2,555,343	2,541,770
Rates and taxes	2,485,911	2,678,303
Charity and donations	2,045,701	1,487,202
Loss on error trades	1,287,430	—
SEBI and stock exchange fee and charges	1,211,874	1,626,940
Loss on sale of fixed assets (net)	1,014,126	3,064,147
Provision for doubtful security deposits	380,000	—
Provision for doubtful advances	165,059	—
Miscellaneous	2,951,716	4,454,063
	<b>361,425,119</b>	<b>367,361,614</b>
Less : Recovery of expenses	(11,868,689)	(9,537,384)
<b>Net total</b>	<b>349,556,430</b>	<b>357,824,230</b>

**<sup>1</sup>Auditor's remuneration (excluding service tax)**

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
<b>Statutory Auditors</b>		
Audit fee	2,290,000	1,650,000
Others	95,000	762,700
Out of pocket expenses	170,343	129,070
<b>Total</b>	<b>2,555,343</b>	<b>2,541,770</b>

## Notes to the Financial Statements

(Amounts in Indian rupees)

## 2.24 Employee benefit expense

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
Salaries, wages and bonus	225,127,615	248,282,764
Contribution to provident and other funds	1,456,147	1,634,403
Gratuity (refer to note 2.28)	544,753	8,839,339
Staff welfare expense	4,609,365	4,646,532
<b>Total</b>	<b>231,737,880</b>	<b>263,403,038</b>

The exercise prices of all the Company's stock options granted are equal to fair market price on the respective grant dates, accordingly there is no compensation cost to be recognised as per the accounting policy followed by the Company.

## 2.25 Finance cost

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
Interest expense	31,818,255	38,699,125
Bank charges	3,083,514	4,544,493
<b>Total</b>	<b>34,901,769</b>	<b>43,243,618</b>

## 2.26 Prior period items

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
<b>Income</b>		
Advisory and consultancy fees	—	50,000
Broking activities	—	109,773
Interest deposits with banks	—	1,049
Rent	—	242,877
Interest earned on securities	—	132,582
	—	<b>536,281</b>
<b>Expenditure</b>		
Brokerage and commission	—	113,234
Business promotion	—	50,575
Legal and professional charges	—	648,405
Communication expenses	—	47,853
Office maintenance	—	93,638
Computer maintenance	—	20,374
Printing and stationery	—	21,300
Staff welfare	—	2,917
Miscellaneous expenses	113,500	93,671
	<b>113,500</b>	<b>1,091,967</b>
<b>Prior period expenses (net)</b>	<b>113,500</b>	<b>555,686</b>

**Notes to the Financial Statements**

**(Amounts in Indian rupees)**

**2.27 Earnings per share**

Earnings per share (EPS) are computed in accordance with AS 20—Earnings per Share by dividing the net profit after tax by the weighted average number of equity shares outstanding for the period.

Particulars	Year ended 31 March 2012	Year ended 31 March 2011
Net profit / (loss) after tax available for equity shareholders (A)	(36,874,376)	65,624,873
Equity Shares outstanding at the beginning of the year, including shares allotted subsequently pursuant to amalgamation (B)	25,484,967	25,321,767
Weighted average number of shares issued during the year	258,630	83,169
Weighted average number of equity shares for Basic EPS (C) (Face value of Rs.6 each)	26,143,597	25,404,936
Add: Weighted average number of potential equity shares that could arise on conversion of employee stock option granted	—	151,646
Weighted average number of equity shares for Diluted EPS (D) (Face value of Rs.6 each)	26,143,597	25,556,582
<b>Basic EPS (A/C)</b>	<b>(1.41)</b>	<b>2.58</b>
<b>Diluted EPS (A/D)</b>	<b>(1.41)</b>	<b>2.57</b>

**2.28 Disclosures required under AS-15-Employee Benefits**

The Company has a defined benefit gratuity plan. The present value of obligation is determined based on actuarial valuation using the projected unit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

**i) Changes in the present value of the defined benefit obligation are as follows :**

Particulars	Gratuity	
	Year ended 31 March 2012	Year ended 31 March 2011
Opening defined benefit obligation	19,985,832	11,525,653
Interest cost	1,688,637	979,681
Current service cost	4,220,362	4,260,170
Past service cost (vested benefits)	—	3,653,054
Actual return on plan assets	1,431,362	1,151,689
Benefits paid	(2,925,285)	(1,530,849)
Actuarial (gain)/loss on obligation	(3,932,884)	1,580,620
Recovery from Almondz Finanz Limited on account of deputation of employees	—	(482,497)
<b>Closing defined benefit obligation</b>	<b>19,036,662</b>	<b>19,985,832</b>

**ii) Changes in the fair value of plan assets are as follows**

Particulars	Gratuity	
	Year ended 31 March 2012	Year ended 31 March 2011
Opening fair value of plan assets	15,648,845	10,028,005
Expected return	1,291,030	852,380
Contributions by employer	5,150,000	6,000,000
Benefits paid	(2,925,285)	(1,530,849)
Actuarial gain / (losses)	140,332	299,309
<b>Closing fair value of plan assets</b>	<b>19,304,922</b>	<b>15,648,845</b>

## Notes to the Financial Statements

(Amounts in Indian rupees)

## iii) Statement of Profit and Loss

Particulars	Gratuity	
	Year ended 31 March 2012	Year ended 31 March 2011
Current service cost	4,220,362	4,260,170
Interest cost	1,688,637	979,681
Expected return on plan assets	(1,291,030)	(852,380)
Past service cost (vested benefits)	—	3,653,054
Actuarial (gain)/loss	(4,073,216)	1,281,311
Recovery from Almondz Finanz Limited on account of deputation of employees	—	(482,497)
<b>Net benefit expense</b>	<b>544,753</b>	<b>8,839,339</b>

## iv) Balance sheet

Particulars	Gratuity	
	Year ended 31 March 2012	Year ended 31 March 2011
Defined benefit obligation	19,036,662	19,985,832
Fair value of plan assets	19,304,922	15,648,845
<b>Plan Asset / (Liability)</b>	<b>268,250</b>	<b>(4,336,987)</b>

Note : Liability in respect of compensated absences at the end of the current year amounts to Rs. 5,515,007 (previous year Rs. 7,085,428).

## v) Principal Actuarial Assumptions are as follows :

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2011
Mortality table (LIC)	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Discount rate	8.50%	8.25%	8.50%	8.25%
Expected rate of return on plan assets	8.50%	8.25%	—	—
Rate of escalation in salary per annum	7.50%	7.50%	7.50%	7.50%
Employee turnover up to 30 years of age	1%*	1%*	5%	5%
Above 30 years but up to 44 years of age	1%*	1%*	3%	3%
Above 44 years of age	1%*	1%*	1%	1%

The estimates of future salary increase considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors such as demand in the employment market and supply.

\* Withdrawal Rates 1% at each age and service related

Completed years of service	Withdrawal Rate
0 – 2	10.00%
3 – 4	5.00%
5 – 9	2.50%
10 or above	1.00%

**Notes to the Financial Statements**

**(Amounts in Indian rupees)**

**vi) Amount recognised in the current year and previous four years :**

<b>Gratuity</b>	<b>31 March 2012</b>	<b>31 March 2011</b>	<b>31 March 2010</b>	<b>31 March 2009</b>	<b>31 March 2008</b>
Defined benefit obligation	19,036,662	19,985,832	11,525,653	9,437,089	8,368,051
Fair value of plan assets	19,616,460	15,648,845	10,028,005	7,376,032	2,748,197
Surplus / (Deficit)	579,798	(4,336,987)	(1,497,648)	(2,061,057)	(5,619,854)
Experience adjustment in plan liabilities (Gain) / Loss	(3,255,148)	836,939	(920,062)	—	—
Experience adjustment in plan assets (Gain) / Loss	(140,332)	(299,309)	(1,279)	—	—

**2.29 Contingent Liabilities**

<b>Particulars</b>		<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
1	Suit filed by clients on the Company for recovery on account of unauthorized trades on stock exchanges/ deficiency in services. These matters are pending before various dispute resolution authorities.	1,629,009	1,629,009
2	Suit filed by previous employees on the Company for recovery of their dues from Company. These matters are pending before various courts.	446,544	296,544
3	Show cause notice for service tax demand in relation to the financial year ended 31 March 2007 and 31 March 2008.	3,221,550	3,221,550
4	Show cause notice for service tax demand in relation to the financial year ended 31 March 2006 till the financial year ended 31 March 2009.	1,272,868	1,272,868
5	Show cause notice for service tax demand in relation to the financial year ended 31 March 2010.	—	1,297,359
6	Corporate guarantee issued for Almondz Finanz Limited, a wholly owned subsidiary of the Company.	300,000,000	800,000,000
7	Corporate guarantee issued for Almondz Commodities Private Limited, a subsidiary of the Company.	50,000,000	—
8	Income-tax demand raised by assessing officer in respect of financial year ended 31 March 2006.	4,054,709	4,054,709
9	Income-tax demand raised by assessing officer in respect of financial year ended 31 March 2007.	2,723,937	2,723,937
10	Tax deducted at sources demand raised by assessing officer in respect of financial year ended 31 March 2008 for Salary and non salary return.	3,137,010	3,137,010
<b>Total</b>		<b>366,485,627</b>	<b>817,632,986</b>

**2.30** In relation to two of the merchant banking assignments executed by the Company, Securities Exchange Board of India ('SEBI') had passed an ex parte ad-interim order prohibiting the Company from taking up any new merchant banking assignments or involvement in any new issue of capital including initial public offerings, follow-on issue and etcetera from the securities market. The Company has filed its response with the SEBI and the matter is under the SEBI's consideration. In view of the uncertainty of the ultimate outcome, the impact, if any, cannot be presently ascertained and therefore, no provisions for any liability or any other adjustments that might be required has not been recognised in the financial statements.

## Notes to the Financial Statements

(Amounts in Indian rupees)

## 2.31 Details of income and expenditure in foreign currency :

## Income earned in foreign currency

S. No.	Particulars	For year ended	
		31 March 2012	31 March 2011
1	Professional fee received	4,896,851	220,500
	<b>Total</b>	<b>4,896,851</b>	<b>220,500</b>

## Expenditure incurred in foreign currency

S. No.	Particulars	For year ended	
		31 March 2012	31 March 2011
1	Traveling and conveyance	—	14,101
2	Membership and subscription	—	751,530
3	Books and periodicals expenses	21,095	—
4	Legal and professional charges	—	23,463,040
5	Business promotion	—	41,298
6	Director sitting fee	20,000	—
	<b>Total</b>	<b>41,095</b>	<b>24,269,969</b>

## Remittance in foreign currency on account of dividends to non-resident shareholders

Number of		Amount remitted for the previous year ended	
Shareholders	Equity shares	31 March 2011 <sup>1</sup>	31 March 2010 <sup>2</sup>
1	3,091,500	1,298,430	1,298,430

<sup>1</sup> Amount of dividend net of tax of Rs. 215,653 for the year ended 31 March 2011 remitted during the year ending 31 March 2012.

<sup>2</sup> Amount of dividend net of tax of Rs. 220,668 for the year ended 31 March 2010 remitted during the year ending 31 March 2011.

**Notes to the Financial Statements**

**(Amounts in Indian rupees)**

**2.32 Related Party Disclosures**

**(A) Names of related parties and description of relationship :**

**(i) Holding company**

Almondz Capital and Management Services Limited (ACMS) [till 11 June 2010]

**(ii) Investing parties in respect of which the company is an associate**

Almondz Capital and Management Services Limited (ACMS) [w.e.f. 12 June 2010]

**(iii) Subsidiaries** (entities over which the Company exercises control)

Almondz Finanz Limited (AFL)

Almondz Commodities Private Limited (ACPL)

Almondz Retail Equity Limited (AREL)

Almondz Insurance Brokers Private Limited (AIBPL) [with effect from 23 January 2010]

Almondz Re-insurance Brokers Private Limited (ARBPL) (Subsidiary of Almondz Insurance Brokers Private Limited) [with effect from 23 January 2010]

**(iv) Associates**

Almondz Insurance Brokers Private Limited (AIBPL) [till 22 January 2010]

Almondz Re-insurance Brokers Private Limited (ARBPL) (Subsidiary of Almondz Insurance Brokers Private Limited) [till 22 January 2010]

**(v) Enterprises over which Key Managerial Personnel and relatives of such personnel exercise significant influence**

Innovative Money Matters Private Limited (IMMPL)

Rinku Sobti Fashions (P) Limited (RSFPL)

**(vi) Key Managerial Personnel**

Mr. Vinay Mehta

Mr. Navjeet Singh Sobti

Mr. Jagdeep Singh

**(vii) Relatives of Key Managerial Personnel**

Mrs. Bulbul Dhir Mehta (transaction in previous year only)

Mrs. Gurpreet N.S. Sobti

Navjeet Singh Sobti (HUF)

Jagdeep Singh (HUF)

Mr. Surinderjeet Singh

Mrs. Bimla Kaur

Mr. Manpreet Singh

Mrs. Parmeet Kaur (transactions in previous year only)



## Notes to the Financial Statements

(Amounts in Indian rupees)

**B) Transactions during the year and the balances outstanding as at the year end with the related parties :**  
**For the year ended 31 March 2012**

(i) Transactions with subsidiaries, enterprise in respect of which the Company is an associate and key managerial personnel

Particulars	AFL	ACPL	AREL	AIBPL	ARBPL	ACMS	Vinay Mehta	Navjeet Singh Sobti	Jagdeep Singh
<b>Income</b>									
Sale of shares / securities	213,179,666	—	—	—	—	—	—	—	—
Interest received	27,420,853	26,639	—	—	—	205,479	—	—	—
Dividend received	—	—	—	4,590,000	—	—	—	—	—
Reimbursable expenses	246,250	—	—	38,178	—	16,900	—	—	—
Recovery of expenses	4,585	1,713,592	—	67,849	8,820,000	9,151	—	—	—
Brokerage received	2,725,149	—	—	—	—	3,694,185	104,778	—	34,917
Delay payment charges received on broking activities	—	—	—	—	—	—	—	7	43
Depository charges received on broking activities	—	929	—	—	827	—	252	32	653
<b>Expenditure</b>									
Purchase of bonds	634,967,218	—	—	—	—	3,491,916	—	—	—
Rent Paid	—	—	—	—	—	137,875	—	—	—
Remuneration	—	—	—	—	—	—	8,286,300	10,439,159	4,841,072
<b>Assets / Liabilities</b>									
Loan granted	575,400,000	2,500,000	—	—	—	—	—	—	—
Repayment of loan granted	447,600,000	2,500,000	—	—	—	100,000,000	—	—	—
Issue of share capital	—	—	—	—	—	—	—	—	1,200,000
Security premium received	—	—	—	—	—	—	—	—	4,130,000
<b>Closing balances</b>									
Non-current investments	200,000,000	14,900,000	500,000	18,633,147	—	—	—	—	—
Trade receivables	—	—	—	—	—	—	—	—	—
Short-term loans and advances (loan and advances given)	243,046,250	—	—	—	—	—	—	—	—
Trade payables	2,473,767	—	—	—	—	3,965,285	—	—	208
Employees stock option exercised during the year	—	—	—	—	—	—	—	—	200,000
Employee stock option outstanding	—	—	—	—	—	—	1,000,000	—	525,000

(ii) Transaction with key managerial persons and enterprises in which key managerial persons or their relatives exercise significant influence.

Particulars	IMMPL	RSFPL	N.S. Sobti (HUF)	Gurpreet N.S. Sobti	Jagdeep Singh (HUF)	Surinderjit Singh	Bimla Kaur	Manpreet Singh
<b>Income</b>								
Sale of shares / securities	—	—	2,111,621	—	—	—	—	—
Brokerage received	—	—	—	—	1,700	—	—	47,348
Delay payment charges received on broking activities	—	—	—	—	—	9	9	945
Depository charges received on broking activities	1,103	—	—	—	26	—	13	710
<b>Expenditure</b>								
Rent Paid	—	688,000	—	3,600,000	—	—	—	—
Loans and advances to others	—	172,000	—	270,000	—	—	—	—
<b>Closing balances</b>								
Trade receivables	551	—	—	35	—	35	35	—
Short-term loans and advances	—	1,032,000	—	—	—	—	—	—
Trade payables	—	—	—	—	48,431	—	—	286,220

**Notes to the Financial Statements**

**(Amounts in Indian rupees)**

**For the year ended 31 March 2011**

**(i) Transactions with subsidiaries, enterprise in respect of which the Company is an associate and key managerial personnel**

Particulars	AFL	ACPL	AREL	AIBPL	ARBPL	ACMS	Vinay Mehta	Navjeet Singh Sobti	Jagdeep Singh
<b>Income</b>									
Sale of shares / securities	412,113,188	—	—	—	20,027,740	—	—	—	—
Interest received	23,405,312	—	—	—	—	713,124	—	—	—
Dividend received	—	—	—	3,672,000	—	—	—	—	—
Recovery of reimbursable expenses	34,406	1,700,441	—	4,248,792	2,393,510	17,435	—	—	—
Brokerage received	2,706,463	—	—	—	—	11,811,026	5,034	—	22,294
Delay payment charges received on broking activities	907,151	—	—	—	—	447,174	—	—	1,429
Depository charges received on broking activities	3,011	276	—	—	210	12,790	79	35	604
<b>Expenditure</b>									
Purchase of shares / securities	1,315,564,125	—	—	—	30,863,849	50,693,356	—	—	—
Rent	—	—	—	—	—	1,985,400	—	—	—
Dividend paid	—	—	—	5,457	—	5,314,392	—	21,294	119,784
Interest paid	13,848,115	—	—	—	—	290,630	—	—	—
Communication expenses	—	—	—	34,745	—	—	—	—	—
Remuneration	—	—	—	—	—	—	8,286,300	10,339,922	4,846,290
<b>Assets / Liabilities</b>									
Investment made during the year	150,000,000	—	—	—	—	—	—	—	—
Loan taken during the year	—	—	—	—	—	26,800,000	—	—	—
Loan repaid during the year	—	—	—	—	—	26,800,000	—	—	—
Loan given during the year	868,000,000	—	—	—	—	430,000,000	—	—	—
Loan recovered during the year	847,000,000	—	—	—	—	410,000,000	—	—	—
<b>Closing balances</b>									
Non-current investments	200,000,000	14,900,000	500,000	18,633,147	—	—	—	—	—
Trade receivables	—	—	—	2,597	184	—	—	—	4,688
Trade payables	4,278,109	—	—	—	—	3,052,478	—	—	—
Margin money recoverable	842,250	—	—	—	—	1,287,140	—	—	—
Short-term loans and advances (loan and advances given)	115,000,000	—	—	2,597	—	100,000,000	—	—	—
Amounts held in trust	—	—	—	—	—	—	4,086,300	—	646,290
Employees stock options exercised during the year	—	—	—	—	—	—	—	—	25,000
Employees stock option outstanding	—	—	—	—	—	—	1,000,000	—	725,000

## Notes to the Financial Statements

(Amounts in Indian rupees)

## (ii) Transactions with enterprises over which key managerial personnel are able to exercise significant influence and relatives of key managerial personnel

Particulars	IMMPL	Bulbul Dhir Mehta	Gurpreet N.S. Sobti	Parmeet Kaur	Jagdeep Singh (HUF)	Surinderjit Singh	Bimla Kaur	Manpreet Singh	Others
<b>Income</b>									
Brokerage received	—	—	—	3,614	1,162	—	—	8,954	3,289
Delay payment charges received on broking activities	9	—	—	15	—	40	40	—	4
Depository charges received on broking activities	276	—	—	—	—	—	—	—	—
<b>Expenditure</b>									
Rent	—	—	3,600,000	—	—	—	—	—	—
Dividend paid	—	5,480	21,000	—	—	—	—	—	—
Depository charges received on broking activities	—	—	—	238	53	62	49	154	—
<b>Closing balances</b>									
Trade receivables	—	—	—	—	—	35	22	35	35
Trade payables	—	—	—	8,956	—	—	—	—	—

\* Note: The Company was required to take prior approval of the Central Government under section 297 of the Companies Act, 1956 for rendering brokerage services to the directors and their relatives. Since the Company had not obtained the prior approval, it has made an application to the Central Government for compounding of offence under Section 621 of the Companies Act, 1956 for entering these transactions without prior approval of the Central Government.

## 2.33 Segment Reporting :

For the year ended 31 March 2012

Particulars	BUSINESS SEGMENTS					
	Debt and equity market operations	Corporate finance and advisory fee	Distribution operations	Equity broking division	Un-allocable	Total
<b>Segment Revenue</b>						
Segment revenue	41,620,905	219,284,444	192,736,743	111,719,622	—	565,361,714
<b>Segment Results</b>						
Segment results including other income but before Interest income, interest expenses, taxes and prior period expense (net of income)	22,427,773	70,640,330	11,166,730	(38,226,379)	(101,697,555)	(35,689,101)
Add : Interest income	—	—	—	—	27,819,853	27,819,853
Less : Interest expenses	—	—	—	—	31,364,591	31,364,591
Less : Prior period expenses (net of income)	—	—	—	—	105,605	105,605
Profit / (Loss) before tax	22,427,773	70,640,330	11,166,730	(38,226,379)	(105,347,898)	(39,339,443)
Less : Provision for tax for the year	—	—	—	—	(2,465,067)	(2,465,067)
Less : Prior period tax	—	—	—	—	—	—
Net Profit / (Loss) after tax	22,427,773	70,640,330	11,166,730	(38,226,379)	(102,882,831)	(36,874,376)
<b>Other Information</b>						
Segmental assets	73,639,302	54,606,418	115,895,953	282,639,714	1,024,168,556	1,550,949,943
Segmental liabilities	1,312,000	6,864,683	64,164,774	99,420,704	272,037,201	441,799,362
Capital expenditure	—	—	—	849,329	12,165,157	13,014,486
Depreciation	—	—	—	7,270,249	23,643,505	30,913,754
Non cash expenditure other than depreciation (net of non-cash income)	—	20,571,358	(150,295)	3,552,239	6,892,923	30,866,225

**Notes to the Financial Statements**

**(Amounts in Indian rupees)**

**For the year ended 31 March 2011**

Particulars	BUSINESS SEGMENTS					
	Debt and equity market operations	Corporate finance and advisory fee	Distribution operations	Equity broking division	Un-allocable	Total
<b>Segment Revenue</b>						
Segment revenue	111,690,553	322,610,546	144,181,641	172,691,439	—	751,174,179
<b>Segment Results</b>						
Segment results including other income but before Interest income, interest expenses, taxes and prior period expense (net of income)	71,338,084	154,189,515	26,219,557	(31,754,263)	(113,672,157)	106,320,736
Add : Interest income	—	—	—	—	24,137,754	24,137,754
Less : Interest expenses	—	—	—	—	37,975,649	37,975,649
Less : Prior period expenses (net of income)	—	—	—	—	28,788	28,788
Profit / (Loss) before tax	71,338,084	154,189,515	26,219,557	(31,754,263)	(127,538,840)	92,454,053
Less : Provision for tax for the Year	—	—	—	—	25,863,826	25,863,826
Less : Prior Period tax	—	—	—	—	965,354	965,354
Net Profit / (Loss) after tax	71,338,084	154,189,515	26,219,557	(31,754,263)	(154,368,020)	65,624,873
<b>Other Information</b>						
Segmental assets	123,786,015	74,818,966	85,882,206	423,037,380	959,784,778	1,667,309,345
Segmental liabilities	9,703,157	12,906,567	39,636,105	159,707,368	374,355,909	596,309,106
Capital expenditure	—	—	—	11,809,576	345,948,788	357,758,364
Depreciation	—	—	—	11,416,513	15,780,567	27,197,080
Non cash expenditure other than depreciation (net of non-cash income)	—	7,299,825	(261,702)	6,399,156	6,199,978	19,637,257

**Notes :**

- (I) **Business Segments:** The Company's business segments have been classified as above. This business segregation forms the basis for review of operating performance by the management. The following are the business segments identified by the management :
- **Debt Market operations** comprises dealing/trading in securities and bonds which involves exposure to market risk.
  - **Corporate finance** comprises merchant banking, underwriting commission, corporate and infrastructure advisory and loan syndication fees and arranger of debts/bonds, etc. These are mainly in the nature of services involving no or negligible risk.
  - **Distribution activities** comprises broking and commission of mutual funds, equity initial public offerings, capital gain bonds, fixed deposits of government undertakings and RBI taxable bonds, etc. These are mainly in the nature of services involving no or negligible risk.
  - **Equity division activity** comprises Stock and Share broking on National Stock Exchange of India Limited and Bombay Stock Exchange Limited and other related ancillary services.
- (II) The shareholders of the Company approved transfer or otherwise disposal of the Company's undertakings comprising debt arrangement operations, portfolio management services and wholesale debt market operations to Almondz Finanz Limited, a 100% subsidiary of the Company. However, the procedural formalities for implementing the approval granted by the shareholders have not yet been finalised. The Board has decided not to proceed further in the matter for the time being.
- (III) **Accounting policies for segment reporting**
- Segments are identified by the management, keeping in view the dominant source and nature of risks and returns and the internal organization and management structure.
  - Revenue and expenses have been identified to a segment on the basis of relationship to the operating activities of the segment.
  - Revenue and expenses, which relate to the company as a whole and are not allocable to a segment on reasonable basis, have been disclosed as 'unallocable'.
  - Segment assets and liabilities represent assets and liabilities in respective segments. Tax related assets, and other assets and liabilities that are not reported or cannot be allocated to a segment on a reasonable basis, have been disclosed as 'unallocable'

## Notes to the Financial Statements

(Amounts in Indian rupees)

## 2.34 Operating lease obligations

The Company has taken various office premises on operating lease. The total of the future minimum lease payments under non-cancellable operating lease are as follows :

## Operating lease obligations

Particulars	Year ended	
	31 March 2012	31 March 2011
Lease payments for the year	27,402,282	39,591,685
Minimum lease payments due :		
Not later than one year	11,573,611	29,006,454
Later than one year but not later than five years	19,534,726	69,884,550
Later than five years	3,849,524	14,622,610

As per our report of even date attached.

For **B S R & Co.**

Chartered Accountants

Firm Registration No. 101248W

For and on behalf of the Board of **Almondz Global Securities Limited**

**Jiten Chopra**

Partner

Membership No. : 092894

**Ajay Pratap**  
Company Secretary

**Govind Prasad Agrawal**  
Chief Finance Officer

**Vinay Mehta**  
Managing Director

**Jagdeep Singh**  
Wholesale Director

Place : Gurgaon  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANY**

(Rs. In Lacs)

<b>Subsidiary</b>	<b>Almondz Finanz Limited</b>
Financial period ended	March 31, 2012
Holding Company's interest	100% in equity shares (Wholly owned Subsidiary)
Shares held by the Holding Company in Subsidiary Company fully paid up	20,000,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	96.53 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	Nil
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	157.73 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	Nil

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANY**

(Rs. In Lacs)

<b>Subsidiary</b>	<b>Almondz Debt Advisors Limited</b>
Financial period ended	March 31, 2012
Holding Company's interest	100 % indirect holding (A wholly owned subsidiary of Almondz Finanz Limited)
Shares held by the Holding Company in Subsidiary Company fully paid up	20,000,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	2.54 (Loss)
b) not dealt with or provided for in the accounts of the holding Company	Nil
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	N/A
b) not dealt with or provided for in the accounts of the holding Company	N/A

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANY**

(Rs. In Lacs)

<b>Subsidiary</b>	<b>Almondz Commodities Private Limited</b>
Financial period ended	March 31, 2012
Holding Company's interest	85.14% in equity shares (Subsidiary)
Shares held by the Holding Company in Subsidiary Company fully paid up	1,490,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	21.51 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	3.76 (Profit)
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	11.02 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	1.92 (Profit)

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANY**

(Rs. In Lacs)

<b>Subsidiary</b>	<b>Almondz Retail Equity Limited</b>
Financial period ended	March 31, 2012
Holding Company's interest	100% in equity shares (Wholly owned Subsidiary)
Shares held by the Holding Company in Subsidiary Company fully paid up	50,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	0.21 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	Nil
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	0.16 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	Nil

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANY**

(Rs. In Lacs)

<b>Subsidiary</b>	<b>Almondz Insurance Brokers Private Limited*</b>
Financial period ended	March 31, 2012
Holding Company's interest	51% in equity shares (Subsidiary with effect from 23 January 2010)
Shares held by the Holding Company in Subsidiary Company fully paid up	918,000 equity shares of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	66.59 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	63.98 (Profit)
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	84.77 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	81.45 (Profit)

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANY**

(Rs. In Lacs)

<b>Subsidiary</b>	<b>Almondz Re-insurance Brokers Private Limited*</b>
Financial period ended	March 31, 2012
Holding Company's interest	51% indirect holding (A wholly owned subsidiary of Almondz Insurance Brokers Private Limited)
Shares held by the Holding Company in Subsidiary Company fully paid up	918,000 equity shares (indirect holding) of Rs. 10/- each
Net aggregate profit/loss of the subsidiary for the current period so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	96.91 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	93.31 (Profit)
Net aggregate profit/loss of the subsidiary for the previous financial year so far as it concerns the members of the holding Company	
a) dealt with or provided for in the accounts of the holding Company	19.66 (Profit)
b) not dealt with or provided for in the accounts of the holding Company	18.88 (Profit)

\* Almondz Insurance Brokers Private Limited became a subsidiary of Almondz Global Securities Limited with effect from 23 January 2010

## **Auditors' Report**

To the Board of Directors of  
**Almondz Global Securities Limited**

We have audited the attached Consolidated Balance Sheet of Almondz Global Securities Limited ('the Company') and its subsidiaries (or 'the components') (hereinafter collectively referred to as "the Group"), as at 31 March 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date (hereinafter referred to as the 'Consolidated Financial Statements'), annexed thereto. These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We conducted our audit in accordance with the 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.

Further, we did not audit the financial statements and other financial information of the subsidiaries included in these Consolidated Financial Statements, which constitute total assets amounting to Rs. 840,754,023 as at 31 March 2012, total revenue (including other income) of Rs. 513,632,406, net profit of Rs. 44,005,039 and net cash inflow amounting to Rs. 35,095,709 for the year then ended. The financial statements and other financial information of the subsidiaries as drawn up in accordance with the generally accepted accounting principles in India have been audited by other auditors duly qualified to act as auditors. The reports of the other auditors have been furnished to us, and our opinion, on the Consolidated Financial Statements, to the extent it has been derived from such financial statements is based solely on the reports received of such other auditors.

We report that the Consolidated Financial Statements have been prepared by the Company's management, in all material respects, in accordance with the requirements of Accounting Standard 21, 'Consolidated Financial Statements' as notified by the Companies (Accounting Standards) Rules, 2006.

Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Consolidated Balance sheet, of the state of affairs of the Group as at 31 March 2012;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date, and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**For B S R & Co.**  
*Chartered Accountants*  
Firm Registration No. 101248W

Place : Gurgaon  
Date : 30 May 2012

**Jiten Chopra**  
*Partner*  
Membership No. 092894



## Consolidated Balance Sheet as at 31 March 2012

(All amounts in Indian rupees)

	Notes	As at 31 March 2012	As at 31 March 2011
<b>Equities and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	155,231,838	152,831,838
Reserves and surplus	2.2	1,002,522,531	943,815,427
Money received against share warrants		—	64,560,650
		<b>1,157,754,369</b>	<b>1,161,207,915</b>
<b>Minority Interest</b>			
	2.3	42,223,338	26,138,294
<b>Non-current liabilities</b>			
Long-term borrowings	2.4	218,664,325	232,712,429
Deferred tax liabilities, net	2.5	—	406,646
Other long-term liabilities	2.6	2,928,059	7,844,395
Long-term provisions	2.7	14,555,158	13,494,092
		<b>236,147,542</b>	<b>254,457,562</b>
<b>Current liabilities</b>			
Short-term borrowings	2.8	127,347,301	392,659,638
Trade payables	2.9	73,765,005	63,125,494
Other current liabilities	2.10	234,156,484	282,174,019
Short-term provisions	2.11	51,530,954	41,422,210
		<b>486,799,744</b>	<b>779,381,360</b>
<b>TOTAL</b>		<b>1,922,924,993</b>	<b>2,221,185,132</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	2.12	404,417,208	420,751,936
Intangible assets	2.13	15,868,971	21,361,225
Capital work-in-progress		1,155,706	1,234,808
Intangible assets under development		240,000	—
Non-current investments	2.14	23,737,396	20,737,396
Deferred tax assets (net)	2.5	3,574,615	—
Long-term loans and advances	2.15	183,558,394	132,483,839
Other Non Current Assets	2.16	28,115,946	27,553,030
		<b>660,668,236</b>	<b>624,122,234</b>
<b>Current assets</b>			
Inventories	2.17	279,076,632	382,915,353
Trade receivables	2.18	193,066,834	201,219,499
Cash and bank balances	2.19	462,745,835	479,294,172
Short-term loans and advances	2.20	313,207,147	506,638,964
Other current assets	2.21	14,160,309	26,994,910
		<b>1,262,256,757</b>	<b>1,597,062,898</b>
		<b>1,922,924,993</b>	<b>2,221,185,132</b>

Significant accounting policies and notes to financial statements.

1 and 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Co.**

Chartered Accountants

Firm Registration No. 101248W

For and on behalf of the Board of **Almondz Global Securities Limited****Jiten Chopra**

Partner

Membership No. : 092894

**Ajay Pratap**  
Company Secretary**Govind Prasad Agrawal**  
Chief Finance Officer**Vinay Mehta**  
Managing Director**Jagdeep Singh**  
Wholetime DirectorPlace : Gurgaon  
Date : 30th May, 2012Place : New Delhi  
Date : 30th May, 2012Place : New Delhi  
Date : 30th May, 2012Place : New Delhi  
Date : 30th May, 2012Place : New Delhi  
Date : 30th May, 2012

**Consolidated Statement of Profit and Loss for the year ended 31 March 2012**

(All amounts in Indian rupees)

	Notes	Year ended 31 March 2012	Year ended 31 March 2011
<b>Income</b>			
Revenue from operations	2.22	1,067,231,213	969,943,381
Other income	2.23	19,748,009	32,989,140
<b>Total income</b>		<b>1,086,979,222</b>	<b>1,002,932,521</b>
<b>Expenses</b>			
Employee benefit expense	2.24	530,815,767	365,145,525
Provisions for standard assets		564,242	—
Finance cost	2.25	43,104,087	49,642,769
Depreciation and amortisation expense	2.12 and 2.13	32,394,728	28,304,529
Other expenses	2.26	460,239,124	418,197,398
<b>Total expenses</b>		<b>1,067,117,948</b>	<b>861,290,221</b>
<b>Profit/(loss) before prior period items and tax expense</b>		<b>19,861,274</b>	<b>141,642,300</b>
Prior period items	2.27	99,255	276,741
<b>Profit before tax</b>		<b>19,762,019</b>	<b>141,365,559</b>
<b>Tax expense</b>			
— Current tax		21,222,372	38,527,784
— Earlier year income tax		353,477	1,048,148
— Deferred tax charge/(credit)		(3,981,261)	2,980,444
<b>Profit for the year</b>		<b>2,167,431</b>	<b>98,809,183</b>
Less: Minorities share of profit		16,085,045	1,483,520
<b>Net surplus carried to reserves and surplus</b>		<b>(13,917,614)</b>	<b>97,325,663</b>
<b>Earnings per share (Rs.) - Par value of Rs. 6 per share)</b>	2.28		
Basic		(0.53)	3.74
Diluted		0.53)	3.72

Significant accounting policies and notes to financial statements. 1 and 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Co.**

Chartered Accountants

Firm Registration No. 101248W

For and on behalf of the Board of **Almondz Global Securities Limited**

**Jiten Chopra**

Partner

Membership No.: 092894

**Ajay Pratap**  
Company Secretary

**Govind Prasad Agrawal**  
Chief Finance Officer

**Vinay Mehta**  
Managing Director

**Jagdeep Singh**  
Wholetime Director

Place : Gurgaon  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

## Consolidated Cash Flow Statement for the year ended 31 March 2012

(All amounts in Indian rupees)

Particulars	Year ended 31 March 2012	Year ended 31 March 2011
<b>A. Cash flow from operating activities</b>		
Profit before prior period items and taxes	19,861,274	141,642,300
<b>Adjustments for</b>		
Depreciation	32,394,728	28,304,529
(Profit) / loss on sale of fixed assets	1,138,087	3,064,147
(Profit) / loss on sale of investment	—	(234,461)
Fixed assets written off	3,899,191	6,827,035
Provision for employee benefits	3,748,869	14,088,435
Bad debts written off	7,615,406	7,238,134
Advance / debit balances written off	15,874,015	—
Provision for doubtful debts	23,953,571	890,822
Provision for Doubtful advances	165,059	—
Provision for doubtful security deposits	380,000	—
Excess provision written back	(1,512,962)	(384,667)
Provision for standard assets	564,242	—
Dividend income	(1,210,952)	(676,388)
Interest received	(10,057,962)	(40,522,725)
Interest expense	39,392,093	49,642,770
Provision for doubtful debts written back	(2,577,000)	—
Liabilities no longer required written back	(969,355)	(267,561)
	<b>132,658,304</b>	<b>209,612,370</b>
Less: Prior period expense	99,255	276,741
<b>Operating profit before working capital changes</b>	<b>132,559,049</b>	<b>209,335,629</b>
Adjusted for net changes in working capital		
(Increase) / decrease in inventories	103,838,721	496,449,775
(Increase) / decrease in trade receivables	(20,639,312)	(94,521,119)
(Increase) / decrease in loans and advances and other current assets	194,940,747	(206,518,902)
Increase / (decrease) in current liabilities and provisions	(33,075,692)	90,748,619
Increase / (decrease) in bank deposits held as margin money	30,000,000	14,654,055
<b>Cash flow before extra ordinary items and tax</b>	<b>407,423,513</b>	<b>510,148,057</b>
Taxes paid	(80,088,404)	(48,825,270)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>327,335,109</b>	<b>461,322,787</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(16,724,635)	(363,050,400)
Payments / proceeds for capital work in progress	79,102	(1,234,808)
Proceeds from sale of fixed assets	879,611	1,492,370
Fixed deposits (with a maturity more than 90 days) placed	(154,328,999)	(196,835,300)
Fixed deposits (with a maturity more than 90 days) matured	164,313,346	165,993,069
Investments made	(3,000,000)	(4,862,003)
Dividend received	1,210,952	676,388
Interest received	13,941,262	37,844,369
<b>Net cash from / (used in) investing activities (B)</b>	<b>6,370,639</b>	<b>(359,976,315)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of share capital	10,659,997	8,865,040
Proceeds from acquisition of minority interest	—	3,452,379
Repayment of secured long term borrowings (net)	(14,048,104)	(1,979,738)
Proceeds from secured long term borrowings (net)	—	241,454,681
Proceeds from unsecured long term borrowings (net)	—	31,250,000
Proceeds from short term borrowings (net)	100,065	—
Repayment of short term borrowings (net)	(166,600,000)	—
Net increase / (decrease) in cash credit facilities	(98,812,402)	(182,664,760)
Dividend paid and corporate dividend tax	(195,929)	(17,187,088)
Interest paid	(39,353,593)	(48,052,600)
<b>Net cash from / (used in) financing activities (C)</b>	<b>(308,249,966)</b>	<b>35,137,913</b>
<b>Net cash inflows during the year (A+B+C)</b>	<b>25,455,782</b>	<b>136,484,385</b>
<b>Cash and cash equivalents (opening balance)</b>	<b>317,187,365</b>	<b>180,702,980</b>
<b>Cash and cash equivalents (closing balance)</b>	<b>342,643,148</b>	<b>317,187,365</b>

## Notes

- The cash flow statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS)-3 on 'Cash Flow Statement', of the Companies (Accounting Standards) Rules, 2006.
- Cash and bank balances includes :**  
**Cash and cash equivalents**  
 — Cash in hand 1,741,875 1,526,235  
 — Cheques in Hand 30,208,348 82,239  
 Balances with scheduled banks  
 — on current account 305,019,265 314,078,891  
 — on deposit account 5,673,660 1,500,000  
**Cash and cash equivalents (closing balance)** 342,643,148 317,187,365  
**Other bank balances (a)**  
 Add :  
 Fixed deposits pledged (restricted cash) 18,500,000 —  
 Fixed deposits (with a maturity more than 90 days) placed 99,415,765 160,054,934  
 Unpaid dividend account (not available to for use of the company) 2,186,922 2,051,873  
**Cash and bank balances at the end of the year** 462,745,835 479,294,172
- Cash and bank balances includes Rs. 3,700,000 (Previous year Rs.7,630,000) earmarked for settlement of certain liabilities and Rs. 73,000,000 (Previous year Rs. 125,000,000) pledged with stock exchanges.

As per our report of even date attached

For **B S R & Co.**

Chartered Accountants

Firm Registration No. 101248W

Jiten Chopra

Partner

Membership No. : 092894

Place : Gurgaon

Date : 30th May, 2012

For and on behalf of the Board of Almondz Global Securities Limited

 Ajay Pratap  
 Company Secretary

 Govind Prasad Agrawal  
 Chief Finance Officer

 Vinay Mehta  
 Managing Director

 Jagdeep Singh  
 Wholetime Director

 Place : New Delhi  
 Date : 30th May, 2012

 Place : New Delhi  
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 Place : New Delhi  
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 Place : New Delhi  
 Date : 30th May, 2012

**Notes to the Consolidated Financial Statements**

**(Amounts in Indian rupees)**

**Significant accounting policies**

**1. Principles of Consolidation**

- (i) The Consolidated Financial Statements relate to Almondz Global Securities Limited hereinafter referred to as the "Company" and its subsidiaries, together hereinafter referred to as the "Almondz Global Group" comprise the following :

Name of the Subsidiary Company	Incorporated on	Country of Incorporation	% of voting power held as at	
			31 March 2012	31 March 2011
Almondz Finanz Limited (AFL)	12 May 2006	India	100%*	100%*
Almondz Commodities Private Limited (ACPL)	17 August 2005	India	85.14%*	85.14%*
Almondz Retail Equity Limited	25 September 2008	India	100%*	100%*
Almondz Insurance Brokers Private Limited **	27 March 2003	India	51%*	51%*
Almondz Reinsurance Brokers Private Limited (a wholly owned subsidiary of Almondz Insurance Brokers Private Limited)	27 December 2006	India	99.995% (indirect holding)	99.995% (indirect holding)
Almondz Debt Advisors Limited (a wholly owned subsidiary of Almondz Finanz Limited)	16 December 2011	India	100% (indirect holding)	—
* including shares of beneficial interest through other persons.				

- (ii) In the preparation of these Consolidated Financial Statements, investment in the Subsidiary company has been accounted for in accordance with AS 21 (Accounting for Consolidated Financial Statements) prescribed by Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements are prepared, subject to the above, on the following basis :
- Subsidiary company is consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses, except where cost cannot be recovered.
  - The difference of the cost to the Company of its investment in Subsidiary over its proportionate share in the equity of the investee company, as at the date of acquisition of stake is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
  - Minority interest, if any, in net profits of consolidated subsidiary for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding company. Since AFL is beneficially owned by Almondz Global Securities Limited (AGSL) to the extent of 100% of the shareholding, wherein 600 equity shares are held by other persons as nominee of AGSL, which for the purpose of these financial statement has been assumed to be held by AGSL, and thus minority interest has not been separately identified.
  - As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
  - The financial statements of the entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company i.e. year ended 31 March 2012.
- (iii) **Basis of preparation**
- The consolidated financial statements are prepared under the historical cost convention, in accordance with the Indian Generally Accepted Accounting Principles (GAAP), Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006, relevant pronouncements of the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956, as adopted consistently by the Company.
- In preparation and presentation of these consolidated financial statements, the Company has adopted the Revised Schedule VI to the Companies Act, 1956. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made

## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Previous year's figures have been regrouped/ reclassified to conform to the classification of assets and liabilities as at 31 March 2012.

(iv) **Use of estimates**

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include provision for assets and estimated useful life of fixed assets. Actual results could differ from these estimates. Adjustments as a result of differences between actual and estimates are made prospectively.

(v) **Revenue recognition**

- a. *Advisory and consultancy services* : Fees is booked on the completion of task/project as per the terms of agreement. However, where the percentage of completion is significant enough to ascertain the outcome reliably, revenue is recognised to the extent it can be accurately measured.
- b. *Broking activities* : Income from broking on distribution operations is recognised on the closure of the issue of mutual funds, bonds, fixed deposits and other money market instruments. Income from equity stock broking operations and commodity broking operation is accrued on completion of transaction at the respective exchanges.
- c. In the case of trading in bonds, the profit / loss from the transaction is recognised on the closure of the deal and consequent physical delivery of the bond.
- d. Dividend income is recognised when the right to receive the income is established.
- e. In the case of fixed income securities/ deposits, interest is recognised on a time proportionate basis.
- f. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- g. In case of General Insurance business, Income will accrue after the risk has been incepted and acknowledged by the insurance company.
- h. In case of Life Insurance business, Income will accrue when the proposal is accepted by the insurance company.
- i. Brokerage income from reinsurance contracts is recognized when the payment of premium to the

reinsurers becomes certain on settlement of premium by the clients.

- j. The Company's revenue recognition policies are in accordance with Non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ('prudential norms') as amended from time to time by the Reserve Bank of India and Accounting Standards (AS) issued under the Companies (Accounting Standards) Rules, 2006 for income recognition. Reversal of income, necessitated by these guidelines, has been netted off from income from operations.
- k. In respect of other heads of income, the Company follows the practice of recognising income on accrual basis.

(vi) **Provision for standard and non-performing assets**

Provisions for standard and non-performing assets are created in accordance with the Non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Further, specific provisions are also created based on the management's best estimate of the recoverability of non-performing assets.

(vii) **Interest expense**

Interest on borrowings is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable on the borrowings.

(viii) **Expenditure**

Expenses are recognised on accrual basis and provisions are made for all known losses and liabilities. Expenses incurred on behalf of other companies, in India, for sharing personnel, common services and facilities like premises, telephones, etc. are allocated to them at cost and reduced from respective expenses.

Similarly, expense allocation received from other companies is included within respective expense classifications.

(ix) **Employee benefits**

The Company's obligations towards various employee benefits have been recognised as follows :

(a) *Short term benefits*

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

(b) *Provident fund (Defined contribution plan)*

Provident fund is a defined contribution plan. The contribution towards provident fund which are being deposited with the Regional Provident Fund

**Notes to the Consolidated Financial Statements**

**(Amounts in Indian rupees)**

Commissioner are charged to the Statement of Profit and Loss.

**(c) Gratuity (Defined benefit plan)**

Gratuity is defined benefit plan. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

The Company makes contribution to an insurer managed funds for discharging its gratuity liability.

**(d) Compensated absences (other long-term benefits)**

The group provides for leave encashment based on actuarial valuation using projected unit credit method in respect of past service. In respect of compensated absences arising during the tenure of service, the defined benefit obligation is calculated taking into account the pattern of availment of leave. In respect of encashment of leave, the defined benefit is calculated taking into account all types of decrements and qualifying salary projected upto the assumed date of encashment. The valuation of leave encashment benefit is done as at the balance sheet date by an independent actuary. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

**(x) Fixed assets**

**Tangible assets**

Tangible assets are stated at the cost of acquisition or construction, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable costs of bringing the assets to their working condition for intended use. Borrowing costs directly attributable to acquisition or construction of fixed assets, which necessarily take a substantial period of time to be ready for their intended use are capitalised.

**Depreciation on tangible assets**

- a) Leasehold improvements are depreciated over the lease period as stated in the lease agreement or over the estimated useful life of the assets, whichever is shorter.

- b) Other assets are depreciated on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956 from the date of put to use until the date of sale.
- c) Depreciation on assets costing up to Rs. 5,000 are depreciated at the rate of 100% on pro-rata basis.
- d) Depreciation on additions to assets or on sale/ adjustment of assets is calculated pro-rata from the date of such addition or up to the date of such sale/ adjustment.
- e) In view of management, the above reflects the estimated useful lives of the respective fixed assets.

**Intangible assets and its amortisation**

Intangible assets are recorded at cost and are amortised over the period the Company expects to derive economic benefits from their use.

**(xi) Impairment**

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

**(xii) Investments**

Investments are classified into long-term investments and current investments based on intent of the management at the time of making the investment. Investment intended to be held for more than one year from the date such investments are made are classified as long-term investments. All long-term investments are classified as non-current investments in the Balance Sheet. The portions of long-term investments which are expected to be realised within twelve months from the Balance Sheet date are classified as current investments. Current investments are valued at lower of cost and market value, computed category-wise e.g. quoted shares, unquoted shares, government securities and non government securities/bonds. The diminution in current investments is charged to the Statement of Profit and Loss and appreciation, if any, is recognised at the time of sale. Long-term investments, including investments in subsidiaries, are valued at cost unless

## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

there is diminution, other than temporary, in their value. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market value decline and the financial health of and specific prospects of the issuer.

**(xiii) Foreign currency transactions**

Transactions in foreign currency are recorded at the exchange rates prevailing at the date of the transaction. Exchange differences arising on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currency are translated at year-end rates and resultant gains/losses on foreign exchange translations are recognised in the Statement of Profit and Loss.

**(xiv) Current and deferred tax**

Income-tax expense comprises current tax and deferred tax. Current tax expense is the amount of tax for the period determined in accordance with the income-tax law and deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

**(xv) Provisions, contingent liabilities and contingent assets**

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognise assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, if it has become virtually certain that an inflow of economic benefits will arise, asset and related income is recognised in the financial statements of the period in which the change occurs.

**(xvi) Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive potential shares outstanding during the year, except where the results would be anti-dilutive.

**(xvii) Operating leases**

Lease payments under operating lease are recognised as an expense on a straight line basis over the lease term.

**(xviii) Employee Stock Option Scheme ("ESOS")**

The Employees Stock Option Scheme ("the Scheme") provides for grant of equity shares of the Company to whole-time directors and employees of the Company. The Scheme provides that employees are granted an option to subscribe to equity shares of the Company that vests in a graded manner. The options may be exercised within a specified period. The Company follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date. The fair market price is the closing price of the equity shares of the Company on the stock exchange/s on which the shares of the Company are listed, immediately prior to the date of the meeting of Compensation Committee of Board of Directors of the Company in which the options are granted. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

**(xix) Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

**Notes to the Consolidated Financial Statements**

**(Amounts in Indian rupees)**

**Notes to the financial statements**

**2.1 Share Capital**

Particulars	As at 31 March 2012		As at 31 March 2011	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised share capital</b> Equity shares of Rs. 6 each (refer to note1 below)	50,000,000	300,000,000	50,000,000	300,000,000
<b>Issued, subscribed and fully paid-up</b> Equity shares of Rs. 6 each fully paid-up	25,871,973	155,231,838	25,471,973	152,831,838
<b>Total</b>	<b>25,871,973</b>	<b>155,231,838</b>	<b>25,471,973</b>	<b>152,831,838</b>

The reconciliation of number of shares outstanding and the amount of share capital as at 31 March 2012 and 31 March 2011 is set out below :

Particulars	As at 31 March 2012		As at 31 March 2011	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 6 each fully paid-up				
At the beginning of the year	25,471,973	152,831,838	25,288,433	151,730,598
Add : Shares issued on exercise of employee stock options	400,000	2,400,000	183,540	1,101,240
<b>At the end of the year</b>	<b>25,871,973</b>	<b>155,231,838</b>	<b>25,471,973</b>	<b>152,831,838</b>

**Rights, preferences and restriction attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value Rs. 6 each. Each member of the Company has voting rights on a poll, in proportion to his share in the paid-up equity share capital. On show of hands every member present in person and being holder of equity share shall have one vote.

Each shareholder is entitled to receive interim dividend when it is declared by the Board of Directors. The final dividends proposed by the Board of Directors are paid when approved by the shareholders at annual general meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will in proportion of the equity shares held by the shareholders.

**Detail of shareholders holding more than 5% shares of the Company**

Particulars	As at 31 March 2012		As at 31 March 2011	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Almondz Capital and Management Services Limited	12,858,814	49.68	12,653,314	49.65
Al Anwar Holdings SAOG	3,091,500	11.94	3,091,500	12.13

**Employees Stock Option Scheme 2007**

The Company has instituted an Employee Stock Option Scheme in the year 2000, known as 'Employee Stock Option Scheme ('ESOS' or 'Scheme') 2007. This Scheme was adopted by the Board of Directors on 3 January 2008 and subsequently by shareholders of the Company on 4 March 2008, and is for issue of 4,500,000 options of the Company convertible into equal number of equity shares of the par value of Rs. 6 each. The scheme was further amended by the Board of Directors on 5 March 2010 and subsequently by shareholders of the Company on 13 April 2010 to increase number of options from 4,500,000 options to 15,000,000 options of the Company convertible into equal number of equity shares. A compensation committee comprising independent members of the Board of Directors administers the scheme. The Compensation Committee has framed various series under the scheme from time to time.



## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

The activity in the scheme during the year ended 31 March 2012 and 31 March 2011, respectively, is set out below :

Particular	For the year ended	
	31 March 2012	31 March 2011
Options outstanding at the beginning of the period	3,446,800	3,610,000
Add : New options granted during the year	550,000	—
Less : Exercised	400,000	1,63,200
Forfeited	302,500	—
Options outstanding at the end of the period	3,294,300	3,446,800
Options exercisable at the end of the period	2,744,300	3,446,800

The weighted average share price of options exercised under the scheme during the year ended 31 March 2012 and 31 March 2011 was Rs. 26.65 and Rs. 52.14 respectively.

During the year ended 31 March 2012, the Company has revised the exercise price for the outstanding options as at date of revision. The revised exercise price for all the outstanding options of series A, B, C, D and E is Rs. 26.65 per option. The revision of exercise price was approved by Compensation Committee on 7 July 2011, being the closing price of the shares of the Company at Bombay Stock Exchange Ltd. (having higher trading volume) on 6 July 2011.

The following table summarise information about the series of options outstanding under as at 31 March 2012 and 31 March 2011 respectively.

## Series 'A'

Particular	For the year ended	
	31 March 2012	31 March 2011
Number of shares arising out of options	1,074,300	1,484,300
Weighted average remaining contractual remaining life of the options	2.12	3.13
Weighted average exercise price	26.65	55.15

## Series 'B'

Particular	For the year ended	
	31 March 2012	31 March 2011
Number of shares arising out of options	975,000	975,000
Weighted average remaining contractual remaining life of the options	2.22	3.22
Weighted average exercise price	26.65	43.55

## Series 'C'

Particular	For the year ended	
	31 March 2012	31 March 2011
Number of shares arising out of options	165,000	182,500
Weighted average remaining contractual remaining life of the options	3.21	4.21
Weighted average exercise price	26.65	33.35

## Series 'D'

Particular	For the year ended	
	31 March 2012	31 March 2011
Number of shares arising out of options	590,000	700,000
Weighted average remaining contractual remaining life of the options	3.85	4.85
Weighted average exercise price	26.65	53.25

**Notes to the Consolidated Financial Statements**

**(Amounts in Indian rupees)**

**Series 'E'**

Particular	For the year ended	
	31 March 2012	31 March 2011
Number of shares arising out of options	40,000	105,000
Weighted average remaining contractual remaining life of the options	4.18	5.18
Weighted average exercise price	26.65	60.50

**Series 'F'**

Particular	For the year ended	
	31 March 2012	31 March 2011
Number of shares arising out of options	450,000	—
Weighted average remaining contractual remaining life of the options	5.20	—
Weighted average exercise price	27.45	—

As at 31 March 2012, the Company had 3,294,300 (previous year 3,446,800) number of shares reserved for issue under employee stock option plans. Out of above 2,560,631 (previous year 2,753,800) employee stock options are vested and are exercisable at any point of time.

The exercise prices of all the Company's stock options granted are equal to fair market price on the respective grant dates, accordingly there is no compensation cost to be recognised based on the intrinsic value of the options.

Had the Company used the fair value of options based on black scholes option pricing model, compensation cost for the year ended 31 March 2012 is Rs. 6,511,047 (previous year Rs. 18,936,909) and proforma loss after tax would have been Rs. 43,385,423 (previous year profit after tax of Rs. 46,687,964). On a proforma basis, basic and diluted earnings per share of the Company would have been Rs. 1.64 (previous year Rs. 1.84) respectively. The key assumptions used to estimate the fair value of options granted during the year ended 31 March 2012 are given below.

Risk-free interest rate	7.99% to 8.24%
Expected life	3.5 to 5.5 years
Expected volatility	53.4 %

The weighted average fair value of options granted during the year ended 31 March 2012 is Rs. 14.56 per option (previous year ended 31 March 2011 Rs. 31.89 per option).

## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

## 2.2 Reserves and surplus

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Securities premium</b>		
At the beginning of the year	388,767,090	380,881,250
Add: Addition due to exercise of employee stock options	8,259,997	7,530,723
Add: Gain on sale of treasury shares (net of minority interest)	—	355,117
At the end of the year	<b>397,027,087</b>	<b>388,767,090</b>
<b>Capital reserve</b>		
At the beginning of the year	18,194,654	18,506,502
Add: Forfeiture of amount received against share warrants <sup>1</sup>	64,560,650	—
Add: Capital profit / (adjustment) on acquisition of Almondz Insurance Brokers Private Limited	—	(311,848)
At the end of the year	<b>82,755,304</b>	<b>18,194,654</b>
<b>Amalgamation reserve</b>	<b>112,719,998</b>	<b>112,719,998</b>
<b>General reserve</b>	<b>17,000,000</b>	<b>17,000,000</b>
<b>Special Reserve created under section 45-IC of the RBI Act, 1934<sup>2</sup></b>		
At the beginning of the Year	3,312,726	83,418
Add: Transferred from Surplus	1,805,134	3,229,308
Balance at the end of Year	<b>5,117,860</b>	<b>3,312,726</b>
<b>Surplus in the Statement of Profit and Loss</b>		
At the beginning of the year	403,820,959	329,717,406
Add: Allocation of losses to minority due to increase in minority's shares	—	2,084,969
Add: Profit / (Loss) after tax as per Statement of Profit and Loss	(13,917,614)	97,325,663
Add: Dividend received from subsidiary	—	459,000
<b>Less: Appropriations</b>		
Less: Transfer to Special reserve <sup>2</sup>	1,805,134	3,229,308
Dividend (including corporate dividend tax) for the previous year paid during the year <sup>3</sup>	195,929	17,198
Proposed dividend	—	18,200,686
Corporate dividend tax	—	4,318,887
At the end of the year	<b>387,902,262</b>	<b>403,820,959</b>
<b>Total</b>	<b>1,002,522,531</b>	<b>943,815,427</b>

<sup>1</sup> Money received against warrants

The Company had allotted 4,510,000 share warrants during the year ended 31 March 2010 at a price of Rs. 57.26 per share warrant. These share warrants were convertible to equal numbers of equity shares at the option of the holder within 18 months from the date of the allotment. The Company had received Rs. 64,560,650 as an advance from the allottees. Since the holders of the warrants did not exercise option to convert the share warrants into equity shares, the advance of Rs. 64,560,650 has been forfeited and transferred to Capital reserve during the year ended 31 March 2012.

<sup>2</sup> Special reserve represents the reserve fund created under section 45-IC of the Reserve Bank of India Act, 1934 (RBI Act). As per sections, the company is required to transfer sum not less than twenty percent of its net profit every year. The special reserve can be utilised for the purposes as specified by the Reserve Bank of India from time to time.

<sup>3</sup> Proposed dividends

Proposed dividend for the current year represents dividend in respect of 400,000 equity shares issued on exercise of employee stock options by certain employees of the Company before the book closure date for declaration of dividends for the financial year ended 31 March 2011. Since the financial statements for the year ended 31 March 2011 had been approved by the Board of Directors prior to the book closure date, the amount has been recorded as appropriation of profits for the year ended 31 March 2012. The Board of directors has not proposed any dividend for the financial year ended 31 March 2012.

**Notes to the Consolidated Financial Statements**

**(Amounts in Indian rupees)**

**2.3 Calculation of Minority Interest**

(i) Almondz Commodities Private Limited

<b>Particulars</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Share capital	2,600,000	2,600,000
Reserves balance as at 31 March 2010	(1,285,907)	(1,285,907)
Post acquisition profits for the year ended 31 March 2011	192,314	192,314
Post acquisition profits for the year ended 31 March 2012	375,370	—
<b>Balance as at 31 March 2012 (A)</b>	<b>1,881,777</b>	<b>1,506,407</b>

(ii) Almondz Insurance Brokers Private Limited (AIBPL) -

Almondz Re-insurance Brokers Private Limited (ARBPL) share in Almondz Insurance Brokers Private Limited (AIBPL)

<b>Particulars</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Share capital	1,000	1,000
Reserve balance as at 31 March 2010	239	239
Post acquisition profits for the year ended 31 March 2011	193	193
Post acquisition profits for the year ended 31 March 2012	950	—
<b>Balance as at 31 March 2012 (B)</b>	<b>2,381</b>	<b>1,432</b>

AIBPL Minority interest

<b>Particulars</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Share capital	8,820,000	8,820,000
Reserve and surplus	14,178,252	14,178,252
Post acquisition profits for the year ended 31 March 2011	1,291,012	1,291,012
Add : Share in profit of sale in investments	341,191	341,191
Post acquisition profits for the year ended 31 March 2012	15,708,725	—
<b>Balance as at 31 March 2012 (C)</b>	<b>40,339,180</b>	<b>24,630,455</b>
<b>Grand Total [(A) + (B) +(C)]</b>	<b>42,223,338</b>	<b>26,138,294</b>

## 2.4 Long-term borrowings

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Secured term loan</b>		
From banks	1,675,700	2,229,725
From others	216,988,625	230,482,704
<b>Total</b>	<b>218,664,325</b>	<b>232,712,429</b>

**Nature of security and terms of repayment of secured borrowings:****Nature of security**

Term loan from others amounting to Rs. 215,824,552 (previous year Rs. 227,777,053) are secured by way of equitable mortgage of one of building owned by the Company. Further, the loan has also been guaranteed by a director of the Company.

Term loans from banks amounting to Rs. 1,675,700 (previous year Rs. 2,229,725) are secured against hypothecation of specific vehicles financed.

Term loan from others amounting to Rs. 1,164,073 (previous year Rs. 2,705,651) are secured against hypothecation of specific vehicles financed

**Terms of payment**

Term loan is taken from financial institution and carries an interest rate of LIBOR minus 100 bps. The interest rate as at year end is 13.40% per annum (previous year 11.50%). The last installment would fall due on 10 July 2020. The loan is repayable in 120 equal monthly installments along with the interest. Loan amounting to Rs. 11,952,501 (previous year Rs. 11,564,118) repayable in next 12 months has been shown as current maturities of secured long-term borrowings in note 2.10.

Loans are repayable in 36 equal monthly installments along with the interest and carries fixed interest rate from 9.08% to 13.75% per annum specific to the respective banks. The last installment would fall due on 15 July 2014. Loan amounting to Rs. 1,710,666 (previous year Rs. 1,325,228) repayable in next 12 months has been shown as current maturities of secured long-term borrowings in note 2.10.

Loans are repayable in 36 equal monthly installments along with the interest and carries fixed interest rate of 9.75% and 13.64% per annum. The last installment would fall due on 3 April 2013. Loan amounting to Rs. 1,302,841 (previous year Rs. 1,615,275) repayable in next 12 months has been shown as current maturities of secured long-term borrowings in note 2.10.

**Notes to the Consolidated Financial Statements**

(Amounts in Indian rupees)

**2.5 Deferred taxes liabilities (net)**

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Deferred tax asset</b>		
Provision for doubtful debts	8,884,578	1,184,072
Provision for diminution in investments	4,343,884	4,343,884
Provision for employee benefits	4,805,783	5,782,405
Carried forward losses	14,785,524	—
Others	2,773,180	5,502,863
<b>Total deferred tax asset</b>	<b>35,592,949</b>	<b>16,813,224</b>
<b>Deferred tax liability</b>		
Difference in the written down value of fixed assets as per the Companies Act, 1956 and the Income-tax Act, 1961	20,610,553	17,219,870
<b>Total deferred tax liability</b>	<b>20,610,553</b>	<b>17,219,870</b>
<b>Deferred tax asset/(liability) recognised (net) <sup>1</sup></b>	<b>3,574,615</b>	<b>(406,646)</b>
<b>Deferred tax charged/(credit) to Statement of Profit and Loss</b>	<b>(3,981,261)</b>	<b>2,980,444</b>

<sup>1</sup> The Company has carried out computation of deferred tax in accordance with Accounting Standard 22 - Accounting for Taxes on Income notified in the Companies (Accounting Standards) Rules, 2006. The deferred tax assets of Rs. 3,574,615 (net of deferred tax liability of Rs. 526,755) disclosed in the consolidated financial statement represents deferred tax assets/liability of subsidiary companies consolidated on a line by line basis.

As at 31 March 2012, the holding company is carrying unabsorbed depreciation and losses under the Income Tax Act, 1961. In the absence of virtual certainty to realise the deferred tax assets available to the holding company, the deferred tax assets of holding company has been recognised only to the extent of deferred tax liability only.

**2.6 Other Long-term liabilities**

Particulars	As at 31 March 2012	As at 31 March 2011
Security deposits received	2,616,965	2,806,965
Rent equalisation reserve	311,094	5,037,430
<b>Total</b>	<b>2,928,059</b>	<b>7,844,395</b>

**2.7 Long-term provisions**

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Provision for employee benefits</b>		
Gratuity	6,719,776	2,944,519
Compensated absences	7,835,382	10,549,573
<b>Total</b>	<b>14,555,158</b>	<b>13,494,092</b>

## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

## 2.8 Short-term borrowings

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Secured</b>		
from banks <sup>1</sup>	124,265,707	214,751,181
from others <sup>2</sup>	—	50,350,000
Bank overdraft <sup>3</sup>	3,081,594	11,308,457
	<b>127,347,301</b>	<b>276,409,638</b>
<b>Unsecured</b>		
Loan from related company	—	116,250,000
	<b>—</b>	<b>116,250,000</b>
<b>Total</b>	<b>127,347,301</b>	<b>392,659,638</b>

<sup>1</sup> Secured by exclusive charge on Government securities, central and state government securities and state and central government guaranteed bonds / PSU bonds and corporate guarantee of Almondz Global Securities Limited and personally guaranteed by Mr. Navjeet Singh Sobti, Director of the Company. The loan is payable on demand and carries an interest rate of 14.95% per annum (previous year 14.25% per annum).

<sup>2</sup> Previous year balance includes amount of Rs. 20,350,000 taken from Infina Finance Private Limited secured by floating pledge of shares / lien on mutual funds units / bonds / Government securities acceptable to lenders and personally guaranteed by Mr. Navjeet Singh Sobti, Director of the Company and Rs. 30,000,000 taken from Pinkhem Investments Company Private Limited secured by way of pledge of specified equity shares pledged to the Company by a borrower and personally guaranteed by Mr. Navjeet Singh Sobti Director of the Company. The loan balances carried an interest rates of 12% and 15.85% per annum respectively.

<sup>3</sup> Bank overdraft is for the working capital requirement of the Company and is secured by way of pledge of fixed deposits amounting to Rs. 25,000,000 with the lender bank. The rate of interest is 11.00% per annum.

## 2.9 Trade payables

Particulars	As at 31 March 2012	As at 31 March 2011
Trade payables <sup>1</sup>	73,765,005	63,125,494
<b>Total</b>	<b>73,765,005</b>	<b>63,125,494</b>

<sup>1</sup> The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no trade payables and other current liabilities payable to Micro and Small Enterprises as at 31 March 2012 and 31 March 2011.

**Notes to the Consolidated Financial Statements**

(Amounts in Indian rupees)

**2.10 Other current liabilities**

<b>Particulars</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
Current maturities of long-term debt	14,966,008	14,504,621
Interest accrued but not due on borrowings	1,723,023	1,590,170
Interest accrued and due (net of tax deducted at source)	—	171,353
Payable for purchase of fixed assets	77,421	2,121,414
Unpaid dividend <sup>1</sup>	2,186,922	2,051,873
Book overdraft	15,661,398	6,589,276
Due to clients	136,480,325	157,970,507
Rent equalisation reserve	2,308,931	2,819,868
Advances and margin money from customers	856,000	7,393,407
Expenses Payable	5,396,846	7,122,326
Reinsurance premium payable	10,727,711	27,492,038
Statutory dues	21,818,811	31,358,020
Other employee related payables	17,824,214	18,220,892
Other payables	4,128,874	2,768,254
<b>Total</b>	<b>234,156,484</b>	<b>282,174,019</b>

<sup>1</sup> There are no amounts due for payment to the Investor Education and Protection Fund under Section 205 C of the Companies Act, 1956 as at the year end.

**2.11 Short-term provisions**

<b>Particulars</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>Provision for employee benefits</b>		
Gratuity	—	4,336,987
Compensated absences	567,646	—
Other employee related payables	33,164,024	7,504,514
	<b>33,731,670</b>	<b>11,841,501</b>
<b>Other Provisions</b>		
Provision for wealth tax	65,519	53,203
Proposed equity dividend	—	15,113,687
Contingent provisions for Standard assets	564,243	—
Provision for tax on proposed equity dividend	—	3,272,536
Provision for taxes (net)	16,982,537	11,141,283
Provision for service tax liabilities	186,985	—
	<b>17,799,284</b>	<b>29,580,709</b>
<b>Total</b>	<b>51,530,954</b>	<b>41,422,210</b>



## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

## 2.12 Tangible assets

Cost	As at 1 April 2010	Additions	Deletions	As at 31 March 2011	Additions	Deletions	As at 31 March 2012
Office Buildings	9,537,228	333,312,011	—	342,849,239	—	—	342,849,239
Leasehold improvements	4,767,118	—	—	4,767,118	9,678,943	—	14,446,061
Furniture and fixtures	60,479,540	932,820	15,254,945	46,157,415	824,782	10,509,044	36,473,153
Computers and peripherals	43,272,992	2,342,055	1,297,976	44,317,071	1,694,173	985,993	45,025,251
Office equipment	21,859,713	5,246,485	918,949	26,187,249	2,373,651	1,260,797	27,300,103
Vehicles	16,692,040	7,924,695	304,281	24,312,454	2,438,944	3,874,653	22,876,745
<b>Total</b>	<b>156,608,631</b>	<b>349,758,066</b>	<b>17,776,151</b>	<b>488,590,546</b>	<b>17,010,493</b>	<b>16,630,487</b>	<b>488,970,552</b>

Depreciation	As at 1 April 2010	Additions	Deletions	As at 31 March 2011	Additions	Deletions	As at 31 March 2012
Office buildings	655,762	4,173,319	—	4,829,081	5,588,444	—	10,417,525
Leasehold improvements	3,016,999	953,424	—	3,970,423	796,695	—	4,767,118
Furniture and fixtures	18,261,796	8,068,060	4,987,331	21,342,525	10,003,432	6,592,999	24,752,958
Computers and peripherals	20,960,696	7,050,906	1,048,017	26,963,585	6,474,491	895,365	32,542,711
Office equipment	3,721,183	1,367,461	254,396	4,834,248	1,769,922	314,904	6,289,266
Vehicles	4,173,477	1,887,458	162,187	5,898,748	2,214,578	2,329,560	5,783,766
<b>Total</b>	<b>50,789,913</b>	<b>23,500,628</b>	<b>6,451,931</b>	<b>67,838,610</b>	<b>26,847,562</b>	<b>10,132,828</b>	<b>84,553,344</b>

Carrying amounts				As at 31 March 2011			As at 31 March 2012
Office buildings				338,020,158			332,431,714
Leasehold improvements				796,695			9,678,943
Furniture and fixtures				24,814,890			11,720,195
Computers and peripherals				17,353,486			12,482,540
Office equipment				21,353,001			21,010,837
Vehicles				18,413,706			17,092,979
<b>Total</b>				<b>420,751,936</b>			<b>404,417,208</b>

## 2.13 Intangible assets

Cost	As at 1 April 2010	Additions	Deletions	As at 31 March 2011	Additions	Deletions	As at 31 March 2012
Computer software	22,458,759	12,208,398	—	34,667,157	—	96,224	34,570,933
Painting and sculpture	337,840	—	80,000	257,840	81,000	—	338,840
Goodwill	—	237,600	—	237,600	—	—	237,600
<b>Total</b>	<b>22,796,599</b>	<b>12,445,998</b>	<b>80,000</b>	<b>35,162,597</b>	<b>81,000</b>	<b>96,224</b>	<b>35,147,373</b>

Amortisation	As at 1 April 2010	Additions	Deletions	As at 31 March 2011	Additions	Deletions	As at 31 March 2012
Computer software	8,958,171	4,773,449	—	13,731,620	5,519,147	70,136	19,180,631
Painting and sculpture	59,968	30,452	20,668	69,752	28,019	—	97,771
Goodwill	—	—	—	—	—	—	—
Intangible assets under development	—	—	—	—	—	—	—
<b>Total</b>	<b>9,018,139</b>	<b>4,803,901</b>	<b>20,668</b>	<b>13,801,372</b>	<b>5,547,166</b>	<b>70,136</b>	<b>19,278,402</b>

Carrying amounts				As at 31 March 2011			As at 31 March 2012
Computer software				20,935,537			15,390,302
Painting and sculpture				188,088			241,069
Goodwill				237,600			237,600
Intangible assets under development				—			—
<b>Total</b>				<b>21,361,225</b>			<b>15,868,971</b>

**Notes to the Consolidated Financial Statements**

**(Amounts in Indian rupees)**

**2.14 Non-current investments** (valued at cost unless otherwise stated)

<b>Particulars</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>Quoted equity shares</b>		
Indo Korea Exports Limited 389,600 (previous year 389,600) equity shares of Rs.10 fully paid up	3,896,000	3,896,000
Ritesh Polyester Limited 34,600 (previous year 34,600) equity shares of Rs.10 fully paid up	523,860	523,860
Ecoplast India Limited 2,500 (previous year 2,500) equity shares of Rs.10 fully paid up	20,000	20,000
Vantech Industries Limited 3,000 (previous year 3,000) equity shares of Rs.10 fully paid up	30,000	30,000
<b>Total</b>	<b>4,469,860</b>	<b>4,469,860</b>
Less : Provision for diminution in value of investment	4,469,860	4,469,860
<b>Net Total (a)</b>	<b>—</b>	<b>—</b>
<b>Unquoted equity shares</b>		
Dijit Prognosys Private Limited 3,000 (previous year 3,000) equity shares of Rs.100 fully paid up	300,000	300,000
Network 1 Media Consultant Pvt. Ltd. [7,844 (previous year NIL) equity shares of Rs.10 fully paid-up]	3,000,000	—
New Horizons India Limited [4,00,000 (previous year 4,00,000) equity shares of Rs.10 fully paid-up]	20,000,000	20,000,000
<b>Total</b>	<b>23,300,000</b>	<b>20,300,000</b>
Less : Provision for diminution in value of investment	300,000	300,000
<b>Net Total (b)</b>	<b>23,000,000</b>	<b>20,000,000</b>
<b>Investment in mutual funds (Quoted)</b>		
Principal Cash Management Fund-Growth 502.409 (previous year 50,240.891) units of Rs.1,000 each (previous year Rs. 10)	737,396	737,396
<b>Total (c)</b>	<b>737,396</b>	<b>737,396</b>
<b>Total (a + b + c)</b>	<b>23,737,396</b>	<b>20,737,396</b>
Aggregate book value of quoted investments	—	—
Market value of quoted investments	82,500	91,625
Aggregate book value of unquoted investments	23,000,000	20,000,000
Aggregate net asset value of investment in units of mutual funds	838,253	766,385

## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

## 2.15 Long-term loans and advances (Unsecured, considered good)

Particulars	As at 31 March 2012	As at 31 March 2011
Capital advances	485,139	—
Security deposits	72,402,848	94,836,873
Loans to employees	378,000	1,638,000
Inter corporate deposit	12,500,000	12,500,000
Prepaid expenses	2,620,664	43,595
Amount held under trust <sup>1</sup>	—	4,732,590
Advance income-tax [Net of provision of Rs. 85,844,739 (previous year Rs. 85,844,739)]	95,171,743	18,732,781
<b>Total</b>	<b>183,558,394</b>	<b>132,483,839</b>

<sup>1</sup> During the previous year, remuneration paid by the Company to its executive directors exceeded the limits specified in Section 309 of the Companies Act, 1956. The excess remuneration amounted to Rs. 4,732,590. Payment of remuneration in excess of limits specified in Section 309 required prior approval of the Central Government. As at 31 March 2011, the Company's application for waiver of recovery of remuneration paid in excess of limits specified under section 309 was under consideration of the Central Government. Accordingly, pending approval of the waiver application made by the Company, the amount of Rs. 4,732,590 was held under trust by the executive directors of the Company.

During the current year, the Company has received approval of the Central Government. The amount has been recognised as personnel expenses in the Statement of Profit and Loss for the year ended 31 March 2012.

## 2.16 Other non-current assets

Particulars	As at 31 March 2012	As at 31 March 2011
Interest accrued on fixed deposit but not due	119,724	1,711,630
Long-term deposits with maturity of more than 12 months	27,996,222	25,841,400
<b>Total</b>	<b>28,115,946</b>	<b>27,553,030</b>

Long-term deposits with maturity of more than 12 months includes Rs. Nil (previous year Rs. 25,500,000) being deposit made with the banks as margin money for obtaining bank guarantees to be submitted with stock exchanges. Further, it also includes Rs. 2,800,000 (previous year Rs. 300,000) earmarked by the management for the settlement of certain liabilities.

**Notes to the Consolidated Financial Statements**

(Amounts in Indian rupees)

**2.17 Inventories**

Particulars	As at 31 March 2012	As at 31 March 2011
Equity shares - quoted	41,392,842	42,607,761
Corporate, Central Government and State Government bonds	237,683,790	340,307,592
<b>Total</b>	<b>279,076,632</b>	<b>382,915,353</b>
<b>Break-up of Inventories held as at 31 March 2012 is as follows :</b>		
Particulars	Amount	
<b>Equity shares</b>		
Tata Investment Corporation Limited	1,968,685	
Elder Pharmaceuticals Limited	5,531,230	
Akzo Nobel India Limited	3,011,319	
Astrazeneca Pharma	2,622,231	
Fresenius Kabi Oncology Limited	2,278,500	
Lloyds Steel Industries	936,000	
Monsanto Chemicals	1,105,342	
Omkar Speciality Chemicals Ltd	20,096,804	
Techpro Systems Limited	340,000	
Thomes Cook India	3,070,000	
Other shares	432,731	
<b>Bonds</b>		
9.65% Krishna Bhagya Jala Nigam Limited	56,000,000	
10.85% West Bengal State Electricity Distribution Company Limited	9,992,000	
8.20% Hudco Tax Free 2027	47,915,000	
8.20% Hudco Tax Free 2027	47,915,000	
10.85% West Bengal State Elect. Distt co. Ltd. 2026	24,980,000	
10.85% West Bengal State Elect. Distt co. Ltd. 2026	4,996,000	
11.30% IDBI 2018	6,540,000	
8.83% GOI	35,402,500	
Other bonds	3,943,290	
<b>Total</b>	<b>279,076,632</b>	
<b>Break-up of Inventories held as at 31 March 2011 is as follows :</b>		
Particulars	Amount	
<b>Equity shares</b>		
IL and FS Engineering and Construction Company Limited	32,162,089	
Elder Pharmaceuticals Limited	1,266,655	
Development Credit	4,585,000	
Ivrcl Assets and Holding	1,183,232	
Spicejet Limited	1,915,000	
Other shares	1,495,785	
<b>Bonds</b>		
9.95% State Bank of India 2026	93,693,157	
9.65% Yes Bank Limited	3,025,500	
8.19% Indian Railway Finance Corporation Ltd. 2016	4,833,420	
9.65% Yes Bank 2020	50,425,000	
9.75% Industrial Financial Corporation of India 2030	27,431,600	
9.95% State Bank of India 2026	83,143,650	
Zero Coupon Rajasthan Rajya Vidyut prasaran Nigam Ltd. 2021- Trench II	7,600,000	
Zero Coupon Rajasthan Rajya Vidyut prasaran Nigam Ltd. 2024- Trench II	10,275,000	
Zero Coupon Rajasthan Rajya Vidyut prasaran Nigam Ltd. 2027- Trench II	51,986,833	
Other bonds	7,893,432	
<b>Total</b>	<b>382,915,353</b>	

## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

## 2.18 Trade receivables

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Secured, considered good</b>		
Other debts	60,549,079	87,051,887
<b>Total (a)</b>	<b>60,549,079</b>	<b>87,051,887</b>
<b>Unsecured, considered good</b>		
Outstanding for more than six months	4,548,139	14,600,723
Other debts	127,969,614	99,566,889
<b>Total (b)</b>	<b>132,517,753</b>	<b>114,167,612</b>
<b>Unsecured, considered doubtful</b>		
Outstanding for more than six months	17,667,642	6,226,473
Less : Provision for doubtful debts	17,667,642	6,226,473
<b>Total (c)</b>	<b>—</b>	<b>—</b>
<b>Total (a+b+c)</b>	<b>193,066,832</b>	<b>201,219,499</b>

## 2.19 Cash and bank balances

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Cash and cash equivalents</b>		
Cash in hand	1,741,875	1,526,235
Cheques / drafts in hand	30,208,348	82,239
Balances with banks in current accounts	305,019,265	314,078,891
Deposits with maturity of less than 3 months	5,673,660	1,500,000
	<b>342,643,148</b>	<b>317,187,365</b>
<b>Other bank balances</b>		
Bank deposits with maturity of more than 3 months <sup>1</sup>	117,915,765	160,054,934
Unpaid dividend account (not available to for use of the company)	2,186,922	2,051,873
<b>Total</b>	<b>462,745,835</b>	<b>479,294,172</b>

<sup>1</sup> It includes an amount of Rs. 78,000,000 (previous year Rs. 130,000,000) being deposit made with the banks as margin money for obtaining bank guarantees to be submitted with stock exchanges. Further, it also includes Rs. 900,000 (previous year Rs. 7,330,000) earmarked by the management for the settlement of certain liabilities.

**Notes to the Consolidated Financial Statements**

(Amounts in Indian rupees)

**2.20 Short-term loans and advances** (unsecured considered good, unless otherwise stated)

Particulars	As at 31 March 2012	As at 31 March 2011
Loans to body corporate		
Secured	131,347,816	171,666,667
Unsecured	28,750,000	135,000,000
Security deposits	58,291,666	22,135,719
Security deposits - considered doubtful	380,000	—
Rental security deposit	615,966	—
Loans to employees	1,759,347	1,839,100
Balance with statutory/ government authorities	2,449,604	6,347,778
Prepaid expenses	8,741,401	9,260,651
Advance income-tax	9,498,520	27,478,130
[Net of provision of Rs. 39,332,596 (previous year Rs. 35,332,792)]		
Loans and advances to related parties	58,600,000	100,598,937
Interest receivable	—	1,883,817
Advances for rendering services	9,427,587	30,072,694
Amount held under trust <sup>1</sup>	772,699	—
Loan and advances to others	2,952,542	355,472
<b>Total</b>	<b>313,587,147</b>	<b>506,638,964</b>
Less: Provision for doubtful security deposits	380,000	—
<b>Total</b>	<b>313,207,147</b>	<b>506,638,964</b>

<sup>1</sup> During the current year, remuneration paid by the AIBPL to its executive directors exceeded the limits specified in Section 309 of the Companies Act, 1956. The excess remuneration recoverable from directors amounted to Rs. 772,699. Payment of remuneration in excess of limits specified in Section 309 required prior approval of the Central Government. AIBPL is in process of making an application to the Central Government for waiver of recovery of remuneration paid in excess of limits specified under section 309.

**2.21 Other current assets** (Unsecured considered good, unless otherwise stated)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>Unsecured considered good, unless otherwise stated</b>		
Interest accrued on fixed deposits	2,604,770	3,012,347
Interest accrued on bonds / securities	2,542,263	3,167,025
Interest accrued on loans	6,999,430	—
Unbilled revenue	2,013,846	20,815,538
<b>Total</b>	<b>14,160,309</b>	<b>26,994,910</b>

## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

## 2.22 Revenue from operations

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
<b>Revenue from operations</b>		
Advisory and consultancy fees	217,547,456	286,580,829
Broking activities	721,081,459	491,522,040
Income from interest on loan given	50,818,306	10,155,113
Net gain / (loss) in trading of securities / bonds	49,504,655	109,439,782
Profit / (Loss) on derivatives	3,949,445	(4,642,928)
Net gain / (loss) in trading of shares	1,993,558	48,419,399
Other operating income	21,965,779	28,469,146
Others	370,555	—
<b>Total</b>	<b>1,067,231,213</b>	<b>969,943,381</b>

## 2.22 (a) The following is the break-up of the income earned from broking activities :

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
Insurance broking operations	234,066,274	30,952,518
Re-Insurance broking operations	135,298,964	111,452,599
Distribution operations	192,028,519	143,429,020
Equity stock broking operations	83,676,764	143,058,482
Arranger fee	43,190,912	39,628,961
Commodity broking operations	27,179,734	19,915,535
Wholesale debt market operation income	5,634,434	83,218
Portfolio management fee	5,858	3,001,707
<b>Total</b>	<b>721,081,459</b>	<b>491,522,040</b>

## 2.22 (b) The following is the summary of net results in trading of bonds :

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
<b>Trading of securities / bonds</b>		
Opening stock of securities	340,307,592	683,930,474
Add : Cost of securities purchased	7,813,923,021	15,955,996,186
	8,154,230,613	16,639,926,660
Less : Closing stock of securities	237,683,790	340,307,592
Cost of securities sold	7,916,546,823	16,299,619,068
Less : Sale of securities	7,966,051,478	16,409,058,850
<b>Net gain in trading of securities / bonds</b>	<b>49,504,655</b>	<b>109,439,782</b>

## 2.22 (c) The following is the summary of net results in trading of shares :

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
<b>Trading of shares</b>		
Opening stock of shares	42,607,761	195,434,654
Add : Cost of shares purchased	28,906,478	708,436,184
	71,514,239	903,870,838
Less : Closing stock of shares	41,392,842	42,607,761
Cost of shares sold	30,121,397	861,263,077
Less : Sale of shares	32,114,956	909,682,476
<b>Net gain in trading of shares</b>	<b>1,993,558</b>	<b>48,419,399</b>

**Notes to the Consolidated Financial Statements**

(Amounts in Indian rupees)

**2.22 (d) The following is the break-up of other operating income :**

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
Advertisement income	708,224	752,621
Delayed payment charges	11,710,212	17,537,886
Interest on fixed deposits pledged with exchanges	8,336,391	9,502,251
Dividend income	1,210,952	676,388
<b>Total</b>	<b>21,965,779</b>	<b>28,469,146</b>

**2.23 Other income**

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
<b>Interest income on</b>		
— Bank deposits	7,536,320	3,436,836
— Others <sup>1</sup>	2,521,642	26,930,775
Net gain on sale of investments	—	234,461
Excess provision no longer required written back	1,564,716	384,667
Provision for doubtful debts written back	2,577,000	—
Interest on income tax refund	49,884	—
Interest on others	1,132,296	—
Liabilities no longer required written back	969,355	267,561
Bad debts recovered	410,883	35,934
Foreign exchange fluctuation gain	638,573	—
Miscellaneous	2,347,341	1,698,905
<b>Total</b>	<b>19,748,009</b>	<b>32,989,140</b>

<sup>1</sup> Includes interest on loan to associates and deposits with body corporate.

**2.24 Employee benefit expense**

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
Salaries, wages and bonus	501,267,780	337,895,481
Contribution to provident and other funds	15,419,229	2,216,041
Gratuity and leave encashment (refer to note 2.29)	3,748,869	14,088,435
Staff welfare expense	10,379,889	10,945,568
<b>Total</b>	<b>530,815,767</b>	<b>365,145,525</b>

The exercise prices of all the Company's stock options granted are equal to fair market price on the respective grant dates, accordingly there is no compensation cost to be recognised as per the accounting policy followed by the Company.

**2.25 Finance cost**

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
Interest expense	39,392,093	41,776,409
Other borrowing cost	127,984	—
Bank charges	3,584,011	7,866,360
<b>Total</b>	<b>43,104,087</b>	<b>49,642,769</b>



## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

## 2.26 Other expenses

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
Commission and brokerage	174,830,810	120,000,427
Professional charges	40,669,102	90,592,315
Rent	45,184,654	41,586,816
Travelling and conveyance	35,956,258	14,502,597
Communication	24,184,365	20,313,495
Legal and professional	23,990,186	53,956,803
Business promotion	11,815,043	9,731,324
Advance / debit balances written off	15,874,015	—
Provision for doubtful debts	23,690,255	890,822
Bad debts written off	7,615,406	7,238,134
Provision for doubtful security deposits	380,000	—
Bad and doubtful advances provision	165,059	—
Electricity, generator and water	10,733,732	9,755,621
Repair and maintenance :		
— Computer maintenance	8,184,104	6,560,836
— Office maintenance	8,238,701	7,928,773
— Vehicle repair and maintenance	2,622,309	2,461,773
Advertisement expenses	10,000	1,717,940
Insurance charges	3,784,766	954,273
Fixed assets written off	3,899,191	6,827,035
Loss on sale of fixed assets (net)	1,138,087	3,064,147
Rates and taxes	3,132,391	4,137,742
Printing and stationery	6,346,722	4,523,850
Auditor's remuneration <sup>1</sup>	2,555,343	2,541,770
Charity and donations	2,053,701	1,495,402
Loss on error trades	1,287,430	6,433
SEBI and stock exchange fee and charges	1,643,517	2,000,427
Membership and subscription	426,246	—
Fines and penalty	—	59,150
Interest on tax deducted at source	60,913	—
Interest on late deposit of government dues	216	179,469
Miscellaneous	1,046,477	7,148,510
	<b>461,518,999</b>	<b>420,175,884</b>
Less : Recovery of expenses	(1,279,875)	(1,978,486)
<b>Net total</b>	<b>460,239,124</b>	<b>418,197,398</b>

<sup>1</sup>Auditor's remuneration (excluding service tax)

Particulars	For year ended 31 March 2012	For year ended 31 March 2011
<b>Statutory Auditors</b>		
1. Audit fee	2,290,000	1,650,000
2. Others	95,000	762,700
3. Out of pocket expenses	170,343	129,070
<b>Total</b>	<b>2,555,343</b>	<b>2,541,770</b>

**Notes to the Consolidated Financial Statements**

**(Amounts in Indian rupees)**

**2.27 Prior period items**

<b>Particulars</b>	<b>For year ended 31 March 2012</b>	<b>For year ended 31 March 2011</b>
<b>Income</b>		
Advisory and consultancy fees	—	50,000
Brokerage and commission	—	452,994
Interest on fixed deposits	—	1,049
Recovery of rent and property related costs	—	242,877
Interest earned on securities	29,075	132,582
	<b>29,075</b>	<b>879,502</b>
<b>Expenses</b>		
Brokerage and commission	—	113,234
Business promotion	—	50,575
Advertisement	—	93,648
Legal and professional charges	120,435	648,405
Communication	—	64,188
Office maintenance	—	93,638
Computer maintenance	—	20,374
Printing stationery	—	21,300
Staff welfare	—	2,917
Salaries, bonus and other allowances	—	(4,200)
Contribution to provident and other funds	—	52,141
Others	7,895	23
	<b>128,330</b>	<b>1,156,243</b>
<b>Prior period expense (net)</b>	<b>99,255</b>	<b>276,741</b>

**2.28 Earnings per share**

Earnings per share (EPS) are computed in accordance with AS 20—Earnings per Share by dividing the net profit after tax by the weighted average number of equity shares outstanding for the period.

<b>Particulars</b>	<b>Year ended 31 March 2012</b>	<b>Year ended 31 March 2011</b>
Net profit / (loss) after tax available for equity shareholders (A)	(13,917,614)	95,579,875
Equity Shares outstanding at the beginning of the year, including shares allotted subsequently pursuant to amalgamation (B)	25,471,973	25,288,433
Weighted average number of shares issued during the year	258,630	83,169
Weighted average number of equity shares for Basic EPS (C) (Face value of Rs. 6 each)	25,730,603	25,371,602
Add : Weighted average number of potential equity shares that could arise on conversion of employee stock option granted	—	151,646
Weighted average number of equity shares for Diluted EPS (D) (Face value of Rs.6 each)	25,730,603	25,523,248
<b>Basic EPS (A/C)</b>	<b>(0.53)</b>	<b>3.74</b>
<b>Diluted EPS (A/D)</b>	<b>(0.53)</b>	<b>3.72</b>

**2.29 Disclosures required under AS-15-Employee Benefits**

The Company has a defined benefit gratuity plan. The present value of obligation is determined based on actuarial valuation using the projected unit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

## i) Changes in the present value of the defined benefit obligation are as follows :

Particulars	Gratuity	
	Year ended 31 March 2012	Year ended 31 March 2011
Opening defined benefit obligation *	22,958,415	13,024,941
Interest cost	1,896,006	1,135,567
Current service cost	7,917,539	4,977,350
Past service cost (Vested benefits)	—	3,783,407
Past service cost (Non vested benefits)	(18,709)	13,740
Benefits paid	(2,925,285)	(1,530,849)
Actuarial (gain)/loss on obligation	(3,978,012)	1,526,194
Actuarial (gain)/loss due to assumption	(93,515)	—
<b>Closing defined benefit obligation</b>	<b>25,756,439</b>	<b>22,930,350</b>

\* Opening defined benefit obligation includes Rs. 1,430,328 of Almondz Insurance Brokers Private Limited which became a subsidiary with effect from 23 January 2010.

## ii) Changes in the fair value of plan assets are as follows

Particulars	Gratuity	
	Year ended 31 March 2012	Year ended 31 March 2011
Opening fair value of plan assets	15,648,845	10,028,005
Expected return	1,291,030	852,380
Contributions by employer	5,150,000	6,000,000
Benefits paid	(2,925,285)	(1,530,849)
Actuarial gain / (losses)	140,332	299,309
<b>Closing fair value of plan assets</b>	<b>19,304,922</b>	<b>15,648,845</b>

## iii) Statement of Profit and Loss

Particulars	Gratuity	
	Year ended 31 March 2012	Year ended 31 March 2011
Current service cost	7,917,539	4,977,350
Interest cost	1,896,006	1,135,567
Expected return on plan assets	(1,291,030)	(852,380)
Past service cost (Vested benefits)	—	3,783,407
Past service cost (Non vested benefits)	9,355	13,740
Actuarial (gain)/loss	(4,211,860)	1,226,884
<b>Net benefit expense</b>	<b>4,320,010</b>	<b>10,284,568</b>

## iv) Balance sheet

Particulars	Gratuity	
	Year ended 31 March 2012	Year ended 31 March 2011
Defined benefit obligation	25,756,438	22,930,350
Fair value of plan assets	19,304,922	15,648,845
<b>Plan (Liability) / Asset</b>	<b>(6,451,516)</b>	<b>(7,281,505)</b>

Note : Liability in respect of leave encashment at the end of the current year amounts to Rs. 7,835,382 (previous year Rs. 10,549,574).

**Notes to the Consolidated Financial Statements**

**(Amounts in Indian rupees)**

**v) Principal Actuarial Assumptions are as follows :**

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2011
Mortality table (LIC)	(1994-96)	(1994-96)	(1994-96)	(1994-96)
Discount rate	8.50%	8.25%	8.50%	8.25%
Expected rate of return on plan assets	8.50%	8.25%	—	—
Rate of escalation in salary per annum	7.50%	7.50%	7.50%	7.50%
Employee turnover up to 30 years of age	1%*	1%*	5%	5%
Above 30 years but up to 44 years of age	1%*	1%*	3%	3%
Above 44 years of age	1%*	1%*	1%	1%

The estimates of future salary increase considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors such as demand in the employment market and supply.

\* Withdrawal Rates 1% at each age and service related

Completed years of service	Withdrawal Rate
0 – 2	10.00%
3 – 4	5.00%
5 – 9	2.50%
10 or above	1.00%

**vi) Amount recognised in the current year and previous four years :**

Gratuity	31 March 2012	31 March 2011	31 March 2010	31 March 2009	31 March 2008
Defined benefit obligation	25,756,439	22,930,350	13,024,941	11,114,198	7,612,042
Fair value of plan assets	19,304,922	15,648,845	10,028,005	7,129,251	2,706,803
Surplus / (Deficit)	(6,451,516)	(7,281,505)	(2,996,936)	(2,307,838)	(5,689,369)
Experience adjustment in plan liabilities (Gain) / Loss	(3,421,115)	793,646	(1,907,099)	(122,556)	—
Experience adjustment in plan assets (Gain) / Loss	(140,332)	(299,309)	(1,279)	—	—

## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

## 2.30 Contingent Liabilities

Particulars		As at 31 March 2012	As at 31 March 2011
1	Suit filed by clients on the Company for recovery on account of unauthorized trades on stock exchanges / deficiency in services. These matters are pending before various dispute resolution authorities.	1,629,009	1,629,009
2	Suit filed by previous employees on the Company for recovery of their dues from Company. These matters are pending before various courts.	446,544	296,544
3	Show cause notice for service tax demand in relation to the financial year ended 31 March 2007 and 31 March 2008.	3,221,550	3,221,550
4	Show cause notice for service tax demand in relation to the financial year ended 31 March 2006 till the financial year ended 31 March 2009.	1,272,868	1,272,868
5	Show cause notice for service tax demand in relation to the financial year ended 31 March 2010.	—	1,297,359
6	Income-tax demand raised by assessing officer in respect of Financial year ended 31 March 2006.	4,054,709	5,379,709
7	Income-tax demand raised by assessing officer in respect of financial year ended 31 March 2007.	2,723,937	2,723,937
8	Tax deducted at sources demand raised by assessing officer in respect of financial year ended 31 March 2008 for Salary and non salary return.	3,137,010	3,137,010
9	Income Tax Demand in relation to A Y 2006-07, the matter has since been decided in favour of the Company in Income Tax Appellate Tribunal. (P.Y. Pending in appeal before ITAT)	—	5,032,080
10	Income Tax Demand in relation to A Y 2007-08, the matter has since been decided in favour of the Company in Income Tax Appellate Tribunal. *- (Net of taxes deposit / TDS credited claimed as per the record to the Company) (P.Y. Pending in appeal before ITAT)	—	68,695*
<b>Total</b>		<b>16,485,627</b>	<b>24,058,761</b>

- i. In the wake of Almondz Insurance Brokers Private Limited's association with Willis, Europe effective from 20th September 2010, a suit has been filed by Willis India Insurance Brokers Pvt. Ltd. at Bombay High Court wherein the Company along with its holding company namely Almondz Insurance Brokers Pvt. Ltd. were made parties claiming various reliefs which included payment of premium collected or other money payable under outstanding insurance/ reinsurance policies along with interest @18% p.a. Almondz is contesting the said case. The liability, if any, cannot be determined at this stage and would depend upon final outcome of the said suit.
- ii. Almondz Insurance Broking Private Limited (AIBPL) has made a commitment towards intangible assets under development (net of advance) of Rs, 1,710,000 (previous year Nil).
- iii. In relation to two of the merchant banking assignments executed by the Company, Securities Exchange Board of India ('SEBI') had passed an ex parte ad-interim order prohibiting the Company from taking up any new merchant banking assignments. The Company has filed its response with SEBI and the matter is under SEBI's consideration. In view of the uncertainty of the ultimate outcome, the impact, if any, cannot be presently ascertained. Auditors have also drawn attention to this in their audit report as an emphasis of matter.

**Notes to the Consolidated Financial Statements**

(Amounts in Indian rupees)

**2.31 Details of income and expenditure in foreign currency :**

**Income earned in foreign currency**

S. No.	Particulars	For year ended	
		31 March 2012	31 March 2011
1	Professional fee received	—	220,500
2	Brokerage	90,016,421	12,323,670
3	Consultancy fee	23,846,268	2,081,316
	<b>Total</b>	<b>113,862,689</b>	<b>14,625,486</b>

**Expenditure incurred in foreign currency**

S. No.	Particulars	For year ended	
		31 March 2012	31 March 2011
1	Travelling	2,494,435	163,253
2	Membership and subscription	—	751,530
3	Books and periodicals	21,095	—
4	Professional and legal fee	—	23,463,040
5	Business promotion	—	41,298
6	Bank charges	41,119	54,902
7	Reinsured expenses	30,695	87,908
8	Director sitting fee	20,000	—
	<b>Total</b>	<b>2,607,344</b>	<b>24,561,931</b>

**Remittance in foreign currency on account of dividends to non-resident shareholders**

Number of		Amount remitted for the previous year ended	
Shareholders	Equity shares	31 March 2011 <sup>1</sup>	31 March 2010 <sup>2</sup>
1	3,091,500	1,298,430	1,298,430

<sup>1</sup> Amount of dividend net of tax of Rs. 215,653 for the year ended 31 March 2011 remitted during the year ending 31 March 2012.

<sup>2</sup> Amount of dividend net of tax of Rs. 220,668 for the year ended 31 March 2010 remitted during the year ending 31 March 2011.

**2.32 Related Party Disclosures**

**(A) Names of related parties and description of relationship :**

**(i) Holding company**

Almondz Capital and Management Services Limited (ACMS) [till 11 June 2010]

**(ii) Investing parties in respect of which the company is an associate**

Almondz Capital and Management Services Limited (ACMS) [w.e.f. 12 June 2010]

**(iii) Enterprises over which Key Managerial Personnel are able to exercise significant influences**

Innovative Money Matters Private Limited (IMMPL)  
Rinku Sobti Fashions (P) Limited (RSFPL)

**(iv) Key Managerial Personnel**

Mr. Vinay Mehta  
Mr. Navjeet Singh Sobti  
Mr. Jagdeep Singh

Mr. Rohit Jain  
Mr. Salil Ranjan Das  
Mr. Atul Vijay Singh  
Mr. G. P. Agrawal  
Mr. Rajiv Agarwal

**(v) Relatives of Key Managerial Personnel**

Mrs. Bulbul Dhir Mehta  
Mrs. Gurpreet N.S. Sobti  
Mrs. Anu Jain  
Mrs. Veena Jain  
Navjeet Singh Sobti (HUF)  
Jagdeep Singh (HUF)  
R.C. Jain & Sons (HUF)  
Rohit Jain (HUF)  
Mr. R.C. Jain  
Ms. Ritu Jain  
Mr. Surinderjeet Singh  
Ms. Bimla Kaur  
Mr. Manpreet Singh  
Mrs. Parmeet Kaur

## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

**B) Transactions during the year and the balances outstanding as at the year end with the related parties:****For the year ended 31 March 2012**

## 1. Transactions with investing parties in respect of which the Company is an associate and key managerial personnel

Particulars	ACMS	Vinay Mehta	Navjeet Singh Sobti	Jagdeep Singh	G. P. Agrawal	Rohit Jain	Rajiv Agarwal	Salil Ranjan Dass	Atul Vijay Singh
<b>Income</b>									
Interest received	25,46,383	—	—	—	—	—	—	—	—
Reimbursable expenses	16,900	—	—	—	—	—	—	—	—
Recovery of expenses	9,151	—	—	—	—	—	—	—	—
Brokerage received	3,694,185	104,778	—	38,417	—	—	—	—	—
Delay payment charges received on broking activities	—	—	7	43	—	—	—	—	—
Depository charges received on broking activities	—	252	32	653	—	—	—	—	—
<b>Expenditure</b>									
Purchase of bonds	3,491,916	—	—	—	—	—	—	—	—
Remuneration	—	8,286,300	10,439,159	4,841,072	—	2,771,256	10,804,848	1,655,150	10,079,999
Rent paid	137,875	—	—	—	—	—	—	—	—
Director sitting fee	—	—	5,000	18,000	24,000	—	—	—	—
Dividend paid	—	—	—	—	—	712,500	—	—	—
Interest paid	835036	—	—	—	—	—	—	—	—
<b>Assets / Liabilities</b>									
Loan taken	78,450,000	—	—	—	—	—	—	—	—
Repayment of loan taken	109,700,000	—	—	—	—	—	—	—	—
Loan granted	118,400,000	—	—	—	—	—	—	—	—
Repayment of loan granted	159,800,000	—	—	—	—	—	—	—	—
<b>Closing balances</b>									
Short-term loans and advances (Loan given)	58,600,000	—	—	—	—	—	—	—	—
Trade payable	3,965,285	—	—	208	—	—	—	—	—
Short-term loans and advances (Interest receivable)	2,131,804	—	—	—	—	—	—	—	—
Employees stock option exercised during the year	—	—	200,000	—	—	—	—	—	—
Employee stock option outstanding	—	1,000,000	525,000	—	—	—	—	—	—

**Notes to the Consolidated Financial Statements**

**(Amounts in Indian rupees)**

- 2 (i) Transactions with enterprises over which Key Managerial personnel are able to exercise significant influence and relatives of Key Managerial Personnel

Particulars	IMMPL	RSFPL	Navjeet Singh Sobti (HUF)	Bulbul Dhir Mehta	Gurpreet N.S. Sobti	Jagdeep Singh (HUF)	Surinderjit Singh	Bimla Kaur	Manpreet Singh
<b>Income</b>									
Sale of shares / securities	—	—	2,111,621	—	—	—	—	—	—
Brokerage received	—	—	—	—	—	1,700	—	—	47,348
Delay payment charges received on broking activities	—	—	—	—	—	—	9	9	945
Depository charges received on broking activities	1,103	—	—	—	—	26	—	13	710
<b>Expenditure</b>									
Rent paid	—	688,000	—	—	3,600,000	—	—	—	—
Loans and advances to others	—	172,000	—	—	270,000	—	—	—	—
<b>Closing balances</b>									
Trade receivable	551	—	—	—	35	—	35	35	—
Short-term loans and advances	—	1,032,000	—	—	—	—	—	—	—
Trade payables	—	—	—	—	—	48,431	—	—	286,220

- (ii) Transactions with enterprises over which Key Managerial Personnel are able to exercise significant influence and relatives of Key Managerial Personnel

Particulars	R.C. Jain	R.C. Jain & Sons (HUF)	Rohit Jain (HUF)	Veena Jain	Anu Jain	Ritu Jain
<b>Expenditure</b>						
Dividend paid	337,500	450,000	600,000	1,135,000	750,000	425,000
Interest paid	—	—	—	—	—	—
Asset sold during the year	—	—	600,000	—	—	—
Loans and advances to others	—	—	—	—	—	—
<b>Closing balances</b>						
Trade receivables	—	—	—	—	—	—
Short-term loans and advances	—	—	—	—	—	—
Trade payables	—	—	—	—	—	—



## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

## For the year ended 31 March 2011

## 1. Transactions with investing parties in respect of which the Company is an associate and Key managerial personnel

Particulars	ACMS	Vinay Mehta	Navjeet Singh Sobti	Jagdeep Singh	G. P. Agrawal	Rohit Jain	Rajiv Agarwal	Salil Ranjan Dass	Atul Vijay Singh	Others
<b>Income</b>										
Interest received	7,45,438	—	—	—	—	—	—	—	—	—
Recovery of expenses	17,435	—	—	—	—	—	—	—	—	—
Brokerage received	11,811,026	5,034	—	32,361	—	—	—	—	—	—
Delay payment charges received on broking activities	4,44,174	—	—	1,429	—	—	—	—	—	—
Depository charges received on broking activities	12,790	79	35	604	—	—	—	—	—	—
<b>Expenditure</b>										
Purchase of bonds	50,693,356	—	—	—	—	—	—	—	—	—
Remuneration	—	8,286,300	10,339,922	4,846,290	—	—	—	3,621,396	—	4,039,606
Rent paid	2,283,216	—	—	—	—	—	—	—	—	—
Dividend paid	5,314,392	—	21,294	119,784	—	570,000	—	—	—	—
Interest paid	7,173,864	—	—	—	—	—	—	—	—	—
<b>Assets / Liabilities</b>										
Loan taken	424,600,000	—	—	—	—	—	—	—	—	—
Repayment of loan taken	393,350,000	—	—	—	—	—	—	—	—	—
Loan Granted	436,150,000	—	—	—	—	—	—	—	—	—
Repayment of loan granted	416,150,000	—	—	—	—	—	—	—	—	—
Share Capital received	2,500,000	—	—	—	—	—	—	—	—	—
<b>Closing balances</b>										
Trade receivables	—	—	—	4,688	—	—	—	—	—	92
Loan given	31,250,000	—	—	—	—	—	—	—	—	—
Loan taken	100,000,000	—	—	—	—	—	—	—	—	—
Short - term loans and advances	1,287,140	4,086,300	—	646,290	—	—	—	—	—	—
Trade payables	3,052,478	—	—	—	—	—	—	—	—	—
Employees Stock Option Exercise during the year	—	—	—	25,000	—	—	—	—	—	—
Employee Stock Options Outstanding	—	1,000,000	—	725,000	—	—	—	—	—	—

**Notes to the Consolidated Financial Statements**

**(Amounts in Indian rupees)**

**2. (i) Transactions with enterprises over which Key Managerial Personnel are able to exercise significant influence and Relatives of Key Managerial Personnel**

Particulars	IMMPL	RSFPL	M.S. Sobti (HUF)	Bulbul Dhir Mehta	Gurpreet N. S. Sobti	Parmeet Kaur	Jagdeep Singh (HUF)	Surinderjit Singh	Bimla Kaur	Manpreet Singh	Others
<b>Income</b>											
Brokerage received	—	—	—	—	—	3,614	1,162	—	—	8,954	10
Delay payment charges received on broking activities	9	—	—	—	—	15	—	—	—	—	80
Depository charges received on broking activities	276	—	—	—	—	238	53	62	49	154	—
<b>Expenditure</b>											
Rent paid	—	—	—	—	3,600,000	—	—	—	—	—	—
Dividend paid	—	—	—	—	21,000	—	—	—	—	—	—
<b>Closing balances</b>											
Trade receivables	—	—	—	—	—	—	—	—	—	—	127
Trade payables	—	—	—	—	—	8,956	3,011	—	—	—	—

**(ii) Transactions with enterprises over which Key Managerial Personnel are able to exercise significant influence and relatives of Key Managerial Personnel**

Particulars	R.C. Jain	R.C. Jain & Sons (HUF)	Rohit Jain (HUF)	Veena Jain	Anu Jain	Ritu Jain	Others
<b>Expenditure</b>							
Remuneration	—	—	—	—	235,000	—	—
Dividend Paid	270,000	360,000	480,000	908,000	600,000	—	345,480

Note : There are no outstanding closing balances due to /from above parties as at 31 March 2011

## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

## 2.33 Segment Reporting

For the year ended 31 March 2012

Particulars	Debt and equity market operations	Corporate finance and advisory fee	Distribution operations	Equity broking division	Financial activities	Commodity broking operation	Insurance broking operation	Unallocable	Total
<b>Segment Revenue</b>									
Segment Revenue	60,786,297	219,284,444	192,736,743	108,992,717	50,818,306	27,752,353	410,491,401	—	1,020,043,955
<b>Segment Results</b>									
Segment Results including other income but before Interest income, interest expenses, taxes and prior period expense (net of income)	35,390,187	70,640,330	11,166,730	(40,945,389)	33,731,095	2,692,443	47,846,949	(109,945,195)	1,850,528
Add : Interest income	—	—	—	—	—	—	—	460,588	60,926,152
Less : Interest expenses	—	—	—	—	—	—	—	—	8,177,748
Less : Prior period expenses (net of income)	—	—	—	—	—	—	—	(89,425)	(89,425)
Less : Finance charges (other than interest on working capital loan)	—	—	—	—	—	—	—	31,365,131	34,926,325
Profit / (Loss) before tax	—	—	—	—	—	—	—	(140,760,313)	19,762,032
Less : Provision for tax for the Year	—	—	—	—	—	—	—	1,532,747	17,241,111
Less : Prior period tax	—	—	—	—	—	—	—	135,992	353,477
Net Profit / (Loss) after tax	—	—	—	—	—	—	—	(142,429,052)	2,167,444
<b>Other Information</b>									
Segmental assets	315,594,251	54,606,418	115,895,953	282,639,714	332,079,039	72,344,488	168,464,261	804,631,415	2,146,255,539
Segmental liabilities	125,017,912	6,864,683	62,164,774	96,946,937	7,461,962	59,678,685	86,834,276	275,504,291	720,473,520
Capital expenditure	—	—	—	11,809,576	—	—	—	345,948,788	357,758,364
Depreciation	—	—	—	11,416,513	—	—	—	15,780,567	27,197,080
Non cash expenditure other than depreciation (net of non-cash income)	—	7,299,825	(261,702)	6,399,156	—	—	—	6,199,978	19,637,257

**Notes to the Consolidated Financial Statements**

**(Amounts in Indian rupees)**

**For the year ended 31 March 2011**

Particulars	Debt and equity market operations	Corporate finance and advisory fee	Distribution operations	Equity broking division	Commodity broking operation	Insurance broking operation	Unallocable	Total
<b>Segment Revenue</b>								
Segment Revenue	152,963,751	322,610,546	144,181,641	169,074,604	21,541,037	148,740,301	—	959,111,880
<b>Segment Results</b>								
Segment Results including other income but before Interest income, interest expenses, taxes and prior period expense (net of income)	86,602,693	154,189,515	26,219,557	(35,371,098)	3,098,089	34,622,641	(127,650,215)	143,507,694
Add : Interest income	—	—	—	—	—	—	34,320,867	40,522,725
Less : Interest expenses	—	—	—	—	—	—	34,584,499	42,334,916
Less : Prior period expenses (net of income)	—	—	—	—	—	—	28,788	276,741
Profit / (Loss) before tax	—	—	—	—	—	—	(127,942,635)	141,418,762
Less : Provision for tax for the Year	—	—	—	—	—	—	41,561,431	41,561,431
Less : Prior period tax	—	—	—	—	—	—	1,048,148	1,048,148
Net Profit / (Loss) after tax	—	—	—	—	—	—	(170,552,214)	98,809,183
<b>Other Information</b>								
Segmental assets	501,899,222	74,818,966	85,882,206	423,037,381	4,5257,840	127,701,449	866,501,588	2,125,098,652
Segmental liabilities	225,490,414	12,906,567	39,636,105	155,429,259	36,698,473	1,00,011,703	458,278,866	1,028,451,387
Capital expenditure	—	—	—	11,809,576	284,199	4,148,101	345,962,187	362,204,063
Depreciation	—	—	—	11,416,513	313,863	782,563	15,791,590	28,304,529
Non cash expenditure other than depreciation (net of non-cash income)	—	7,299,825	(261,702)	6,399,156	329,020	3,170,088	6,878,320	23,814,707

**2.34 Notes :**

(I) **Business Segments:** The entity's business segments have been classified as above. This business segregation forms the basis for review of operating performance by the management. The following are the business segments identified by the management :

- **Debt and Equity Market operations** comprises dealing/trading in securities and bonds which involves exposure to market risk.
- **Corporate finance and advisory** comprises merchant banking, underwriting commission, corporate and infrastructure advisory and loan syndication fees and arranger of debts/bonds, etc. These are mainly in the nature of services involving no or negligible risk.
- **Distribution activities** comprises broking and commission of mutual funds, equity initial public offerings, capital gain bonds, fixed deposits of government undertakings and RBI taxable bonds, etc. These are mainly in the nature of services involving no or negligible risk.
- **Equity Broking division activity** comprises stock and share broking on National Stock Exchange of India Limited and Bombay Stock Exchange Limited and other related ancillary services.
- **Commodity broking** operations primarily involves vacillating trades by customers in the various commodity exchanges in the country.
- **Financial Activities** comprises granting of loans to corporate in India.
- **Insurance Broking Operations** involve facilitating customer in obtaining insurance policies from insurance companies in India.

## Notes to the Consolidated Financial Statements

(Amounts in Indian rupees)

(II) The shareholders of the Company approved transfer or otherwise disposal of the Company's undertakings comprising debt arrangement operations, portfolio management services and wholesale debt market operations to Almondz Finanz Limited, a 100% subsidiary of the Company. However, the procedural formalities for implementing the approval granted by the shareholders have not yet been finalised. The Board has decided not to proceed further in the matter for the time being.

## (III) Accounting policies for segment reporting

- Segments are identified by the management, keeping in view the dominant source and nature of risks and returns and the internal organisation and management structure.
- Revenue and expenses have been identified to a segment on the basis of relationship to the operating activities of the segment.
- Revenue and expenses, which relate to the company as a whole and are not allocable to a segment on reasonable basis, have been disclosed as 'unallocable'.
- Segment assets and liabilities represent assets and liabilities in respective segments. Tax related assets, and other assets and liabilities that are not reported or cannot be allocated to a segment on a reasonable basis, have been disclosed as 'unallocable'.

## 2.35 Operating lease obligations

The group has taken various office premises on operating lease. The total of the future minimum lease payments under non-cancellable operating lease are as follows :

Particulars	Year ended 31 March 2012	Year ended 31 March 2011
Lease payments for the year	45,184,654	41,586,816
Minimum Lease payments due :	—	—
Not later than one year	11,573,611	29,006,454
Later than one year but not later than five years	19,534,726	69,884,550
Later than five years	3,849,524	14,622,610

As per our report of even date attached.

For **B S R & Co.**  
Chartered Accountants  
Firm Registration No. 101248W

For and on behalf of the Board of **Almondz Global Securities Limited**

**Jiten Chopra**  
Partner  
Membership No. : 092894

**Ajay Pratap**  
Company Secretary

**Govind Prasad Agrawal**  
Chief Finance Officer

**Vinay Mehta**  
Managing Director

**Jagdeep Singh**  
Wholetime Director

Place : Gurgaon  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

**ALMONDZ GLOBAL SECURITIES LIMITED**  
(Consolidated financial statements) Financial year ended 31 March 2012

**Details of Subsidiary Companies pursuant to approval obtained u/s 212(8) of the Companies Act, 1956**

(Currency : Indian rupees in lacs)

Name of the Subsidiary Company	Almondz Commodities Private Limited	Almondz Finanz Limited	Almondz Debt Advisors Limited	Almondz Retail Equity Limited	Almondz Insurance Brokers Private Limited	Almondz Re-Insurance Brokers Private Limited
Total issued Equity Share Capital of the Subsidiary Company	175.00	2,000.00	5.00	5.00	180.00	200.00
Reserves of the Subsidiary	—	220.76	—	0.14	360.00	276.28
Total Assets of the Subsidiary	771.79	5,996.67	5.38	5.26	1,340.82	859.42
Total Liabilities of the Subsidiary	596.79	3,775.91	0.38	0.12	800.82	383.14
Investments (other than in subsidiary companies)	—	200.00	—	—	3.90	—
Total Turnover	322.53	686.63	—	0.38	2,755.74	1,371.04
Profit / (Loss) before taxation	26.64	139.67	(2.54)	0.27	196.46	282.00
Provision for taxation (including Deferred Tax and Fringe Benefit tax)	1.38	43.14	—	0.06	65.89	91.98
Profit / (Loss) after taxation	25.26	96.53	(2.54)	0.21	130.57	190.02

For and on behalf of the Board of **Almondz Global Securities Limited**

**Ajay Pratap**  
Company Secretary

**Govind Prasad Agrawal**  
Chief Financial Officer

**Vinay Mehta**  
Managing Director

**Jagdeep Singh**  
Wholetime Director

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012

Place : New Delhi  
Date : 30th May, 2012



## PROXY FORM

### ALMONDZ GLOBAL SECURITIES LIMITED

Regd. Office : 2nd Floor, 3 Scindia House, Janpath, New Delhi - 110 001

Regd. Folio No.....

I / We.....  
of.....in the district of.....  
being a member/members of the above named company, hereby appoint.....  
of.....in the district of.....  
or failing him/her.....  
of.....in the district of.....  
as my / our proxy to vote for me/us on my / our behalf at the 18th Annual General Meeting of the Company to be held on Friday, the 28th day of September, 2012 at 1.30 P.M. and at any adjournment thereof.

Signed this.....day of.....2012

No. of Shares held.....Ref. No. / L.F. No.....Client I.D.No.....D.P. I.D.No.....

Signature(s).....

Address.....

Affix a  
Revenue  
Stamp of  
Re. 1/-

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Company's Registered Office at 2nd Floor, 3 Scindia House, Janpath, New Delhi - 110 001 not less than 48 hours before the meeting.

.....(Tear Here).....



### ALMONDZ GLOBAL SECURITIES LIMITED

Regd. Office : 2nd Floor, 3 Scindia House, Janpath, New Delhi - 110 001

## ATTENDANCE SLIP

Regd. Folio No.....

Name of the Shareholder/s / Proxy Mr. / Mrs. / Ms. ....  
(In Block Letters)

I Certify that I am the Registered Shareholder/Proxy for the Registered Shareholder/s of the Company.

I hereby record my presence at the 18th Annual General Meeting of the Company being held on Friday, the 28th day of September 2012 at 1.30 P.M. at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj (Regd.), 2, Raj Niwas Marg, Civil Lines, Delhi - 110054

Client I. D.No. ....

D. P. I. D. No.....

Signature of the Shareholder/Proxy

#### Notes :

1. Members are requested to bring their copies of Annual Report to the meeting.
2. Members having any queries on accounts are requested to send them seven days in advance to the Company to enable it to make the relevant information ready.